

# THE CORPORATE SOCIAL RESPONSIBILITY IN OLTENIA REGION

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## *Abstract:*

*Being confronted with a series of technological, economic and social problems in the context of the market economy, the Romanian enterprises have come to be aware of the necessity of personalizing the management practices for the human resources, the social responsibility and the social audit in spite of the fact that there are some clear regulations in the Romanian legislation. The study enabled the evaluation of the impact of promoting the Social Responsibility on the competitiveness of the companies from four large activity sectors from the Oltenia Region: automobile, petroleum sector, construction materials, production and transport of electric energy.*

*Key words: Corporate Social Responsibility, Oltenia Region, social audit.*

## **Present stage of CSR in Romania**

As a member of the European Union, Romania has to contribute to realizing the strategic objective established in Lisbon in 2000 - that is to change the economy of the European Union into a competitive and dynamic knowledge economy, capable of a long lasting economic growth accompanied by social cohesion [4, p.6].

Investing in Employees has as a result a growth of the work productivity, an improvement of the quality and the creation of a new image of the organization in the business field [13].

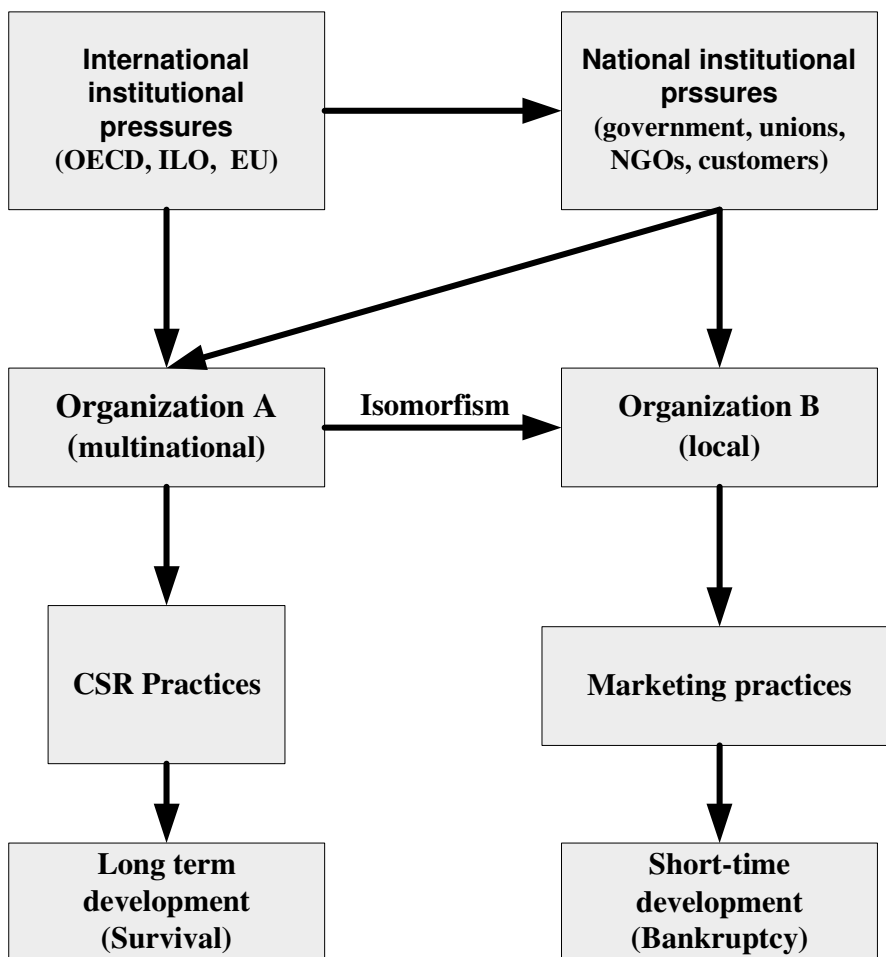
The shareholders [5, 7] cannot conceive that in reality, the manager and the employees pursue different objectives:

- **the manager** – realising profit in order to satisfy the shareholders and to keep his post;

- **the employees** - keeping their workplace, no matter the conditions at work the quantitative realisation of the products - without being concerned about their quality.

Consequently, corporate social responsibility activities have the role to develop specific projects with real impact on organization [11].

Some organizations see this investment in employees as a luxury [12] – a useless expense without taking into account the fact that this erroneous perception leads to bankruptcy (Figure 1).



**Figure 1. The impact of the institutional pressures on the Romanian organizations**

Romanian Labor Code [9] is the law that contributes, with big difficulty, to the social information promotion through rules enforced to the work time management, work security, payment system, hiring and to the lay-off of the employees.

Not a single law in Romania forces the organizations to publish certain social information or even to realize an audit of the corporate social responsibility.

For example, the French Law (New Economic Regulation - NER), promulgated in 15th May 2001, forces

the French companies, quoted on the exchange, to publish some social information.

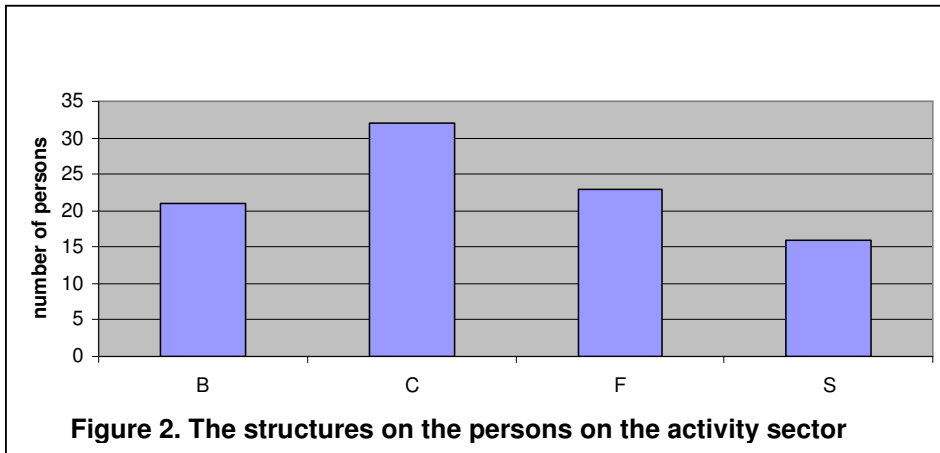
In Romania, the reporting related to the social involvement is superficial, mostly quantitative than qualitative. The debating over this subject refers rather to the dimensions of this involvement, to the phenomenon catalysts and the barriers against it and to the spreading, on a larger scale, of this type of behaviour, especially within local organisations [3, 6].

## The Case Study

This study enabled the evaluation of the impact of promoting the Social Responsibility on the competitiveness of the companies from four large activity sectors from the Oltenia Region:

automobile, petroleum sector, construction materials, production and transport of electric energy.

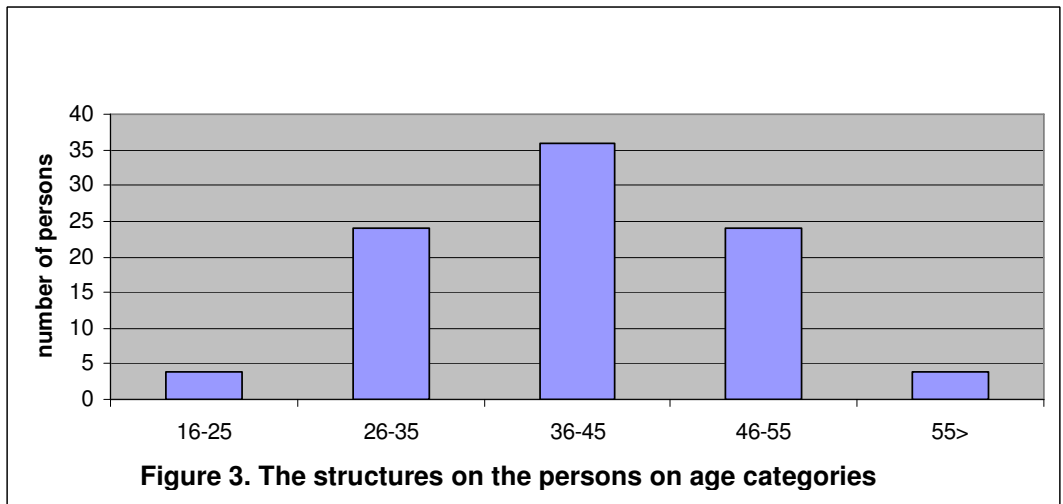
The structure of the interviewed persons taken from different activity sectors can be seen in the graph below:



From this graph one can see that in section B – MINING AND QUARRYING - there were questioned 21 persons, in section C – MANUFACTURING – 32 persons, in

Section F – CONSTRUCTIONS – 23 persons and in section S – OTHER SERVICE ACTIVITIES - 16 persons

The structure on age groups is given in the following graph:



The structure on age groups is not homogenous - the main average is the age group between 36 and 45 years old - 36 persons, followed then in the same amount by the age groups between 26

and 35 years old and 46-55 years old with 24 persons each and in the age groups 16-25 years old and over 55 years old 4 persons. The share is

owned by the women - 56 persons and 36 persons are men

This conclusion also resulted from our research, because 41 persons (**44, 57%**) considered that the social responsibility of a financial support or that the actions of the voluntaries were directed towards some clauses which deal with solidarity, environment or culture. Only one person from the interviewed ones did not define the social responsibility.

Moreover, **90 persons (97,83 %)** consider themselves to be responsible persons from a social point of view and only **2 persons (2,17 %)** consider that they do not have social responsibilities.

The situation changes when we refer to the responsibility of the organization. The problems with which the Romanian enterprises are confronted, from the point of view on the conformity auditing comes from the fact that in Romania there are no social auditors which could prevent the difficulties related to the restructuring of the enterprises or to the firing procedures.

In the Green Paper of the European Union from July 2002, one can notice the necessity of promoting the social auditing according to a strict professional deontology in order to increase the economic and social performance of the enterprises.

48 persons (52,17%) consider their enterprise to be responsible from a social point of view, 41 persons (44,57 %) consider their enterprise not responsible from a social point of view, and 3 (3,26 %) cannot appreciate if the enterprise where they carry out their activity is responsible from a social point of view.

The answers for the question – Being socially responsible affects negatively the profit of the company? – were surprising – 89 persons (96,74 %) responded negatively – social responsibility does not have any negative effects on the profit of the organization, and only 2 persons

(2,17%) responded positively and 1 person responded that he/she does not know.

The answers for the question – Being socially responsible can contribute to improve the profits of the company? – 77 persons (83,70%) responded positively, 13 persons (13,13%) responded negatively and 3 persons responded that they do not know.

So, to the question – Have your company already developed activities in the scope of Social Responsibility - more than 50% from the employees responded negatively - that the company where they are working did NOT elaborate any projects referring to the social responsibility.

The question – Does your company intends to develop any activity in the next 12 months? - had only 17 positive answers (18,48%), the rest of 81, 52 % being uncertain and pessimistic.

The Romanian organisations avoid elaborating social and environmental reports, preferring to publish a few aleatory data [2, 14].

I also noticed that a series of difficulties with which the enterprises are confronted in the field of human resources management are strongly connected with the labor safety, the quality of production and the economic performance of the enterprise [1].

## Conclusions

The interviews with the managers and the employees have led to the conclusion that in the Romanian enterprises the practices related to the human resources management are not perceived as a system of strategies with social and economic implications.

According to the previous data it becomes clear that the development of the corporate social responsibility is a slow and progressive process.

The financial reports are sporadic and many times inconsistent, because in Romania only a few

companies (often multinational companies) publish – except for the financial results, which are imposed by the economic legislation, other types of reports - social and environmental.

Romanian organisations consider corporate social responsibility as a tool of the marketing that can bring them profit and not as an ensemble of strategies of the economic, social and environment involvement, with a lot of benefits for the Romanian society.

Logically, there is still a question:

Why the Romanian organisations do not simply adopt and use an efficient set of *ideals, speeches and control techniques*, from the field of the corporate social responsibility, given by both the international organisations (OECD - The Organisation for Economic Cooperation and Development, ILO - The International

Labour Organisation, European Union), and by developed countries (USA, France, England, Germany, Spain, Italy)?

The answer is somehow simple – it is because new institutions from the CSR field are not familiar to them. Moreover, *ideals* are not accompanied by efficient *speeches* that represent them and, consequently, *control techniques* do not make possible the expression and the putting into practice of the fragile relations based on speech.

The debate related to the social and environmental involvement of the organisations, aims especially the dimensions of social involvement, the catalysers of the social phenomena, the elimination of the barriers that stand in the way of a large scale development of the ethical and social behaviour.

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