

CSR BENCHMARKING IN THE ROMANIAN BUSINESS AND ACADEMIC SECTOR OF CLUJ-NAPOCA REGION

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Abstract:

The challenge of the present article was to create an index or otherwise a database of CSR contributions that can be quantified and which should clarify the position of a company on the ladder of CSR, and also would enhance the comparability of efforts undertaken by socially responsible companies and institutions. 22 CSR aspects were taken into consideration concerning the interests of the banking sector, the commercial and academic sector, from Cluj-Napoca region, Romania. The benchmarking analysis took into consideration CSR aspects such as economical, environmental and social sustainability, the three pillars of sustainable development. The CSR aspects referred to all the stakeholders involved in those three sectors: employees, suppliers, costumers, community, shareholders and competitors.

Key words: benchmarking, sustainable development, management strategy, corporate social responsibility

Introduction

A new tool for quality management, benchmarking, was first used in 1981 by the U.S. Company Xerox in an attempt to regain the position previously held and more, achieving outstanding performance, which ultimately led it not only to develop a new management tool, but also to implement it in all its branches and structures. The new philosophy adopted was based on the Chinese classical art of war as illustrated by the philosopher Sun Tzu (500 BC): "If you know your enemy and you know yourself, you should not be afraid of the result of 100 wars", which he combined it in practice and theory, with the ancient Japanese word "dantotsu" whose meaning is "striving to become the best of the best." This maximum was the basis for the future strategy of Xerox, which was based on systematic

collection of information relating to both its direct rivals, as well as to those concerning its own work. Furthermore the process was taken by many companies (currently 31% of U.S. organizations with a herd of at least 100 employees practice benchmarking) including Xerox's competitors. The concept of benchmarking, which comes from the English word "benchmark" means terminal, reference, and it is practiced mainly in United States. This concept must be understood as the basis for the ongoing evolution of the external world and it's consists in comparing one's organization with one or more references identified as partners in a given field. Benchmarking, even though it may seem a complex and complicated term, ultimately it is covering a fairly simple idea, namely that of finding in the economic environment and not only that company

or organization that performs at the highest level a process or task for then to adapt that process in one's company. In other words, we are talking about comparing us with the champions of a particular area in order to learn from their experience and success hoping to gain excellence. Thus, sometimes the results of a benchmarking study are spectacular. "Commission on Industrial Productivity" from the Massachusetts Institute of Technology, pointed out that benchmarking has been in the recent years, a decisive factor in providing the largest and most successful organizations in absolutely all areas of the economy. Currently, the rapid development of benchmarking determined its inclusion among the free tools of quality improvement in ISO 9004-4: Quality management and quality system elements-Part 4 - To Guide for better quality. Relevant authorities have come with a relatively high number of new definitions of tools used both in quality management and marketing. Among the most significant definitions formulated over time, the most striking to note are: "Benchmarking is a continuous process of evaluation of products, services and their practices, compared with the most experienced competitors and leaders recognized worldwide." (General Manager of the company DT Kearns Xerox); "Benchmarking is the process of identifying, understanding and adopting the methods and processes of any organization in the world remarkable for their organizations improve performance."; "Benchmarking is the best research method of processes, procedures or results that are relevant to achieving one's business objectives. The aim is therefore to learn to improve one's performance." (K. J. Zink, 1998) Like any other complex economic process, benchmarking has also suffered some changes over time. If at first it could easily be mistaken as method of obtaining the secrets of success by finding and acquiring

information from rival companies or industry-leading competitors, now we can talk about partner companies who practice benchmarking with a single purpose, meaning the continuous self-improvement. In support of this statement, the definitions of benchmarking have also suffered some changes especially in the period between 1993-2002, as can be observed: "It is a matter of imitating the behavior of success."; "Comparative and systemic of key performance indicators with those of other top competitors located on a market.", "It is a form of human curiosity with which opportunities for partnerships and cooperation are exploited"(Metin Kozak, 2002).

Although benchmarking is the main tool of analysis of the present project, much of our attention was directed towards analyzing the phenomenon of corporate social responsibility developed in the Romanian business and academic sector. Corporate social responsibility has received in recent years a growing importance. Frieman considered CSR as "the missing link of capitalism", but no matter what interpretation we offer it, one thing is certain, namely that the interests of corporations or organizations in general and the common well being can not resonate for a long period of time. Society's debates on issues of ethics and corporate social aspects have forced traders to react to these invectives. Social Responsibility (Corporate Social Responsibility) of a company, institution or any organization of its kind, can be correctly interpreted by stakeholders and society as a whole, only if the shares of responsibility for society and the environment are transparent. An effective method, we say to achieve this transparency of CSR efforts in the field is benchmarking, for exemple the creation of an index or database so that all CSR contributions can be quantified. This would clarify the position of companies on the corporate

social responsibility scale and also would enhance the comparability of efforts of responsibility and of accountability also undertaken by entities in the economic environment.

Following a contempt linear trajectory from theory to practice, our project initially analyzes theoretically the advantages and disadvantages that benchmarking could have on the study itself, with relevant examples of CSR benchmarking methods that ultimately exposed and defined the research method proposed by us, through a concrete example from the business and academic sector in the region of Cluj-Napoca, Romania.

CSR benchmarking models

Corporate social responsibility incorporates two elements: firstly it points out the companies' efforts related to the long-term involvement in public life and social communities where they operate and secondly it illustrates the relationship they develop with all the stakeholders and society as a whole. This long-term involvement provides the companies and institutions the title of indirect value creation entities. The long-term value creation is not only economic but completes the path required by the Triple P bottom line theory, namely: profit - the economic dimension, people - the social dimension and the Planet - the environmental dimension. It can be seen quite easily then that the Triple P bottom line simply follows the basic principles of sustainable development.

The economic size, the income, does not give only the financial strength

and continuity of the company on the market but ensures value creation through production of goods and services and creating jobs. The financial profits of an organization show the appreciation of the consumers and the efficiency with which the inputs are being used. The social dimension is reflecting the effects of the overall activity of a company or an institution on the human capital both inside and outside the organization, here can be included safety issues, intra-firm relations, public relations etc. The environmental dimension, illustrates the effects on the natural environment.

The second important element is the relationship that the company/organization has with stakeholders and society. A balanced relationship between these parties is represented mainly by the economic entity impartiality towards all stakeholders. Justified answers the company's shares, transparency and fidelity are other elements essential for the company's social responsibility or for any institution to be considered effective. Starting from this, benchmarking can be considered an effective method of simplifying these relationships, increasing business confidence in society and promoting greater competitiveness between major economic actors. Although the CSR benchmarking is not widespread in Romania, we may find through foreign literature some relevant applications of this strategy. The main examples can be traced in Table 1.

Table 1

CSR benchmarking models

	Dimension	Quatitative method/qualitative method	Information source	Methodology
Krut și Munis (1998)	Ecologic dimension (19 elements)	Qualitative (typographic symbols)	Public depositions, official documents	The chosen dimension does not have any weight
Graves & co. (2002)	Social, economic, ecologic dimension (7 elements)	Quantitative (scale from -2; to +2)	Official documents, interviews, questionnaire, articles, reports	The three dimensions have equal weights
Vlek & co.	Social, economic, ecologic dimension	Application of the value added method and the qualitative logic	Interviews and questionnaires	Diferent weights between dimensions
Graafland, Eijffinger și Smid	Social, economic, ecologic dimension (70 elements)	Quatitative method (scale from 0. ½ to 1)	Questionnaire	Different weights between dimension depending on the stakeholder

Source: « Corporate social responsibility of Dutch companies: Benchmark and transparency » J.J. Graafland, S.C.W. Eijffinger, N.C.G.M. Stoffele, H.Smid and A.M. Coldeweijer”, *De Economist* 152, 403–426, 2004

In the first example given, the two authors, Krut and Munis focus on one dimension, namely the environmental one, considering 19 ecological characteristics. In terms of activity areas investigated, they only refer to one area considering that the results of a comparison between companies of the same sector are more relevant than when comparing companies in different sectors. The used benchmarking sets quality standards, using typographic symbols to determine the correlations between the selected variables, thus avoiding problems of measurability of the elements of CSR that could arise. Another point of view that should not be overlooked in this analysis is that it reviews only the CSR policies not what

was actually achieved through these policies.

Business Ethics newspaper published in 2002, an article untitled "100 Best Corporate Citizens" subtitle - "America's Most Responsible and profitable major companies." Unlike the first example given, Graves and the authors have used indicators that reflect all three dimensions, economic, environmental and social. The indicators were evaluated on a scale from -2 to +2 and the informations' sources were ranging from public sources and interviews to questionnaires. In the third example, which can be viewed an example in support of our personal case study, carried out by Vlek and co. in 2002, focuses as in the previous study on all

three dimensions of the Triple P bottom line theory. The particularity of this study was that it describes the three dimensions in terms of principles, practices and results achieved by each company. The authors considered that some aspects of CSR can not be quantified reason for which they used both a qualitative and a quantitative approach, arguing that the special socio-psychological aspects should be described rather than quantified, however the way in which they quantified other variables is quite vague.

The last case study on which we stopped, is the most complex. Again all three dimensions are considered, but in this case there are examined 70 aspects of CSR. The method used was a questionnaire that was designed to both evaluate and self-evaluate companies. Final data were supplemented by answers provided by non-governmental organizations regarding the actions of CSR in the business sector. All indicators have been quantified and ranked according to the obtained values in a final index.

Advantages and disadvantages of a benchmarking strategy

The last part of the theoretical approach was to analyze the advantages and disadvantages that a benchmarking strategy it may have in the CSR field, starting from the case studies discussed above. We can see companies as forms of cooperation between different groups of stakeholders. The literature divides these stakeholders in primary and secondary groups according to the relationship they have with a certain company. Thus, we have primary stakeholders, including employees and shareholders, characterized by direct contact they have with the management and the second group is represented by customers, suppliers, competitors, government institutions and not least

the company itself. Due to the complex mechanism of corporate relationships that the system embodies, it's very hard to judge but especially to rank one company to another in terms of CSR performance, and in this regard benchmarking can serve many purposes. Primarily, it leads to increased transparency of corporate actions. Through benchmarking each company is assigned a score to quantify its actions and achievements, allowing stakeholders to form an opinion on the degree of responsibility of the company. Finally, this can lead only to foster relations between companies and stakeholders. All in all, this is beneficial not only for the stakeholders, but also for companies so that they can self-assess themselves by comparing their performance with major competitors in the market.

Other advantages would be those related to the quantification of actions, which often can be difficult especially for secondary stakeholders or because of the lack of data or appropriate knowledge to be able to quantify actions that are often expressed through qualitative variables rather than quantitative, as we observed in the case studies summarized above. The advantage of comparison is closely related to the principle of transparency, and should not be forgotten because it brings benefits for companies and stakeholders, who can compare companies and decide among themselves with which of them would like to establish future collaborations. The advantage that companies will have from this point of view is that they could have a certain control over their performance in the index following their evolution or involution year by year for each benchmark set, knowing the point where they must improve. This demonstrates the ease with which you can get some information about companies which simplifies greatly and improves the performance system.

The systematic approach can be another advantage because the entire study is based on quantification of social responsibility of companies and institutions of higher education. A benchmarking study to create an objective picture of the Romanian business environment should focus primarily on presenting the results of CSR and not only CSR policies, which may seem very developed but the reality shows that a very small percentage of all social responsibility objectives are fulfilled. Once a database which quantifies CSR efforts is accomplished the information infrastructure can be developed, which ultimately will lead to greater transparency of the business environment.

Although the advantages of benchmarking can seem both quantitatively and qualitatively very persuasive, the disadvantages of benchmarking although fewer set serious pitfalls that may ultimately lead to an inefficient study with irrelevant data and results below expectations. That being said, it has to be mentioned first, the monistic theory which states that a method of benchmarking that wants to express the quality of a company's CSR actions through a single number is monistic, which means that it is possible to give a cardinal rank to a particular action. This brings us to the deduction that an action can be measured on one scale, because only that particular scale can be considered the right one. Reality shows that there is no single absolute value, or absolute measurement scale that can rank data, but despite these methodological pitfalls applying the monistic theory simplifies the case study giving it a higher accuracy and understanding. A similar disadvantage would be measurability, which assumes that all values can be compared, but only cardinal not ordinal because of the 3-dimensional implications of the theory of "Triple P Bottom Line", and that none of the three

dimensions can be considered better than the other one or vice versa. So, for the benchmarking study to be correct in terms of measurability theory, the final database will not seek only a ranking of companies but a quantification of these results on a calendar year period.

According to us, subjectivity is one of the biggest pitfalls that can cause failure of the benchmarking study, because the person making the study has to collect data from both stakeholders and public sources, which may often be misinterpreted by the simple fact that there is the possibility of existence of similar opinions or subjective elements in the data provision made by stakeholders, either primary or secondary, which makes it very difficult to present a benchmarking "score" 100% objective.

Inequality principle involves on one hand how different stakeholders interpret the company's shares responsibility, and on the other hand how companies interpret its relations with stakeholders, because as we pointed out there are two types of stakeholders and this makes the company-stakeholder relationship to divide into two. Opinions seem divided even though it's actually very clear that ultimately all comes down to the personal concepts of CSR actions' morality, which implicitly involves subjectivity and not least erroneous interpretation and classification, which is why the study should be done carefully and objectively.

The last disadvantage, but not insignificant sums up the communication problems that even though it may seem surprising are linked to the morality of actions, involving ethic issues. In any organization or company there are communication problems both internally and externally. Internally we refer to communication problems between departments, subsidiaries, employees and externally we talk about issues such as refusal of providing true

statements or declare certain false things and so they are leading to a rupture of the study logic and the results will be partially or completely wrong.

The structure of the benchmarking process and the research methodology

The Corporate social responsibility of companies as well as that of the academic institutions, as required by the premise from which we started at the beginning of the study can be investigated by various methods. As it can be seen in Chapter 2, most analyses in terms of ethical standards are case studies or participatory studies. The main advantage of these research methods is that they provide a more detailed analysis on interest items related to a particular company. On the other hand such studies, due to a very elaborate and thorough analysis allow a small sample of respondents, not allowing comparisons of large-scale or general conclusions, which could be than extrapolated to a regional or national level in terms of quality actions of Corporate Social Responsibility. For this reason, we used as the main method of data analysis official documents published on the websites and annual reports of companies and institutions, all of which were then confronted with real data through a telephone survey with representatives of the PR departments of the companies and institutions. Just to eliminate duality and to confirm the

veracity of data analysis we have chosen a double analysis to eliminate uncertainty and verify the informations that were made public.

As noted previously, corporate social responsibility encompasses many aspects. Because we tried to include both economic issues and social and environmental aspects while preserving national and international aspects, we had to make a rigorous selection of all the desirable elements that were investigated to keep the number of telephone survey questions to a minimum because otherwise the response rate and cooperation would have been too small to be relevant. Even if the elements of CSR were limited only to those with a high degree of measurability, we weren't able to include all relevant elements. This implies that this study can be considered an one-sided test, being a random test. As it can be seen in Table 2 the analysis of public data included aspects of economic sustainability (primarily inside trading, profitability, preventive measures on conspiracy and bribery), environmental sustainability (environmental effects of production or products provided) and social sustainability (mainly linked to the own working conditions of companies and institutions, working conditions with partners, contributions in social issues), all being in direct connection with all the stakeholders as shown in the table.

Table 2

CSR aspects for each group of stakeholders

Employees	Human rights	Cooperation with ONGs	Equal opportunities for women	Equal opportunities for minorities	Training
	Safety and health	Cooperation between employees			
Suppliers	Products' quality	The ecological effects of the production process and of the products	Cooperation relations		
Clients	Safety and quality of the products	Cooperation relations			
Society	Ecologic effects on the environment	Cooperation relations with the environmental organizations	Integration of disable people	Contribution to poverty reduction	Contribution in local and national projects
Stakeholders	Prevention to internal trading	Profitability			
Competition	Intellectual property rights	Conspiration prevention	Bribery prevention		

Source: Personal approach of the authors

CSR programs undertaken by companies or institutions can be divided into several types, but the most useful typology we have taken into account in the study was that conducted by Philip Kotler and Nancy Lee in "Corporate Social Responsibility: Doing the most good for your company and your causes." The types of programs are as follows: Cause promotion, Cause related marketing, corporate social marketing, corporate philanthropy, community volunteering and socially responsible business practices, all of these describing the involvement of companies and institutions nationwide.

"Cause promotion" is a type of program through which the company contributes with money or other

resources to increase public awareness and concern for a cause or to mobilize the public to donate, participate or volunteer in support of a cause. The main element is the persuasive communication in support of one of the objectives stated above, the main element the company is investing in is in the financing or implementation of the communication campaign. Funds or goods resulting from the campaign, are usually taken over and managed by one or more partners, here intervening the role of NGOs.

"Cause related marketing" is the program through which a company commits to donate an amount of money for a cause, money that depends on the sales made within a certain period.

Taking this into account CRM campaign involves a so-called offer that is valid for a certain period of time, it refers to a specific product of the company and is done for the benefit of organizations or other partner who has the legitimacy upon the cause and it also has the ability to manage the money. The benefits of such a program are addressed to several stakeholders, such as consumers which may have a contribution out of charge for their favorite organization or cause, the organization receives a significant amount of money in a relatively easy way and the company finally boost its sales and creates a close link between brand and consumer.

"Corporate social marketing" on the other hand tries to change a negative behavior or tries to convince the society to adopt a positive behavior. Even if the tactics used in the program are aiming to increase awareness and education, the main element on which the program focuses is changing a certain behavior. In most cases the targeted behavior must be related to serious problems of society. Generally people are reluctant when someone or something tries to change their behavior, so for a social marketing campaign to be justified, the problem addressed must affect a significant number of people and its solving must be urgent, because if there will be no changes in the behaviour of those involved there will be serious risks. The most common problems are those related to personal and collective safety, health, environment and civic involvement. A social marketing campaign is appropriate when there is a link between the company's profile and the social problem. When choosing a problem or a behavior to be changed one must take into account the company's profile and business model. The main reason we may say that lays behind the implementation of such a program would be the case when the social problem is very important to customers.

"Corporate Philantropy" is a type of program through which the company or the institution directly contribute with money or goods to support a cause. Thus, companies choose the causes it supports in accordance with its own business objectives, they also tend to get into rather long-term partnerships (usually with a non-governmental organization), expanding their options in terms of donations of money or other resources like products, technical expertise etc. and they involve their employees in choosing the cases. Philanthropic activities take various forms, are either cash donations or grants, scholarships, donations in goods and services, providing expertise or access to distribution channels, business premises or equipment. This program also has a great influence on building the brand on the market.

"Community Volunteering" is a type of initiative through which companies encourage their employees to volunteer for the community, for a non-governmental organization or for a cause. Employee volunteering is a classic form of CSR, thus what is new is the tendency of companies of using volunteering to give more impact to other social initiatives, to serve business objectives and to improve the communication of the company. Among the actions a company makes to stimulate its employees volunteering include: promotion of organizational value, the recommendation of certain cases by means of internal communication, recruitment and organizations of volunteers teams, supporting the staff in an effort to find an appropriate cause giving them resources or "matching" programs, offering employees paid time off to use for volunteering, grant funding to non-governmental organizations through which it manages to persuade the employees to volunteer and not least the recognition of those employees who have participated in volunteering activities.

The last program on which we stopped was the "socially responsible business practices." Socially responsible practices are a company's initiatives to improve its operating mode in order to contribute to the welfare of the community and the environment. For this initiative to be considered as part of the CSR politic its voluntary character is essential. In other words, an action can not be considered as part of the CSR politics if its made under the pressures of the authorities, organizations or consumers. A company may make changes to adopt socially responsible practices in areas like the design of its operating locations, improving manufacturing processes, withdrawal of products that can be considered harmful, even if they are not illegal (eg McDonald's gesture to withdraw in 2004 the supersize fries portions and carbonated drinks), the choice of production and packaging materials in order to protect the environment, providing objective information about products, programs aiming the good development of employees, the insurance of responsible marketing policies in particular for those related to children and not least the access improvement to products marketed for people with disabilities. This kind of programs are undertaken when consumers identified as citizens of the society in which the company operates, consider that a practice of a company helps wholly or partly to solving an important social issue.

Internationally, we tried to do a statistics for both the banking system and the commercial sector without leaving behind the academic sector, of those companies and institutions that make reports according to GRI index. "Global Reporting Initiative" (GRI) is a network that is trying to achieve a

framework for reporting contributions in sustainable CSR globally. The participants are companies, organizations, unions, universities and research institutions. Sustainable reports based on GRI index can be used to demonstrate the corporate commitment to sustainable development, corporate performance comparison over time and to measure the performance of organizations in relation to laws, rules and international standards.

The main results of the benchmarking analysis

As noted previously, the research has focused on the analysis of three sectors that we have considered to be of great interest for both business and researchers in the field. Because we focused on three sectors, this has allowed us to compare the subjects of each sector by sector but also to determine general characteristics of each sector. The addresses of companies and institutions and the contact information, taking into account the nature of the survey, namely the telephone survey were taken from the sites of the companies. The analyzed sample consist 18 banking institutions, 21 companies and 10 universities with their 55 colleges and 18 student organizations. Because the analyzed area was Cluj Napoca region, we have chosen all the banking institutions, all the academic institutions and because from the commercial sector we have selected only the large and very large companies. In Table 3 one can see the telephone survey response rate for each sector. The response rate ranged from 94% in banking, to 81% in the commercial sector and 64% in the academic sector.

Table 3**The response rate of the phone investigation**

	Banking sector	Commercial sector	Academic sector
No. of contacted institutions	18	21	55 Facultăți
Response rate	94%	81%	64%
No. of responding institutions	17	17	35

Source: Personal approach of the authors

As it can be seen the response rate was quite high, which is why this part of the research was an important key to check the empirical analysis of public data. The greatest response rate was in the banking sector, which is mainly due to the fact that the PR department of banks is more competent, focusing largely on the

$$B_F = (b_i + b_o) / 2$$

Equation 1

$$b_i = \text{Sum}(w_j * b_j) / \text{Sum}(w_j)$$

Equation 2

$$b_o = \text{Sum}(w_k * b_k) / \text{Sum}(w_k)$$

Equation 3

where w_j and w_k are the importance factors for the CSR programs adopted for each category of stakeholders according to the frequency with which they were realized and b_j and b_k are the importance coefficients given by the PR department during the telephone survey.

B_F was calculated as the arithmetic mean of the individual benchmarks calculated for stakeholders and CSR programs used by each company and institution. Both variables are considered equally important to quantify the contributions of companies and institutional in terms of social responsibility. b_i and b_o – the individual benchmarks were calculated as weighted means. The weights were the importance coefficients on a scale from 1 to 5, 1 being minimum and 5 maximum, which was granted by companies and institutions for both stakeholders and CSR programs

relationship with the clients and the society at large, being aware of the fact that active participation in these studies would increase awareness on the banking market.

The final benchmarking after which was built the final index was constructed using the following formula:

undertaken analyzing a period of three years, namely 2008-2011. Because the telephone survey's response rate was high for the few companies remained unverified, the weighting were granted from 5-1 depending on the frequency with which the company has undertaken certain actions of CSR. For those companies or institutions for which we could not do the dual analysis were given a minimum score, namely 1. In Table 4 one can see the results of the average individual benchmark for stakeholders and for CSR programs obtain by each analyzed sector. As it can be seen, the commercial sector recorded the highest average value benchmark both in terms of CSR programs and actions regarding the stakeholders. This can be attributed to the fact that most companies are multinationals or are Romanian companies with foreign capital share, which has favored a reform in the

sphere of social responsibility, to some extent mobilizing Romanian businessmen to realize that the profitability of a company depends not

only by the economic side but also from the other sides of the Triple P bottom line theory, namely social and environmental components.

Table 4

Individual benchmarking – the average value per sector

	Banking sector	Commercial sector	Academic sector
CSR program(b_i)	2,89	3, 12	2, 04
Stakeholders (b_o)	2,88	3	1,88

Source: Personal approach of the authors

In Table 5 we can see the individual benchmarks and the final benchmark for the banking sector which allowed us to analyze this sector in detail later to see if we can draw some general conclusions valid for the sector. A first important conclusion regarding the banking sector is that it is observed that between the two individual benchmarks there is not a very big difference which means that most CSR programs are closely related to stakeholders although their values in most cases are smaller only exceptions being in the case of BRD Groupe Societe Generale, BCR, ING Bank and OTP Bank, which also recorded the highest values for the CSR programmes. During the analysis we concluded that most of CSR programs are mainly conducted in the field of education, culture, environment, social and sports. In case of OTP Bank were recorded and performed projects concernig human rights. BCR recorded the highest final benchmark as well as individual benchmarks because it is the only institution in Romania which have realized a GRI CSR Report 2011. It was developed and presented in May 2011, and provides an example of transparency and openness to

stakeholders, both for the banking market and other markets. It was a local initiative and was developed under the de facto international standard field GRI as specified before. This was largely due to the fact that BCR is the largest commercial bank in Romania. In the case of those banks which have recorded values below 2.5 we can talk about some specific projects in education field, making several programs to promote a cause or charitable programs, individually or in a partnership with other banks, institutions or organizations. In terms of deviation from the mean we can see that we are dealing with fairly large differences either very small values either very high, which shows us an unevenness in the actions of banks regarding CSR. Some banks as we could see invest pretty much in CSR programs, trying to cover about all the stakeholders, while some banks still focus heavily on the economic component, violating the principle of Triple P bottom line theory, and furthermore there are too few of these initiatives internationally speaking, as we saw only one bank has implemented a report according to international standards.

Table 5

The individual and final benchmark for the banking sector

Bank	Individual benchmark b_i	Individual benchmark b_o	Final benchmark B_F
Credit Europe Bank	2,95	2,92	2,93
RBS România	3,25	3,05	3,15
Volksbank	2,55	2,40	2,47
Sanpaolo IMI Bank	2,60	2,75	2,67
Banca Transilvania SA	4,15	4,25	4,2
HVB Bank	2,05	2,10	2,07
Bank Post	3,95	3,80	3,87
Unicredit Ţiriac Bank	4,05	4	4,02
Banca Comercială Română	4,65	4,70	4,67
Raiffeisen Bank	2,25	2,10	2,17
Exim Bank SA	1,15	1,15	1,15
Banca Națională a României	1,5	1,3	1,4
ING Bank	1,05	1,2	1,12
C.E.C. Bank	1,65	1,5	1,57
BRD Groupe Societe Generale	4,30	4,40	4,35
Bank Leumi România	1,05	1,05	1,05
Banca Comercială Ion Ţiriac	4	4	4
OTP Bank	4,5	4,60	4,55

Source: Personal approach of the authors

In Table 6 one can see the values of the individual and final benchmarks for the commercial sector which has made in this case the highest mean of the individual benchmarks. As can be noted, the commercial sector is more uniform than the banking sector, the deviation from the benchmark mean on both CSR programmes and stakeholders programmes is lower, which means that there is a high

competition among companies in the analyzed region, a competition which does not only happen in terms of economic profitability but also in terms of social responsibility. Most companies have recorded final benchmark values above average, namely more than 3 or very close to 3, since the maximum weight is calculated according to the scale 1-5, from minimum to maximum. For those companies on which we

couldn't conduct a double analysis, namely that public data analysis and the key verification through the telephone survey, were given minimum importance coefficients, with other words 1, as can be seen in the case of Nokia or Ursus, which although are very large companies and they realize CSR campaigns, the public veracity of data could not be verified. Petrom has achieved the highest benchmarks, which besides being the largest

Romanian company by profile, namely oil and gas and activities in various areas is the largest company listed on the Bucharest Stock Exchange, after capitalization. Starting with December 2005, is a member of OMV Group, forming the largest integrated oil and gas group in Central and South-East Europe, for which it undertakes various CSR programmes, with all this still not having a GRI CSR Report as in case of BCR.

Table 6**The individual and final benchmark for the commercial sector**

Company	Individual benchmark b_i	Individual benchmark b_o	Final benchmark B_F
A&D Pharma	4,21	4,23	4,22
Alexandrion Group	3,89	3,80	3,84
Arctic	3,50	3,45	3,47
Avon Romania	3,25	3,30	3,27
Dedeman	3,70	3,75	3,72
Germanos Telecom Romania	3,90	3,96	3,93
Holcim	3,45	3,56	3,5
LaborMed Pharma	2,70	2,56	2,63
Mol Romania	3,56	3,60	3,58
Orange Romania	4,25	4,30	4,27
Petrom	3,50	3,55	3,52
Praktiker Romania	2,87	2,89	2,88
Romstal	2,90	2,92	2,91
Terapia Ranbaxy	2, 25	2,26	2,25
Rompetrol Group	4,30	4,35	4,32
UPC Romania	2,75	2,60	2,67
Vel Pitar	1,4	1,4	1,4
Zentiva	1,4	1,3	1,35
Vodafone Romania	4,3	4,2	4,25
Nokia Romania	1,90	1,80	1,85
Ursus Breweries	1,70	1,50	1,6

Source: Personal approach of the authors

Most CSR actions in the commercial sector include all the 7 CSR programmes taken into account at the beginning, being mainly in education, social, culture, environment and sports field. Only 3 of the 21 analyzed companies are pursuing human rights actions and here we refer to A & D Pharma Romania, Vodafone Romania and Avon. The first two being ranked on the top positions in the final benchmark while Avon Romania recorded an average benchmark, due to the restricted areas in which it carries out CSR programmes, namely education, social and human rights, as specified above. Unlike the banking sector in the commercial sector most companies consider that stakeholders are more important than CSR programmes itself, these being tailored to the stakeholder's needs. This is due to the fact that companies generally place a great interest in the relationships with employees, competitors, business partners and society as well as with suppliers and collaborating organizations or institutions. From this point of view it can be concluded that the business environment through companies understands the role they play in society and the society's role in their maintenance on both national and international markets.

In Table 7 one can see the individual and final benchmarks recorded by the academic sector which recorded the lowest average benchmark of CSR. The academic sector was the most problematic in terms of analysis, because regarding the telephone survey we can see that it registered the lowest response rate of only 64%, only 35 of the 55 faculties of the analyzed universities participated at the study. This has determined the individual benchmarks to have a very low average. In the case of faculties the telephone survey was conducted mainly through student organizations, organizations which mainly are dealing with CSR actions, even if their main

partners in conducting these programmes and actions are the faculties or universities that host them. Another problem was that there is little public data about social responsibility activities undertaken by universities because they do not register CSR reports as for the case of companies or banking institutions. Another aspect that should not be overlooked is the fact that the analysis focused mainly on CSR programs and individual stakeholder's benchmark which would fit the business profile not the educational profile. Thus, in the case of a CSR programme, such as providing socially responsible business practices, obviously all the faculties surveyed gave minimum score, as in the case of stakeholders such as competitors, suppliers, etc. Most social responsibility programmes detected in this sector are in the fields of culture, education, training and environment for profile faculties. From this point of view from the recorded benchmarks we can see a uniformity of the obtained scores, which shows a uniform sector in terms of CSR, but judging by the average values, it is in its infancy. The academic sector has been included for this very reason, to see at what stage are the social responsibility practices in a sector increasingly receiving more recognition economically speaking, at least in Romania. As in the banking and commercial sectors also in the academic sector, the peaks in the final benchmark are the biggest universities, Babes-Bolyai University in its faculty and the Technical University of Cluj-Napoca, which are large, with a strong important activity in research and hosting important non-profit organizations and they have specific amounts of money that can be directed toward such programs. The most common CSR programs are those in promoting a cause, social volunteering and related corporate marketing. Also, this sector is closely related to banking and commercial sectors regarding the

partnerships on various programs, from research to volunteering.

Table 7

Individual and final benchmark for the academic sector

Faculties	Individual benchmark b_i	Individual benchmark b_o	Final benchmark B_F
FMFIH	1	1	1
UAD	1,5	1,6	1,55
UBB – F.M.I	2,2	2, 2	2,2
UBB – F.F	2,4	2,5	2,45
UBB – F.B.G	2,2	2,6	2,4
UBB – F.G	2,1	2,3	2,2
UBB – F.S.I.M	2,8	2,7	2,75
UBB – F.I.F	2,2	2,5	2,35
UBB – F.P.S.E	2,65	2,7	2,67
UBB – F.S.P.A.C	2, 35	2,4	2,37
UBB – F.L.	2,8	2,6	2,7
UBB – F.T.T	2,65	2,85	2,75
UBB – F.D	2,2	2	2,1
UBB – F.S.E.G.A	2,6	2,9	2,75
UBB – F.E.F.S	2,4	2,5	2,45
UBB – F.S.E	2,3	2,2	2,25
UBB – F.S.A.S	2,9	2,7	2,8
UBB – F.B	2,1	2	2,05
UBB – F.T.O	1	1	1
UBB – F.T.G.C	1	1	1
UBB – F.T.R.C	1	1	1
UBB – F.T R	1	1	1
UBB – F.C.I.C	1	1	1
USAMV – FA	2,5	2,6	2,55
USAMV – FH	2,2	2,1	2,15
USAMV – FZB	2,3	2,4	2,35
USAMV – FMV	2,8	2,7	2,75
US – FSA	1	1	1
UCDC – FSJA	1	1	1
UCDC – MTC	1	1	1
UCDC – REI	1	1	1
UCDC – FBC	2,6	2,7	
UCDC – M	1	1	1
UCDC – SE	1	1	1
UCDC – LLS	2,3	2,5	2,4
UCDC – SP	1	1	1
UCDC – I	1	1	1
UAI – FSSP	2,4	2,6	2,5
UAI – FASE	2,3	2,2	2,25
UAI – FEFS	2,2	2,23	2,21

UBV – FSE	2,2	2,35	2,27
UBV – FD	1	1	1
UBV – FEFS	1	1	1
AMGD – FIM	1	1	1
AMGD – FT	1	1	1
AMGD – FAS	1	1	1
UTCN –FAC	1	1	1
UTCN – FETTI	2,4	2,5	2,45
UTCN – FIE	2,7	2,8	2,75
UTCN – FAU	2,35	2,4	2,37
UTCN – FC	2,2	2	2,1
UTCN – FCM	2,45	2,6	2,52
UTCN – FI	2,4	2,3	2,35
UTCN – FM	2,6	2,7	2,65
UTCN – FIMM	2,9	2,8	2,85

Source: Personal approach of the authors

Conclusions

There are many advantages of using a benchmarking strategy, as specified at the beginning of this study, and one of them, perhaps the most important, is the fact that serves to increase transparency in the business sector or any other sector in which it is applied. When an index is realized and all the stakeholders see exactly what each company recorded score is, in what areas, but especially how these scores have been calculated is much easier to understand the social responsibility concept. This also allows comparability between different subjects of a sector which leads to the increase of competitiveness inside a certain sector and why not between different sectors. These advantages and others are undoubtedly pros for carrying out such a strategy, however, the CSR benchmarking in particular is quite severely criticized because of the disadvantages that were hypothetically launched at the beginning and then partially or completely confirmed during carrying out the case study. These disadvantages are reduced to the monistic theory, according to which some actions are or are not quantifiable, and if only the quantifiable ones are taken into consideration their interpretation is not without bias.

Although in the study were used for calculating mathematical and statistical methods, also a double checking through telephone survey, at least for the latter method one can not eliminate 100% the subjectivity, maybe just reduced by interpreting data using mathematical methods.

Although we realized that it is impossible to consider all the data and the results absolutely objective and fair, we believe that these impediments haven't prevented the development of an index to measure CSR activities of companies, banks and institutions from Romania, mainly from the region of Cluj-Napoca. That being said, we have developed a benchmark method with the following characteristics:

- 3 sectors were analyzed: the academic one, the commercial and the banking sector and for a better understanding of the social responsibility of companies and institutions in these sectors we have examined 22 aspects of CSR, referring to both carried out CSR programmes and stakeholders.

- we carried out a double analysis, both by analyzing public available data from companies' CSR reports and through a telephone survey. We have chosen this method of data collection because it allowed faster data

collection, the length of a telephone interview not exceeding 10 minutes on a set of 12 questions, considering it also the most economical method of obtaining data. Thus through the flexibility of applying this method of data collection we have obtained an increased response rate to the questionnaire.

- for the academic sector we have worked primarily with student organizations, due to the fact that in this case there are no PR departments and CSR reports are not available for this category.

- to obtain the final index for each sector we have used a simple method for calculating, namely an arithmetic mean of the two individual benchmarks calculated as weighted means, the weights being the importance coefficients of each CSR program or stakeholder according to the scale from 1 to 5, starting from minimum to maximum.

Were surveyed 94 companies and institutions in the region of Cluj Napoca. In total, on all three sectors the telephone survey participation rate was 73%, the lowest rate recorded by the academic sector. In the case of those who weren't surveyed by telephone and public data were difficult to find for the analyzed aspects they have received minimum coefficients meaning 1 on a scale from 1 to 5. During the study the availability of public data was quite difficult, especially in the case of banking and education institutions which do not have CSR reports. One of the conclusions of the survey was that in a quite large number of cases most public data present a way too positive side of the CSR activities undertaken by companies opposed to the answers given by them during the telephone survey.

The analysis of responses showed some similarities between sectors, but especially between the subjects of the same sector. For example, most programs are developed in education

and culture, followed by the environment, society and sports. Too few companies carry out CSR programs on human rights. In the case of 70% of subjects in the relation with stakeholders predominate are the relations with the employees, the partners, the society, the last positions being held by competitors or public authorities. Furthermore we conclude that the lowest benchmark was in the academic sector, although it have become more and more an important economic kingpin it is still a novice in the field of social accountability. With respect to the principles of Triple P bottom line theory as regarding the banking and academic sector we can not speak of respecting them, as banks are focusing more on the economic component than on the other two.

Finally, we concluded that most benchmarks were obtained by the largest companies or institutions and thus we can say that there is a direct relationship between size and CSR actions. Regarding national and international aspects only a single subject from the investigation has realized a GRI CSR Report according to all international standards, namely the Romanian Commercial Bank. All in all, the commercial sector has proven itself to be the most relevant regarding CSR activities closely followed by the banking sector and in the end by the academic one.

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