CORPORATE SOCIAL RESPONSIBILITY IS WORTH MONEY

Branka Jajić, M.Sc*
Technical Faculty "Mihajlo Pupin", Zrenjanin, Serbia
bjajic2004@yahoo.com

Jelena Jajić
Faculty of Sports and Tourism, Novi Sad, Serbia

ABSTRACT

Successful modern business involves responsibility. Concern for the fate of capital and profit growth becomes obsolete unless it includes a concern for employees and the community. Application of corporate social responsibility, many companies in the world have made the reputation and profits. Pursuant to the growing social consciousness, increases the awareness of business and thus the concept of social responsibility of companies and enterprises is becoming increasingly important. The future of human society could be more human harmonization of acquisition and benefits. Longer a question of profit or ethics - the excellence of many international and domestic competitiveness of the company confirms that the answer is: the economy, and ethics. And there is no doubt worth it fair to do business - proved to be the ultimate business choices supported by ethics money worth. Commitment to the economy, without social commitment does not ensure success.

Key words: social responsibility, economics, ethics, excellence, worth

1. INTRODUCTION

"Never do anything against their conscience, even if the state demands it."

Albert Einstein

Ethics is a behavior in accordance with the rules of morality and involves searching for the right decisions and right actions. Morality is a set of unwritten social rules, ideals and norms by which individuals, organizations, companies and enterprises, voluntary act ethically acceptable. Business ethics is a part of ethics which includes application of ethical and moral values in everyday business practices. It is a normative discipline that deals with issues of what is right and wrong, what is right and what is unfair in the business. Ethical values are important in all aspects of life and valued in human communities for centuries. Honest business is highly valued at all stages of social development and a promise of honest business partners guarantee that the business deal happen.

Business Ethics in the United States appeared sixties of the 20th century in the former Yugoslavia, much later, in the nineties. However, in enterprises and komapanijama ethical norms of the former Yugoslavia were very much present in the business. At the same time, JUS standard is meant high quality continuously and deserved respect in the international business circles.

Behavior in accordance with the law is the foundation of any business ethics. This means transparency in the work, providing truthful information, respect for competitors, employees, shareholders, partners, and commitment to social responsibility and sustainable development. Sophisticated organization that remotely holds up his business image introduces business ethics as the basis of business and ethical conduct set as a necessity in the activities of management and every employee. Benefits are multiple and long-term and reflected in the success of the business,
Social responsibility involves the obligation of management to take certain actions that will contribute to the welfare of the society, and business systems. Competitive advantage in modern business means not only increase profitability, but also achieve customer satisfaction, employees, shareholders, owners of capital. The imperative of business becomes more contribution to the betterment of the community. Management of social activities and responsibility of the society, according to Peter Drucker, one of the three key tasks of management. The key question is not: "Is what we are doing right?" But the key question becomes: "Is this what we do for our society and what the buyer paid?"

Among the many problems faced by countries in transition, especially Serbia, where it was painful too long, lack of ethical component of business is very strong. Economic analysts, as well as scientific studies indicate that it is the considerable presence in the business to gain the title of an ethical crisis. Warnings also came from abroad, but the legacy and existing social conditions and relations slow down the changes in favor of ethics.

Harsh economic crisis that has engulfed mankind leaves traces in all spheres of society. The law, which analysts warn that it is not only economic, but much deeper and more complex. At the global competitiveness index World Economic Forum, Serbia is at the 93rd place out of 133 economies listed in the report from 2009 year. As negative items, among other things, allegations of corruption and poor professional ethics.

2. SOCIAL RESPONSE OPERATIONS

Profit, as in the past and in modern conditions, was and remains a key business objective. But in the past and present, were advocates of a profit is not the only goal of business. People who do business have always been faced with the question of how to be successful for them and with as little harm to the people in the region. In modern conditions, both in the business world and in scientific circles, there is widespread perception that the role of business is much broader than making a profit.

2.1. From Idea to Practice

Modern history of social responsibility is linked to the U.S. and Britain and a few decades ago. The essence of corporate social responsibility means that enterprises and companies which make profits not only responsible owners of capital, or shareholders, but also individuals and groups (stakeholders) to which the profit, directly or indirectly, reflect. Given that the concept of corporate social responsibility is very broad, different authors have it at different times, in many ways defined.

Howard Bowen social responsibility is defined, is the 1953rd, as a leader in business, as an obligation of businessmen to follow these rules, make decisions and take steps that are desirable in terms of objectives and values represented in a given society. Social responsibility is, by definition that is, 1960 year, he told Keith Davis, Robert Blomström, refers to the obligation of businessmen to consider the consequences of their decisions and actions of the entire social system.

World Council of Sustainable Business Growth - World Business Council for Sustainable Development, as defined in 2000 years, CSR is viewed as a commitment to the company to contribute to the sustainability of economic development, in cooperation with employees, their families, local communities and society in general, to improve their quality of life. As seen in Porter and Kramer (2002), the companies are part of the environment and beyond can not be good. The Green Paper of the European Union in 2001 years, it is written to be socially responsible means not only meet legal obligations, but go beyond mere compliance with laws and invest more in human capital, environment and relationships with stakeholders. Socially responsible companies, according to the present, would have to hold at least three principles in business: economic, social and environmental impact. Economic growth means profits and companies and social development of society and concern for the future. Those companies that claim to the title of socially responsible would have to be intensively involved in the economic life of the community in which they operate, to contribute to its sustainability, transparency in respect and adhere to ethical principles. Kilcullen and Kooistra (1999) point out that it can be understood as the degree of moral obligations that are attributable to corporations beyond simple
obedience to the laws of the State.

The concept of corporate social responsibility is one of the key ethical and moral issues that have surrounded the corporate decision making and behavior (Branco, Rodrigues, 2006). In general, corporate social responsibility refers to the obligations of companies to society, more precisely, it refers to obligations to stakeholders and those who influence the corporate policy and practice.

Numerous studies show that business ethics and profitability and sustainable competitive advantage, are not terms that are mutually exclusive and the companies that are in its system of business included business ethics show better results” (Aleksić, 2007).

Social responsibility of companies to Kotler and Lee (2009) indicates their commitment to improve welfare of the community through discretionary (voluntary) practices, and contributions on behalf of their own resources. Current trends which are noticeable in the sphere of social responsibility are different from corporate philanthropy, as the traditional approach to corporate social responsibility.

Social responsibility company, established as a strategic approach, is contained, in essence, the long-term relationship with all stakeholders which is harder to copy and is it possible source of strategic competitive advantage (Jones, Bartlett, 2009). It is no longer a trend to do well in order to leave a good impression, although such phenomena today. The trend is an affirmation of the view that the reason for doing good in doing good (Kotler, Lee, 2009). Possibilities of building closer ties with its stakeholders in a company which is built on the principle of social responsibility.

Modern business the company is almost unthinkable without the obligation to herself, as well as society, protect and improve now and in the future (Staples, 2004), through various business and social action and to ensure the generation of the righteous (equal) and sustainable benefits for different stakeholders.

2.2. Stakeholders - benefits for all

Stakeholders are, in principle, all those who, for directly or indirectly, affect the operations of organizations, enterprises and companies. The various theories are different "lists" stakeholders. According to Edward Freeman, there are six primary groups stakeholders: owners (shareholders), employees; consumers; managers; suppliers; community. Authors Donaldson and Preston classified stakeholders into the following groups: investors; employees; consumers; managers; suppliers; community; government; political groups. S'The Responsibilities of the Businessman", article written by J.R. Lucas discusses the concept of comprehensive stakeholders, indicating eleven groups: shareholders (owners, employers); employees and managers (employees and employers) customers – customers; suppliers; creditors; competitors; branches of industry or profession as a whole; local communities; State; international community and mankind as a whole; environment. It is, as noted, a multitude of interests and needs that they take into account when making business decisions, looking at their reflection and long-term effects. Immediate and short-term effect may make a success of the company, which is the same breath, but, nevertheless, the most important one that "builds up" over time (Babic, J., 2000).

Therefore, the social responsibilities of companies are especially significant in relation to the local community. Activities of firms depend on many things that directly affect the daily quality of life in the local community. Immediately, they are responsible for the wider community, country and humanity as a whole. So she maxim of the necessity of responsibility for the future of the planet is not a phrase, but an awareness that whatever we do today has a positive or negative impact tomorrow.

Social responsibility of companies would have to articulate a lot of obligations, of course, do not always include market justification and often questioned and one moral. Their interdependence is intertwined and complex, often unexpected demands effort and does not present the fruits of pleasure, but always harmonize the requirements of good business for the benefit of which cuts across the company, local communities and states.
Philosophy or the concept of corporate social responsibility involves internal and external benefits. In a changing, highly competitive environment, its acceptance and application can bring organizations enterprises and companies the necessary competitive edge.

It is believed that there are five types of philosophy of corporate social responsibility: increased staff morale and the ability to recruit and retain staff; enhanced reputation in the community; improving communication channels in the local community; protection of local supply chains, and better risk management; improved consumer confidence and partnership with suppliers.

Corporate social responsibility and activity of employees, their initiatives and actions, as noted, can bring high dividends, as manifested as a high quality internal marketing tool. Intense identification with company employees, their engagement in order to create common values, brings the benefit of workers and firms in general. Development of reputation in the community creates the opportunity to strengthen certain sectors (and its security). Improved consumer confidence and partnership with suppliers inevitably leads to higher sales.

2.3 Standards - a safer road to competitiveness

After several standards that are different organizations, "prescribing" as opportunities to solve problems of social responsibility, partial (SA 8000, AA 1000 etc.), The International Organization for Standardization's, 2004. year, established a group to develop standards for Social Responsibility - ISO 26000 This international standard is not standard for system management, as outlined, and as the most important area of recommendations on key issues of social responsibility to identify: headship of the organization - "Organizational Governance", Human Rights, practice work, environment, fair business practices, problems users, inclusion to community development. The name and contents of each of these areas has just committed najaznačajnijim interests and stakeholders of the organization.

The essence of the concept of social responsibility really is to identify key stakeholders and interested parties, identifying their needs and interests, and an integrated management system projektivanje for real answers. In this sense, the development and creation of standards such as ISO 9001. Adopting the international standard ISO 26000 and its consistent application in organizations in Serbia safer way to competitiveness of domestic enterprises and their business with the world and securely connect with the European Union. Applying the concept of Corporate Social Responsibility is a practice that convincingly shows that social engagement and maximizing corporate profits and shareholder value, are not mutually exclusive but reinforce (Nancy Kotler and Lee, 2008)

Corporate social responsibility is indicating a practical example of strategic planning for sustainable development at the enterprise level. Sustainable business success must have at least three components: economic, environmental policy and social policy and must have leadership and decision-makers with a vision. It is also demonstrated by the authorities, but this kind of responsibility is different.

3. EXAMPLES OF GOOD PRACTICE IN SERBIA

The concept of corporate social responsibility (CRS) was formally introduced to the company in Serbia just before seven - eight years. Research shows that the business community, political elites, especially the media, have little knowledge of the essence of this concept, but the fact that about him lately more and more talk, and that more of those who have at least heard of him. Holders of this and other modern business trends, not only in Serbia but also in countries in the region, are foreign companies. In Serbia, the concept of CRS is understood mainly as a tool needed in the activities of marketing in view of building a reputation in the society, the media and government, business partners and customers. Improving quality and working conditions, consistent with respect for the rights of employees, professional development, relationship and cooperation with customers, suppliers and trade unions are still doing so, on the sidelines. One reason is, according to the study (Baseline study on CRS in Serbia), disrespect of existing regulations - the Law on Protection of Competition, Consumer Protection Act, Labour Law).
 CRS activities in numerous Serbia follow the tradition whose essence is the idea of charity and investing in the local community contributes to the acquisition of social prestige, and prestige. According to research over the past few years, companies have realized the importance of incorporation of the concept of CRS to sustainable business. The management level in public relations are recorded and the biggest improvements in the implementation of this concept (different forms of donations, etc.).

In Serbia, 2007., adopted the UN Global Compact, while the concept of CSR has become an integral part of the latest National Strategy for Sustainable Development. The UN Global Compact is uključeno 30 companies and civil society. In early June 2008. The 14 komapanija, led by Smart Kolektiv, with support from Business in the Community, presented to the public forum of business leaders in Serbia.

The first members of the UN Global Compact initiative in Serbia as BFC Lafarge, Holcim, Cisco Systems, EFG Eurobank, Piraeus Bank, Societe Generale Bank, Credit Agricole - Meridian Bank, National Bank of Serbia, and Smart Kolektiv. Since February 2008. The Global Compact has joined the Center for Democracy - an organization that is running the campaign, entitled Power of social responsibility.

The application and development of CSR concept is one of the major issues related to the development of the countries in transition, especially because in them the executive power is not enough, the legislative nefikasna, impoverished economy and a significant number of citizens living on or below the poverty line. Research indicates that the practice of CSR in the most developed branches of multinational companies, followed by certain Serbian companies that were privatized and then in other large and medium-sized enterprises.

Among the organizations that have developed their own CSR program or one of the most successful is B92 - broadcasting corporation that applies this concept since 2000. year to date. The program aims to improve the social and material conditions of life of vulnerable groups, especially persons with disabilities. Special contribution, in cooperation with civic and other komapanija the construction of safe houses for women. Among the areas for action are: health, vulnerable groups, youth and education, ecology, and media coverage of CSR events and promotion of other companies dealing with this. The company has established a foundation that

Research indicates that the practice of CSR in the most developed branches of multinational companies, followed by certain Serbian companies that were privatized and then in other large and medium-sized enterprises.

Research indicates that the practice of CSR in the most developed branches of multinational companies, followed by certain Serbian companies that were privatized and then in other large and medium-sized enterprises.

4. CONCLUSION

Modern managers, like the political elite and intelligentsia, or the more should have a dilemma whether the economy and ethics - exclude. Although business ethics is not the only, nor a sufficient condition for business success, but are essential and other elements, it is certain that without ethics there is no business success. Especially since adherence to ethical principles does not necessarily mean immediate and direct increase in profit. Business ethics has a far wider impact and radiation, and indirectly contributes to the reputation and business success of the company, because there are other spheres in which business ethics has its place, and which indirectly contribute to the reputation of the company, and thus its success. They are reflected in respect for the rights of employees, to enable equal conditions for employment, quality of products and their safety, providing enough information about each of them, as a potential buyer would be a mistake when deciding to buy, and protect the environment. Since national governments are expected to develop a national strategy for CSR and contributes to a climate of its application - to raise awareness of knowledge and skills of all concerned social actors, especially the trade unions, consumer associations, business registers, through the introduction of CSR in higher education and expansion of inter-sectoral cooperation. All stakeholders interested in CSR should support the readiness of companies to address CSR education and to help them to develop CSR
practices to be effective and publicly verified, this means the inclusion of CSR in business strategy, development of techniques and institutions to expand CSR activities.

Organizations that, in the present day business conditions, they managed to achieve a balance between profitability and ethical principles can open a long-term ways that will enable growth and development. Ideas about corporate responsibility and sustainable development is global and grew into a worldwide movement to respect and act locally and reflects the success of business organizations, companies and businesses and the community a good fit, better and happier place to live. It is a kind of call "to companies other than profit, and worry about all the business activities that are market considerations must take into account the environment in which they exist and all other stakeholders that identifies society.

REFERENCES

Drucker, P. (2005), Highlights of the management, MEP Consult, Zagreb
Inic, B., P. (2003), Menagemenet 1, Fingraf, Belgrade.
Jajić, B. (2009), Corporate social responsibility - the crisis as an incentive, the Ninth Conference of quality in the region Improving business processes - the quality of the crisis, in October, Zrenjanin.
Jajić, B., Jajić, J., (2010), Corporate Social Responsibility - care for the future, Scientific and Research Conference of the Energy Technology 2010 (with a thematic conference management, innovation, development), May, Vr. spa.