



---

## **BUSINESS AS AN INSEPARABLE PART OF SOCIAL RESPONSIBILITY (PRESENTATION OF PRACTICE IN BUSINESS AND INVESTMENTS TO SUPPORT CAUSES)**

**L. Spasova\***

Department of Social Sciences and Business Language Training, Faculty of Economics,  
Trakia University, Stara Zagora, Bulgaria

### **ABSTRACT**

In recent decades major changes in business have been brought in meeting the expectations and obligations of the moral level of society. The promise to serve the community applies for both individual practitioners from business and for any corporation that seeks to build social capital and to create strong relationships with customers. More and more companies report CSR initiatives by committing to the improvement of public welfare through professional business practices and the use of corporation resources. Most often supported are initiatives and causes that promote public health (AIDS prevention, early diagnosis of breast cancer, timely immunization), security (programs for young drivers using seat belts), education (literacy, computers for schools, foreign language courses, education for children with special needs).

**Key words:** corporation, obligation, society, initiatives, public welfare.

### **INTRODUCTION**

In recent decades, major changes in business direction are introduced to meet the expectations and obligations of the moral level of society. The promise to serve the community applies for both individual practitioners from business and any corporation that seeks to build social capital and to build strong relationships with customers. More and more companies report CSR initiatives by committing themselves to the improvement of public welfare through professional business practices and the use of corporate resources. Most often supported are causes that promote public health (AIDS prevention, early diagnosis of breast cancer, timely immunization), security (programs for young drivers, using seat belts),

education (literacy, computers for schools, foreign language courses, education for children with special needs). Here goes the staffing care (training, wages, rest areas); here also comes environmental care (recycling, phasing out hazardous chemicals, reducing the packaging used).(5) We should not forget the social and economic development, such as housing loans with lower interest rates, eliminating discrimination and others.

### **Corporate Social Responsibility**

Corporations have always had a responsibility to the community in which they operate. Irrespective of the formation of industrial power and corporate independence, many companies are forced to take their corporate social responsibility. One of the challenges for corporations is to understand the various definitions of social responsibility, which vary widely. There are fundamental theories of corporate responsibility to the community which

---

\* **Correspondence to:** Lyubomira Venkova Spasova,  
Department of Social Sciences and  
Business Language Training, Faculty of Economics,  
Trakia University, Stara Zagora, Bulgaria,  
e-mail: [liubomira1975@abv.bg](mailto:liubomira1975@abv.bg)

they serve, but where does this responsibility end? (6)

The answer to this question is determined by the legal system's functioning, by certain legal precedents, by journalistic and public opinion. Nowadays, there is a consensus on the responsibilities of public companies and these responsibilities include the following:

- To provide a stable source of jobs with a clear commitment to growth and wages of employees at all levels.
- To work with positive profit and provide a reasonable return on their business partners.
- To set and achieve goals, to provide long-term growth and competitiveness.
- To adhere voluntarily to or exceed government-set rules on health, safety and the environment.
- To give a reasonable proportion of the total profit for important causes.
- To maintain comparable standards in all countries where it operates
- To participate actively in the processes related to public policies affecting the company, its industry and all interested persons representing the public interest.

### **Analysis of the situation**

The above mentioned decisions are often much more complex than they seem. For example, if a company meets all existing standards for air quality in all its industrial areas, it could exceed 10% of the country's existing standards. (7) Although such behavior cannot be accepted with approval from some environmental advocates and even to those, living next door to the quarters we bear in mind, it would also mean that the funds used for the treatment can not be used for any other purpose.

Another case could be considered as well. If an old factory which is only relatively profitable works and it's only partially profitable, the most obvious solution is to close it and dismiss the employed. Immediately there arises the question: If the company has worked in the community for more than 60 years and has many employees now second or third generation, how should we proceed? Which responsibility should we take? In some areas the company is the city and the city is the company. Such is the case of NPP "Kozloduy", (22) and this led to a very long

debate in June 1991 on whether the Units 1-4 to operate or not. Then, there were formulated many operational problems, including:

- the lack of safety at work,
- weak radiation protection,
- lack of structured training for operators,
- incomplete operational procedures.

The plant operated in 2007 with a factor of using installed capacity measured by 83.58%. Once again public responsibilities can contradict economic reality and the responsibility of the state. (26)

### **Presentation of Practices in Business**

"McDonald's" defines social responsibility as "the desire to do the right thing, being a good neighbor and to integrate social priorities and the priorities of environmental protection in leading restaurants and relationship with suppliers and business partners." Social responsibility is a key element in history and business strategy.(17)

Since the establishment of an independent committee on animal welfare, the work with suppliers to phase out the use of antibiotics, increasing the growth of chickens for consumption by measuring behaviors aimed at protecting the environment and setting goals for improvement "McDonalds' aims to be a leader in public responsibilities.

Among other things, the company takes responsibility for the environmental impact. Since 1990, working with suppliers to reduce materials used in food packaging, and to increase the proportion of recyclable packaging. Many of its restaurants in the world use recycled cooking oil and paper packaging.

Working with the public means commitment to programs that aim to benefit the children. This was the inspiration for World Children's Day - a special event to raise funds to be held in November 2002 in the restaurants "McDonalds" in more than 100 countries. Since its inception in 2002, the event has raised more than 27 million. dollars to the Foundation "charity Ronald McDonald House" and other non-profit organizations.

Such is the approach of "Ikea" corporation ", based in Sweden. It attracted considerable attention with its time and skills to deal

effectively with issues of social responsibility. (13)

The first clash of "Ikea" with public criticism comes in the context of countries where supply companies use child labor - in the case of Pakistan, where child workers were chained to the weaving looms. "Ikea" sent the Director of the carpet business in Pakistan to investigate the allegations. Upon his arrival in Pakistan, the Business Manager terminated the contract with the supplier and the company soon added a new paragraph in all contracts with suppliers of the company, prohibiting the use of child labor in all products of the firm. In the next few months 'Ikea' donated more than 500,000 dollars to support programs against exploitation of child labor.

CSR means that companies work voluntarily, without being forced by law to achieve social and environmental objectives in their daily business activities. For example, the European Commission encourages inclusion and quality practices in employment in enterprises. This is especially true for international supply chains and related human rights. Flexibility and security in the labor market (flexicurity) and diversity management are increasingly important issues that companies must address. Innovations in the health care of employees, business education and lifelong learning, and environmental issues are also part of CSR program, which leads to discussions with many stakeholders.

#### **Possible Benefits for the Company through the Investment in Support of Causes**

Experience shows that most corporate benefits of cause-related marketing are market-orientated. Successful initiatives can support the attraction of new customers, filling a market niche, increasing product sales and creating a positive brand identity. Moreover, such initiatives are a very good strategy to raise significant funds for a cause.

The long activity of **Avon** against breast cancer is one of the most famous cause-dedicated marketing campaigns of our time and an example of benefit for both the company and the cause. (10) A Global brand like Avon has built its market position by hiring, training and motivating a large and still growing army of sales representatives. During this process it has

established valuable relationships with millions of women worldwide. That's why Avon is in a position to undertake an ambitious marketing campaign aimed at a very personal topic such as breast cancer. This campaign of the brand is credible and it has probably done more than any government organization to promote, educate and help prevent this exhausting and often fatal disease.

Launched in 1992 in the United Kingdom and the United States, the campaign continued in 1993 with the mission to raise funds for the access to medical care and contribute to the search for cure and is intended for women with insufficient funds to obtain such. The cause is well received by the market of the brand and its sales representatives.

Social marketing campaigns influence customer behavior, especially when making a purchase decision. Right away, corporations can take advantage of this and increase the sale of their products. Radio Shack, for example, developed a program that provides a variety of materials and tools to help families protect children from abduction and rape. One of the elements of the company is the providing of 800000 free children's ID cards at all Radio Shack stores in the country.

Best Buy also provides an example of such a possibility. In the summer of 2001, this company is among the top electronics stores that offer the possibility of recycling across the country, pointing out that about 50 million computers and televisions are discarded annually and it is necessary to consider the risky landfills and waste management and hazardous materials within the nature. The programme urges users to leave in a given weekend, at a selected Best Buy store their old unnecessary computers, monitors, televisions and other electronics tools. The company plans to partner with local authorities, manufacturers and waste companies.

Initiatives like these can be seen in Bulgaria, too. The recycling program for mobile phones and accessories with the motto: "Make your old phone useful. "Recycle!" is a part of a long term strategy for environmental **GLOBUL Green**. The operator launched it in 2008 and will invest an initial sum of 400,000 Leva. GLOBUL is the first Bulgarian telecommunications company to

developed and implement a large-scale plan of measures and initiatives aimed at reducing the impact of its activities on the environment, to promote recycling and to reuse mobile devices. They also support community projects in this direction.

Mobile users in Bulgaria disposed for recycling over 900 kg. of electronic waste for four months. The start the GLOBUL and GERMANOS program for recycling cell phones, batteries and accessories was announced at a press conference in Sofia by the chief marketing officer of GLOBUL, Dimitris Lioupis. (26) Until February 25, 2009, an amount of 930 kg has been collected in special containers in the 240 stores of GLOBUL and GERMANOS and 62 kg mobile phones and accessories for recycling and waste have already been submitted for processing by the licensed company Eltechresource AD.

The next steps in its strategy GLOBUL Green is expressed in the following initiatives: since March 4, 2009, GLOBUL private customers programs subscribers can use the new service GLOBUL Green invoice. (25) What is characteristic about it is that instead of receiving their monthly invoice in print or by mail, subscribers can see it in electronic form on the Internet portal of the company. This will save large amounts of paper and other materials and resources needed to print the monthly bills and their delivery to recipients. As a sign of gratitude, GLOBUL will give subscribers who prefer GLOBUL Green invoice an additional discount of 2% from the monthly fee for a period of 6 or 12 months, depending on how much time it is left until the expiration of their subscription contract. (25)

It is important to note that, despite these positive effects, it is unrealistic to expect that only the support of a cause would cause a change into permanently established consumer habits. (15) For example, if you do not like opera, you will not start attending performances because they are in support of the treatment of patients with multiple sclerosis. Moreover, if one is skeptical about the marketing of a company it is most likely to react suspiciously to this company' social initiatives.

### Reasons for taking Public Responsibility

Organizations have always had a responsibility to the society in which they work. Observations in the field of business show that many companies were forced to take their responsibility. There are many reasons for assuming this responsibility: environmental issues, civil rights violations, endangering the life or health of groups of people using cheap labor. We should not miss causes, arising from the external environment such as global warming, the development of biotechnology (genetic engineering), (13) the increasing elderly population and others.

Immediately there comes the question: how does taking public responsibilities influence the development of the company? The answer can be discovered in the final outcomes, which the company reports since taking public responsibility and the development of friendly relations between an organization and its publics through various means of communication is a complex process related to a number of factors .

In the USA, some companies like "**Johnson and Johnson**" (7) decided to withdraw at once the product "telenol" from the market as it killed seven officers from the Chicago area. Temporarily, they halted its circulation and all the capsules in the US were put to check. Media, informed immediately cooperated fully with the company as what was happening affected important social interests, namely it endangered the lives of many people. So, this company has become a classic case study of crisis management.

Due to the fact that the executives of the organization evaluated the risks from concealment of information from the media, the company released itself quickly from the crisis. So, through the company's full assuming of its responsibility for what happened, it became "a leader in secure packaging" (9) after overcoming the crisis and it set a high standard. The final results are: the company's becoming a most respected and maintaining its market share corporation.

Experience shows that not every company takes its social responsibilities. Such is the case with "**Perrier**" in which distribution bottles of mineral water are found traces of gasoline. The

top manager of the company stated that it is a unique and isolated incident and that contaminated bottles found in North America (19) have been removed. Later, there appeared contaminated bottles in Europe, too. The explanation of the company was an existing problem that arose in the filtering systems.

There is an absolute concealment of information, and the approach to stay silent until truth comes out automatically puts the organization in a position of self-defense. The final result was the withdrawal of all bottles in the world as made in the bottle tests have shown that consumers worldwide have been drinking dirty water for months. The media tore "Perrier" to pieces with questions on managerial irresponsibility and negligence. The consequences are the following: the company lost its strong position in the market for mineral water and it has not yet recovered its previous market share. The situation created, brought about many inquiries and media revelations about the quality and purity of all bottled water, (18) even the competitors have been affected by the crisis.

How does the assumption of corporate social responsibility affect specific target groups and the general public?

The answer professionals give, demonstrates that the key decisions necessary for the adaptation and implementation of socially responsible business practices are related to the careful choice of a social issue. The first step in this direction is to determine what the business needs. (16) Then it should find important social problems that can be solved through business practices and investments. The cause chosen should be of significance and relevant to the mission and values of the company. It also has to be recognized by its key audiences.

In December 2007, public attention was turned to the following important problem - smoking during pregnancy, the initiative was taken by the campaign "How exactly did I quit smoking" of the Surecheck organization (Surecheck is a mark of pregnancy tests). (5, 6)

The campaign was developed in three stages, the first being a contest on to submitting personal stories in a multimedia environment on the topic "How did I quit smoking." The second stage

deepened the topic, as it was bound to market research among women between 22 - and 53-years old. In the third phase of the program there was prepared a compact guide with advice to young mothers participating in the competition for shared stories that are disseminated for free in the national pharmacy network. The final result was: the linking of the pregnancy test with a significant social problem that was not into the target audiences expected attention. The company built a brand image, which in turn led to the promotion of the brand. Another important outcome is the bunch of emotions of audiences who are willing to participate in such initiatives.

## CONCLUSION

Economic, corporate and social goals are evident in any civilized society and should not be treated as separate components in its current structure. Business organizations and public institutions are in continuous symbiotic interaction, the binding factor being the target audiences which in fact are the main consumers in marketing.

A modern corporation should acquire, assimilate and implement business practices noticeable by making the necessary investments to support the cause of improving the welfare of society. (17)

In recent decades there has been a positive change in the perception and implementation of corporate social responsibility. This is due to a number of regulatory requirements by the executive authority of the state, customer complaints and pressure groups committing themselves to research into possible corporate decisions. To achieve this change there are several important factors: evidence that socially responsible business can actually increase the profits, the global market with its increasing competition and more options for consumers, we should not forget the interest for higher productivity and loyalty of employees as and increased visibility of corporate responsible (or irresponsible) actions.

## REFERENCES

1. Aleksieva, S., Business Communications, NBU, 2011.
2. Cutlip, S., Senter, A., Bromm, G. Effective Public Relations, ROI Communication, 2010.
3. Cutlip S., Fundraising in the United States, New Brunswick, N. J.: Transaction Publishers, 1990.

4. Doganov, D., Duranchev, B., Katrandziev, H., Integrated Marketing Communications. UNSS, Sofia, 2003.
5. Douling, G., Creation of Corporate Reputation. 2005.
6. Drakar, P., Practice of the Management. Sofia, 2010.
7. Dunlop, J., Industrial Relations Systems, rev.ed. Boston: Harvard Business School Press, 1993.
8. Kotler, Ph., Management of the Marketing. Sofia, 2007.
9. Kotler, Ph., Lee, N., Corporate Social Responsibility, ROI Communication, 2010.
10. Lipman, Y. Public opinion, LIK, Sofia, 2001.
11. Ljuk, R., Business Communications, NBU, 2004.
12. Maibach, E. Parrott, R. Designing Health Messages: Approaches from Communication Theory and Public Health Practice, Sage Publications, 1995.
13. Marinov, R., Public Relations - technology and practice. Sofia, 1995.
14. Ogilvy, D., Confessions of an advertising man, IVIDIM, Sofia, 1999.
15. Petcova, I., Georgieva, K. Practical guide to Project Management, Sofia, 2012.
16. Praisler, A. Management customers, Eastr Holding Group, 2011.
17. Rajkov, Z., Corporate Image. Darmon, Sofia, 2001.
18. Rajkov, Z., Public communication. Darmon, Sofia, 1999.
19. Rijvs, R., Realism in Advertising. Varna, 1994.
20. Stoicov, L., Effective Business Communication. UNSS, Sofia, 2010.
21. Stoicov, L., Management of Public Relations. UNSS, Sofia, 2007.
22. Harris, T., Value-Added Public Relations: The secret weapon of integrated marketing, ROI Communication, 2002.
23. Hybels S, Weaver, R. communicating effectively, Second edition. New York.
24. Hopkins, K. Scientific Advertising, Princeps, Varna, 1994.
25. [www.prnewswire.com](http://www.prnewswire.com)
26. [www.blitz.bg/news/article](http://www.blitz.bg/news/article)
27. <http://hardwarebg.com/news-corporation>
28. [www.germanos.bg/en/](http://www.germanos.bg/en/)
29. [www.germanostrattoria.com](http://www.germanostrattoria.com)