

ПРИТВОРСТВО ИЛИ ОБЩИЙ ИНТЕРЕС? ЦЕНТРАЛЬНОЕВРОПЕЙСКАЯ ДИЛЕММА

Э. Хетеси

Сегедский университет, Венгрия

З. Верес

Будапештская Школа бизнеса, Венгрия

Социальная зависимость субъектов экономики не только ставит вопрос о рамках научных моделей, но определяется спецификой конкретного региона. Действие американского мейнстрима маркетинга в Центральной Европе зависит от конкретной культурной среды и от состояния корпоративной культуры, и в отношении функционирования социальной ответственности можно сделать сходные наблюдения. Есть замечательный опыт консультирования по корпоративной социальной ответственности (КСО) в Центральной Европе. Хотя есть определенные преимущества КСО, такие как рост рентабельности, укрепление связей с сотрудниками корпораций, улучшение отношений между заинтересованными сторонами, рост узнаваемости бренда, улучшение адаптивных компетенций и прочее, существует ряд факторов мотивации, прямо зависящих от географической среды. Вопрос: Что является доминирующей целью – создание притворных преимуществ или достижение общих интересов?

Ключевые слова: корпоративная культура, КСО (корпоративная социальная ответственность), МОС (маркетинг, определяемый ситуацией); маркетинг, не связанный с бизнесом; социальная зависимость.

MAKE-BELIEVE OR COMMON INTEREST? A CENTRAL EUROPEAN DILEMMA

Erzsebet Hetesi

University of Szeged, Hungary

hetesi@eco.u-szeged.hu

Zoltan Veres

Budapest Business School, Budapest, Hungary

veres.zoltan@kkk.bgf.hu

1. INTRODUCTION

In nonbusiness marketing activities organizations operating on both profit oriented or nonbusiness base take part in promoting and solving such issues and problems that will not necessarily contribute to their short term success, yet these issues are overtaken by the

organisations for some reason. Organisations donating can be of not-for profit or for-profit profile; even the state itself can donate and sponsoring as well, can be present elsewhere than the profit oriented sector. Corporate social responsibility has become recently a challenge for every existing organization,

regardless of sectors; what is more: it has become an obligation. Non-governmental organisations (NGOs) are compelled to protect the environment, considering sustainable development just the same as the GOs or the for-profit companies. Because of the overlap in interpretations the choice of approaches is rather wide. Kotler and Lee (2005, p.23) are distinguishing the below listed methods of corporate social responsibility (hence CSR):

- cause promotions;
- cause-related marketing;
- corporate social marketing;
- corporate philanthropy;
- community volunteering;
- socially responsible business practices.

Nonbusiness activities can be called „support”, yet these serve social goals as well, thus overlap the notion of CSR. Intersectorial nonbusiness activities manifest how the organisations are socially embedded: as in quote: „...economic institutions are not coming to existence, in a form automatically dictated by external conditions, they are rather formed under societal influences. (Granovetter-Schwedberg 1992, pp. 25–26). The failure of welfare state raises the questions of organisational responsibility in solving societal issues.

If we accept that the focus of CSR are the environmental protection and answering the needs of all stakeholders, then „green marketing” can be regarded as the pre-history of CSR. The aim of this early movement was the responsibility undertaken for the environment. Providing for the environment, taking the responsibility. That is the starting point for CSR as well. In our view, however, CSR is an extended organisational strategy, where responsibility has broader interpretation than natural environmental protection only; organisations handle each environmental factor as the possible scene for increasing social

welfare. Thus, employees in the organisation or stakeholders are environmental factors alike. CSR is an area of social marketing where undertaking responsibility for everything that serves social welfare takes the dominant role.

Nonbusiness activities, as a result of an evolution, have become independent. Earlier nonbusiness activities aimed at helping individuals and groups altruistically (volunteering, donation). These activities slowly have been entwined with business purposes (sponsoring, cause related marketing). Nowadays we return to the nonbusiness activities – that serve business interests only indirectly and derive from a rather different goal, – namely from the answers given to challenge the global responsibility of the future of society poses, and to socially aimed marketing (see fig. 1).

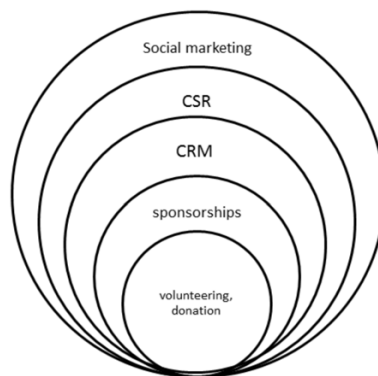


Fig. 1. A model of intersectorial nonbusiness activities (own construction)

This is not true for each and every case that these activities have no business purpose. To the contrary, even CSR is an activity that aims at answering societal expectations, thus, on long-term wishes to gain a better judgement of organisations. Companies do more and more in order to stress their role in society and their influence on it, while they strive to maximize the value of corporate contribution in favour of society.

2. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) as a term has gained currency in the last few decades. Today, with the advent of a concept called “globalization” interconnectedness has crept in every institution existent in the society. The result is a change in perspective of corporate institutions. Every organization today becomes responsible for the action that it accomplishes which affects society directly or indirectly. However, questions have been raised about genetically what responsibility does a corporate have? Is it doing something beyond what it is required to do for society? Is it doing for society or for itself? Will Corporate Social Responsibility be a sustainable model for corporates’ long term existence (see at Dasgupta 2013)?

The second part of the term is to understand the “social responsibility” aspect of Corporate Social Responsibility. Bowen (1953, p. 6) viewed social responsibility as “it (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. Supporting Bowen partially, another veteran scholar, McGuire (1963, p. 144) stated “the idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations.” Again, Walton (1967, p. 18) defines social responsibility as “in short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and the society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals”. This definition of Walton indicates the

interconnected nature of social responsibility that the corporate must undertake for their benefit and for the benefit of society at large.

Finally “Corporate Social Responsibility” has been perceived and defined by many scholars in a variety of ways. Theodor Levitt (1958) argued, “Corporate welfare makes good sense if it makes good economic sense and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door”. However, there were other scholars who felt that economic responsibility should not be the point of emphasis in Corporate Social Responsibility. One such scholar, Davis (1960) referred to Corporate Social Responsibility as “Businessman’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interests”. This line seems to be interesting, especially with the words, “at least partially”. This line suggests that if only there are some partial diversions of activities beyond the economic interest of the firm, then it should be considered as the firm’s Corporate Social Responsibility. Underlying the huge debates and discussions about Corporate Social Responsibility, Carroll (1979) divided Corporate Social Responsibility into four components, naming them as social responsibility components. These components are:

Economic responsibility: Corporate should function as an economic institution by producing and selling goods to society at fair prices which the society feels to be its true value.

Legal responsibility: These are codified ethics. Fair practice of business as developed by the lawmakers of society needs to be adhered to.

Ethical responsibility: Beyond the legal boundary, there are activities and practices which are either expected by society or

prohibited by societal norms, values, standards, expectations that stakeholders consider as just, fair and consistent with their moral rights.

Philanthropic responsibility: These are purely voluntary initiatives which the business desires to go into. Since it is not mandated, it can neither be called legal or ethical responsibility. So philanthropy is voluntary in nature.

However, there were difficulties and critiques in understanding Carroll's model. One of the critiques was that different domains seem to look hierarchical in nature. Secondly, the model shows that there is no relationship between the four domains. However, in practice, there are overlaps between different responsibilities. Hence, there was a need to create a model which showed the overlapping criteria. Thirdly, there were critiques regarding whether there is a need to create separate ethical and philanthropic dimensions as they are almost interrelated. Keeping all these critiques into consideration, Carroll and his colleague Schwartz (2003) developed a Venn diagram which consisted of three dimensions (see fig. 2). This model completely removes philanthropy from the domain of responsibility suggesting that the ethical component encompasses the philanthropic component.

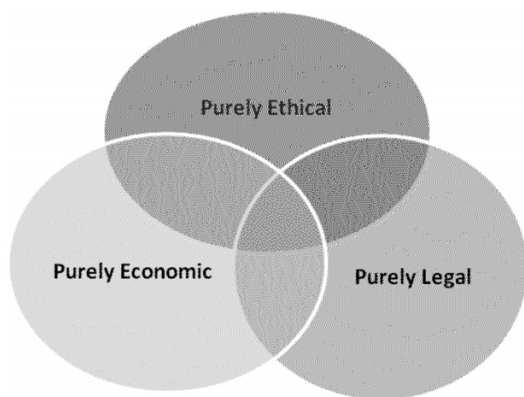


Fig. 2. Carroll's Venn Diagram Model (Schwartz – Carroll, 2003)

Global challenges and the economic crisis created such circumstances which impose new challenges on corporations as well. Companies apart from donating and sponsoring for social purposes, even undertaking certain issues, should show responsible behaviour with regards to individuals and the protection of the environment. And all this have to be put into practice while the company remains profitable. Motivations of social responsibility are different than those of donating or cause related marketing.

How CSR differs from areas earlier discussed? There is no professional agreement in this matter. For quite a long time, CSR has appeared on corporate level as an activity of environmental protection, and it was only loosely connected to marketing. Even today, many believe that CSR is the management's commitment to SR, but numerous foreign and domestic papers analyze the marketing specialities of social responsibility (Andreasen–Kotler 2008, Dinya et al. 2004, Pataki–Szántó 2011).

Corporate social responsibility sends the message to society that the organisation takes the responsibility in favour of societal goals. Therefore CSR means responsibility, sensibility, discern taken in social problems, a desire to act in solving those problems, correspondence to the environment, employees and consumers. Just recently, the notion has started to connect with the idea of sustainable marketing, with its deliberate, planned operation (Emery 2010, Kadirov 2010, Martin–Schonten 2011). For this the organization undertakes certain tasks that are not profit-oriented, thus can be listed among nonbusiness activities. The connection between responsible corporate behaviour and the sustainability of marketing is shown in fig. 3.

CSR undertaken for solving social issues is not merely a self-sacrificing act, but adap-

tation to rules as well. Defining CSR - similarly to defining CRM, donation and sponsorship – is a subject of debates; as on one hand, it is foregoing profit in order to ease social problems. On the other hand it is corresponding to certain requirements that serve long-term advantages, thus holding out promises of profit as well.

...the concept according to which enterprises voluntarily try to integrate social and environmental issues into their business operation and into their interactions with stakeholders (European Commission, 2001)

According to the above normative from EU, CSR is an overall organisational behaviour and, though it is partly adherence to rules as well, still, it is a self-undertaken social responsibility.

3. CSR IN HUNGARY – RESEARCH RESULTS

The literature review has indicated that economic responsibility should be the primary goal of a corporate. Based on findings from in-depth interviews conducted in different countries (see e.g. Dasgupta 2013) managers had been of the opinion that Corporate Social Responsibility helped in the economic sustainability of a company in the long run. Although the benefits from Corporate Social Responsibility may not be evident in the short term profitability of the company, the long term profitable sustainability is something they would have to look out for. It is controversial though what different organisations mean by CSR. A research looking into the online CSR communication of top-200 Hungarian companies revealed that corporate CSR missions have no set structures, different organisations communicate different contents. Charity is very frequent, just as protection of

women, health and safety are also preferred topics of this kind of communication. The focus of CSR is also diverse: „Telenor Hungary and Vodafone Hungary uses the term CSR, while Hungarian Telecom prefers the phrase of sustainability.” (Pataki–Szántó 2011: 8).

With collaboration between GfK Hungary Market Research Institute and Braun&Partners a sectorial survey was completed in 2006 on the situation and prospects of CSR in companies operating in the financial sector. 32 financial organisations participated in the interview survey (banks, insurance companies etc.). According to the research only a few CEOs regarded corporate responsibility as organic part of corporate strategy, conscious CSR was hardly traceable.

Different initiatives, corporate programmes existed earlier as well, but these usually reflected the personal commitment of the managers or the expectations of the foreign owners. According to the research company, GfK Hungary, CSR has started to emerge to a strategic level only in the recent years and supposedly in a few years it may become a significant distinctive factor, offering competitive edge. So far, CSR activities are limited to donation and sponsorship, but in the future this palette may extend...

Surprisingly, the region is not lagging behind significantly with regards to corporate integration of CSR. A survey similar to the Hungarian one has been conducted in Germany. 20 multinational companies have been interviewed there. Though those companies pay special attention to CSR and considers it as an important factor of success, social responsibility is an integrated part of strategy and management procedures merely at 3 of the interviewed companies.

(<http://marketinginfo.hu/tanulmanyok/essay.php?id=370>)

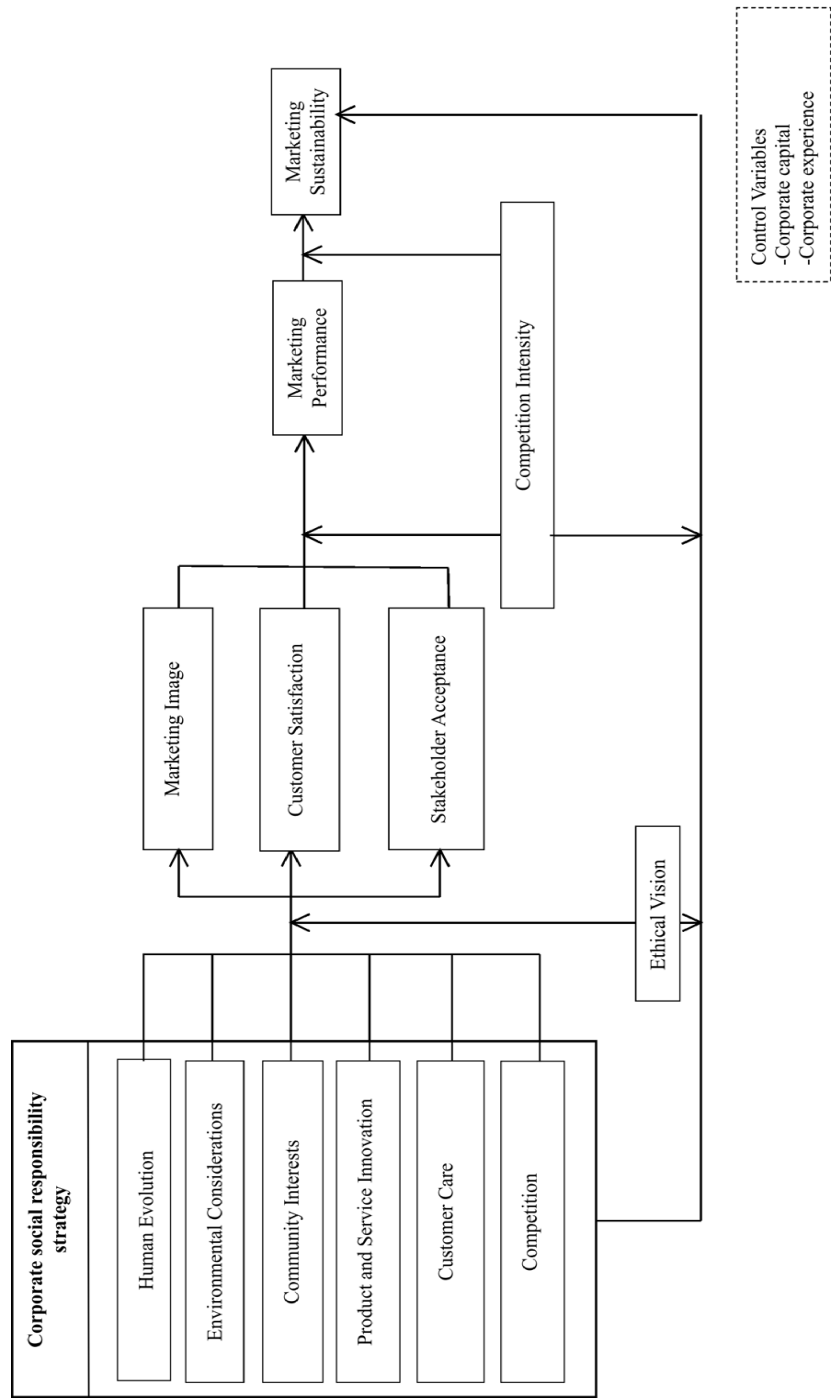


Fig. 3. Model of corporate social responsibility strategy and marketing sustainability relationship
(Prasertsang – Ussahawanitchakit 2011, p. 59)

TerraIdea conducted a survey about CSR online communication in the spring of 2006. During monitoring the 100 biggest revenue producing companies the aim was to get a picture of social responsibility pledge at domestic companies, also to reveal where national companies are at present regarding certain online communication areas. As the previous research has also indicated, online communication of CSR has not been widespread yet.

- 16 out of the 100 biggest companies have no homepage in Hungarian at all

- on 20 out of the examined 80 webpages CSR content cannot be found at all which in total means that 40 % of the biggest Hungarian companies do not engage in online communication of CSR.

- Companies handle financial performance and social responsibility as separate from each other: there were only 2 CSR reports which contained financial information of the corporate operation

- ex post facto information related to social responsibility can be found on 13 homepages, 11 homepages contained CSR information for download.

- none of the homepages offers possibility to those interested in sharing their opinion, or giving feedback; the homepages are not interactive.

- at modelling of homepages, not more than 2 companies have given thought to the shortsighted, at other corporate homepages there is no option to enlarge the letter size or switch to a blindfriendly version of the page (idea.com/download/terraidea_csr_online_2006_summary.pdf)

Braun&Partners in spring 2011 conducted a questionnaire-based online survey as a part of „Good CSR” program. The research aimed at mapping the state of responsible corporate behaviour in Hungary. During the

quantitative survey they looked for an answer to the questions like what strategic approach to CSR is like and how widespread different forms of social responsibility are. They analyzed 4 separate dimensions of social responsibility: *stakeholder relationships, strategic initiatives, programmes, communication*. Questionnaires have been filled in by representatives of 53 companies. Results of the research show that the strategic approach to corporate responsibility has already spread among corporations; however, they believe the most important area in the field of corporate responsibility is the realization of the CR-related programmes. According to the respondents the main aim of CR operation is increased trust towards the corporation. Results received in each dimension are as follows:

Operation of stakeholder relationships

For the companies concerned in the research employees and customers/clients proved to be the most important stakeholder groups. This result is also supported by the fact that majority of these companies have already launched some environmental or social programmes. Among stakeholders, NGOs and vendors are viewed by the companies as the least important groups.

Strategy of social responsibility

Great majority of respondents have a future vision regarding socially responsible operation of the company. Definition of such strategic, environmental, social and economic goals, priorities that relate to corporate social responsibility is also characteristic to this majority. In most of the cases those defined priorities attract defined, planned and measurable partial objectives.

Programmes related to social responsibility

A thoroughly thought-over strategic planning is characteristic for the realization of social responsibility-related programmes. Corporate volunteer-

ing is an example of it, for which two-third of the surveyed companies provide an opportunity. Community-related volunteering is more widespread than the professional one.

Communicating social responsibility

Among the respondents, the most widespread method of communicating CSR is the CSR menu point on corporate homepage or the CSR and sustainability reports. At the same time, for the majority of them is not characteristic to inform the stakeholders regularly or that they have a dialogue with them as stated in the international regulations and guidelines.

(<http://www.goodcsr.com/index.php?menu=1278&langcode=hu>)

Finally, we present the results of a regional interview survey, based on which we think that the domestic state of CSR is by far not so promising as it is suggested in the above research. The survey has been conducted by the University of Szeged, the interviews were made by Institute of Business Sciences of the Faculty of Economics and Business Administration. The results of this research have attracted the attention to the fact that though CSR is a behaviour to be followed by companies, economic crisis has slightly changed the earlier concepts. Let us have a look at what the organisations think about social responsibility.

„Again, I can only say that years before, when marketing was thriving in certain sectors of industry, it was told that the top of marketing would be when we can also pay attention to meeting the social and environmental expectations as well, on a high level. The crisis had a significant impact on everything, including marketing. On one hand, we do not use the same marketing solutions as we used, let us say, 5 years ago. Companies choose different marketing tools, people having influence on the busi-

ness relationships are different. Coming from this, I think though environmental consciousness is important, just is social reputation, but these aspects keep back as compared to those ones I have already mentioned. Reliability, sureness, fairness and acceptable price are on everyone's mind nowadays. Recently in Hungary these 3 or 4 parameters are the most important ones, not that what are CSR activities like...”

„It would be important, really important to take up social responsibility, because with our current attitude we sell our kids' future. But, you see, humans are so selfish that they want to feel good right now, also, it is necessary that you can eat and exist well present time, and these quasi life instincts rewrite the question how we should lead an environmentally conscious way of life. Sustainable development in this economic model that prevails Europe at the moment is obviously not possible.” – stated a CEO.

4. CONCLUSIONS

The social sensitivity of actors of economy not only questions the framework of simplifying scientific models but it has region-specific features as well. Just as Central European operation of mainstream American marketing is dependent on the given cultural environment and on the state of corporate culture, similar observation can be made concerning the operation of social responsibility. Marketing is evidently global in technological terms, human factor is however locally determined. Consultants' experiences on the Central European CSR are remarkable. While there are certain advantages of CSR, such as growth of profitability, employees' stronger bonds with corporations, improvement of stakeholder relationships, increase of perceived brand equity, improvement of adaptation competency etc. (as listed in the coursebooks), there are such

motivating factors in our direct geographical environment as

headoffice expectations,
bottom-line (employee) initiations,
demonstration effect,
managers' desires for promotion,
utilization of PR opportunities and
political considerations (Radácsi 2011, 30–34.)

If the picture seems not entirely clear yet, that can have more reasons to explain with. The development chain of volunteering-donating-sponsoring-CRM-CSR is non-linear. Let us note that this global game has not been over yet, either. Kotler's one-time vision of social marketing becoming societal marketing is still a vision, especially in the european region. Naturally, economic depression of recent years has an effect on this progress, as it is well outlined in our recent research. However, many good examples are to be noticed on local ground. Social sensibility of enterprises and institutions has increased visibly. *The question is if the dominant goal is the setting-up of an advantageous make-believe or the realized common interest.* The future development of intersectorial nonbusiness marketing will answer this question.

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