

Corporate Social Responsibility in Romanian Companies

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Abstract: *The concept of Corporate Social Responsibility (CSR) first emerged in Romania in the 1990s, with the development of various non-governmental organizations. This paper deals with corporate social responsibility practices carried out by companies operating on the Romanian market. The aim of the study is to present various aspects related to the implementation of corporate social responsibility campaigns in Romania, including the reasons for implementing these campaigns, the frequent obstacles that companies face during the implementation period, how they communicate with stakeholders, and some issues related to their areas of interest as well as to the implementation of CSR campaigns during the Covid-19 pandemic. The study highlights the fact that a well-defined CSR strategy, which incorporates an effective communication strategy, leads to the success of the company in terms of visibility and reputation.*

Keywords: *Corporate Social Responsibility, CSR campaign, CSR communication, CSR strategy, sustainability.*

1. Introduction

Corporate social responsibility has been defined in a variety of ways over time. The World Business Council for Sustainable Development provides a relevant and easy to remember definition: "Corporate social responsibility is the ongoing commitment of companies to contribute to economic development while improving the quality of life of their employees and their families, as well as the community and society as a whole" (Anca et al. 2011, p. 8).

As the demands of the business environment for corporate social responsibility are growing, companies, whatever their size, have started to focus more and more on this concept and have become aware of the multiple benefits it may bring as well as of the negative aspects that may arise when sustainable behavior is delayed.

The 2000s were marked by major reforms as part of the preparation for Romania's accession to the European Union, which influenced the participation of small and large businesses in various CSR efforts. For the most part, these efforts involved replacing existing production technologies with more "environmentally friendly" ones, as well as a variety of social measures targeting company employees or society.

Following the country's accession to the European Union, the implementation of these responsible practices by the private sector has become more pronounced, largely because multinational companies that have opened working sites in Romania have transferred organizational culture and practices from their parent company, in the country of origin (Dumitrascu, 2016).

Initially, these efforts were "seasonal," as they were only carried out mostly around the holidays, with no solid plan or model to back them up. Evaluations were focused only on reputational or image concerns, with no regard for the idea of sustainable development or stakeholder demands. Now, with the growth of the CSR industry in Romania, CSR practices have

become more aligned with those of nations with a long history in this industry. At the same time, CSR campaigns and their impact have become more visible and valuable as companies incorporate them in their yearly reports (Veringă and Veringă, 2019).

Evaluation of and reporting on CSR practices and results are significant instruments for addressing sustainability concerns (Almășan et al., 2019 apud KPMG, 2013). CSR reporting is a type of non-financial reporting (Vartak, 2016).

In terms of non-financial reporting, enterprises in the European Union with more than 500 employees are required to provide non-financial and diversity information by the EU Directive 95/2014 (Tachiciu et al. 2020). The primary objective of this Directive is to create the conditions for a corporate reporting model that encourages companies to incorporate sustainability into their business strategy and to supplement financial transparency with information needed to understand the company's performance and development, as well as its impact on society (Green report, 2020).

CSR initiatives can be presented via a variety of channels. There are two sorts of channels: those controlled by the company and those that cannot be controlled by the company. The former include paid advertising, brochures, the corporate website, newsletters, annual reports and social media channels, while the latter include news, blogs, social media channels and websites of experts/NGOs/other people interested in the company's activities. The choice of channel is made according to the purpose of the campaign and the target audience. Of course, the costs will be higher based on the company's decision to display its CSR results and performance through as many media as possible (Kim and Ferguson, 2014). Each organization should keep a record of their CSR initiatives, including both successful and unsuccessful efforts, to ensure transparent communication (Kim and Ferguson, 2014 apud Coombs and Holladay, 2011).

There are many studies on CSR in the literature, but only a few focus on the CSR actions carried out by Romanian companies. This study adds to prior case studies by providing additional information on CSR initiatives in Romania, including CSR implementation, communication and reporting. The companies taking part in this study are some of the largest on the Romanian market.

2. Research methods

The first part of this research consisted in reading existing studies, analyses and specialized literature focusing on the Romanian market, with the purpose of discovering the distinctive characteristics of local companies. This step helped me not only to create a survey targeting organizations, but also to develop the theoretical framework of this study.

The second part consisted of 2 research methods: an online survey and a comparative analysis. Both research methods assisted me in gathering relevant information. The survey was sent to those in charge of CSR activities at the 221 largest companies in Romania that have implemented CSR campaigns in recent years. The survey was administered online via the iSondaje platform during December 2020 – February 2021, and was completed by 32 representatives from the selected companies. The sampled companies were chosen mainly from the Romanian CSR Awards website, but also from other profile websites.

By administering the survey, I tried to obtain information on the implementation of CSR campaigns in Romania, taking into account several factors such as the reasons for implementing this type of campaign, the obstacles that companies face during the implementation period, areas of preferred investments, budgets, communication of CSR activities to the stakeholders, non-financial reporting, difficulties in implementing CSR campaigns during the Covid-19 pandemic and so on.

For the comparative analysis, 100 companies from different industries were chosen from the same sample. The objective of this comparative analysis was to analyze the communication strategies used by businesses to communicate CSR activities online. The comparative analysis grid allowed me to see whether corporations disclosed CSR information on their websites, social media (Facebook, Instagram, LinkedIn and Twitter), specialized platforms, and whether they published sustainability reports on one of the above-mentioned channels.

3. Results and discussion

The survey was completed by 32 companies, including the following: Transgaz, Friesland Campina Romania – Napolact, Digi Romania, Sage Automotive Interiors Romania, NTT Data, Continental Automotive Romania, Vodafone Romania, Agricola, Smithfield Romania, Carrefour Romania, Fortech, Daikin Romania, Banca Comercială Română, Kaufland Romania, Engie Romania, Azomureș, SC Apavital SA, Black Sea Oil&Gas SA, Roche Romania, Jysk Romania, Auchan Retail Romania, Avon Cosmetics Romania, Deutsche Telekom Services Europe Romania, Cargus, CEZ Group Romania and Lidl Romania.

Regarding the reasons why companies choose to perform CSR actions, most of them, i.e. 19.3% (28 companies), said that they start such campaigns because they are included in the company philosophy and values. 18.6% of companies do it to involve their employees in the community, while 16.6% start CSR actions to improve their reputation. Attracting and retaining employees is another reason for 10.3% of the respondents, whereas 4.1% do it to retain customers, 0.7% for tax deduction, 9.7% for increased visibility, 3.4% for competitive advantage, 4.1% to promote products and/or services, and less than 2% to increase the company's financial value or out of obligation.

Table 1 Reasons for implementing CSR campaigns

Why does your company engage in CSR activities?	Responses	
	N	Percent
a) To improve company reputation	24	16.6%
b) To improve client fidelity	6	4.1%
c) For tax deduction	1	0.7%
d) To attract and retain employees	15	10.3%
e) For visibility	14	9.7%
f) They are part of the PR strategy	15	10.3%
g) Competitive advantage	5	3.4%
h) To promote the company's products/services	6	4.1%
i) To increase the financial value of the company	3	2.1%
j) It is imposed by the company's policy	1	0.7%
k) It is part of the company's philosophy and values	28	19.3%
l) To involve our employees in the community	27	18.6%

In line with the literature and the results in Table 2, the environment, education and health seem to be the most frequently supported domains. This can be accounted for by the fact that pollution is one of the most important environmental problems. The commercial impact of pollution is extensive, with only one example demonstrating how pollution affects people's health, resulting in increased medical bills and loss of production. Hiring and keeping workers in heavily polluted locations, for example, is difficult.

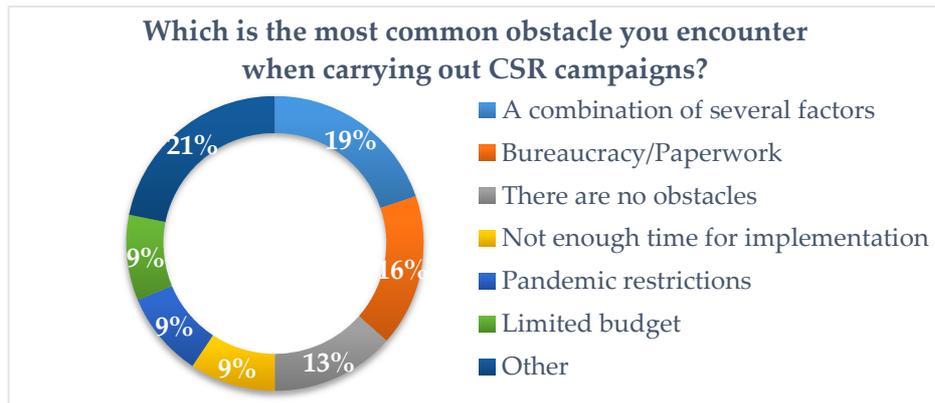
Other areas of investment include sports, information technology, the creative industries, and capacity building for civil society.

Table 2 Areas of interest

Which are the domains your company focuses on?	Responses	
	N	Percent
a) Environment	25	17.7%
b) Education	25	17.7%
c) Community support	25	17.7%
d) Cause Related Marketing	2	1.4%
e) Digital innovation	2	1.4%
f) Health	22	15.6%
g) Intersectoral partnership	6	4.3%
h) Employee support	12	8.5%
i) CSR in social media	7	5.0%
j) Internal campaigns	12	8.5%
k) Others	3	2.1%

Most companies typically encounter a combination of obstacles in implementing CSR campaigns, as illustrated in Figure 1. The most common obstacle is bureaucracy. However, 13% of the companies said they had not encountered obstacles in implementing CSR campaigns. Other challenges include the lack of professionals, the lack of support from the media or appropriate partners, restricted budgets, internal decisions or the lack of coordination with other institutions.

Fig. 1 Frequent obstacles



Communicating with the employees is as important as communicating with the external public. As shown in Table 3, most companies stated that they inform their employees about CSR efforts by e-mail, newsletters, display panels and other tools, such as unique screensavers, brochures, internal platforms or private social media groups.

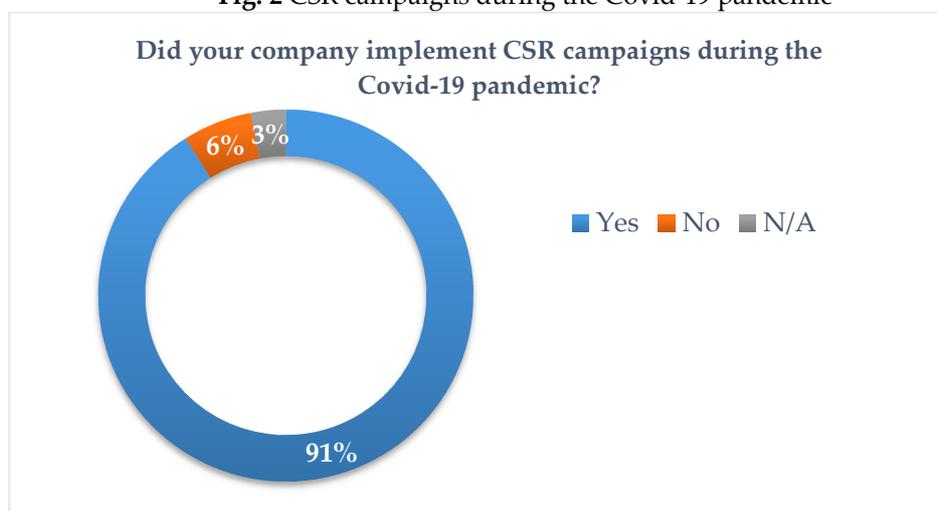
Table 3 Internal communication tools

What tools do you use to inform employees about CSR campaigns?	Responses	
	N	Percent
a) Newsletters	25	28,5%
b) Briefing notes	10	11,5%
c) E-mail	28	32,2%
d) Display panels	16	18,4%
e) We do not inform employees	1	1,1%
f) Other	7	8%

The results presented in Figure 2 reveal that the majority of the companies that took the survey (91%) continued to conduct CSR campaigns

despite the numerous restrictions imposed by the authorities as a result of the coronavirus pandemic. Only 6% did not conduct CSR efforts throughout the pandemic. However, the areas of interest have shifted over this period, with health and education industries being the most prioritized by companies.

Fig. 2 CSR campaigns during the Covid-19 pandemic

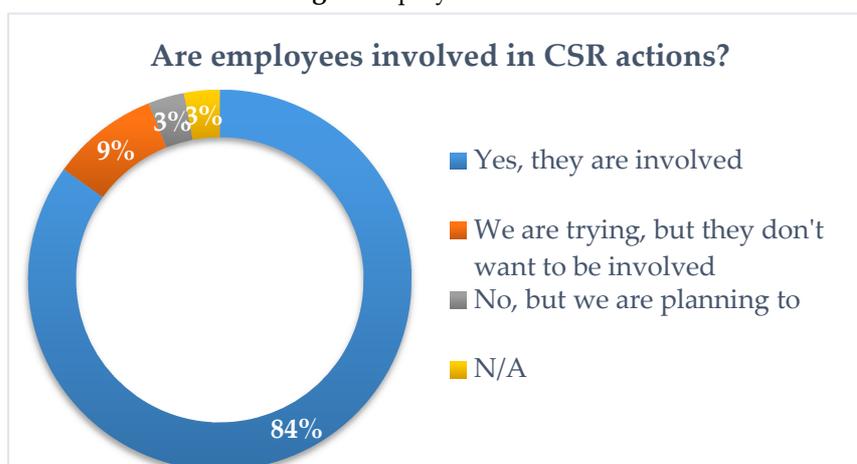


Other things related to CSR campaign implementation have changed during the pandemic, such as the shortage of volunteers, the lack of engagement with beneficiaries, quicker mobilization due to the unknown that came along with the pandemic, the need to rethink CSR strategies and relocate activities online, although collaboration with state institutions was improved.

In terms of employee involvement, the answers presented in Figure 3 show that most companies (84%) involve their employees in CSR actions and state that they are very committed. In contrast, 9% try to involve them, but say employees refuse to get involved, and only 3% of the companies do

not involve them at all but are considering it for the future. 3% of the respondents did not answer this question. However, when it comes to employee engagement and, by extension, CSR program participation, the size of the organization matters.

Fig. 3 Employee involvement



The results shown in Table 4 provide some important details in terms of CSR communication. Most organizations have CSR sections on their main websites, which go by a variety of names, such as commitment, social involvement, sponsorship, foundations and sustainability, among others. In terms of social media communication, Facebook seems to be the most popular platform for CSR communication, followed by Instagram and LinkedIn. Only 9 of the 100 companies included in the study have Twitter profiles. Given that LinkedIn is a more professional network, using the company's LinkedIn profile as the primary communication channel for CSR initiatives might be a viable decision. However, I believe that additional communication methods that might help the company to reach a larger and more varied audience should not be overlooked.

Table 4 CSR communication

Nr. crt.	Industry	CSR section on the website	Social media				CSR platform	Sustainability report
			F	I	L	T		
1.	Retail	14	13	6	11	1	4	7
2.	Energy	8	7	4	5	2	1	4
3.	Pharmaceutical & health	22	8	4	5	0	4	13
4.	Finance & banking	9	8	5	6	2	2	4
5.	Food & beverages	9	9	2	3	0	0	4
6.	IT	5	6	4	5	1	1	4
7.	Oil & gas	5	3	2	3	0	1	2

Foreign organizations in the pharmaceutical industry, unlike organizations in other industries, do not have websites or social media pages for their subsidiaries in Romania. Hence, the information on CSR actions published there is not entirely relevant to the public in the country. As a result, pharmaceutical companies are the least developed in terms of informing the public about CSR policies and campaigns.

It is important to notice that corporate social responsibility actions of organizations who have CSR platforms or operate through a foundation/association and use more than one communication channel are more visible.

When engaging with stakeholders, several organizations, particularly those in the IT industry, employ English. This method has the

potential to be beneficial since it allows a broader public to become aware of the CSR measures that have been taken.

In terms of reporting, only 38 out of 100 companies have published the latest sustainability reports on their websites or other relevant platforms that they are using. Fewer of them have stated the framework on which they based their report.

Conclusion

Based on the findings of this study, it can be concluded that the willingness of corporations to disseminate information about their CSR actions is limited. Although the opinions of those surveyed are not of major importance for Romanian enterprises developing CSR activities, they did allow me to test some hypotheses and detect some trends.

I believe that the interest in CSR will grow in the following years as people become more aware of what they are consuming, whether it is food or other products. People tend to increasingly look for brands that demonstrate sustainable behavior toward the environment and the community to which they belong, sanctioning those who do not. As a result, in order to preserve their market position, businesses must adapt and stay up with changing customer preferences and a market that is continuously evolving.

To summarize, a well-defined CSR strategy that also incorporates an effective communication strategy across numerous media may increase the company's online presence and thus build or enhance its reputation.

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