

# *The Influence of CSR Actions on Company Reputation Case Study: Company Image Before and After the Implementation of the CSR Program*

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**Abstract:** *The abbreviation CSR comes from the English term corporate social responsibility. This concept first appeared in the United States around the 80s, but it was introduced in Romania only around 2005. The first conference on this topic, entitled CSR'06, was organized in Romania in 2006, in Bucharest. This paper focuses on the beneficial actions performed locally by the companies Mondial, Autoliv, Hella and Honeywell, in the municipality of Lugoj, Timiș County, Romania. Each company has implemented various CSR campaigns, whose actions have generated positive opinions from both employees and citizens, which has contributed to maintaining company prestige and reputation. The four above-mentioned companies have always been in competition. This is also due to the fact that they operate in a small town, and each wants to attract as many employees as possible, and of course, important partners so as to become well known for their products and services regionally and nationally. The purpose of the case study is to highlight certain aspects of corporate social responsibility actions, but also to identify the beneficial impact these actions have had on the community.*

**Keywords:** *corporate social responsibility, CSR campaigns, beneficial CSR actions, positive opinions, company reputation, beneficial changes.*

## **1. Introduction**

The reason why I chose this topic is my interest in the welfare of the community I belong to, but also the desire to take part in corporate social responsibility actions. I believe that any company should feel responsible for the society in which it operates, thus trying to compensate for the harm created by pollution through activities that protect the environment or any other activities that involve the good of citizens.

Another solid reason why I found this topic useful is the active involvement of companies in the lives of employees. Once there is concern for those inside the company and appreciation for employees increases, their confidence in the management gets stronger and work efficiency inevitably increases as well.

The first objective of this study was to research the concept of corporate social responsibility by finding answers to questions such as: When did the concept of CSR appear? What changes have there been to CSR over time? What kind of CSR actions have been carried out so far?

The second objective is more specific, including the following: what contributes to the implementation of CSR activities both inside and outside the company, the exchange of benefits brought both to the companies and to the community in which they carry out their activity, as well as how many CSR campaigns conducted by the local companies have been remarkably successful.

In short, the research I have done has helped me discover and understand how CSR activities have evolved over the years. Not only has the image of the companies changed for the better thanks to CSR, but so has the appreciation of the employees and citizens. The employees feel that they are a part of something much more important than a simple group of workers, they feel like a real team, a big family, where respect is guaranteed for everyone.

## 2. Expert sources consulted

The topic of this paper has been researched by various authors from different fields: teachers, analysts, businessmen, each of them coming with their own vision related to corporate social responsibility activities.

According to Camelia Crișan (2013, p 20), in order to define the concept of CSR and to get an idea as clear and close to reality as possible about it, one should rely on several sources from various fields, such as law, philosophy, economics, political science, sociology, psychology, geopolitics, etc.

As explained by William Frederick (2006, pp. 90-104), CSR is representative of an era when corporations implement an ethical culture that observes the major principles of human dignity. Therefore, companies hire only those managers who make decisions in accordance with ethical principles, and who are able to identify and, at the same time, solve the problems that occur in the daily activity of companies.

Also, Archie Carroll and Ann Buchholtz (2008) argue that CSR illustrates the present relationship between corporations and society, which can be accounted for by the fact that nowadays the business environment is automatically included in the social environment and citizens begin to have expectations from companies.

Last but not least, here are the 7 specific corporate issues outlined by Stephen R. Covey (2020), a well-known American businessman and a motivational speaker, in his paper "Ethics of the Effective Leader", each illustrating an interesting point of view in this field:

1. The vision and values are not supported by all members of the organization;
2. We must understand that there is no set strategy for success;
3. Weak harmonization needs to be worked on;
4. There are mistakes in approaching the style;

5. Employees' poor skills need to be identified;
6. Customer confidence must be increased;
7. The current values must correspond to the old habits!

### **3. Research methods**

I have used various research methods to meet the objectives of my study, as follows: a questionnaire administered to the employees at four companies in Lugoj, an interview with the manager of one of them, reading magazine and journal articles as well as specialized books written by Romanian and by foreign authors, and consulting official websites in the field. I have tried to fulfill the objectives of my work in a clear, concise and balanced way, providing both research from others and my personal opinions.

The questionnaire was administered to staff members from four companies in Lugoj, namely Mondial, Autoliv, Hella and Honeywell. There were 80 respondents (39 women and 41 men) aged between 25 and 50 years old. They all have a university degree and they all live in Lugoj. Most of them work in fields such as: Human Resources, Public Relations, Management, Marketing and Finance.

### **4. Results**

For a better understanding of my research, here are the most important findings that I have chosen to include in this paper.

As shown in Figure 1 below, when asked whether they are familiar with the concept of Corporate Social Responsibility, 63 out of the 80 respondents answered yes, while 17 said no. From my point of view, these figures point to the efficient internal management of the four companies under analysis. The high percentage of those familiar with CSR (78,8%) indicates both their obvious practice in the field and an efficient and

balanced communication between the management and the employees to whom the projects of the companies in which they operate are brought to attention.

**Fig. 1** Familiarity with the CSR term

**Q1. Are you familiar with the CSR concept?**

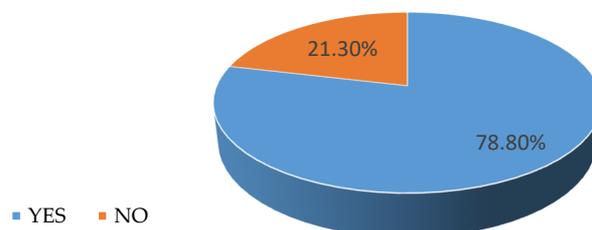
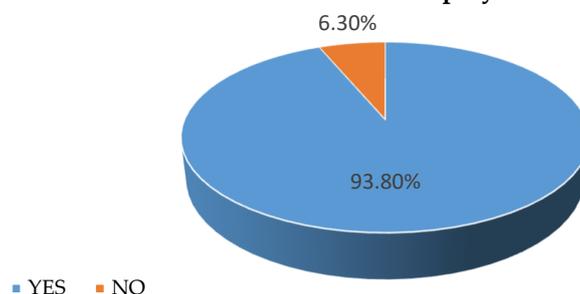


Figure 2 depicts the employees' opinion about whether the company they work for has formed a positive image due to its active involvement in the lives of its employees. 75 out of the 80 respondents answered affirmatively, which suggests a high degree of awareness of the importance of CSR activities and their internal effects. On the other hand, 5 respondents answered negatively, not considering these activities essential. This may be due to either their lack of knowledge or lack of interest in this area.

**Fig. 2** Image of the company through the eyes of the employees

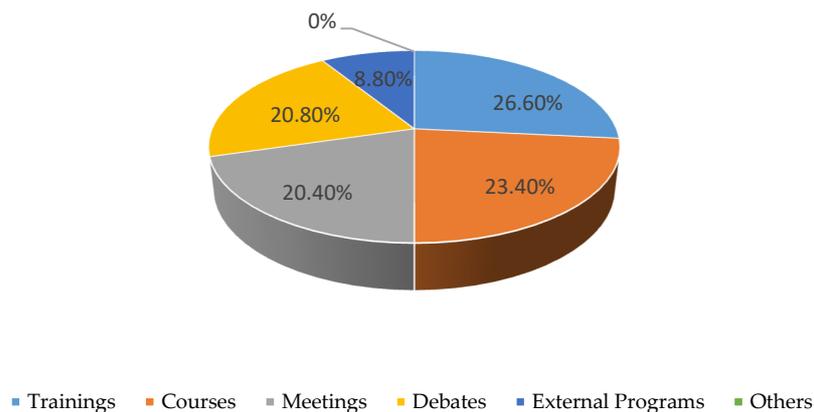
**Q4. Do you consider that the company you belong to has formed a positive image due to its active involvement in the lives of its employees?**



Another question concerned the professional development services offered to employees by the company. This was a multiple-choice question, where the respondents could select more than one answer. As illustrated in Figure 3, there were 73 answers for trainings, 64 for specialized courses, 57 for debates, 56 for meetings, and 26 for external programs. As a general idea, these figures indicate the active involvement of the management in the professional development of the employees, offering them the possibility of promotion.

Fig 3. Professional formation of the employees

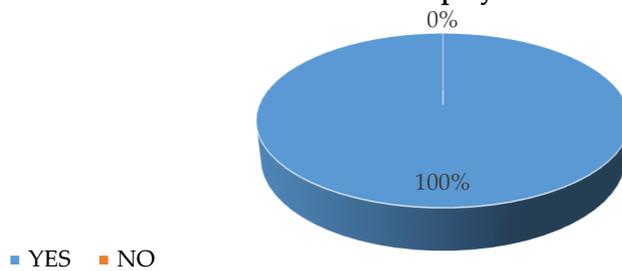
**Q6. Regarding the professional training of your own employees, what services were offered to you by the company you work for?**



As for the existence of benefit packages for employees, all the respondents answered affirmatively (Fig. 4), which shows that the four companies studied (Mondial, Autoliv, Hella and Honeywell) have benefit packages for their employees, obviously rewarding their work.

Fig 4. Employee benefit packages

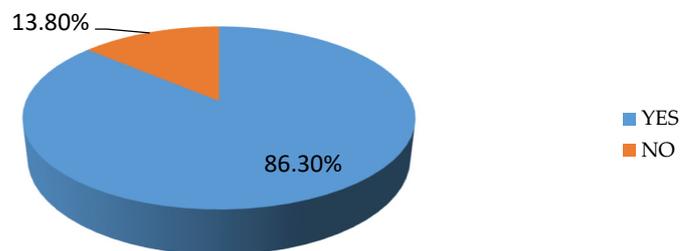
Q7. Does the company in which you work have a benefit package for its employees?



In what concerns the employees' participation as volunteers in social events organized by the company, the results of the survey show that 69 out of the 80 respondents stated that they participated in such events. Only 11 respondents answered negatively, having no involvement in such activities, as can be seen in the pie chart below. The high percentage of positive responses (86,30%) illustrates both the civic spirit and the interest of employees in supporting disadvantaged people, while also contributing to the promotion of these projects in the future.

Fig. 5 Volunteering

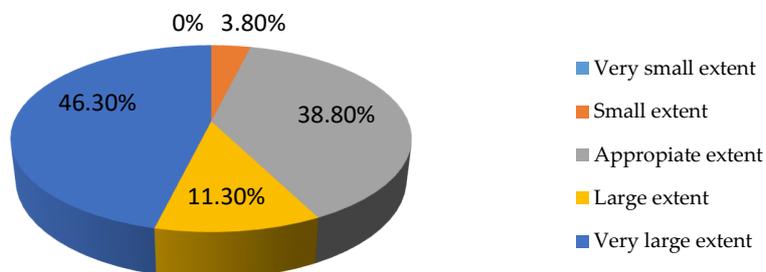
Q21. Did you participate as a volunteer in a social event organized by the company you belong to?



When asked to assess the extent to which the company they work for has evolved thanks to CSR activities (Fig. 6), 37 out of the 80 respondents were of the opinion that the company had evolved to a very large extent, 31 said to an appropriate extent, 9 stated to a large extent, while only 3 considered that the company had evolved to a small extent. These figures indicate the employees' appreciation of the social projects carried out by the companies as well as their desire to continue doing such activities on a regular basis. I also believe that the involvement of employees in CSR activities allows them to combine the useful and the pleasant, by dealing with other issues not related to their daily work while also increasing their work performance to some extent.

Fig. 6 Evolution of the companies

Q22. If you were to look back, before doing all these activities, to what extent do you think the company you work for has evolved?



## Conclusion

In my opinion, corporate social responsibility is the set of actions initiated for the wellbeing of society and its members. These actions can refer to the protection of the environment, the support of education in educational

institutions, the provision of jobs for the most disadvantaged people, the implementation of better conditions for existing employees, etc.

I think that another factor that has led to the emergence of CSR activities is the increase in personal expectations. My generation has a higher level of expectations than the generation of our parents and grandparents because we have been educated in such a way so as to respect ourselves. Once people have high self-esteem, they will stop accepting injustice, refusing to be blind, deaf and dumb to undesirable behaviours and will request more acts of welfare from companies.

In conclusion, the benefits that corporations can get could be achieved through a broad and continuous process, which I will try to explain through a metaphor. Let's suppose a corporation is depicted as a tree; the benefits obtained are in the crown, at the top of the tree. To reach the top, the roots must be well planted in the ground, thus forming a solid trunk and strong branches. Then, in order to regenerate and fruit, the tree must be watered, cleaned, cared for, and the branches must be pruned regularly. After years and years, my children and grandchildren will be able to proudly say that this tree is beautiful, majestic and impressive.

The essence of my comparison is this: results are obtained through constant actions. The change occurs from the inside to the outside. To obtain mutual benefits, both for the company and for the community, corporations need to create a pleasant environment for their employees. Just like someone who is well-raised by their parents, not lacking the necessary resources and appreciating what they have received – that someone will not only do the same for other people, but they will also positively influence their acquaintances (and in the future, their children) to act similarly, because good can be contagious.

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