

INTEGRATING BUSINESS AND SOCIETY: THE LINK BETWEEN CSR AND COMPETITIVE ADVANTAGE

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În această lucrare, propunem o nouă modalitate de a vedea relația dintre afaceri și societate, succesul companiei și prosperitatea socială nu este un joc cu sumă nulă. Integrarea afacerii cu nevoile sociale necesită mai mult decât bune intenții și o conducere puternică, ci adaptări organizaționale. Companiile trebuie să-și schimbe poziția de la o postură fragmentată și defensivă la o abordare afirmativă și integrată. Datele empirice au fost colectate de la un eșantion compus din firme românești din industrie folosind un chestionar. Se știe că firmele nu sunt responsabile pentru toate problemele cu care se confruntă lumea, nici nu au resursele necesare pentru a le putea rezolva pe toate.

In this paper, we propose a new way to look at the relationship between business and society that does not treat corporate success and social welfare as a zero-sum game. Integrating business and social needs take more than good intentions and strong leadership, it requires adjustments in organization. Companies must shift from a fragmented, defensive posture to an integrated, affirmative approach. Empirical data was collected from a cross-industry sample in Romania using a questionnaire form. It was shown that the corporations are not responsible for all the world's problems, nor do they have the resources to solve them all.

Keywords: Corporate social responsibility, competitive advantage, social reputation, innovation

1. Introduction

The paper first reviews the literature in order to understand the importance of the corporate social responsibility (CSR) and to conceptualize it. This is followed by a summary of empirical research, including sample companies chosen and data collection. Then the results of the study are presented, some conclusions are drawn and the limitations of the study are noted.

The concept of corporate social responsibility is becoming increasingly common in Romania both in academic circles through researching its theoretical foundations, and among managers and entrepreneurs who want to put these theories to use in every day business practice.

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In Romania, in the period of planned economy the social functions of the state-owned companies were extremely broad. Employees were provided with health services, kindergartens, vacations, summer camps for children, sport centers, cultural institutions, etc. The fact that the wages were paid in money that had very little buying power in the market, where the amount of goods was always insufficient, was in a sense compensated by the possibility of getting some of the needed commodities directly from the state-owned companies, and also by some workers' privileges, such as coal allowances, exemptions from some of the payments, allowances for various goods, etc.

In some regions where a large state-owned company provided jobs for most of the local residents, the company became a sort of patron. This patron-company not only provided occupation, but also shaped the way of living of particular individuals and entire communities. In the transformation period the first step towards achieving profitability of the companies was disposing of their social functions and institutions. People were being convinced that these facilities are a burden that makes it difficult for a company to exist competitively on the market. All of this makes the people who still remember the times of planned economy regard the declarations of social responsibility with distrust.

The ways of promoting and implementing CSR should be adapted to particular conditions of a country. We know that CSR was formulated in the countries of stable market economy, and consequently focuses on these countries. The promotion this concept in Romania has to be thoroughly researched in terms of a specific strategy of standards from the developed countries may prove to be a serious problem, defined as asymmetry of rationality [7]. The asymmetry of rationality means that the rational procedures and institutions that were developed for markets of different scale and different historical circumstances are imposed on the post-communist countries. The ways of promoting and implementing CSR should be adapted to particular conditions of a country.

One of the reasons why Romania companies, especially small and medium business, do not involve themselves in social activities is economic situation. First of all, most companies are still in the stage of gaining their "first million". Most of the small businesses are quite new, i.e. they were established after 1989. Companies in the formative stages of their development often have to cope with financial problems, or lack funds for current functioning and larger investments. The main goal of the managers of these new companies is maintaining financial solvency, therefore they do not concern themselves with long-term planning. Their everyday existence is dominated by struggling with bureaucracy, execution of financial assets from debtors or prolonging payments for creditors.

In the countries with a developed market economy and a mature civic society the change of business strategies was enforced by pressure groups that demanded action for society and natural environment. In the countries of

transformation there is no or hardly any external pressure on companies to implement CSR. The serious obstacles are: negative image of business (in post-communist countries), dysfunctional legal background, corruption, difficult economic situation of many companies, the lack of ethical standards, and difficult situation on the job market [5].

CSR is promoted in Romania mainly by foreign companies with branches in our country. They show how to involve business in actions for society and natural environment through many programs realized in our difficult reality. The foreign standards are also a source of inspiration for the institution that deals in helping the people and organizations in need to contact the companies that can provide the help. The UE accession has paved the way for obtaining the EU funds and grant, therefore it will encourage Romania companies to define and keep the recognized business standards [10].

Education, health care, and equal opportunity are essential to a productive workforce. Safe products and working conditions not only attract customers but lower the internal costs of accidents. Efficient utilization of land, water, energy, and other natural resources makes business more productive. Strong regulatory standards protect both consumers and competitive companies from exploitation.

1. The relationship between corporation and society: the link between competitive advantage and corporate social responsibility

Crane and Matten [1] have developed the concept of corporate citizenship by analyzing the changes globalization has made to relationships between governments and companies. They emphasize the role of governments as stakeholders in the company, legitimized by their representatives as actors democratically elected by their citizens. The state's political power has been eroded, often due to activities by other actors like companies or organizations that operate in civil society. In this new global scenario, governments are facing new ethical dilemmas in the relationships of interests between companies and society.

Swift and Zadek conclude that public policy is a pivotal mechanism to scale up corporate responsibility business practices and achieve wider sustainable development benefits of corporate responsibility practices [8]. The challenge for governments here is to find a way of designing and implementing public policy that will generate leadership and partnership-based innovation.

One of the crucial factors in social corporate responsibility is corruption. The high level of corruption discourages managers and entrepreneurs from creating positive, long-standing relations with specific stakeholders, because the position of their companies is hardly dependent on their customers, employees, partners, and the local community. They are instead likely to get involved in corrupt deals with high-ranking state officials, in order to win tenders, ensure their

access to the market, or get various licenses (e.g. for exclusive suppliers). Corrupt inspectors refrain from revealing information about the negative effects of specific products or services, corrupt courts protect the companies that infringe on the workers' rights, and corrupt ecologists tend to overlook the environmental damage.

Reductions in pollution, waste, carbon emissions, or energy use may be documented for specific divisions or regions but not for the company as a whole. Philanthropic initiatives are typically described in terms of money or volunteer for spent but almost never in terms of impact.

By seeking to satisfy stakeholders, however, companies cede primary control of their CSR agenda to outsiders. Stakeholders' views are obviously important, but these groups can never fully understand a corporation's capabilities, or competitive positioning it must make.

Companies should operate in way that secure long-term economic performance by avoiding short-term behavior that is socially detrimental or environmentally wasteful. DuPont, for example, has saved over \$2 billion from reductions in energy use since 1990. Transparency may be said to be more "sustainable" than corruption. Good employment practices are more 'sustainable' than sweatshops.

CSR practices and initiatives are often isolated from operating units. The company's social impact becomes diffused among numerous unrelated efforts. The power of corporation to create social benefit is dissipated, and so is the potential of companies to take actions that would support both their communities and their business goals.

Because society supports business by allowing it to exist, business is obliged to repay society by making profits. A manager can, with some justification, state that he has discharged his obligation to society by creating goods and services in exchange for profit within the limits defined by law.

For many companies the attention to CSR has not been entirely voluntary. They have reacted only after the public response to issues they had not previously thought were part of their responsibilities. For example, fast-food and packaged food companies are now being held responsible for obesity and poor nutrition, or Nestle', the world's largest supplier of bottled water, has become a major target in the global debate about access to fresh water, despite the fact that Nestle' s bottled water sales consume just 0.0008% of the world's fresh water supply.

Many companies have done much to improve the social environmental consequences of their activities, but they don't think the corporate social responsibility in the way appropriate to the firm's strategies. A firm that views CSR as a way to reconcile pressure groups often finds that its approach develops into a series of short-term defensive reactions. Be seeking to satisfy stakeholders, however, companies cede primary control of their CSR actions to outsiders [3].

Stockholders' views are obviously important, but these groups can never fully understand a corporation's capabilities, and competitive positioning.

The resources-based-view (RBV) theory presumes that firms are bundles of heterogeneous resources and capabilities that are imperfectly mobile across firms. Barney [1] maintaining that if these resources and capabilities are valuable, rare inimitable and non-substitutable, they can constitute a source of sustainable competitive advantage. Two companies produce identical products, except that one firm adds an additional "social" attribute or feature to the product, which is valued by some consumers or, potentially, by other stakeholders. In this case, we must determine the level of resources to devote to CSR activities/attributes.

Pollution is a classic example of a negative externality, while innovation (whose benefits cannot be entirely appropriated by its creator) is a classic example of a positive externality. While the private returns to innovation (or those that accrue to the company) may be high, the social returns to innovation (through the creation of new or improved products and processes) may be even greater. Researchers need to use more direct methods, such as interviews and surveys, to motivate for CSR activity and improve the precision of measurement of the private and social returns to CSR.

Creating a social dimension. At the heart of any strategy is a unique value: a set of needs a company can meet for its chosen customers that others cannot. The most strategic CSR occurs when a company adds a social dimension to its value proposition, making social impact integral to the overall strategy.

Nestlé's approach to working with small farmers exemplifies the symbiotic relationship between social progress and competitive advantage. For illustration, in 1962, the company wanted to enter the Indian market, and it received government permission to build a dairy in the northern district of Moga. Poverty in the region was severe; people were without electricity, transportation, telephones, or medical care. A farmer typically owned less than five acres of poorly irrigated and infertile soil.

Nestlé's came to Moga to build a business, not to engage in CSR. But Nestlé's value chain depended on establishing local sources of milk from a large, diversified base of small farmers. Establishing the value chain in Moga required Nestlé's to transform the competitive context in ways that created tremendous shared value for both the company and the region.

Nestlé's built refrigerated dairies as collection points for milk in each town and sent its trucks out to the dairies to collect the milk. When Nestlé's milk factory first opened, only 180 local farmers supplied milk. Today, Nestlé buys milk from more than 75,000 farmers in the region, collecting it twice daily from more than 650 village dairies.

Today, Moga has a significantly higher standard of living than other regions in the vicinity. All villages have primary schools and five times the

number of doctors as neighboring regions. The increased purchasing power of local farmers has also greatly expanded the market for Nestlé's products, further supporting the firm's economic success.

The mutual dependence of corporations and society implies that both business decisions and social policies must follow the principle of shared value. That is, choices must benefit both sides. We have noticed that between CSR and business and strategy there is not a strong link. In addition, many companies deem CSR that a cost, a constraints, or a charitable deed. This perception is not correctly because CSR can be a source of opportunity, innovation, and competitive advantage. In Fig 1 is showed a strategic approach of corporate involvement in society.

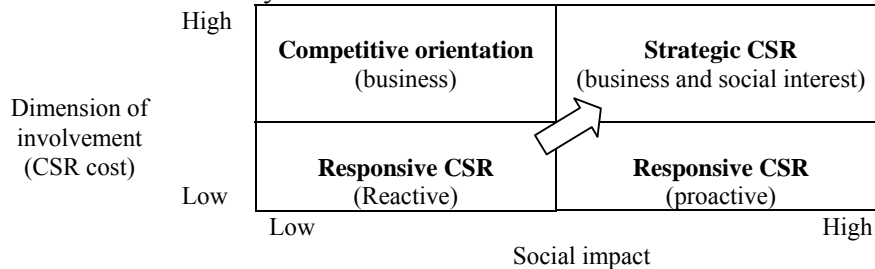


Fig. 1 Corporate involvement in society: A strategic approach

Strategic CSR means to do things differently from competitors in a way that lowers costs or better serves a particular set of customer needs. It moves beyond good corporate citizenship. Strategic CSR unlocks shared value by investing in social aspects of context that strengthen company competitiveness. The success of the company and the success of the community become mutually reinforcing.

Responsive CSR comprises two elements: acting as a good corporate citizen and anticipated adverse effects from business activities. Effective corporate citizenship initiatives such as one create goodwill and improve relations with local authorities and other important organizations. A good company must move toward the strategic CSR.

We have highlighted the fact that CSR projects are so fragmented and so disconnected from business and strategy. At the heart of any strategy is a unique value what the company can meet for its customers that others cannot. The most strategic CSR occurs when a company adds a social dimension to its unique value, making social impact integral to the overall strategy.

McWilliams and Siegel [7] suggest that CSR activities be included in strategy formulation and that the level of resources devoted to CSR be determined through cost/benefit analysis. Analysis of the strategic implications of CSR is hampered by cross-country/cultural differences in the institutions that regulate

market activity, including business, labor and social agencies. Institutional differences lead to different expectations and different returns to activity.

How firms achieve advantage is complex, but there are broadly two explanations. One relates to industrial organization economics and the other to the resource based view of the firm. While sometimes these two approaches of how a firm can reach superior performance are explained in opposition to each other, they actually describe different aspects of the same words and hence it may be more appropriate to consider the perspectives as complementing each other.

The basic argument of industrial organization economics (IO) is that competitive advantage derives from privileged market positions. The emphasis of this theory is on the external environment. It argues that the prime determinant of an organization's performance is its external environment, the structure of the competition and industry it belongs to. Hence the goal of the firm is to achieve optimal positioning in the most attractive markets.

The basic argument of the resource-based view of the firm (RBV) is that competitive advantage is generated from within the firm. The firm's resources are its main source of advantage, in particular those resources that are simultaneously valuable, rare, imperfectly imitable and imperfectly substitutable. The emphasis is here on internal resources, how unique and different they are in comparison to those of the competitors.

Improving the climate and conditions for business in Europe creates a corresponding need for more self-discipline on the part of the business community. In this context, CSR is increasingly important for the smooth functioning of the market economy.

No social program can rival the business sector when it comes to creating the jobs, wealth, and innovation that improve standards of living and social conditions over time. The ability to recruit appropriate human resources, for example, may depend on a number of social factors that companies can influence, such as the local educational system, the availability of housing, and the adequacy of the public health infrastructure.

Every company will need to sort social issues into these categories for each of its business units and primary locations, and then rank them in terms of potential impact. In the auto industry, for example, Volvo has chosen to make safety a central element of its competitive positioning, while Toyota has built a competitive advantage from the environmental benefits of its hybrid technology.

Relationship between integrity and innovation. Integrity in an organization is defined as acting on a personal commitment to *honesty*, *openness*, and *fairness* – living by and for our standards. Effective leaders will foster a social environment of integrity and trust in which participants feel comfortable seeking clarifications, and testing and proposing innovative ideas

In a trusting organization, potential innovation related initiatives are likely to be welcome. Innovation is an important corporate image association that affects consumer product evaluations. Trust is implicated in the innovation process because if management sincerely wishes to hear the workers' innovative views, employees feel confident that the firm will always try to treat them fairly, and therefore that it is trustworthy. The relationship between trust and innovation seems to be mutual rather than causal.

If the firm engages in little innovative activity, and is therefore relatively insensitive to the opportunities in the external environment, it will have a low aspiration level with regard to exploitation of new technology, which in turn implies that it will continue to devote little effort to innovation. Employees in the firms where CSR activities are routinely practiced and embedded in their cognition and identities are more likely to have adjusted their aspiration levels to engage in CSR acts.

CSR in Europe: From the beginning to the year 2000, with the Final Declaration of the European Council of Lisbon, CSR has been linked to the ambition of sustainable development: the issue to make European economy the most competitive and dynamic knowledge economy of the world, capable of a sustainable economic growth with a quantitative and qualitative improvement of employment and of a larger social cohesion. The communication explains that the acknowledgement of CSR as the result of new forms of social and commercial pressure progressively leading to a change in the values and the perspectives of activities of companies. This change of values and the perspectives of activity of companies is largely of an international nature: globalization associated with the information technology revolution have opened new horizons to companies but at the same time create new responsibilities on the planetary scale: north-south relations and conditions of production for example; a question which has already been studied in greater depth by the Commission with another communication promoting the fundamental working norms and improving social governance in the context of globalization (COM 2001-416).

Globalization may result in negative effects if it goes uncontrolled. CSR public policies may help shape globalization in a positive way by promoting good company practices that complement public efforts for sustainable development. Corporate social responsibility is a voluntary job of the companies. If the mission of company is to serve the interest of shareholders, then being a stakeholder of its social, environmental, and economic environment is part of its interest and guarantees the conditions of its success in the long term.

CSR becomes an essential component of sustainable development on the local as well as international level: global governance and the links between commerce, investment and sustainable development are the fundamental questions in the debate about the CSR. But at the same time, and it is at this point

that the Community position becomes interesting and differentiating, the Commission recognizes an inadequate governance at the global and national level, which legitimizes and necessitates a Community action of regulation. The Commission not only confirms the necessity of regulation but also legitimizes the European level to lead it. The necessity of a promotion by the public authorities, the results obtained thanks to the CSR also come from the inadequate governance at the global and national level. The CSR thus comes to represent completely different challenge for the European Commission.

In a situation of increasing globalization of the economy with strong internationalization of political governance, CSR can be seen to reflect the expectation of social and environmental decency and a felt need for sharing of wealth from global corporate operations. Large segments of the population, especially in rich welfare states, are therefore sympathetic to mobilization against some of the negative side effects of the global market economy.

At the industrial level, large West European and North American multinational companies, in particular, are finding it necessary to develop CSR programs and initiatives to comply with societal expectations, voiced by sophisticated interest groups, often with considerable media coverage. In an increasingly media-driven society, the concern with brand profiling and reputation effects leads to demands for corporate responsibility at a new level.

2. Empirical research method

The research instrument was designed primary on the basis of measurement scales and comprised a questionnaire of 24 multiple-choice questions. We contacted a stratified sample of 40 companies with five to fifty employees in both manufacturing and service industries drawn from a database covering the Romanian firms. A total of 38 companies completed the questionnaires amounting to a response rate of 95 percent. The distribution of respondents according to size and industry corresponds to the distribution among all Romanian firms with five to fifty employees. However, to increase reliability the sample was stratified in order to give a slight over-representation of firms in manufacturing industries as well as in the larger size categories.

The degree to which corporations demonstrate their implication in CRS to get the competitive advantages through their practices was assessed using the six-dimension scale (items). Items were rated with a scale containing “0” (not answer), “1” (not influence), “2” (minor influence), “3” (moderate influence), “4” (major influence), “5” (very strong influence), and responses indicating that an influence was not possible or the impact was very high.

Data collection. Anonymity was promised to all respondents. Three questionnaires were returned as wrong completed and 2 firms refused to

participation. The effective population was thus reduced to 35 firms. Ratio of replies was of 87.5 percent.

Data analysis. Data analysis was performed using a statistical program. All correlations between independent variables were examined and variance factors were estimated in order to appraise multicollinearity levels. The correlations provided directional support for the predicted relationships and showed that colinearity among the independent variables was sufficiently low so as not to affect the stability of the models resulting from further analyses [2]. Finally, composite index scores for each construct were calculated and their correlations were examined to establish possible relationships between competitive advantage and the type of CSR.

Profile of the respondent firms. The demographic profiles of the respondent firms (Table 1) varied significantly and to a great extent they reflected the database that was used rather than the structure of the economics.

Empirical research results. In 18 cases in the analysis, the correlation coefficient was 0.36, indicating that between the competitive advantage and independent variables were poorly links. The mean ranks and statistical significance levels of CSR in agreement to each statement are presented in table 2.

A first examination of this table shows that education and environment seem to be more likely to be accepted. This means that the link between higher businesses' performance and CSR practice does not hold true in the case of our country. Additionally, there are high and significant differences in variables. The mean ranks related to education and environments are more likely to create the competitive advantages for company and social benefits. For example, reducing energy and materials waste is good for the environment but also for the profit-and-loss account.

Table 1

Demographic characteristic of the sample	
Variables	Values
<i>Number of firms</i>	40
<i>Industries (% of each sample)</i>	
Industrial Goods	20 %
Consumer Durables	38 %
Service	42 %
<i>Number of employees</i>	
Less than 10	30 %
10 - 20	58 %
20-50	12 %
<i>Years in operation</i>	
Less than 2	8 %
5 - 2	65 %
10-5	18 %
Over 10	9 %

Finally, encouraging employees to further their education is an investment for the future and so the companies must be in partnerships with academic institutions that produce the kind of employees the firm needs.

Calculation of composite index scores. The World Economic Forum defines competitiveness as the ability of a country to reach a sustained medium or long-term growth. To achieve that, countries must constantly enhance their productivity and so competitiveness in international markets. To evaluate the competitiveness of countries, WEF used for many years two indices the Growth Competitiveness Index – that evaluates the macroeconomic aspects of competitiveness – and the Business Competitiveness Index – that evaluates the microeconomic factors.

The corporate social responsibility index score represents the level of engagement in CSR activities exhibited by each corporation. McWilliams and Siegel [7] challenged the conventional regression model used to assess the relationship between corporate social performance (CSP), which is often used as a synonym for CSR, and firm performance. They noted that the typical regression equation estimated was mistaken because it did not include two key variables: the level of R&D spending and advertising expenditure. Both of these variables have been shown to be determinants of firm performance and, because all three (R&D, advertising, and CSP) are elements of a differentiation strategy, they hypothesized that R&D and advertising would be correlated with a measure of CSP. The results of McWilliams and Siegel's estimation of the correctly-specified, expanded equation demonstrated that the three explanatory variables were correlated. Thus, the model that excluded R&D and advertising variables was mistaken. Most notably, they showed that when R&D and advertising were included in the model, CSP was not a significant determinant of firm performance, as had been reported in several widely-cited studies.

We return to our research and notice that the range of possible scores was from 24 (if the respondents had selected 1 in all items) to 120 (if all responses were 5). The actual range was from 46 to 103, and the mean was a quite high 81.2 with a standard deviation of 10.8 points and the standard error of the mean at 0.768. This indicated that the majority of respondents influence more often than not/minor influence with most of the items in the scale and exhibited the least "average" level of good CSR behavior. Less than 4 percent of firms achieved a score of less than 43 and the only 2 percent shows very high levels of CSR behavior.

A correlation matrix was calculated for all the composite indices. The results are summarized in Table 2. All correlations are highly significant and positive, with customer orientation being the strongest, followed by interfunctional coordination. The social reputation has a moderate and highly significant positive impact on CSR. On the other hand, CSR practices are not

closely associated with all aspects of business' performance (profitability, competitiveness, efficiently, and flexibility).

Table 2

Statistical results for CSR, and correlation matrix (p<0.01)

Variables	Mean Rank	Statistical deviation	E	ET	SR	CL	GC	CM
We support education (E)	87.5	0.6	1.00					
We are recognized as a trustworthy company (ET)	64.8	1.3	0.46	1.00				
We are recognized to have a good social reputation (SR)	54	1.8	0.23	0.34	1.00			
We support customer loyalty (CL)	68	1.2	0.33	0.46	0.31	1.00		
We are recognized as a good corporate citizen (GC)	77.7	0.9	0.32	0.35	0.34	0.29	1.00	
We comply with relevant environmental laws (CM)	98	0.6	0.33	0.41	0.39	0.36	0.33	1.00

Looking through the expected benefits of CSR practices, it is understood that good CSR practices have a small but highly significant correlation with customer loyalty and a moderate and highly significant correlation with the level of organizational commitment.

Limitations. This study had several limitations that need to be outline. One limitation includes the fact that the data used were collected from businesses utilizing a self-report survey, which could produce some common method bias. Other limitations of this study, a social desirability scale was not included in the questionnaire, and this limited our ability to control for such bias in the study. In addition, the sample used for this study was statistically shown to be representative of their research respective populations but it is not known to what extent they are representative of the companies' business communities. The small sample sizes, common to unsolicited surveys that provide no incentives for participation and no follow-up, restrict the extrapolation of results to the national level. Finally, the sample contained only Romanian companies, so the results might not be applicable to other European countries, because of different cultural and economic features.

In addition, responsibility standards need to be better aligned to competitiveness opportunities. Standards for responsible business practice have proliferated in the last decade, with diverse methods, measures, and brands and standards bodies' rivalry for take up. Smart standards need to move beyond "balancing" the needs of the market with social and environmental imperatives, to being more active catalysts of responsible competitiveness strategies and practices. The control of international standards is a key aspect of this.

3. Conclusions

A socially responsive corporation actively seeks solutions to social problems. We think that the companies should be involved in preventing as well as solving social problems. We have noted that CSR practices and initiatives are often isolated from operating units – and even separated from corporate philanthropy. In addition, the company's social impact becomes diffused among numerous unrelated efforts, each responding to a different stakeholder group or corporate pressure point. The consequence of this fragmentation is a tremendous lost opportunity. The power of corporations to create social benefit is dissipated, and so is the potential of companies to take actions that would support both their communities and their business goals.

We have noted that a growing number of companies, and their stakeholders, believe that long-term business success depends not only on a healthy balance sheet, but also on social and environmental performance. Analysis of the wider tangible and intangible impacts on commercial performance, along with greater focus on risk and opportunities, is steadily establishing the business case for CSR.

The positive influence on CSR in Romania is the good economic growth rate of our country and consequent consolidation of contacts of our companies with their foreign partners, especially from the EU countries. The EU accession has outlined the way for obtaining the EU funds and grants, therefore it will encourage Romania companies to define and keep the recognized business standards. The foreign standards are also a source of inspiration for the institutions that deal in helping the people and organizations in need to contact the companies that can provide the help.

The short-term performance pressures companies face rule out indiscriminate investments in social value creation. We think that creating shared value should be viewed like research and development, as a long-term investment in a company's future competitiveness. Companies are called on to address hundreds of social issues, but only a few represent opportunities to make a real difference to society or to confer a competitive advantage.

CSR is promoted in Romania mainly by foreign companies with branches in our country. They organize informational and educational actions, and more importantly are able to show how to involve business in actions for society and natural environment through many programs realized in our difficult reality. It is especially important that they send the message that the involvement has to be permanent and not just limited to temporary actions, which is what Romanian society is accustomed to. The foreign standards are also a source of inspiration for the institutions that deal in helping the people and organizations in need to contact the companies that can provide the help.

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The good outlook for the future of CSR in Romania is further strengthened by the self-regulation trends of the companies that are interested in raising their ethical standards and being active for the society and environment. Also, the relatively high number of Romanian companies, especially small and average businesses, participating in the programs promoting CSR may provide a chance for a successful development of the concept in the future. The companies awarded in such programs are formally and officially assured of the rightness of their social and environmental policies, in some cases implemented for a long time. It is especially important while the societal pressure is insufficient.

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