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**SOCIAL RESPONSIBILITY AND CIVIC
KNOWLEDGE:**

Edu4Society

**UNITED ANSWER FROM ROMANIA,
BULGARIA AND SLOVENIA**

2020

**Social Responsibility and Civic Knowledge:
Edu4Society - United Answer from Romania, Bulgaria
and Slovenia**

MONOGRAPH

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IMPERSONATION

The monograph presents views and studies related to good practices in Corporate Social Responsibility (CSR) and civic education to increase understanding of the concept among students in higher education and management training courses in Romania, Bulgaria and Slovenia. It was created by Project „Innovative solution for enhancing social responsibility education and civic skills in creating sustainable businesses - *Edu4Society* Grant agreement 2016-1-RO01-KA203-024476, funded by the EU Program Key Action 2: Cooperation for innovation and the exchange of good practices, Action: strategic partnership for higher education.

Leading partner is:

University Politehnica of Bucharest (Romania) *Involved partners are:*

Eurotraining Solution Srl (Romania);
Bucharest Teacher Training Center (Romania);
Avantera Srl (Romania);
University of Maribor (Slovenia)
University of Ruse "Angel Kanchev" (Bulgaria).

Many leading companies in the EU are paving the way for other industries and countries by adopting large-scale CSR policies and programs as part of their missions, rather than simply as a response to public criticism against profit maximization.

The philosophy of CSR has gone far beyond the initiatives developed at the headquarters of individual companies, which are aimed primarily at philanthropy and publications in the media. Activities are becoming more complex, and expectations for social responsibility among workers, consumers and business leaders are growing. Greater attention is paid by the state to issues such as decent work, integrated labor market, environment. Growing global awareness of sustainability, which is transformed into an incentive and opportunity to maintain the

momentum of corporate social responsibility within the company and expand its impact.

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There is a growing interest in CSR university programs - especially in leading universities - Partners in the *Edu4Society* Project of Romania (University Politehnica of Bucharest), Bulgaria (University of Ruse) and Slovenia (University of Maribor), for the introduction of higher social standards in training and enhancing the competencies and social civil skills of students and young people. Therefore, it is important for students to become familiar with aspects of successful CSR, the main steps for its implementation, the pitfalls of CSR, relationships based on supremacy and ensuring accountability.

This monograph contains a study of the interests of the trainees and good practices in CSR. It aims to present ideas for implementing the principles of the integrated labor market. Within the project, an *E-knowledge platform* was designed by Mihai PASCADI, Mihai TUTUNARU and Andrei DUMITRAȘCU (Avanteră Srl, Romania) and *Online forms for survey the learning needs* were prepared by Gabriela ȘUBĂ, Marian STAȘ and Florica PARAGINĂ (Bucharest Teacher Training Center, Romania). The best practices *Current Status in CSR - Slovenia View* are selected by Uroš KLINE, Matjaž MULEJ and Mladen KRALJIC (University of Maribor, Slovenia), and a team from the University of Ruse (Bulgaria), composed of Dr. Irina Kostadinova, Dr. Svilen Kunev and prof. Dr. Diana Antonova

have developed Part 2. Key Findings in Social Responsibility in Doing Businesses (pp. 23-70); Current Status in CSR - Bulgaria View (pp. 72-73) and Point 4. Results of Data Analysis in Section B. Innovative Solution for Enhancing Social Responsibility Education (pp. 94-141).

The final selection and editing of the State-of-the-Art and Benchmark Analysis in Social Accountability Performance in Business, included in the collective monograph, was made by Prof. Dr. Elena FLEACĂ - Edu4Society Project manager.

SECTION A.

STATE-OF-THE-ART AND BENCHMARK ANALYSIS IN SOCIAL ACCOUNTABILITY PERFORMANCE IN BUSINESS

INTRODUCTION

The sustainable business development is inextricably linked to the social stability and the welfare of the society. Today, the public attention and interest are not only focused on the final business results, but on how the activities themselves are being carried out: how natural and human resources are spent; how business influences the development of the region, etc. Considering the fundamental importance of the entrepreneurship for the public well-being, there are growing demands for activity in an economically acceptable way.

In a clear to follow and easy to understand way, Investopedia [1] makes the case for social responsibility as a corporate code of conduct whereby businesses should balance profit-making activities with activities that benefit society. It involves developing businesses with a positive relationship to the society in which they operate. The International Organization for Standardization (ISO), emphasizes that the relationship to the society and environment in which businesses operate is "a critical factor in their ability to continue to operate effectively. It is also increasingly being used as a measure of their overall performance."

The standard ISO 26000 for Social Responsibility [2] was developed after 10 years of studies and negotiations, in an innovative and unique developing process at international level. It opened a new category of standards, participatory and consensus-based approach, aiming at elaborating recommendations in the form of guidelines and no requirement of conformity to a particular management system, such as

"certifications" proposed by other standards (ISO 9000, ISO 14001).

Its development began in 2000 when the International Organization for Standardization (ISO) announces that it wants to contribute at creation of a "unitary value framework" in Social Responsibility, to harmonize the multitude of codes, rules, certifications and standards in environmental and social domains.

The ISO 26000 standard defines Social Responsibility as: "the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through a transparent and ethical behaviour that contributes to a sustainable development, considers stakeholders' expectations, complies with existing laws and its consistent with international norms of behaviour , is integrated throughout the organization and practiced in its activities". It is therefore a globally accepted definition, credible, which focuses on the integration of environmental and social aspects in all activities of an Organization.

ISO 26000 identifies seven central issues that organizations (governmental institutions, companies, unions, consumers' associations, NGOs, etc.) must address in an integrated manner, as follows:

1. **organisational governance** - incorporation of the seven principles of social responsibility in decisionmaking and operational processes;
2. **human rights** - civil, political, economic, cultural and social rights. An important recommendation is that organisations, through their activities, shall not limit access to essential resources (such as water);
3. **work conditions** - responsibly recruiting and promoting employees, procedures for dealing with complaints, transfer and relocation of employees, training, health,

safety and industrial hygiene, remuneration, working hours;

4. **environment** - a precautionary approach, environmental risk assessment and management, application of the principle "the polluter pays", considering the life cycle of the product, clean production and eco-efficiency, approach the system product - service, sustainable procurement, awareness and public sensitisation;
5. **business practices** - ethical behaviour of organisations in relationships with each other to generate responsible outputs;
6. **consumers' issues** - the United Nations Guidelines for Consumer Protection;
7. **social implication** - organisations need to be a "good citizen" of community.

For each of those, the standard provides information regarding the purpose, relationship with social responsibility, principles, considerations and correlated actions.

Social Responsibility *principles* identified by ISO 26000 are:

1. **Accountability** - the organization must be "held accountable" for the impact on society, economy and environment.
2. **Transparency** - for decisions and activities that have an impact on society and the environment.
3. **Ethical behaviour** - honest organizational behaviour, fairly and integer.
4. **Respect for stakeholders' interests** - identifying the relevancy they have for sustainable development and a special attention for those who are unable to organize themselves or be heard.
5. **Respect the law.**

6. **Respect for international norms of behaviour** - it's about the main rules used in international law.
7. **Respect for human rights** - identifying and preventing any abuses.
8. The standard postulates that **fundamental practices** are: Recognition of Social Responsibility and stakeholder involvement (dialogue with them, checking results, the use of certifications, creation of advisory committees, publishing detailed reports about the company's social performance, creation of mechanisms for conflict resolution with stakeholders, etc.).

Social responsibility means that individuals and companies have a duty to act in the best interests of their environments and society, as a whole. Social responsibility as it applies to business is known as *corporate social responsibility (CSR)*. Many companies, such as those with "green" policies, have made social responsibility an integral part of their business models.

In July 2001, the European Commission presented a Green Paper "*Promoting a European Framework for Corporate Social Responsibility*" [3]. The aims of this document were, firstly, to launch a debate about the concept of corporate social responsibility (CSR) and, secondly, to identify how to build a partnership for the development of a European framework for the promotion of CSR.

The European Commission defines CSR as "*...a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*". CSR is also about managing change at company level in a socially responsible manner. This happens when a company seeks to set the trade-offs between the requirements and the needs of the various stakeholders into a balance, which is acceptable to all parties. If companies succeed in managing change in a socially

responsible manner, this will have a positive impact at the macro-economic level.

Following this statement, Corporate Social Responsibility (CSR) is a concept according to which companies take into account the public interest, ensuring commitment to the impact of their activities on consumers, suppliers, distributors, staff, shareholders, local communities and other stakeholders. Such commitments imply that the organizations take voluntary additional measures to improve the quality of life of their employees and their families, as well as for local communities and the public as a whole.

The main function of an enterprise is to create value through producing goods and services that society demands, thereby generating profit for its owners and shareholders as well as welfare for society, particularly through an ongoing process of job creation [4]. However, new social and market pressures are gradually leading to a change in the values and in the horizon of business activity.

The shift of the CSR paradigm is without doubt. CSR now is calling stakeholders to reposition themselves from an inward, towards an outward approach of doing business. To this extent, to fully meet their corporate social responsibility, enterprises should have in place processes to integrate social, environmental, ethical, human rights and consumer concerns in to their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- identifying, preventing and mitigating their possible adverse impacts.

In general, social responsibility is more effective when a company takes it on voluntarily, as opposed to being required by the government to do so through regulation. Social responsibility

boosts company morale, and this is especially true when a company can get buy-in among its employees and actively engage them in its social cause.

An increasing number of firms have embraced a culture of CSR. Despite the wide spectrum of approaches to CSR, there is large consensus on its main features:

- CSR is behaviour by businesses over and above legal requirements, voluntarily adopted because businesses deem it to be in their long-term interest;
- CSR is intrinsically linked to the concept of sustainable development: businesses need to integrate the economic, social and environmental impact in their operations;
- CSR is not an optional "add-on" to business core activities - but about the way in which businesses are managed.

Socially responsible initiatives by entrepreneurs have a long tradition in Europe. What distinguishes today's understanding of CSR from the initiatives of the past is the attempt to manage it strategically and to develop instruments for this. It means a business approach, which puts stakeholder expectations and the principle of continuous improvement and innovation at the heart of business strategies.

Today's CSR issues are primarily focused on discussing the levels of authority themselves, both in Europe and around the world, and they include the discussions of business leaders, state institutions, non-governmental organisations and the academic community. In the context of fluctuations (instability) of world economic development, the interest in this topic will steadily increase even more, as many issues related to the links between CSR, innovation and modernization are of fundamental importance.

The subject requires a minimum of knowledge for the professional development of management specialists as managers of organizational structures of different laborlaw form,

state or public property or entrepreneurs developing their own business.

The Communication from 2006 called "Implementing the Partnership for Growth and Jobs: Developing CSR in Europe to a level of excellence" [5] has identified eight areas of interest in which the Commission will focus its efforts to develop CSR:

- Raising awareness level and sharing best practices;
- Supporting initiatives of groups interested in Companies activities (stakeholders);
- Cooperation with EU Member States;
- Promoting transparency to consumers;
- Research;
- Education;
- Small and medium enterprises;
- Internal dimension of CSR.

Along with this Communication was launched European Alliance for CSR, as a foundation to promote CSR in the future. European Alliance for CSR aims to:

- increase awareness on CSR and reporting successes in this area;
- development of cooperation networks;
- creating a propitious environment for CSR implementation.

The Commission adopted this attitude from the conviction that CSR activities of companies can contribute to achieving of objectives through their policies, from increasing competitiveness to progress towards the overall objective of the Commission.

But, is there a root cause, which triggered the pressure on corporations to behave ever more responsibly?

The answer to previous question is yes, and the name of the seminal starting point on the CSR conversation may be the set of Sustainable Development Goals 1 (SDGs), as defined by the UN [6].

On September 25th 2015, countries adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda

[7], called The 2030 Agenda for Sustainable Development.

Each goal has specific targets to be achieved over the next 15 years. For the goals to be reached, everyone needs to do their part: governments, the private sector, civil society and everyone. Annex 1 outlines the 17 SDG, as defined by the UN. Annex 2 presents The Ten Principles of the UN Global Compact.

PART 1. AIMS AND BENEFITS OF THE RESEARCH

Per the main developments and challenges in European education and training, EU identified new priority areas and concrete issues for further work up to 2020. In the frame of Social Responsibility, one may have the following priorities [8]:

- Relevant and high-quality knowledge, skills and competences developed throughout lifelong learning, focusing on learning outcomes for employability, innovation, active citizenship and well-being;
- Inclusive education, equality, equity, non-discrimination and the promotion of civic competences.

Education can empower learners of all ages and equip them with values, knowledge and skills that are based on and in respect for democracy, human rights, social justice, cultural diversity, gender equality and environmental sustainability. Economic success also requires education and training systems that impart broad-based problemsolving skills as well as the social and interpersonal skills and attitudes required for effective teamwork. Sustainable development emphasizes not merely strong economic performance but a holistic, equitable and far-sighted approach that rests on a balanced consideration of social, economic and environmental goals and objectives in both public and private decision-making [9].

Creating a healthy and ***principled business ecosystem*** provides a new frame and mind-set that captures a profound shift in the economy and the business landscape. The importance of relationships, partnerships, networks, alliances, and collaborations is continuously growing and it becomes increasingly possible for firms to deploy and activate assets they neither own nor control, to engage and mobilize larger and larger numbers of participants, and to facilitate much more complex coordination of their expertise and activities.

The world is entering an era in which ideas and insights come from everywhere, and crowds, clouds, collaborators, competitions, and co-creators can fundamentally help define our shared future. The business environment is being permanently altered thus. The rise of business ecosystems is fundamentally altering the key success factors for leading organizations, forcing them to think and act very differently regarding their strategies, business models, leadership, core capabilities, value creation and capture systems, and organizational models. More will be learned over time, as ecosystems continue to reveal their secrets, by preparing through continuous education mechanisms to transform businesses and organizations without destroying them, and taking a lesson from the entrepreneurs' use of minimum viable products [10].

In this respect, organizations and society at large recognize that ethically and socially responsible behaviour plays a crucial role in good business practices. To accomplish this, key components are the development of curriculum, pedagogy, and delivery methods best practices. The result of this effort would be students, graduates and practitioners possessing a range of perspectives and competences that increase their awareness of good socially responsible business practices. Yet, how best to develop the programs, curriculum, and pedagogy that deliver socially responsible business practices is still undecided. Equally important is to understand who the "clients" are and what they want from business education program.

Making social responsibility in business education meaningful for students and the business community, their interests across all disciplines need to be aligned, which will help improve the *environmental, social, and economic literacy*. One way to bring about this change is for collaboration among educators from different disciplines, industry professionals from varied businesses, as well as students. Yet, issues related to language and research methods can make it hard for stakeholders in different disciplines to work together.

Despite increasing interest in and support for interdisciplinary endeavors at universities, few guidelines exist. For social responsibility to develop interdisciplinary bridges, it is imperative for educators, students, and industry professionals to work together from the initial stages of curriculum formulation and research design. These are difficult issues and students, as future business managers and leaders, need to debate thoroughly, reflect upon, and evaluate the issues. Then perhaps, as an outcome, they will become socially responsible citizens. The learning outcomes must ensure that students can be critical, objective, well informed, and analytical about the subject matter, as well as aware of effective practices and interdisciplinary knowledge of complex issues.

Working for a socially responsible future requires more than tinkering with existing systems. It leads people to rethink their approach to business best practices and management.

Finally, the curriculum will not be the only influence on students' perceptions of socially responsible issues because many will have been exposed to the influence of the media, political debate, and peer pressure; yet the real vehicle of understanding and change will be the teaching and learning strategies implemented in the higher education curriculum [11].

In the same time, it is beyond doubt that the current project is breaking new teaching ground, for all the good reasons, given the educational reality in Romania, as far as CSR is concerned.

To this extent, the goal of the report to help our customers, i.e., educators, business people and managers, and student, get a clear and easy to use perspective to:

1. ***make sense*** of the vast body of knowledge, practice, and institutions related to CSR, available in the public domain;
2. ***understand*** the founding principles of CSR, and the most relevant frameworks linked to CSR;

3. design and produce appropriate teaching materials at various levels of complexity.

Here are just a few benefits of the current research for our customer which easily come to mind at a first glance:

- a true **multidisciplinary perspective** on CSR;
- a **clear, easy to understand toolkit** to approach CSR;
- a **better, deeper understanding of the causeeffect** relationship between sustainable development and corporate responsibility;
- a **broader potential for future (social) entrepreneurship**;
- a **body of teaching materials with a breakthrough effect**

As it was explained in the previous section, the subject requires a minimum of knowledge for the professional development of management specialists.

As a result of this subject study, **knowledge** is acquired related to:

- the genesis of social responsibility, the role and place of ethics in business through the CSR system;
- the main directions of integrating CSR into the theory and practice of strategic management;
- instruments for regulating CSR (international organizations, standards, ratings) and the role of the state in maintaining CSR in EU countries;
- the principles of corporate self-regulation; the main directions and elements of social policy;
- prospects for the development of CSR; the directions for improving the approaches to CSR in the EU Member States and the world.

Skills for:

- identifying, analyzing and benchmarking the expectations of stakeholders and organizations in applying the CSR principles;
- diagnosing ethical issues in organizations and using key models for ethical management decisions;
- analysing the current state of CSR and its role in today's business within the EU, Europe and the world;
- setting examples of successful approaches to CSR in EU practice;
- differentiating the national/regional characteristics of CSR;
- analyzing the main subjects for regulating CSR in European countries and the nature of their impact on organizations at different levels (international, regional, national, local).

Mastering of:

- the methods of forming and maintaining an ethical climate in the organization;
- basic guidelines for the development of social policies, codes of ethics and corporate social reporting;
- a methodology for assessing the effectiveness of corporate social policy;
- a methodology for assessing the impact of social investments on companies' financial standing.

Formation of competencies:

- general, related to the ability to work in a team; making organizational and management decisions and taking a responsibility for them; analyzing socially significant processes and problems; taking into account the success of management decisions and actions from the position of social responsibility;

- technical (professional), characterizing the ability to assess the conditions and consequences of organizational management decisions; taking into account the aspects of CSR in the development and implementation of the company's strategy; meanwhile assessing the impact of the macroeconomic environment on the functioning of companies, state and public government authorities; taking into account the economic and social conditions for undertaking entrepreneurial activity.

PART 2. KEY FINDINGS IN SOCIAL RESPONSIBILITY IN DOING BUSINESSES

2.1. The Concept of Corporate Social Responsibility (CSR)

Nothing else but the growing need of the world for sustainable development puts pressure on corporations to implement socially responsible codes of conducting their businesses. As a result of a long and continuous process of development in the Western European countries, a balanced system has been established which regulates the interrelations between entrepreneurs, public authorities and communities in the field of the socio-economic development of the countries and separate regions.

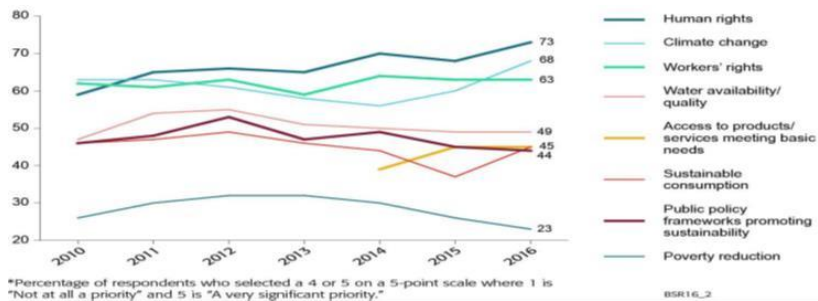
Today, the business involvement of different countries in solving social problems is regulated within existing civil, tax, labor and environmental legislation or it is selfmanaged under the specially regulated incentives and privileges. In Bulgaria, this process is still in the initial phase of its development, and it takes place in the conditions of the dominant positions of the state, the weakly developed institutions of civil society and the oligarchic building of business relations.

The rules of cooperation between the institutions, the role of the individual countries and the scale of their participation in social development are in the process of being established.

A study from October 2016 of Globescan [12] reveals how the corporate sustainability priorities for the next 12 months were evaluated between 2010 and 2016.

The issue of sustainability is gaining increasing importance in societies and organizations. Because of this new reality, general awareness of the importance of adopting new attitudes and responsible behaviours has begun to spread. These need to be based not only on economic but also on environmental and social aspects.

Thus, it is important to define new tools that can assist in measuring these new organizational behaviour in the three previously mentioned dimensions, as well as their influence on other management practices such as training. In this sense, an understanding of the attitudes of organizations is an important indicator by which to analyze their behaviour.



Source: [12] (*percentage of all respondents identifying an issue as a "significant priority")

Fig. 2.1 Corporate sustainability priorities between 2010 and 2016

Perceptions have been identified to measure organisational behaviour, which is influenced by a variety of decisions, attitudes and moods instigated by their managerial staff. In the social field, notably, the companies' management strive to comply with the laws of the social sphere, as companies seeks to comply with all laws regulating employee benefits, companies adopt policies of nondiscrimination with employees and other compensation and promotion policies, companies cultivate a close relationship with the local community.

An interesting aspect is related to specific effects on the human capital of organizations and their workers' level of knowledge, including improving the quality of work, improving productivity and increasing employees' levels of satisfaction in doing their

jobs. These effects reveal themselves within organizations, and, at the same time, they could have a future impact on sustainable development. Also important are other aspects related with companies' performance, such as sales development, new clients, evolution of results, occupancy rate evolution and customer return rates.

In general, is highlighted the importance of Social Responsibility - SR - practices in organizations and confirm the validity of important indicators related to training and corporate performance. This suggests that the importance attached by companies to developing training practices has positive effects on human resources and, in turn, on business performance [13].

Despite CSR having become a key strategy for firms to use in advancing on a sustainable path, the role of CSR for firm performance outcomes still remains relatively poorly understood. Thus, in most empirical studies across several industries and countries, CSR is examined as moderator of the relationship between marketing capabilities and firm performance.

Prior researches call for an inclusion of competitive intensity as a boundary condition to this moderation effect. Thus, three-way interactions among competitive intensity, CSR, and marketing capabilities had significant relationships with firm performance. For firms in industries with highly competitive intensity, marketing capabilities have a stronger positive impact on performance when CSR is high versus low. Most researches sheds light on the interplay between CSR and marketing by showing that vigorously competing firms should use CSR as a major lever for increasing the impact of marketing on performance.

In this respect, executives regularly raise the issue of how much corporate social responsibility is sufficient to fulfil the organization's primary function of generating profit. Managers in environments of both intense competition and dire economic straits often raise the challenging question of whether their CSR initiatives (e.g., supporting local communities with monetary

donations, reducing the organization's carbon footprint) are worth the financial investment [14].

Although the pressure on firms to implement successful sustainability strategies is high, few have managed to successfully embed them into the organization's DNA. The ISO 26000 and the Sustainability Balanced Score Card (SBSC) both provide practices for integrating social responsibility throughout an organization - and avoiding the more traditional corporate reaction that follows Clarkson's stages of responsiveness which is largely unhelpful and an unethical response. If business needs to reach an eco-premium, to be successful in the new economy, then it seems tools must be created for businesses to follow in order for their strategies to reach this state. Business has clearly linked sustainability with competitive advantage, however the implementation of sustainability takes overcoming considerable challenges – to which there is no effective road-map. In practice, companies seem to be using tools such as the ISO 26000 and SBSC not to reach the eco-premium, but instead solidify and justify their 'defensive' positions. Thus, certifiable tools that force firms to fully integrate sustainability throughout are needed and would be used if the business case remains as strong as it is requested [15].

There is a positive relationship between CSR engagement and firm efficiency, and this positive effect is largely driven by CSR initiatives labeled as community level CSR.

CSR acts focused at servicing local society (environmental protection activities, participation in local poverty alleviation programs, community-based education, and/or health programs). Firms that are more reliant on the localized economy (for example firms sourcing inputs at the district level and having most customers within the local community) are more likely (given firm size) to engage in socially responsible actions at the local community level. These social initiatives are likely to be reciprocated through a workforce mechanism where employees

are willing to accept a relatively lower share of generated value added.

Moreover, CSR impacts are found to be stronger for firms in non-competitive industries. Therefore, the hypothesis that competition mitigates managerial agency problems cannot be rejected. So, CSR may have an independent positive impact on firm-level efficiency; and that this positive productivity effect is driven more by (smaller) domestic firms' engagement in local community CSR initiatives than more strategic CSR initiatives by larger corporations (state and/or foreign owned).

Nothing that foreign owned enterprises are found to engage relatively less in community-based CSR initiatives than both state-owned enterprises and domestic owned firms leads to the conclusion that increased foreign involvement in the economy will automatically bring about positive improvements in the corporate social behaviour of domestic firms through learning and spill-overs from foreign companies [16].

From the demand-side perspective, CSR may allow companies to credibly signal product quality to their customers. Consistent with this hypothesis, the increase in CSR is larger for companies operating in durable experience goods markets, i.e. markets where the purchasing decision is characterized by greater reliance on brand, reputation, and trust.

Secondly, CSR may be used as a differentiation strategy. In support of this argument, the increase in CSR is stronger for companies operating in the business to consumer (B2C) sector, where the purchasing decision has been shown to be more responsive to companies' CSR engagement. From the supply-side perspective, the implementation of targeted CSR programs may help improve labour productivity. Arguably, employee-related CSR programs (e.g., childcare and flexi time) can help attract, motivate, and maintain talented employees.

Accordingly, companies may try to increase their competitiveness by implementing CSR programs aimed at improving employee satisfaction. Consistent with this view,

companies increase employee-related CSR initiatives when faced with fiercer competition.

Finally, targeted CSR initiatives may also help increase the productivity of capital. This argument goes back to Porter's (1991) claim that efforts to reduce pollution might not only reduce a company's environmental footprint but also strengthen its competitiveness. Consequently, companies may respond to fiercer competition by investing in environment friendly technologies and production processes. Thus, there is a positive correlation between competition (as proxied by the Herfindahl–Hirschmann Index (HHI) of industry concentration) and CSR.

However, as mentioned above, such correlation does not warrant a causal interpretation. Several unobserved variables may correlate with both HHI and CSR, and hence drive a spurious relationship between the two [17].

CSR is defined as a philosophy of behaviour and concept for the formation of business structures, individual corporations and enterprises in the following directions: 1) producing quality products and services for end users;

2) creating attractive jobs, providing a legal salary, investing in the development of human potential;

3) compliance with the requirements of the legislation: tax, environmental, labor, etc.;

4) taking account of public expectations and generally accepted ethical standards and working practices:

5) the role and establishment of civil society through partnership programs and local community development projects.

The main reasons why companies pay particular attention to the social responsibility issues are:

- the globalization and the associated with it severe competition;
- the expansion of companies by size and influence;

- strengthening the mechanisms of state regulation;
- "brain wars" - competition between companies for highly qualified specialists;
- increasing civic activity;
- improving the role of intangible fixed assets (corporate image and branding).

There are many definitions of CSR, but especially since 2010 the International Standard ISO 26000 "Guidance on Social Responsibility" has been introduced, there is a consensus in the experts' opinion that the definition that this standard currently stands for is the most complete and accurate: „CSR definition by ISO 26000 – the responsibility of an organization for the impacts of its decision and activities on society and the environment, through transparency and ethical behaviour that:

- contribute to sustainable development, including health and welfare of society;
- takes into account the expectation of stakeholders;
- is in compliance with applicable law and consistent with international norms of behaviour;
- is integrated throughout the organization and practices in its relationship [18].

There are other definitions of CSR:

1) encouraging responsible business practices that bring benefits to themselves and to society and promote social, economic and environmental sustainability by maximizing the positive impact of business on society and minimizing the negative environmental impact [19];

2) the commitment of business to contribute to the sustainable economic development, labor relations with human resources, their families, local communities, and society as a whole in order to improve the quality of life [20];

- 3) achieving a commercial success following a path based on common ethical norms and respect for individuals, communities and the environment [21];
- 4) CSR is a commitment to improve the social well-being through voluntary business practices and the use of corporate resources [22];
- 5) the commitment of business to contribute to a sustainable economic development by working with its employees, their families, the local community and society as a whole in order to improve the quality of their lives [23];
- 6) managing business in a way that meets or exceeds the ethical, regulatory, commercial, and public expectations that society has towards it. [24]

In case we ignore certain differences in these definitions, there are several common positions that are present in each of them. This allows us to conclude that the goal of CSR is to achieve a sustainable development of the society, which means satisfying the needs of today's generation without creating threats to the needs of the future generations of the planet.

CSR should take into account the interests and help to improve the quality of life of key stakeholders and companies such as: shareholders, investors, government authorities, customers, business partners, professional communities and society as a whole. In doing so, companies need to develop a meaningful interaction with the stakeholders to take into account their views and expectations in the decision making and implementing process.

The principles of CSR must fit into the company activities on a systematic basis and to be integrated into all business processes. In decision making, organizations should take into account not only economic, but also social and environmental factors, which will allow them to manage the impact of their activities on the public and the environment and to comply with them. It is important for the companies to realize that CSR is a

necessity to their core business and is not limited to a philanthropy.

As far as the number, composition and the circle of the stakeholder interests are constantly changing, there is a need for adequate changes to the model that interact/correspond with them. In this regard, several levels of CSR can be distinguished.

- Macro: Responsibility to collaborators (staff), partners, shareholders and consumers. Thus, the social protection of the company's assistants provides programs and initiatives aimed at creating and maintaining a corporate culture, developing a sense of corporate belonging, team attachment to the values and the mission of the companies. There are social benefits programs that are provided on the basis of voluntary commitments by the company, which may include:
 - medical services - presence of offices for the prevention and diagnosis of basic occupational diseases; voluntary medical insurance, prophylactic examinations, provision of holiday cards and sanitary treatment of the employees and their families;
 - an annual bonus for paid leave, material assistance, granting of interest-free loans through mutual assistance funds included as a condition of the collective agreement; - organization of staff catering, monetary compensation via food vouchers;
 - rebate for employees when purchasing a company's products;
 - organization of transport to the place of work;
 - provision of funds for mobile communication;
 - offsetting the cost of business trips during contract work in the region;
 - renting for housing, childcare, etc.

- Meso-level: Responsibility towards Local communities;
- Macro-level: Responsibility towards the State;
- Mega-level: Responsibility to the World Communities.

There are other approaches to the categorization of CSR levels:

1) basic or mandatory – a timely payment of the payroll, regular tax payment, a compliance with the environmental legislation, safety and health policy guaranteed for the workers and employees, an ethics conduct within the framework of the legislation and the code for a corporate behaviour. A policy of compliance with the requirements for a certain CSR level helps the company to be perceived as correct player on the labor market;

2) level of charity (traditional address charity, strategic - ensuring the interests of the company through an aid and sponsorship programs);

3) level of social responsibility of the company to its staff;

As a rule, this is an extended provision with a package of social services for the employees, creation of own (corporate) pension system, a realization of in-house programs for the medical service, a nutrition and a rest organization, a physical development and sport, provision of a training plan for a constant improvement of the qualification of human resources, the improvement of the organization and the culture production;

4) level of social investment;

The social investment comes as an alternative to the traditional and strategic charity. This level of CSR implies a purposeful long-term socio-economic policy of the company for a territorial presence aimed at solving socially significant problems, reconciling with the representatives of local communities the use of resources that carry mutual benefits and benefits for all stakeholders involved;

5) level of risky philanthropy - a non-standard charity that comes as a result of the integration into the philanthropic activity of

the principles and strategies of venture entrepreneurship. A fundamental value in venture philanthropy is the creative innovative approach to solving social problems based on a long-term funding and partnership.

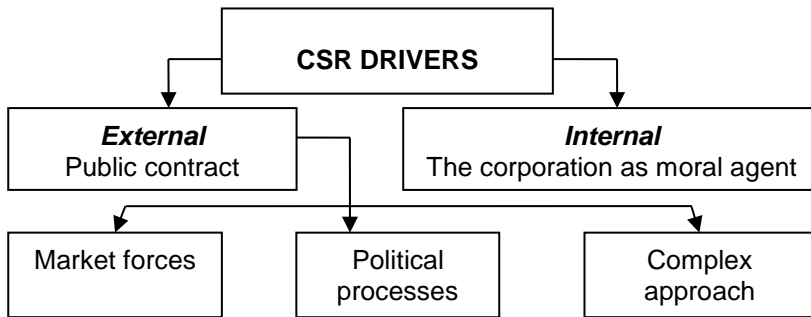
But what precisely are the CSR drivers?

External drivers of CSR - these are the forces that determine the responsible behaviour of the entrepreneurs who are called upon to implement in the public the unwritten contract that coordinates the behaviour of the business with the goals and values of the whole society. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in a law and those embodied in an ethical custom.

Internal drivers of CSR - Responsibility based on the existing real power of managers and entrepreneurs. These are the driving forces that dictate to corporations and their managers the corresponding responsibilities for responsible behaviour. (Fig. 2.2)

By developing the idea of the social responsibility of the business, the different economics schools are having different views for the driving forces of CSR that dictate (provide a variety of interpretations) the responsibility for a responsible behaviour:

- A) market forces;
- B) political processes;
- C) complex approach – external (defined by the institutional nature of the business) and internal (which are dictated by the real power of the business representatives). [25]



Source: Author's own results

Fig. 2.2 CSR drivers

The first understanding/ view (A) is given by the neoclassical economists Theodore Levitt (Harvard Business School) and Milton Friedman. Levitt writes that the primary responsibility of business is, on one hand, the pursuit of profit, on the other, the observance of the canons of everyday civilized communication, such as honesty, good faith, etc. In such a market-based approach, the business' attention is drawn to the construction of schools, hospitals, and the building of social services. T. Levitt criticizes the widespread application of the social concept, and considers that it leads to the destruction of market relations [26]. Nobel laureate economist M. Friedman has stated [27], that in the free society "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits as long as it stays within the rules of the game, which is to say, the company engages in an open and free competition without deception or fraud." The CSR definitions made by these authors do not consider a business responsibility as a synonym for an obligation [23].

The second understanding/view (B) for political processes as a source of CSR is given by institutional economists in the name of John Galbraith. [27] The public and the state are obliged to influence the corporation more closely with the instruments of state regulation, so that the interests of "anonymous techno structures" cannot dominate the interests of the community. He

emphasized the need to create a rigorous framework to bring the corporation in line with the public goals. Galbraith does not define CSR, but indirectly links the corporate social responsibility with an obligation in need of an external regulation.

The third understanding/ view (C) includes a complex approach to the analysis of CSR drivers. Its author is Kirsten K. Davis, a professor at the University of Arizona. She views CSR both at a system and at a company level in a management context. The specific management decisions are taken by the business representatives themselves, and the business organization itself is defined only as a "cultural framework, business direction and specific interests". Hence, "...the first social responsibility of the business representative is the ability to search for solutions that regard the nature and content of his/her personal social responsibility." [25]

The culmination of the complex approach is the model of Archie B. Carroll that could be largely considered as a conclusion of the first understanding/ view presented in the CSR discussion, based on the recognition of the defining role of the public contract.[19] As early as the late 1970s [19], he proposed the treatment of social responsibility by business as "...the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of an organization at a given point in time." Accordingly, Carroll identifies four components of CSR - economic, legal, ethical and discretionary

(philanthropic). The latter Carroll refers to the sphere in which the society has not formed any clear-cut message for business. It is left to the individual judgment and choice of the manager. Of particular importance is that these four components "...do not appear to be mutually exclusive, they can simultaneously form a continuum with the economic interests of one pole of expectations, and with the social one of the other."

CSR layers can be represented as a pyramid (Figure 2.3). The layers of the pyramid includes the economic responsibility immediately defined as the basic function of the market where

the producer of goods and services seeks to meet consumer requirements and make profit. Legal responsibility demands from business an obedience by the law in the context of market economy conditions, its business activities must meet public expectations. Ethical responsibility requires from the business to synchronize public expectations that are not encompassed by legal norms with the rationale of existing moral ones.

Philanthropic responsibility leads the companies to actions aimed at maintaining and developing the welfare of society through voluntary participation in the realization of social programs. [20]



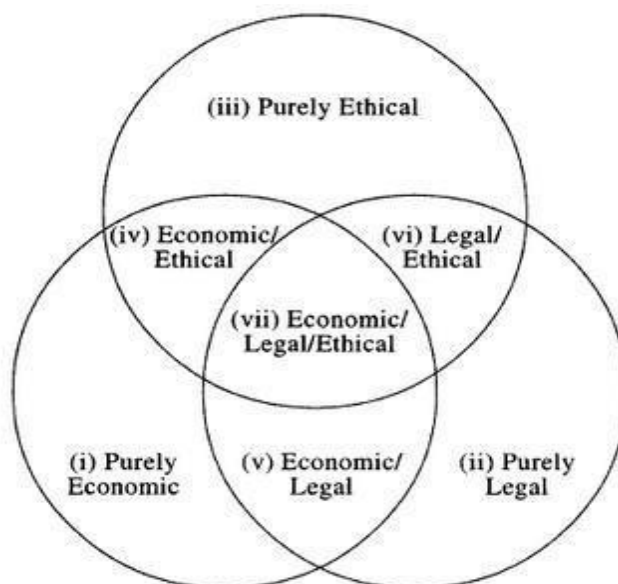
Source: [20]

Fig. 2.3. Carroll's Corporate Global Social Responsibility

Pyramid

Thus, CSR is in fact an obligation for the business to make a voluntary contribution to the development of society by incorporating the social, economic and environmental spheres or the activities undertaken by the business beyond the requirements of the law and the economic situation. The model of Carroll's pyramid based on the underlying economic, legal, environmental, and philanthropic layer of social responsibility has recently been subjected to serious criticism and remodeling. Later, the author [19] suggests the replacement of the pyramid with the Wen diagram, through which it is possible to represent logical relations between extreme sets to display similarities,

differences and links between concepts, ideas, categories or groups. The similarities between the groups are represented in the intersecting parts of the circles, and the differences - in the non-intersecting ones. (Figure 2.4).



Source: [19] Fig. 2.4. Three-Domain Model of CSR Domains of Responsibility Driving Managerial Decision-Making

In our opinion, the new interpretation more accurately describes the reality of business in which only a limited number of companies systematically implement all the domains of the responsibility described.

In respect for the conceptual foundations of CSR, social responsibility as a major social phenomenon begins to be spoken in the middle of the last century. The main reason for the rapid development of CSR views is the intensification of the movement of social groups criticizing the decision-making and the actions of the business, the refusal of consumers to buy goods and services of irresponsible companies, and the strengthening of the actions of trade union movements. At the same time, labor

and environmental legislation is tightening in Western European countries and the United States, social community initiatives are emerging.

The following stages in the evolution of CSR can be separated: 1) creation of the concept (mid 1950s - mid 1990s); 2) development of the concept on its own basis (from the beginning of the 1990s to the present).

The first stage (the mid-1950s-the late 1970s) of the Corporate Social Responsibility concept (Corporate Social Responsiveness, CSR-1) - Corporate Social Responsiveness defined the formation of a normative basis as a description of the moral principles of business, developed at the institutional, organizational and individual level. It is based on business ethics, corporate philanthropy, individual responsibility of managers and social responsibility of company owners. The regulatory concept is based on two main assumptions: recognition of the social contract and external natural drivers of CSR, as well as the Moral-agent position confirming the superiority of internal drivers of CSR. The second stage (mid-1970s to the late 1980s) the normative concept was complemented by Corporate Social Receptivity (CSR-2). It is based on the company's ability to assess the public impact of its own management processes.

The third stage (late 1970s-mid 1990s) included Corporate Social Performance. This is the synthetic concept of corporate social performance (CSP-2), which unifies the principles of corporate social responsibility, the process of social receptivity, and the encompasses of these processes (corporate social performance), and it is the basis for further research. It is this phase in the development of the theoretical foundations of CSR that allows the conduct of scientific research within the framework of "normal science" and to ensure the practical applicability of its results to the business. The above-mentioned concepts can be considered as second-order developmental stages, with subtitles. The synthetic concept of corporate social performance, incorporating normative and positive results, forms

the basis of the process “principles-processoutcome” as a basis for further review of the theory.

Since the early 1990s, major alternative topics have become the theories for stakeholders, sustainable development, corporate citizenship and corporate sustainability. However, the emergence of new concepts does not mean discontinuing the use and development of the earlier ones, resulting in dual treatments of the term CSR. On one hand, CSR continues to be a stand-alone baseline concept describing the moral principles of firm’s societal relationships (CSR-1) and, on the other hand, CSR is increasingly understood as an “umbrella” concept covering all derivatives occurring in the course of the described evolution.

According to the opinion of Andrew Carnegie (1835-1919), founder of the conglomerate US Steel corporation, known for his generous investments in public projects, the rich are obliged to take care of the poor through charity and to regard the role of business to multiply society’s wealth by increasing its own through prudent investments of the resources under its stewardship. [28]

Historically, the idea of CSR originated in the nineteenth century on the basis of the trade union movement in Europe and the United States and became popular through charity. Benefits for employers are obvious: prevented strikes and property losses as a result of workers' excitement. In addition, there is also a political aspect: public recognition that allows a change of image and the ability of an owner not to be included in the category "illegally enriched". These two factors, which are still very active today, abruptly provide a basis for strengthening the concentration of capital. Towards the end of the 19th century, in many branches of the US economy, large capital and monopolies dictate the prices of almost all socially significant goods and services. The situation is changing because of antitrust laws, active business interference in politics, World War I and its accompanying global economic crisis. In the developed countries, government regulation of the economy was strengthened at that time. For the

United States a turning point in the relationship is the Great Depression (1930s). In the administration of President Franklin Roosevelt, a special watchdog has been set up to prepare fair competition codes that implicate a state control over the protection of public interests and guarantee for the workers and employees' rights to set up their own organizations, in order to participate in collective bargaining as well. Since the Second World War, the problem of improving the quality of life of the black population has been added to the general labor standard in the United States, a decision that the officials of the state administration considerably transfer to employers. Similar actions to protect workers' rights on the eve and after the end of the war were also taken by the West European countries. Between 1950 and 1970, in the face of mass strikes, virtually everywhere a CSR policy has been introduced by corporations regarding their own human resources.

Workers have legal grounds and tools to defend their interests. What is the size of the concessions on the part of the employers and of the investments in social security remains a discussable issue between the companies and the trade unions. The influence of industry on the environment and the quality of life of the entire population began to be discussed in the 1970s, when the development of computing equipment allowed to simulate models of the world economy.

In 1972 the fundamental book *The Limits to Growth*, written by a group of researchers from the Massachusetts Institute of Technology, came out. [29] The book is translated into 30 languages in a volume of 9 million copies. It was later supplemented with research by the Club of Rome.

The general public understands that industrial development, along with the growth of the world's population, inevitably leads to a deep crisis and shortage of resources. Years later, the Arab countries introduced an oil embargo that triggered an energy crisis. Only a year later, scientists recall the "ozone hole" (thinning the ozone layer) discovered in 1957 over Antarctica. According to the hypothesis of American scientists, this is due to

the release of freons into the atmosphere. In 1985, a convention for the study of atmospheric processes was signed in Vienna, and in Montreal in 1987, a protocol declaring that humanity, more precisely the business, had to spend billions to save Life on Earth. In 1995, the United Nations proclaimed the global warming as irrefutable. Only two years later, the Kyoto Protocol, Japan, was signed to reduce CO2 emissions into the atmosphere. For the first time in 1987 at UN initiative, the issue of human impact on the environment was studied and the term sustainable development is used, which means the current use of resources, taking into account the obligation for their accessibility in the future. Very soon for corporations, this term begins to mean a requirement for a harmonious relationship between the company, shareholders, employees, nature and society.

The first serious discussion on CSR started after 1970, the famous American economist, Milton Friedman, published an article in which the responsibility of the corporation, which is unrelated to the overall payment of shareholders' income, is called a "fundamentally damaging doctrine." "Business is a business," says the Nobel laureate in 1976. [27] He is supported by T. Levit, who states that different functional groups in society must solve their own issues. "Business - it is a war, and as with any war, here is the morality of others" [26]. Friedman has a strong opposition to the Committee for Economic Development, which insists that corporations are required to contribute to improving the American lifestyle. [30] There are even some intermediate concepts for this. The less radical economists who generally support Friedman are trying to find the place of CSR in his theories. Thus D. Uli affirms that Friedman's conception allows CSR, but "as a limited shareholder priority," for which the management of the corporation proposes to include in the shareholder agreement a special profit maximization clause. Supporters of neo-classical economic liberalism T. Donaldson and T. Dunfee [21] believe that corporations must be profitable and respect certain moral principles and respect human rights, that is, to follow a social agreement between business and

society. As a result, in many Western European countries, the concept of a kind of rational egoism is prevalent, according to which spending money in social programs is considered one of the factors for ensuring business stability.

Kirsten K. Davis [25] summarizes the main arguments for "for" and "against" CSR, which are presented in table 2.1. In most cases, supporters on both of these adhere to diametrically opposed views. Both the "for" and the "social responsibility" of business organizations are essential.

The arguments for "social responsibility" are: Organisations must strive to provide a long-term perspective. Those who have accepted the need for a social activity are trying to secure long-term profit guarantees. This tendency becomes a legitimate reaction aimed at improving the attitude of society towards the social responsibility of the organization. It is necessary to form a positive image of the organizations in the society. Those who seek to promote a positive attitude towards themselves in society and thereby increase their sales have the opportunity to hire skilled workers, gain access to government procurement and other benefits. Companies that are socially responsible form a favorable public opinion for themselves.

Social responsibility satisfies the interests of shareholders. Sooner or later, an organization's social responsibility contributes to an increase in its stock price on the stock exchange, so this socially responsible company will be considered a low-risk organization. The availability of resources to help resolve social problems is an opportunity for business. Business organizations have financial resources, expertise and management expertise sufficient to support public and charity projects that require an assistance. The moral obligation of the organizations is to represent themselves as socially responsible. An organization is a member of society, so moral norms should also be considered in managing its behaviour.

Arguments against are: Voluntary violation of the principle of profit maximization. Redirecting part of the organization's

resources for social needs requires joint commitment of state organizations and services, charitable and educational institutions. Dissolution of goals. The pursuit of social outcomes removes the primary goal of the organization from achieving high economic performance. If the economic as well as the social goals are not achieved, society itself can suffer. Costs.

The funds that are directed for social needs are from the cost of a business organization. Ultimately, these costs are passed on to consumers through price increases. Insufficient skills for solving solve social problems. The staff of each organization is primarily prepared for economic, market and technical activities.

It lacks the experience that makes it possible to make a significant contribution to resolving problems of a social nature. Specialists working in the relevant state institutions and charities should cooperate to improve social relations. Lack of support from the public. Society does not have yet a unified view of the social responsibility of business. The arguments for "for" and "against" social responsibility are equally serious.

Entrepreneurs who take on additional social obligations are obliged to remember and understand that the essence of business is not charity, such as philanthropy and altruism, but rational construction and optimization of the conditions for the business itself through social investment and social partnership.

Table 2.1. Arguments for "for"/"against" CSR business taking social responsibility

| Arguments "for" | Arguments "against" |
|--|--|
| Long-term business concern for the prosperity of the society | Voluntary refusal of profit maximizations |
| Improving the image of a particular company | Dissolution of the primary business goals |
| Risk reduction for the shareholders in the diversification of the investment portfolio | Support of social activities that is directed against the prosperity of the business |
| Maintaining business viability as a system | Lack of skills to solve social problems by the staff |

| | |
|--|---|
| Weakening of the state regulation on the business | Weakening of the international balance of payments |
| Business compliance with the socio-cultural norms | Morality and ethics are part of business behaviour management |
| New ways to solve social problems | Over-concentration of power in the hands of business |
| Existence of the necessary resources in the business for solving social problems | Existence of an weaken public control |
| Opportunity to turn social issues into a profitable business | Lack of broad public support |

Source: [25] The comparative analysis of the two categories is presented in table 2.2.

Table 2.2 Main differences between charity and social investment

| Charity as Philanthropy | Social Investments (corporate citizenship) |
|---|--|
| Emotional | Rational |
| Not related to business interests | Working for business purposes |
| Can be anonymous | Transparent to society |
| Not subject to additional terms | Part of the business |
| Decisions are made on the basis of personal sympathy | The choices are determined by business interests |
| The interests of the team, customers, shareholders, users and local communities are poorly reported | The interests of all stakeholders (Stakeholders) are considered |
| It is directed to a visible effect rather than to long-term goals | Focused on a long-term effect on problem solving |
| The field of charity is limited | All social problems are considered in a complex way |
| The amount of financial or material donations is limited | The whole range of forms of socially related activities, the resources of all institutions |

Source: Author's own results.

Social investments themselves, unlike charity, are a type of business activity that brings tangible benefits to the market, namely:

- obtaining additional opportunities for distribution of goods, advertising and public relations;
- an increase in the value of the brand and the intangible assets;
- obtaining a competitive advantage;
- validation and expansion of marketing niches;
- development of partnership relations;
- complementing and expanding the opportunities for an influence on local communities;
- improving relations with local authorities, opportunities for equal dialogue with them;
- developing new skills in the staff;
- increasing the number of loyal members of the team;
- image enhancement;
- increases resilience to crises;
- reduces business risks;
- improves financial performance, capitalization and profit.

What about the models of CSR?

Let's take a look at the different models that have been spread worldwide.

In the US model of CSR, the nature of American entrepreneurship is based on the subject maximum freedom. Many areas of public relations remain self-regulating to date. This also applies to the employment, employeremployee relations (bilateral contracts), voluntary medical insurance. At the same time, many mechanisms for business participation in the social support of society have been developed in America through corporate funds designed to address various social

problems at the expense of business (sponsoring vocational education and training, staff retirement and insurance support).

The responsible social behaviour and charity of the corporation are encouraged by appropriate tax cuts and credits regulated at the legislative level. In continental Europe, the corporate activity, as a rule, is codified in the norms, standards and legal frameworks in the respective countries. The European business regards the state as an institute that enforces the accepted rules of conduct, and in the US such state interference is considered to be a violation of business freedom.

Many European countries are legally bound by mandatory medical insurance, pension regulation, environmental protection of the enterprise.

If the US model views profitability and accountability as a CSR goal, then the EU treats CSR additional issues of voluntary commitments to employees and the local community. Charity in Europe is not as popular as in the United States, which is explained by the higher taxes paid on amounts intended for philanthropy.

Summarizing the concept of Corporate Social Responsibility [31], [32] CSR is a requisitely holistic concept with three central attributes:

One's responsibility for one's influences on society, i.e. *humans and nature*;

Interdependence – ethics of interdependence is the only realistic ethic; independence is only a legal precondition preventing abuse, while dependence allows for abuse, and both of them fail to see the mutual need of any living being with other parts of nature, including humans due to their natural and professional specializations/differences; with the latter one all of us on the Planet Earth are mutually complementary and hence necessary to each other;

Requisitely holistic approach – total holism encompassing every existing attribute from all existing viewpoints and all existing

synergies reaches beyond human capacities even in a creative interdisciplinary cooperation by team work; if the so called holism is limited to a single selected viewpoint, holism is fictitious because many attributes are outside one's scope; the requisite holism is the middle way between the total and the fictitious holism, because it covers all and only crucial viewpoints, their links and the resulting synergies (in a 'dialectical system').

2.2. Economic Dimension

In its current, globally official (and sense-making) definition [33] the social responsibility means one's responsibility for one's influences over the society, i.e. humans and nature, reaching beyond the legal obligations [33]. European Union supports the application of ISO 26000 [33], although other EU documents only partially work in the same direction. The domination of neoliberalism is still too strong for humans in decisive positions to see how very detrimental its monopolization under the label of the free market is. [34-44]

Social responsibility has seven core subjects (Figure 2.5.) and is deeply rooted in human attributes that are expressed with the seven principles in ISO 26000 [33]: Accountability; Transparency; Ethical behaviour; Respect for stakeholders; Respect for rule of law; Respect for international norms; Respect for human rights; and in two concepts from systems theory: Interdependence and Holistic approach.



Figure 2.5. The seven core subjects and two crucial linking concepts: Interdependence and holistic approach, of social responsibility in ISO 26000. Source: [18]

The neo-liberal economic practice of the entire period after the Second World War disables social responsibility; it does not influence governance of enterprises only, but of all organizations and humans. Finally, many around the world now find neoliberalism obsolete: it causes prevailing of one-sidedness over organizational individual and political holistic decision-making and action, with very dangerous consequences, such as the current global social, economic, and environmental crisis, resulting from forgetting about interdependence as a crucial part of global economy and society. Market is no longer free, but monopolized.

Neoliberalism cannot solve the consequences of its monopolism, because it has caused them. The old-mainstream economists offer no new solutions, while experts in some of the systems and cybernetic theories, United Nations, European Union, and the International Standard Organization (ISO) do, although on the level of basic principles, so far. Market alone has not proved to

be able to rebalance crucial consequences of human oneness, neither have governments alone. Both markets and governments are too monopolized to attain requisite holism, which humanity needs in order to survive: (1) eighty percent of the global market are controlled by less than 750 out of the studied thirty million organizations; (2) no government can live independently from big companies that pursue their interests rather than the human and humane ones. [45]

Systems theory and cybernetics have offered holism of approach for wholeness of outcomes for close to seven decades; now United Nations, European Union and ISO offer it with their new concept of social responsibility (SR) [33].

Thus, the point of social responsibility is the alternative that is ready to replace the current abuse of the government and market by the most influential persons via neoliberalism. Originally, social responsibility was considered a human attribute, only later one started talking about the corporate social responsibility [46]. But, enterprises and other organizations make no decisions and undertake no actions, because they are tools of the decisive persons; they are only pronounced to be 'legal entities' to diminish the humans' individual responsibility and to divide the human responsibility and accountability from decisive humans' rights. This separation puts humankind in a serious danger all way to the 3rd World War and extinction of humankind. [45], [47-53].

2.3. Business Ethics Dimension

In the same time with business performance, CSR emphasize the importance of an ethical behaviour of the organizations in relationships with each other to generate responsible outputs.

Investopedia [54] provides with the following definition of business ethics: “Business ethics is the study of proper business policies and practices regarding potentially controversial issues, such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility and fiduciary responsibilities. Law often guides business ethics, while other times business ethics provide a basic framework that businesses may choose to follow to gain public acceptance”.

Business ethics ensure that a certain required level of trust exists between consumers and various forms of market participants with businesses. For example, a portfolio manager must give the same consideration to the portfolios of family members and small individual investors. Such practices ensure that the public receives fair treatment.

The concept of business ethics arose in the 1960s, as companies became more aware of a rising consumerbased society that showed concerns regarding the environment, social causes and corporate responsibility. Business ethics goes beyond just a moral code of right and wrong; it attempts to reconcile what companies must do legally versus maintaining a competitive advantage over other businesses. Firms display business ethics in several ways.

The Thriving Small Business (TSB) [55], a business performance consulting company created to help small business owners create infrastructures that support business development and growth through strategic customer focus, shares with its customers the following credo: “The success of an organization is built off of the trust of customers, employees and the general public. The best way to gain that trust is to demonstrate ethics and integrity in business practices. Not because of legal requirements – but because it is the right thing to do”. TSB

highlights the following ways to demonstrate business ethics and integrity for real [56]:

Accounting Practices. “Financial honesty and transparency is a basic expectation of shareholders, customers and employees.”

Truth-in-Selling. “When an organization markets a product or service, they are obligated to deliver what was promised to the customer.”

Integrity in Management Practices. “Management practices are the underlying foundation for organizational integrity. Whether it is commitment to good customer service or fair employment practices, a businesses’ reputation can be tarnished by unresolved service or product issues.”

Customer Service Integrity. “Service after the sale is what service integrity is all about. It is easy to make promises before a sale but following up and ensuring a great customer experience is what makes some organizations stand out.”

Personal Integrity. “It is important for business leaders to live a lifestyle of honesty, integrity and high ethical standards because what these leaders do can harm the reputation of the organization.”

Product Integrity. “It is important for business leaders to live a lifestyle of honesty, integrity and high ethical standards because what these leaders do can harm the reputation of the organization.”

Over the years, growing attention has been paid to the ethical, environmental and social dimensions of business, most often under the CSR heading. In line with the overall policy and societal interest, a relatively large portion of the (overall limited) research has focused on pollution from production, resource extraction and product use; and firms’ responses in terms of the broad range of environmental management practices and their interactions with regulators and other stakeholders.

Taking a quasi-historical review focused on three themes:

- the environment;
- ethics, rights and responsibilities;
- poverty and sustainable development, a closer look at topics and contents illustrates that some pieces were rather time-bound (and often policy/practice-oriented), while others contained ideas that continue to be interesting.

Examples include the income gap between rich and poor countries, “...the company as NGO” and corporate statesmanship, aspects pursued to different degrees in subsequent years. Moreover, the “...pollution haven” debate, which started very early, still deserves proper investigation in the current context with empirical data from least-developed countries and regions facing different degrees of institutional voids.

This also applies to the comparable “...race to the bottom” in relation to social standards, including labour, socioeconomic and other human rights. Promising areas for future research focus on specific issues, reaching out to other (sub) disciplines where appropriate, especially building on the sustainable development notion as it has evolved in the context of the post-2015 international policy agenda. Key components, under the broad headings of People, Planet, Prosperity, Dignity and Justice, lend themselves well for delivering on the, thus far largely unfulfilled, promise of interdisciplinary research on phenomena highly relevant for international firms (and other organizations) in ways that directly can lead to new theoretical future work [57].

Concepts of CSR and environmental citizenship can be successfully employed in the effective management of healthcare waste. For example, as a result of greater diversion of materials away from disposal, it confirms the assumptions of the financial benefits to be accrued through the use of these concepts. In addition, adoption of a wider public focus can also pay dividends for national, regional or local health services, with respect to an enhanced public image and stronger linkages and

networks with its communities with which they are so inextricably linked.

It is evident that legislation and costs savings are amongst the most significant drivers for the development of such strategies. Higher treatment and disposal costs also acted as key factors in the development of an overall strategic approach. Consequently, CSR and environmental citizenship can serve as effective facilitators for the sustainable management of waste within the national, regional or local health services. Benefits include waste minimization, closer links with the community and reduced waste management costs. Legislative factors and costs saving are significant drivers for the implementation of these concepts.

Certain factors, such as adopting a holistic approach, employing social enterprise and developing wide-ranging networks, are important constructs in realizing the effective implementation of CSR and environmental citizenship within the respective organizations [58].

Many researchers agree that entrepreneurs have contributed significantly to the world's society, economy as well as human kind through job creation, utilization of business opportunities and product innovation. The rise of awareness for sustainable development is due to concerns about environmental risks, which has prompted popular demand for corrective and preventive action.

Environmental discontinuities such as pollution, land degradation and climate change are examples of effects from entrepreneurial activities in the society. Therefore, the scope of a business is urged to span further than mere financial performance as ethically and socially aware behaviour is not only socially desirable, but also a normal and acceptable (even expected) element of business life. Sustainable entrepreneurs should have a clear vision of their companies' direction that includes sustainable development.

Sustainable entrepreneurs focus on a business idea that balances the social, economic, and environmental impacts of their activities by engaging their companies strategically in

sustainable practices in the search for competitiveness and efficiency in the three areas of sustainability. Sustainable entrepreneurship is, however, risk-taking endeavours since most integrated sustainable activities have a long-term scope and return on investments may take some time.

Sustainable entrepreneurs should show a high entrepreneurial orientation with the support of the SME's internal culture and routines at the organizational level of analysis. Sustainable entrepreneurship requires a holistically and equally contributions to economic, social and environmental sustainability.

Sustainable entrepreneurs can act as the catalysts for transitioning from current economy to a sustainable economy and fill the gaps left by businesses and governmental agencies in providing critical social and environmental goods and services by evolving from focusing on only one sub-area of sustainability and starting to include all.

Moreover, triple bottom line serves as a useful tool to be used by companies, non-profit organizations and government agencies to measure sustainability performance under the headings of environmental quality, social justice and economic prosperity. "Sustainopreneurship", as a concept, is mission and cause oriented which implies motives and goals beyond, or rather aside "...just making profit".

Business activities are utilized to solve problems, and profit making becomes a means, not an end with the business created. Sustainable entrepreneurship has an awareness of the sustainability aspects of its operation, its impact from process and result. In other words, it is in the land in between for-profit and not-for-profit, in between cash and cause. The main goal of the business activity of the sustainable entrepreneurs should be "looking for prosperity". Thus, we broaden the understanding of the concept of sustainable entrepreneurship that contributes to underline that beyond entrepreneurial will, socio-cultural conditions and institutional realities could affect the adoption of sustainable practices in SMEs [59].

2.4. Environment Dimension

The environment resources determine the existence and development of an enterprise and the enterprise as a system interacts with the environment in the form of a feedback. In the trend of taking care of the environment, we can find a new approach to marketing – the so-called eco-marketing or ecological marketing, which is understood as a set of integrated activities. These activities involve more profitable and more effective (than the competitors' activities) recognition and fulfilment of customers' needs to satisfy both parties and – at the same time – to provide a balanced social development.

Understood in this way, eco-marketing becomes the process of a constant search for the ways of limiting the pressure of the enterprises and the products and services they produce or render on the natural environment, including people, as well as the process of improving the organization itself and the market offer so that the activities taken contribute to the company's success.

The observation of the activities of most companies may lead to the statement that the superior objective of ecological innovations for the managerial staff is to provide conformity with the binding standards and legal norms. The other goals which can be observed are, among others, the limitation of postproduction waste, the limitation of water and energy use, the limitation of product environmental harmfulness as well as – by means of the concept of ecological marketing – the increase in the competitive advantage thanks to creating new values on the market and developing environment-friendly products and the so-called “clean technologies” [60].

When waste became a potential source of revenue, a profit-oriented market emerged. This market is dysfunctional, however, as Extended Producer Responsibility – EPR - legislation did not adapt to these changes and only applied to some stakeholders, leaving others free to operate in a legislative vacuum.

A legislative misfit, dynamic commodity prices, uncertain volumes of waste, market distortions and uncertainty about future product designs are some of the sources of instability that have led to the situation we observe today. Indeed, producers and waste operators do not yet face the stable environment they need to operate efficiently in the long term, which significantly reduces the effectiveness of EPR.

From a market formation perspective, this market clearly needs more maturity that can be achieved by allowing the market to develop further without being distorted by outdated EPR legislation. To drive the efficiency of EPR up and costs down, national authorities should for example ensure that markets remain open to allow and improve competition between Producer Responsibility Organisations - PROs as well as waste operators. In addition, PROs operating in a competing environment should carefully consider their competitive positioning and make sure they select a viable strategy; for example, smaller PROs could differentiate themselves from pure cost competition by contributing to increasing long-term stability for producers.

The passing of stable legislation that allows businesses to plan their operations and investment ahead will also increase the effectiveness of EPR. While being stable, such legislation also needs to be flexible enough to adapt to future market moves. Hence, the EC should impose a limited set of simple rules, including harmonized reporting requirements.

The WEEE Directive Recast is now complete and options are limited for further EC intervention anytime soon. It is important, therefore, that stakeholders align on common principles and fix details in a flexible regulatory framework. For example, some Member States may mandate use of the WEEELABEX or CENELEC treatment standards (which are flexible enough to be updated to reflect waste management requirements and targets over time) [61].

It was developed by specialists an agent-based simulation model that models both economical and physical relations between

firms, recyclers and consumers. This framework allows an investigation into the connection between physical environmental variables (waste flows, virgin material flows) and economic decisions of agents in the supply chain i.e. firms innovation strategies, consumers choices and development of recycling activities. The main contribution of such an approach is to show that this type of simulation model can be used to explore the impact of waste prevention policy instruments on economic and technological decisions of agents, focused on two types of Extended Producer Responsibility (EPR) instruments, which are recycling fees and norms. For each instrument, there are different policy designs to study their effects on innovation in eco-design activities and on industrial dynamics. The introduction of EPR policy instruments in such simulation models enables the users to analyze thoroughly how different policy designs can modify the dynamics of the system and, more particularly, how the incentives and the constraints linked to the policy instruments under consideration shape market selection [62].

Any relevant key finding regarding CSR should display natural, built-in integrative ingredients, so that anyone interested in the field be able and get the big picture in a comprehensive, yet easy to understand way, with little or no conceptual gaps in the respective framework. To this logical extent, The Circular Economy Strategy [63] put forward by the European Commission through The Circular Economy Package qualifies naturally as a benchmark as far as best SR practices in the environment domain are concerned.

As stated on the cited website, The Circular Economy Package consists of an EU Action Plan for the Circular Economy that establishes a concrete and ambitious program, with measures covering the whole cycle: from production and consumption to waste management and the market for secondary raw materials. The proposed actions will contribute "...to closing the loop" of product lifecycles through greater recycling and re-use, and bring benefits for both the environment and the economy.

The revised legislative proposals on waste set clear targets for reduction of waste and establish an ambitious and credible long-term path for waste management and recycling. Key elements of the revised waste proposal include:

- A common EU target for recycling 65% of municipal waste by 2030;
- A common EU target for recycling 75% of packaging waste by 2030;
- A binding landfill target to reduce landfill to maximum of 10% of municipal waste by 2030;
- A ban on landfilling of separately collected waste;
- Promotion of economic instruments to discourage landfilling;
- Simplified and improved definitions and harmonised calculation methods for recycling rates throughout the EU;
- Concrete measures to promote re-use and stimulate industrial symbiosis - turning one industry's byproduct into another industry's raw material;
- Economic incentives for producers to put greener products on the market and support recovery and recycling schemes (e.g. for packaging, batteries, electric and electronic equipment, vehicles).

The EU Action Plan for the Circular Economy [64] set out in 2015, is in full resonance with U.N. 2030 Agenda for Sustainable Development [65] and the G7 Alliance on Resource Efficiency. The action plan will be instrumental in reaching the Sustainable Development Goals (SDGs) by 2030 [66], in particular, Goal 12 of ensuring sustainable consumption and production patterns [67].

The circular economy will boost the EU's competitiveness by protecting businesses against scarcity of resources and volatile prices, helping to create new business opportunities and innovative, more efficient ways of producing and consuming. It

will create local jobs at all skills levels and opportunities for social integration and cohesion. At the same time, it will save energy and help avoid the irreversible damages caused by using up resources at a rate that exceeds the Earth's capacity to renew them in terms of climate and biodiversity, air, soil and water pollution. [98] Wider benefits of the circular economy include lowering current carbon dioxide emissions levels. Action on the circular economy therefore ties in closely with key EU priorities, including jobs and growth, the investment agenda, climate and energy, the social agenda and industrial innovation, and with global efforts on sustainable development.

The European public governance model solidified by the “Europe 2020 Strategy” promotes a type of market economy cantered on competition and consumer access as the real source of stimulating economic growth based on innovation. In the EU document entitled “A renewed EU strategy 2011-2014 for Corporate Social Responsibility”, the European Commission considers that concerns about CSR have become a constant of its actions and is in the center of the process and their business strategy [68].

CSR and Innovation has emerged slowly over the past decade. CSR, to a great extent, is becoming a part of companies' discussions globally in the search for greater value and competitiveness. Correspondingly, innovation in implicit way tends to be one of the main drivers of competitiveness. Businesses should constantly strive to quickly create new competitive goods and services that form value for customers. CSR is an ethical framework that when used correctly and strategically, enables companies to develop innovative ways to create value and new ways of operations that may be more efficient in resource utilization and will benefit the company in the long-term; the key practice of staying ahead of competitors [69].

There is a dearth of empirical studies of the relationship between the support for innovation in SMEs, the balancing of economic and social objectives and financial performance. The balance between the economic and social dimensions of CSR may be

facilitated by innovative outputs. For instance, innovative tools and channels of communication allow stakeholders (e.g. managers and customers) to share resources with each other and facilitate the gathering of feedback. Such feedback will result in fine tuning of activities and policies relating to CSR that will likely result in improved financial performance. Most of the companies are using innovations outcomes to support both the economic and social dimensions of CSR but they only take advantage effectively of the economic dimension of CSR [70].

A critical, but often omitted element of the innovation process is Social Responsibility - SR, which should be a part of every stakeholder's duties and concerns. Aside from creating value for the business, innovation must also bring value to society. The creation of societal benefits should become an important dimension in academia and industry collaborations. A genuine concern for society should be the norm, and an integral part of such partnerships and of the innovation process itself.

For academia to play a proactive role, criteria to assess its contributions, as well as reward them, should become an integral part of academic life. Accepted metrics are therefore required to assess and quantify SR and academia's role in disseminating knowledge, promoting innovation and finding the proper approaches for circumventing issue becoming impassable barriers. Recent studies have shown a strong positive relationship between CSR and financial performance. However, the impact of the former on the latter is an evolving topic, mainly due to different metrics, methodologies, R&D budget, company size etc. Academia should also develop the necessary tools, curricula and metrics for studying, teaching, measuring and assessing the contributions and relevance of its SR programs. Although the need to alert young scientists of their SR has been widely acknowledged, the question of how to do this has so far garnered only limited attention. This clearly indicates that academia should place more importance on the SR challenge [71].

Reverse Logistics Social Responsibility (RLSR) is preferred as a social responsibility activity in the supply chain since it involves most of the supply chain actors who have an impact on social responsibility. The product lifecycle with its inherited uncertainties, such as the length of the product lifecycle, pattern of the product lifecycle, and residence index is taken as a policy option by considering a social responsibility fund from the premium price that is contributed by consumers.

The policy parameters have effect on any measured performances and uncertainties, with some conditional exceptions, revealing three interesting facts regarding RLSR: First, the economic performance is a result of a direct influence of policy; Second, the environmental performance results from the indirect effect of the policy, and Third, the social performance is the hardest to be influenced by policy. Therefore, there is a relatively limited academic knowledge on the examination of the impact of behaviour in reverse logistics as a social responsibility due to capacity planning and the product lifecycle with its inherited uncertainties. These aspects offer managers a better understanding of the relationship between capacity planning, product lifecycle with its inherited uncertainties, and sustainability performance. This better understanding will lead to better capacity planning to tackle product lifecycle with its inherited uncertainties for sustainable RLSR [72].

Every item produced, transported, used and discarded within a Supply Chain (SC) generates costs and creates an impact on the environment. The increase of forward flows as effects of market globalization and reverse flows due to legislation, warranty, recycling and disposal activities affect the ability of a modern SC to be economically and environmentally sustainable. In this context, an innovative sustainable closed loop SC approach implies a “social responsibility company perspective”, where the disposal costs are considered within the SC. The relative impact of the different variables in the SC structure and the applicability of an integrated innovative model, in terms of total costs, SC structure and social responsibility are essential. Thus, in the

industrial sectors where there is low end-of-life product reusability, the European Union legislation should introduce economic incentives, to encourage the manufacturers to take a direct role in the recovery of the end-of-life products [73].

The association between firm innovation and CSR demonstrates that CSR is unlikely an independent strategy, but instead interacts with other business initiatives to form a cohesive whole. There exists a supporting role of CSR in reducing information asymmetry between firms and stakeholders. Stakeholders have serious concerns over transaction-specific investments when they deal with firms of high innovation.

So, CSR can work as a signal to reduce information asymmetry, especially for firms of high innovation. Also, there is a certain boundary condition of the relationship between firm innovation and CSR, because of the moderating role played by internal and external risks. This relationship strengthens with increasing firm risk and market uncertainty and is important to understand what drives a firm's CSR engagement and which are other potential moderating factors, at the individual manager, firm, and contextual levels [74].

Responsible innovation - RI is an incremental program of reform even though it encompasses the totality of innovative activity. It proposes policy change that is more of a re-calibration than an overhaul of the policy tools of consensus. Aware that policy is only one element of the governance of innovation, RI also entails institutional reform in universities and research laboratories and cultural change in the business sector.

Specifically, is suppose the existence of Centers for Responsible Innovation to organize ongoing efforts of reflexivity at universities and research laboratories, building upon a tradition of institutional reform in ethics review of research proposals and commercialization of technologies. Is also recommended to incorporate responsible innovation into the corporate social responsibility agenda, bringing innovation to the foreground of a movement that is already part of the language of business from

the classroom to the board room, and that is effectively shaping, in some quarters, corporate policies and decisions [75].

Across a wide variety of markets firms are investing in to develop socially responsible products, by linking the R&D decisions of firms to the interplay of the economic and social preferences of consumers, in addition to economic product utility from consumption. Preferences incur intrinsic costs to consume an environmentally inferior product and they also have endogenous social comparison preferences that come from their interactions with other consumers.

Social comparison effects have a non-monotonic effect on the incentive to innovate and the pattern of these effects are consistent across monopoly and duopoly markets. When the economic value of the product is relatively low, increases in social comparison effects lead to lower levels of innovative activity. In contrast, when the economic value of the product is relatively high, increases in the social comparison effects lead to higher levels of innovative activity.

The reversal in relationship is driven by how social comparison costs affects a firm's ability to capture the incremental value created by its innovation. Social comparison benefits soften price competition while social comparison costs intensify price competition. The broad message is that firms need to evaluate several factors when they engage in R&D to develop socially responsible products. Firms need to assess how salient social responsibility is for consumers in the category. They must also consider how public the consumption of the category is because it can affect the magnitude of the social comparison costs and benefits.

Socially responsible innovations are distinct from standard product innovations because non-buyers influence the firm's ability to extract the surplus created by an innovation, highlighting the nuances of innovation and marketing strategy when improvements to products have social/environmental effects. Making a product better on the social/environment dimension is not the same as simply improving its quality. As the popularity of

“green marketing” spreads to new categories, these differences need to be accounted for in the marketing strategies of firms [76].

A comprehensive study on Social Responsibility and Product Innovation by Ganesh Iyer (University of California, Berkeley) and David Soberman (University of Toronto) examines the incentives of firms to invest in socially responsible product innovations. The analysis connects the existence of socially responsible innovations to the presence of intrinsic and extrinsic social responsibility preferences [77].

In principle, product innovation tends to be worth while in relationship with its social effects. The authors state that their analysis reveals a non-monotonic effect of social comparison effects on innovation incentives. When the economic value of a product is relatively small, the incentive to innovate decreases as social comparison effects increase. In contrast, when the economic value of a product is sufficiently large, increases in social comparison effects increase the incentive to innovate. Social comparison benefits and costs have different effects on competition between firms. In particular, social comparison benefits soften price competition, while social comparison costs tend to exacerbate price competition. Table 2.3 highlights several socially responsible innovations by various companies between 1997 and 2012.

Chris van Rossem, Naoko Tojo, and Thomas Lindhqvist (The International Institute for Industrial Environmental Economics), in a report commissioned by Greenpeace International, examine the impact of „extended producer responsibility” (EPR) on innovation and greening products [78].

Table 2.3 Socially Responsible Innovations

| Company Category | Launch | Description of Innovation |
|---------------------------|---------------|--|
| Toyota Automobiles | 1997 | Prius: Hybrid Propulsion |
| Intellijet boat engines | 2013 | Clean-tech propulsion for pleasure boating (50% less fuel) |
| Clorox Household products | 2008 | Green works: Spent \$20 million to develop non-synthetic cleaning products |
| Levi's Jeans | 2011 | Water<Less™ Jeans: Over 3 years of R&D to reduce the amount of water used in manufacturing. |
| Puma Shoes | 2011 | Puma InCycle, Re-suede Shoes: Footwear made of 100% recyclable materials tied to their "Bring me Back" program |
| Lush Cosmetics | 2012 | 3 years of R&D to develop a non-palm oil soap base |

Source: [77]

In the cited paper, EPR is understood as: "...a policy principle to promote total life cycle environmental improvements of product systems by extending the responsibilities of the manufacturer of the product to various parts of the product's life cycle, and especially to the take-back, recovery and final disposal of the product".

[79] The authors argue that effective implementation of EPR should bring the achievement of two main environmentally-related goals:

Design improvements of products – the EPR system should provide incentives for manufacturers to improve products and systems surrounding the life cycle of products.

High use of product and material quality through effective collection and re-use or recycling; this goal can be subdivided into three sub-goals:

- effective collection,
- environmentally-sound treatment of collected products, and
- high use of products and materials in the form of reuse and recycling.

Regarding CSR in Romania, a study developed by The Azores, a Romanian management consultancy company specialized in sustainability and CSR, made an analysis about the implication of the greatest 100 companies from Romania in sustainable development of the society [80].

One of the finding of the study was that one third of the analysed companies were not interested in sharing information about CSR.

As one may find from figure 2, the companies that stood out are from non-alcoholic beverages and beer industries (Coca Cola, Ursus, and Heineken). Those three companies published CSR reports and are generally preoccupied in protecting the water supplies, energy efficiency, community development and employees' professional training.

Following are companies from the construction materials industry (Carpatcement, LafargeHolcim), and Oil/natural gases (OMV Petrom, Rompetrol). Those companies are mainly interested in minimizing the negative impact on the environment, health and safety of the work place, and community development. Less interested in communicate their preoccupation in sustainable development are the companies from Pharma, Tabaco, and Distribution industries.

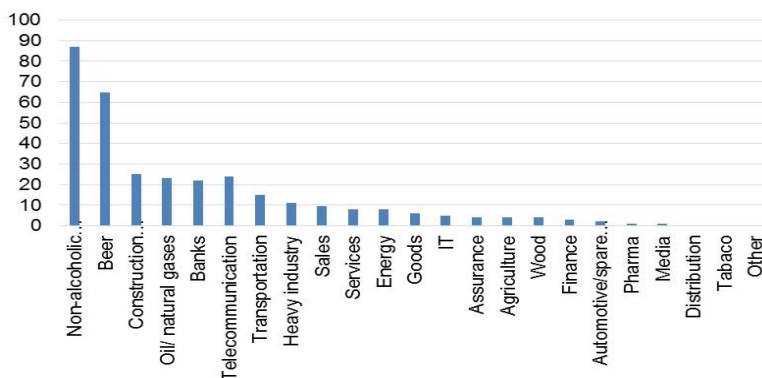


Fig. 2.6. Percentage of the companies that published CSR information.

Source: Adapting from [80]

The majority of the lead companies in the management of social responsibility closely follow the approach of the international group they belong to. Those groups incorporated the CSR values in their essential values regarding the organizational sustainability, and aligned their mission and vision to the general objectives of sustainable development.

Romanian companies are lightly represented in the study. Those companies work based mainly on traditional organizational structure that tend place the social responsibility separately from the company's strategy. As a result, the CSR programs are condoned because the management cannot justify them from the point of view of business strategy.

The most popular initiative is the implication in the community development (22% from the evaluated companies published information regarding the programs in development or protection of the communities they are part of (see Fig. 3). These information referred to dialog with the community members, social projects, or employees' volunteering.



Fig. 2.7. Percentage of the companies that published CSR information.

Source: Adapting from [80]

Another aspect refers to the economic impact. 19% of the companies report about their investments for communities, local representatives in the management board, or acquisitions from the local suppliers.

Regarding their responsibility for the employees, 18% of the companies refers to the health and safety of the working places, professional development, and freedom of association.

2.5. Some Suggested Case Studies

BMW Group [81]

Product responsibility is a central concern of the BMW Group – from fuel-efficient drive technologies through innovative mobility services to safety aspects. At the same time, The Group also want their products to protect the environment and conserve resources. The benchmark for the success of these measures is the satisfaction of customers.

BMW Group has set the goal of halving the CO₂ emissions of the vehicle fleet from 1995 levels by 2020. Pursued is the long-term vision of emission-free mobility – which BMW Group aims to achieve with holistic premium electromobility and integrated mobility services.

KOPPERS [82]

The company focuses on providing excellent product quality, safety and reliability. In 2014, it continued the rollout of Responsible Care® across the company's global operations. Developed by the chemical industry in the mid1980s, Responsible Care® is a large-scale performance initiative that seeks to improve chemical companies' product stewardship, safety, and disclosure activities through an integrated management and performance platform.

Responsible Care® will impact all facets of the company and inform the interactions with value-chain partners. As a model of safety, health, and sustainability goals, Responsible Care® represents a significant commitment by senior management to drive product and process improvements, raise industry standards, and foster growth.

GoodCoffee Corporation. A Case of CSR in Action [83]

GoodCoffee Corp is a coffee house based in a country with no restrictions on imports.

GoodCoffee chooses between importing from two countries, evil-land and fair-land. [99]

While evil-land offers its coffee at a cheaper price, they are known for mistreating and exploiting their coffee farmers. Fair-land on the other hand, is known for having a fair and well-established coffee farming industry, and for giving high quality benefits to its coffee farmers.



Because GoodCoffee Corp practices corporate responsibility regarding countries not treating their farmers fairly, they choose to only import the more expensive but responsibly sourced coffee from fair-land.

GREIF [84]

The company sees sustainability as a catalyst for revolutionizing the way it does business. As environmental, social and economic challenges in the world grow rapidly, GRIEF considers this an opportunity to innovate and create products that benefit customers and the environment and spur positive social change. GREIF looks for holistic solutions that represent significant advances when viewed in the context of the complete product lifecycle. It seeks innovations that delivers genuine, measurable long-term sustainability gains while enhancing product integrity and quality.

Moreover, GREIF strives to reduce waste throughout the design and manufacturing of the products while minimizing consumption of natural resources and using environmentally responsible materials. The company focuses sustainability efforts in the areas where it can have the greatest impact and create the most

value: Design Process, Manufacturing and Product Reuse & Recycling.

Volkswagen: The scandal explained [85]

It's been dubbed the "diesel dupe". In September [2015-, the Environmental Protection Agency (EPA) [86] found that many VW cars being sold in America had a "defeat device" - or software - in diesel engines that could detect when they were being tested, changing the performance accordingly to improve results. The German car giant has since admitted cheating emissions tests in the US.

VW has had a major push to sell diesel cars in the US, backed by a huge marketing campaign trumpeting its cars' low emissions. The EPA's findings cover 482,000 cars in the US only, including the VW-manufactured Audi A3, and the VW models Jetta, Beetle, Golf and Passat. But VW has admitted that about 11 million cars worldwide, including eight million in Europe, are fitted with the so-called "defeat device".

The company has also been accused by the EPA of modifying software on the 3liters diesel engines fitted to some Porsche and Audi as well as VW models. VW has denied the claims, which affect at least 10,000 vehicles.

In November, VW said it had found "irregularities" in tests to measure carbon dioxide emissions levels that could affect about 800,000 cars in Europe - including petrol vehicles. However, in December it said that following investigations, it had established that this only affected about 36,000 of the cars it produces each year.

Deutsche Bank's \$10-billion Scandal [87]

"Almost every weekday between the fall of 2011 and early 2015, a Russian broker named Igor Volkov called the equities desk of Deutsche Bank's Moscow headquarters. Volkov would speak to a sales trader - often, a young woman named Dina Maksutova - and ask her to place two trades simultaneously. In one, he would

use Russian rubles to buy a blue-chip Russian stock, such as Lukoil, for a Russian company that he represented.

Usually, the order was for about ten million dollars' worth of the stock. In the second trade, Volkov - acting on behalf of a different company, which typically was registered in an offshore territory, such as the British Virgin Islands - would sell the same Russian stock, in the same quantity, in London, in exchange for dollars, pounds, or euros. Both the Russian company and the offshore company had the same owner. Deutsche Bank was helping the client to buy and sell to himself."

Sequel, as of 18 January, 2017 [88]

Deutsche Bank and Credit Suisse agree multi-billion-dollar settlement with US. The US Department of Justice has extracted \$12.5 billion in settlements from Deutsche Bank and Credit Suisse for a decade-old toxic bond miss-selling scandal. It has also started legal proceedings against Barclays, which, in an unprecedented move, has refused to settle with the authorities.

Deutsche, Germany's biggest bank, will pay \$7.2 billion (£5.9 billion) to the DoJ. The sum is considerably less than the \$14bn originally demanded. Credit Suisse has agreed to pay \$5.3 billion. Both settlements relate to the complex packaging of home loans, which was a lucrative business for the banking industry until the 2008 crisis.

2.6. Current Status in CSR – Bulgaria View

Characteristics of CSR in Bulgaria

What is the specificity of CSR in Bulgaria? Its development began in the last decade of the 20th century. Since then, the number of Bulgarian companies, which have started implementing in their work the principles of social responsibility, is constantly growing. This can be explained by the active opening of organizations to external markets, as well as their desire to improve their image in the face of stakeholders, to reduce the level of non-financial risks.

Today the representatives of the Bulgarian business realize their social responsibility, take concrete steps on its practical realization. Creating public committees on corporate social responsibility, developing different models of social partnership between state, commercial and public structures. Large corporate executives say that assuming social responsibilities from business communities and individual companies is not altruism or a buyback of a "social license" for a commercial activity. The social responsibility of business, in their opinion, may and is bound to be useful for the long-term success of the company itself to the extent that it would also be useful for the society as a whole. The public discussion of CSR has become a leading topic in recent years in Bulgaria. As a rule, it only concerns issues with the business functioning. For its part, the state with its institutions does not always fulfill in full its commitments and the scale of Bulgarian business is not yet of such magnitude that allows to accumulate particularly high profitability. The transition from a paternalistic model of a social policy characterized for the socialist type economy to corporate responsibility is based on the method of sampling and error, with different speed of implementation for social policy outcomes.

Bulgaria is dominated by an oligarchic model of CSR, according to which the business independently determines the extent of its responsibility for the social development of society. The analysis of the latest tendencies for the participation of Bulgarian business

demonstrates a transition from a traditional chaotic model of charity to social investment. According to a representative survey of the Association of Industrial Capital, social business investments are mainly focused on in-house programs: personnel development - 52% of the volume for social investment; for resource saving - 17%, for healthcare - 12% and only 10% for the development of local communities. [89]

2.7. Current Status In CSR – Slovenia View

The difference between the present set of seven articles on social responsibility from the above mentioned one lies in the following:

- It covers BRICS countries, which are emerging very rapidly and include billions of humans, rather than the most advanced countries that are covered most/too often;
- It covers a synergy of systems theories as the methodology for studying social responsibility as a scientific and practical topic;
- It covers the rapidly coming future, called 'the 4th industrial revolution' by other authors [90] and 'the Turing society' here, also from the viewpoint of social responsibility;
- It covers the governmental social responsibility;
- It covers difference between the big cities' population and other humans as citizens in terms of their perception of the current reality, including the benefits or no benefits from a central bureaucratic government forgetting about its social responsibility and application of newer economic/organizational theories, such as the fractal organization;
- It covers the education of youngsters for social responsibility by a recent method, called gaming and the practice of playing computer games;

- It covers experience of social responsibility under the label of moral economy and social entrepreneurship in a developing country from a post-Soviet area and time; and:
- It covers dependence of practicing social responsibility of living and working under social responsibility with the case of the nursing staff.

The common denominator of all contributions is social responsibility as a crucial human value, hence a human resources management issue in conditions that are less often addressed.

Some important topics to be covered by social responsibility, which we cannot tackle here, include:

(Financial) costs and benefits of (corporate) social responsibility, be them visible, evidenced or opportunity ones (e.g. energy management efficiency, which causes cost immensely smaller than the resulting benefit [91];

Amnesty and prosecution, legal rights and duties;

- Care for the natural environment, ecology, climate change and green economy and life (e.g. care for SR treatment of seeds) [92];
- Charity, including its use and abuse by marketing and public relations management;
- Contents of free time promoting/realizing socially responsible behaviour of humans and their organisations, incl. enterprises;
- Corruption and bribery;
- Methods of socially responsible creative cooperation in daily work, innovation, management, government and politics;
- National strategy on social responsibility;

- Prevention rather than curing the illnesses of any kind of humans and other parts of nature;
- Processes making social responsibility a daily practice replacing the power abuse inside and between organizations;
- Publication on social responsibility in daily and periodical media;
- School and its education for social responsibility;
- Social responsibility as a next phase of the socioeconomic development/evolution, i.e. a non-technological invention-innovation-diffusion process and resulting innovation turning a new routine;
- Social responsibility as an evolutionary revolution of the prevailing human values, culture, ethics and norms;
- Socio-economic order, democracy and political monopolies;
- Technological innovation and their socially responsible implementation;
- Universal basic income;
- Use and abuse of the bargaining power about employment and other business partner relations;
- Etc.

PART 3. CONCLUSIONS AND RECOMMENDATIONS

In the present strong competitive environment and in the context of an acceleration of globalization, more and more companies must develop new strategies to remain competitive in the long run. Increasing the quality of goods and services and maximizing the profits in the short run are not enough. By adopting a socially responsible behaviour, companies may obtain many competitive advantages, differentiate from competition, and bring their contribution to sustainable development. Different categories of consumers make use of greater and greater pressures to companies to persuade them to do business in a responsible way.

While it is desired that leaders who determine to engage in some meaningful expression of social business do so with a 'selfless' (i.e. transcending leadership) motivation, we agree with the authors Jordan & Pallatto-Fontaine [93] to recognize that various permutations among the three forms of business responsibility discussed in this part (i.e. Corporate Social Responsibility, Shared Value and Social business) and the three forms of leadership motivation styles (i.e. transactional – transformational or transcending leaderships) are possible.

Summarizing Scharmer and Kaufer [94], we can outline three major pathologies that inhibit a selfless oriented leadership approach in the relationship between business and society:

- The Ecological Divide: a disconnect between self and nature. We are depleting and degrading our natural resources on a massive scale, using up more nonrenewable precious resources every year. Although we have only one planet earth, we leave an ecological footprint of 1.5 planets; that is, we are currently using 50% more resources than our planet can regenerate to meet our current consumption needs.
- The Social Divide: a disconnect between self and other. Two and a half billion people on our planet subsist on less than \$2 per day; this number has not changed much over the past several decades. Additionally, there is an increasing

polarization in society in which the top one percent has a greater collective worth than the entire bottom ninety percent.

- The Spiritual-Cultural Divide: a disconnect between self and Self. This concept represents a disconnect between one’s current “self” and the emerging future “Self” that represents an individual’s greatest potential. This divide is manifest in rapidly growing figures on burnout and depression, which represent the growing gap between our actions and who we really are.

| | Transactional Leadership/ Self-Interested | Transformational Leadership/ Mutuality of Interest | Transcending Leadership/ Other Interested (Selfless) |
|---------------------------------------|---|---|---|
| Social Business | Social Business with "Self Interest" Motivation | Social Business with "Mutual Interest" Motivation | Social Business with "Other Interest/Selfless" Motivation |
| Shared Value | Shared Value with "Self Interest" Motivation | Shared Value with "Mutual Interest" Motivation | Shared Value with "Other Interest/Selfless" Motivation |
| Corporate Social Responsibility (CSR) | CSR with "Self Interest" Motivation | CSR with "Mutual Interest" Motivation | CSR with "Other Interest/Selfless" Motivation |

Jordan & Pallazzo-Fontaine, 2016

Source: [13]
 Figure 3.1. Permutations of business responsibility and leadership motivations

One of the most essential practices in advancing our thought and action processes in the journey from “me” to “we” is that of intentionally aligning one’s value and purpose in life and work. The more one can clarify the commitment to serve for the greater good, the better we can act as instruments for bringing that

emerging future into being. Thus, the major divides in our society are weakened.

And as a final, let us present for future reflection the differences between the concept of CSR and that of shared value [95]:

In the way to a social behaviour, companies face with different difficulties. For example, obtaining benefits just after a long period may discourage a lot of companies. That effect can be counteracted by using administrative measures at the EU level.

| CSR | CSV |
|--|---|
| Values: to do good | Values: cost-related economic and public benefits, |
| Citizenship, philanthropy, sustainable development | Creating shared corporate and public value |
| Through its own initiative or as a result of external pressure | Strongly related to competitiveness |
| It is not about profit maximization | Directly related to profit maximization |
| The objectives of the program are determined by the personal preferences of the managers and by the public response sought | The goals of the program are set internally to the interests of the company |
| The effect is limited by the environmental footprint and the CSR budget | It restructures the entire budget of the company |

Source: [95]

For example, in United States the federal agencies with attribution in the observance of environmental and labour conditions standards supervision have formal programs for recognition and reward of companies that prevent the negative impact on environment, or labour health and safety. Many times,

those companies are subject to less control and have preferential treatment or are subject to more rapid and less bureaucratic processes when they ask for different approvals.

In this context, universities are key players in contributing to societies' human and socio-cultural advancements. However, current Higher Education reforms have shifted their mission away from crucial social-civil-political-ethical commitment to society towards market norms and values, reflecting increasing university and education privatization/commodification. These challenges seem to drive our society towards new questions for a reforming process aiming at a new "development of the individual-society relationship in the direction of democracy for the realization of humanity".

In this perspective, university third mission for social responsibility ought to preserve socially relevant and tangible effects to sustain and develop the democratic socio-political and cultural fabrics to the benefits of the wider community, while revitalizing strategic priorities to meet economic demands. Public pressures for social justice and civic engagements seems also to foster a reflection over higher education contradictions based on the "professional closure" vs. "civic engagement"; "training for jobs" vs. "education for citizenship"; "knowledge for all" vs. the "best possible knowledge".

The central question is whether or not social and civic values/skills are considered central and valuable for our society or not; if not why; and whether universities need to contribute and foster it or not. In this sense, the innovative expansion of Student Social Responsibility intended as a "sociology of emergences could develop an inquiry into the alternatives that are contained in the horizon of present possibilities, by adding to the existing reality the possibilities and future expectations it contains".

Educational process for acquiring corporate social responsibility competences and skills should contain information on how to assess the effects of business activities on others, develop and implement a corporate social responsibility strategy and commitments, and measure, evaluate and report on

performance and engage with stakeholders. Senior managers in firms of all sizes - from large corporations to small and medium-sized enterprises to micro-businesses - should find it valuable, as will management teams, board members and front-line employees, and industry association personnel who work with businesses.

Complementary, it is hoped that those outside the commercial world (e.g., government officials, representatives of non-governmental organizations and members of the public) will gain insights into the challenges firms face when addressing the effect of their activities on society.

In general, every training content should comprise these three essential parts:

- ***PART 1 is an overview of Corporate Social Responsibility – CSR - how it is defined, the business case for it and the relationship between CSR and the law;***
- ***PART 2 sets out a four-stage “plan, do, check and improve” implementation framework for a CSR approach. This part also features information particular to small business; and***
- ***PART 3 looks at stakeholder engagement and the integral role stakeholders can play in implementing an effective CSR approach [96].***

A possible approach to CSR for those involved in teaching activities is the following sequence:

- ***Understand the cause - effect relationship between sustainable development and CSR;***
- ***Understand the relevant characteristics of CSR domains (business; social; environment) and their respective sub-domains;***
- ***Formulate a “50 seconds summary” of what CSR really means;***

- ***Use numerical data to describe major CSR domains and sub-domains;***
- ***Define multidimensional descriptions of global CSR concepts (e.g., the 17 SD goals; the 10 principles of the Global Compact), and operate with them using relevant numerical data;***
- ***Transform a body of information and data into logical, easy to understand and use, teaching materials;***
- ***Create customized CSR Curricula.***

Social responsibility and business ethics are often regarded as the same concepts. However, the social responsibility movement is but one aspect of the overall discipline of business ethics. The social responsibility movement arose particularly during the 1960s with increased public consciousness about the role of business in helping to cultivate and maintain highly ethical practices in society and particularly in the natural environment.

The topics of Social Responsibility and Business Ethics is covered in an easy to access learning process by the online instrument: "The Free Management Library" [97], which provides free on-line articles to develop yourself, other individuals, groups and organizations (whether the organization is for-profit or non-profit). Over the past 15 years, the Library has grown to be one of the world's largest well-organized collections of these types of articles and resources. The Free Management Library can be freely used for every personal, professional and organizational development (including for-profit and nonprofit organizations). It is updated regularly with new topics, each focused on practical guidelines, tips and tools able to be applied and serving also for learning purposes, at the same time.

SECTION B. INNOVATIVE SOLUTION FOR ENHANCING SOCIAL RESPONSIBILITY EDUCATION AND CIVIC SKILLS IN CREATING SUSTAINABLE BUSINESSES

SURVEY REPORT ON SOCIAL RESPONSIBILITY'S LEARNING NEEDS

OBJECTIVES OF THE RESEARCH

The multidimensional nature of entrepreneurial education requires higher education providers and other actors from the upper secondary education and from the business market to pay carefully attention to the core values indispensable for creating business which assure the sustainable development of our society.

The research aims to investigate the needs of professional business conduct and civic behaviour of business and economic sectors and to transform them into the learning requirements embedded in the innovative curriculum, based on the appropriate designing of the blended teaching and learning process.

The **research objectives** consist in:

1. To anticipate and take advantage of the fast-changing societal expectations and operating conditions by identify, organize and prioritize improvements issues related to "social responsibility education and civic skills" in creating sustainable businesses.
2. To collect advisable opinions, analyse and statistically compute the relationships between the profile of stakeholders and relevant variables which support the "social responsibility education and civic skills", aggregate and harmonize research data and insights.
3. To deliver a common approach related to the learning needs for social responsibility knowledge and civic skills,

considering the context of countries involved: Romania, Slovenia, and Bulgaria.

1. METHODOLOGY FOR PRIMARY RESEARCH ON THE TARGET GROUP SAMPLE

The process of collecting relevant learning needs related to social responsibility and civic concerns was performed during the months: **March and April 2017**. The method for collecting data was electronic-based through the functionality of project site www.edu4society.eu and also through on-line Google Forms at the following address:

- For companies: <https://goo.gl/forms/AW10mBo4xG78nrlf1>
- For Romanian students:
<https://goo.gl/forms/mkiJHao5jlhP9vgz1>
- For Bulgaria and Slovenia students:
<https://goo.gl/forms/IRYSNXpCWtCkqw063>
- For teachers from upper-secondary education:
<https://goo.gl/forms/sT8AhpHPBJ5tkX13>

The process of collecting learning needs of social responsibility education and civic skills targets **at least 200 respondents** from business, civil society, secondary and tertiary education system (students, graduates, academics and teachers). The education area envisaged for survey: engineering, business engineering and management, economic sciences, and IT. It has been used dedicated questionnaires for collecting learning needs from the target group envisaged: students, employees and practitioners from business and labour market sector, and teachers from upper-secondary education system.

The stakeholders involved in on-line survey were contacted through the own data base of the partners **P3. Eurotraining Solution Ltd.** and **P4. Avantera Ltd.** and covered various industries: ITC, banking, FMCG, transportation, IT, Oil & Gas, energy, distributions & logistics, public administration, research

and development, education, public and private sector, and large and small enterprises.

As primary data sources (data obtained directly from the Romanian economic environment), it has been used information collected during the interval march 1st 2017 – April 30th 2017. The questionnaire was in Romanian.

The research unit was a company/association/public institution or a foundation/small enterprise/educational unit. The survey unit was the person that provided the information (leaders or persons from the HR department). The information obtained is relevant and gives an image of the awareness degree about the social responsibility concept.

2. RESEARCH VARIABLES

The research variables were built on target group profile so as to coherently embrace the characteristics and level of understanding and expectations for each type, as follows:

2.1. Students in Higher Education

The research variables target to analyse students' attitudes and perceptions, and to collect relevant learning needs with respect to Social Responsibility and to Responsible Educational Management which were split in four categories:

Category 1. Profile

Students profile aims to analyse certain demographic characterises such as: the educational level (bachelor and/or master study), the faculty in which the students are enrolled, and the area of specialization they follow.

Category 2. Values and attitudes

This category measured the students' values and attitudes regarding the concepts of Social responsibility and civic skills aiming to support the development of innovative products, new business creation. The research variables address the toughest

sustainability issues to stimulate responsible business and civic values of students.

Category 3. Knowledge

This category measured the students' knowledge about Social Responsibility Concept, based on four elements: Economic responsibility – making profit; Legal responsibility – following the rules; Ethic – doing what is correct and fair; Philanthropically responsibility – supporting the community and improving the quality of life.

Category 4. Learning expectations

This category measured the learning expectations on social responsibility in terms of different topics and courses to be taught and learned, and their suitable format.

2.2. Employees and practitioners from market sector

The research variables target to analyse employees' exposure to the Social Responsibility knowledge and information, and to collect key practical issues encounter in implementing this concept into the practices, and also to gather learning needs with respect to Social Responsibility area, which were split in four categories:

Category 1. Company profile

Company profile aims to analyse certain demographic characterises such as: type of company (private and/or public), size (SMEs and/or large enterprise), the operating industry sector, the incomes level, and identification data.

Category 2. Company experiences in SR projects

This category measured the extent to which the employees are exposed to the key domains in Social responsibility such as Economic responsibility – making profit; Legal responsibility – following the rules; Ethic – doing what is correct and fair; Philanthropically responsibility – supporting the community and

improving the quality of life. Also, it was measured the type and level of engagement in performing social responsibility activities within organization.

Category 3. Company issues in SR projects

This category measured the issues encountered by the companies in their social Responsibility project, and also which of the main topics in SR are of interest for them such as: environmental protection, quality of life, innovation and creativity, code of professional conduct, donations, internships for students, social activities etc.

Category 4. Company learning needs

This category measured the learning expectations on social responsibility of employees in terms of different topics and courses to be taught and learned, the format and learning channel to be used. The basic variables were:

- Knowledge of the notion of social responsibility for organizations.
- Knowledge of the European regulations in this domain.
- Knowledge of the existing standards in this domain.
- Information sources.
- Activity domains in the organizations where social responsibility actions may be carried out.
- Factors that prevent application of social responsibility projects in the organization.
- Factors interested in social responsibility actions deployed by the organization.
- Knowledge types required for the organization members to do social responsibility activities.
- Learning channels types to transfer competencies in social responsibility.
- Obligated/volunteer character of social responsebility.

Social, economic, and demographic variables: Organization type, Number of employees, Interest in the Edu4Society activities.

2.3. Teachers from upper-secondary education

The research variables target to analyse employees' exposure to the Social Responsibility knowledge and information, and to collect key practical issues encounter in implementing this concept into the practices, and also to gather learning needs with respect to Social Responsibility area, which were split in four categories:

Category 1. Educational Organization profile

Company profile aims to analyse certain demographic characterises such as: type of educational organization (high school – economic, theoretic, and technologic, national college), size (no. of employees), the function of teacher and related experiences in the educational sector.

Category 2. Educational Organization experiences in SR projects

This category measured the extent to which the teachers from upper-secondary educational system are exposed to the key domains in Social responsibility such as Economic responsibility – making profit; Legal responsibility – following the rules; Ethic – doing what is correct and fair; Philanthropically responsibility – supporting the community and improving the quality of life. Also, it was measured the type and level of engagement in performing social responsibility activities within organization.

Category 3. Educational Organization issues in SR projects

This category measured the issues encountered by the teachers from upper-secondary educational system during their Social Responsibility projects, and also which of the main topics in SR are of interest for them such as: environmental protection, quality of life, innovation and creativity, code of professional conduct, donations, internships for students, social activities etc.

Category 4. Educational Organization learning needs

This category measured the learning expectations on social responsibility of teachers from upper-secondary education system in terms of different topics and courses to be taught and learned, and their suitable format.

3. TARGET GROUP/SAMPLE DESCRIPTION

3.1. *Students in Higher Education*

There were 81 Romanian surveyed students. 31.11% were enrolled in master's program and 68,89% in bachelor's study program.

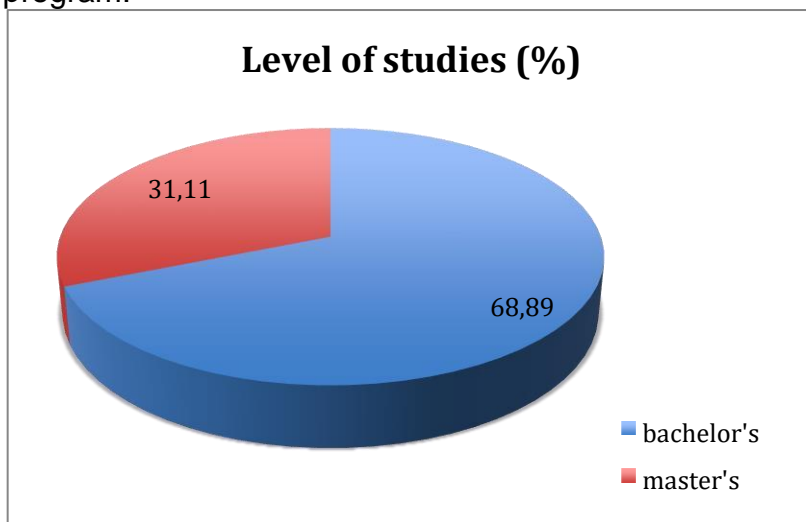


Fig. 1 Students in Higher Education by the level of studies (%)

Source: Author's own realization based on the surveyed data.

Also, the study targeted Bulgarian students with 41 respondents filling in the questionnaires.

The results from the first panel defining profile of respondents show the profile of Bulgarian students from the University of

Ruse “Angel Kanchev” participating in the project survey. The students that have been engaged in the survey are mostly enrolled in Bachelor study - 36 students (90%), the other 10% counting for 4 students are enrolled in Master study.

The profile of the participants shows that they are from the Business and Management Faculty with area of specialization “Business management and organization”. About the gender profile - 34 of the participants are female and 6 are male.

3.2. Employees and practitioners from market sector

The research was conducted on a sample of 86 de respondents from different domains of activity: energy, civil engineering, IT, research-development, banking, strong drinks manufacturing, commerce, public, insurance, services, education, varying in size from 1 to 5000 employees.

The minimum sample size respects the value established in the application of the Edu4Society Project (*min* 80 respondents). We wanted to have a much larger sample. It was very difficult to convince many organizations to participate. Possible reasons for this attitude might be:

- Fear to make public their position (although we guaranteed anonymity).
- Hesitation to admit they ignore this field, although we included in the questionnaire clarifying definitions/explanations of the concepts used.
- Lack of time, although the questionnaire may be completed in under 5 minutes.
- Lack of interest.

Information gathering was done in 2 ways:

- Online questionnaire defines as a Google Form, accessed through the site www.edu4society.eu.
- A questionnaire defined as a PDF form, which the respondents sent to the partners.

The information sources were chosen as such:

- Representative organizations among the collaborators of the 2 partners Eurotraining Solution SRL și Avantera SRL. In these organizations we contacted by phone or email people from the leadership or relevant departments (HR, OHSAS).
- By email, using a public database offered by "Lista Firme". Approximately 1300 emails were sent.

Organizations were filtered by domain of activity, as declared at the Registry of Commerce:

- 35 – Production of electrical and thermal energy, gas, hot water and air conditioning (131 recipients).

- 43 – Civil engineering (499 recipients).

- 72 – Research development (311 recipients)

- 86, 87, 88 – Activities related to human health, combined medical care and social assistance (362 emails)

- Public institutions: city halls from: the sectors of Bucuresti, city hall of Bucuresti, city halls from county capitals (Cluj Napoca, Timișoara, Constanța, Alba Iulia, Iași, and Sibiu).

The questionnaire respondents are classified:

- 74% - companies (64)
- 12% - associations or foundations (10)
- 7% - public institutions (6)
- 4% - educational units (3)
- 2% - freelancers (2)
- 1% - small enterprises (1)

3.3. Teachers from upper-secondary education

There were 44 replies to the questionnaire following the structure presented in table 1.

Tab.1. Demographic characteristics of uppersecondary teachers involved in survey

| | | |
|-----------------------------|--------------------------------------|---|
| Demographic characteristics | Type of educational organization | 20,5% technologic high schools 18,2% theoretic high schools 15,8% economic high schools 11,4% national Colleges |
| | Size of organization | 47,7% (51 – 100) employees 27,3% (31-50) employees 15,9% more than 100 employees |
| | Position of the teaching staff | 45,5% Teachers 22,7% Head Teachers 18,2% Methodological Committee Managers 6,8% Members of the School Board 4,5% Deputy Directors |
| | Experience in the educational sector | 36,4% more than 25 years 29,5% between 16 – 20 years 18,2% between 21 – 25 years |

4. RESULTS OF DATA ANALYSIS

4.1. Higher Education sector

Most of the students are enrolled at The Faculty of Entrepreneurship, Engineering and Business Management and this represents 84.44% from total respondents. There are also represented in lower figures The Faculty of Transports (4.44%), The Faculty of Power Engineering (8.89%) and The Faculty of Mechanical Engineering and Mechatronics (2.22%).

Most of the surveyed population follows Engineering and Business Management by 53.33%, followed by Management of the Digital Enterprise and Economical Engineering for Electricity by 11.11%. Other programs of study comprise almost 16% of the surveyed group.

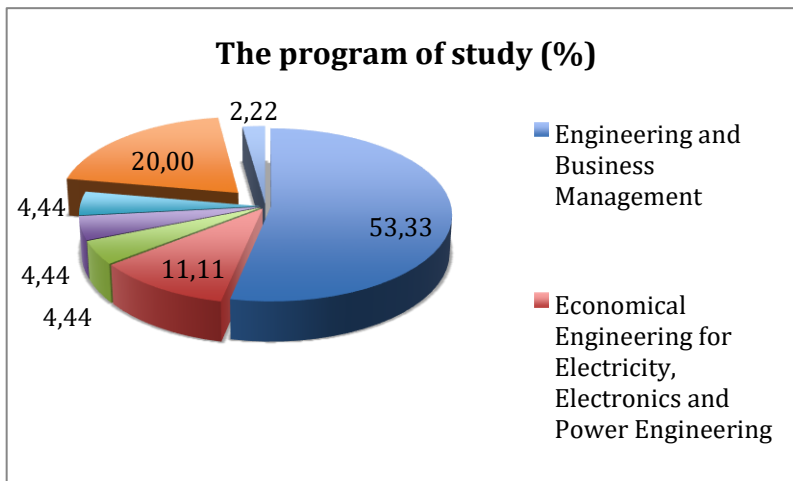


Fig. 2 Systematization of the respondents by the enrol in a program of study (%)

Source: Author's own realization based on the surveyed data.

More than 73% of the respondents are women while only 27% are men.

A. The importance of various factors for the respondents is analysed in this section of the study. As such, in figure 3 is presented the importance of being involved in volunteering during the faculty. 46.67% responded it is "Important", 28.89% pointed to be "Very important" and for 24.45% is "Indifferent" or "Less important". Whatsoever, more than 75% of the respondents consider is "Important" and "Very Important" to be involved in volunteering during the faculty. None of the respondents marked, however, the "Not at all important" evaluation.

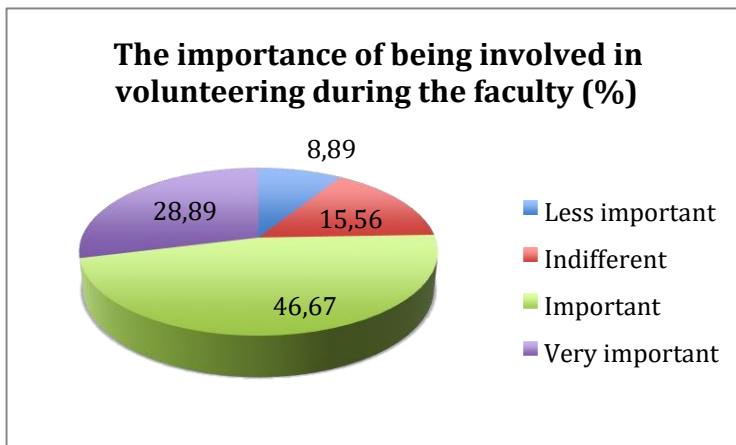


Fig.3 The importance of being involved in volunteering during the faculty (%) Source: Author's own realization based on the surveyed data.

As seen in figure 4, being able to do what the respondent wants is of utmost importance since 73.33% agreed with that and again 22.22% responded it is "Important". For less than 5% this is "Indifferent" or "Less important".

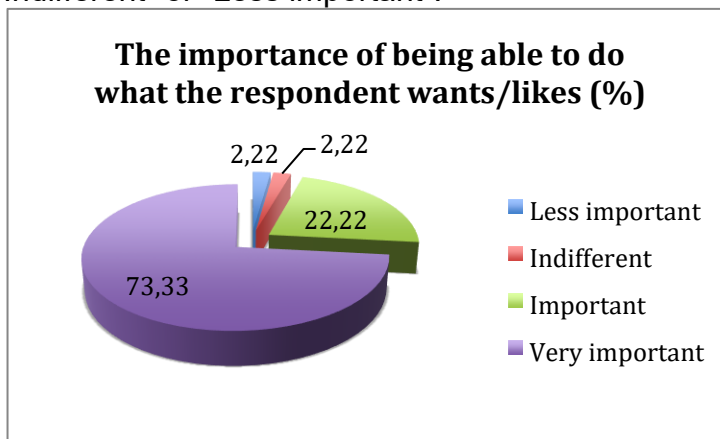


Fig.4 The importance of being able to do what the respondent wants/likes

Source: Author's own realization based on the surveyed data. Earning a lot of money is, in the first place, "Important", as most of the respondents indicated this (60%). There are also 31.11% that consider being "Very important" and this might be the key of a later evaluation of the respondent's values system. For almost 7% earning a lot of money is "Less important" and for almost 3% it is "Indifferent".

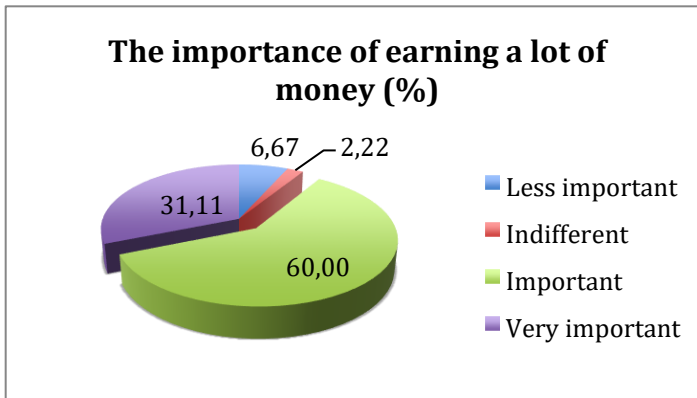


Fig. 5 Evaluation of the importance of earning a lot of money (%)

Source: Author's own realization based on the surveyed data.

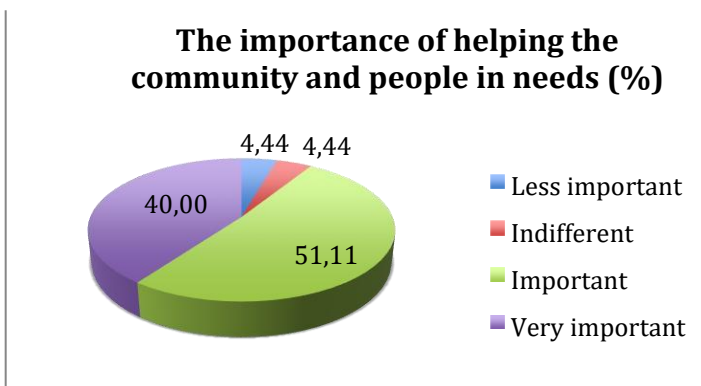


Fig. 6 The importance of helping the community and people in needs (%)

Source: Author's own realization based on the surveyed data. In the first place it is "Important", proven by 51% of the responses, helping the community and people in needs and, in the second place, "Very important" for 40%. A cumulative of almost 9% considers the issue "Less important" or "Indifferent" while nobody considers it "Not at all important". The opinion on being successful in studies and work is split between the "Very important" 87% and the "Important" 13% and we consider it remarkable result as nobody pointed below this evaluation.

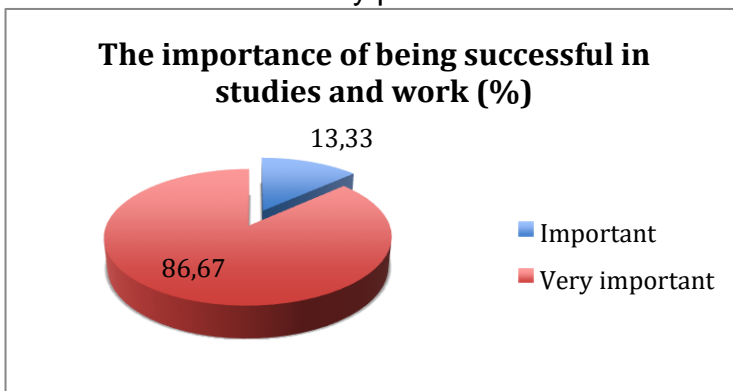


Fig. 7 The importance of being successful in studies and work (%)

Source: Author's own realization based on the surveyed data.

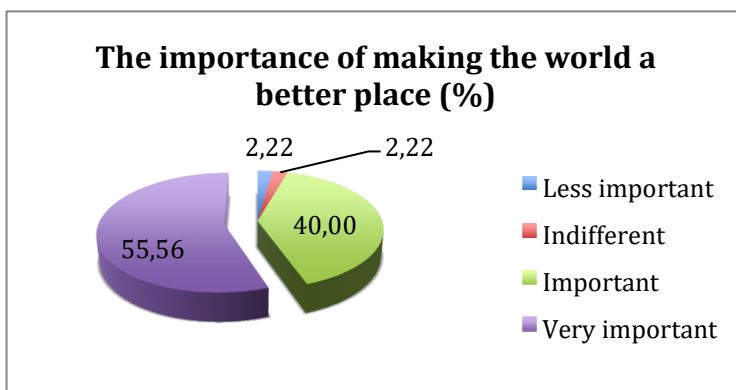
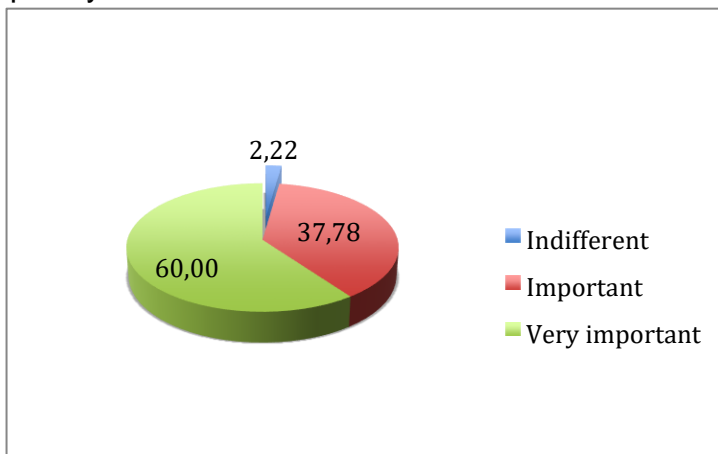


Fig. 8 The importance of making the world a better place

(%)

Source: Author's own realization based on the surveyed data. Figure 8 shows that making the world a better place is

“Very important” for more than 55% of the respondents and, with the 40% “Important” evaluation returns a cumulative result of almost 96%. The “Less important” and “Indifferent” represent a 5% cumulative frequency. It is “Very important” of having a comfortable life and wellbeing for 60% and, with the 38% that consider it to be “Important” it makes an almost 98% cumulative frequency.



The importance of having a comfortable life and well-being (%)

Fig. 9 The importance of having a comfortable life and well-being (%)

Source: Author's own realization based on the surveyed data.

B. Asking if they were exposed to the Social Responsibility Model concepts during studies, the results were as it follows.

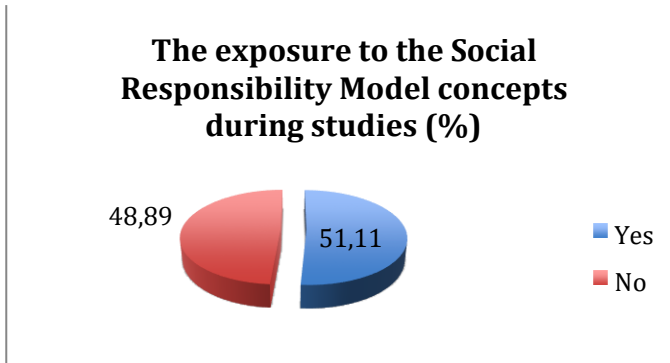


Fig. 10 The exposure to the Social Responsibility Model concepts during studies

Source: Author's own realization based on the surveyed data.

There are more than 50% that recognise themselves being exposed to the Social Responsibility Model concepts during studies. The courses that provided that kind of knowledge were: Economics, Law and Legal business elements, Quality management, Power engineering projecting and Management.

C. Asking which of the following subjects should be followed and developed during studies, the results were:

When it comes for ethical decision making, everybody considers it to be "Necessary".

The principles of Corporate Social Responsibility are "Necessary" for 62% of the respondents while 36% consider them to be needed in "Somewhat extent". Only 2% of the respondents indicate that there is "not necessary" to base on these principles.

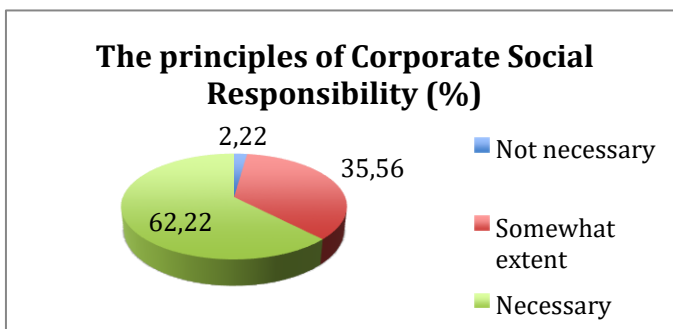


Fig. 11 The necessity of the principles of Corporate Social Responsibility

Source: Author's own realization based on the surveyed data.

Next figure reveals the necessity of having strategies for conflict resolution for more than 82% of the respondents while the rest of 18% consider it to be necessary in “somewhat extent”.

Knowing the legislation in the field of specialization is “necessary” for more than 62% of the respondents, 35% consider it a necessity in “somewhat extent” while 2% believe it is “not necessary”.

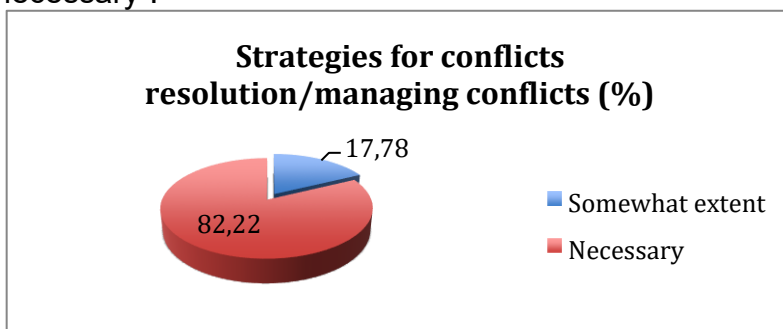


Fig. 12 The necessity of the strategies for conflict resolution or for managing conflicts (%)

Source: Author's own realization based on the surveyed data.

D. When it comes for the opinion on various actions to adopt in order to improve their knowledge in Social Responsibility, the results were as it follows:

It results that is a strong necessity for effective courses in SR topics as more than 73% of the respondents “agree” and “strongly agree” with this statement. In this case we have found an almost 25% of the respondents that is “indifferent” and even a 2% that “strongly disagree” with it.

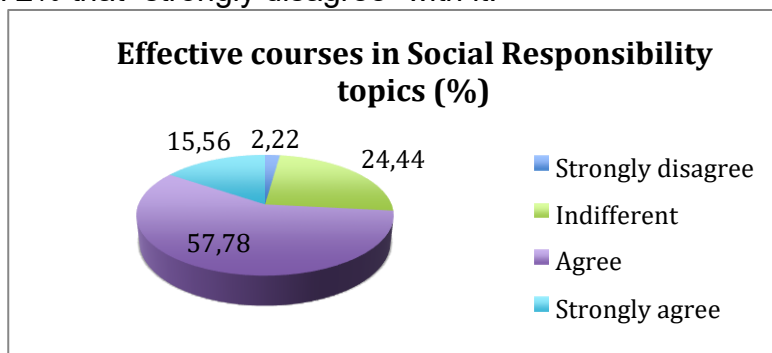


Fig. 13 The opinion on effective courses in Social Responsibility topics (%)

Source: Author's own realization based on the surveyed data.

This result must be further analysed and biased with the general opinion on the educational system in Romania, as it might be a direct correlation between the two variables. As it regards the possibility to perform internships with subjects in Social Responsibility 44% of the respondents “agree” and 40% “strongly agree” with it while less than 15% are “indifferent” or “strongly disagree”.

The opinion on the compulsory courses in Social Responsibility topics varies more widely for more than 10% respondents that “disagree” or “strongly disagree”, 25% are “indifferent”, 18% “strongly agree” and the most of the inquired people, that is almost 47%, “agree” with.

The opinion on applying concepts of Social Responsibility through practical study cases is as it follows: more than 82% “agree” and “strongly agree” with while 18% are either “indifferent” either “disagree” as seen in figure 14.

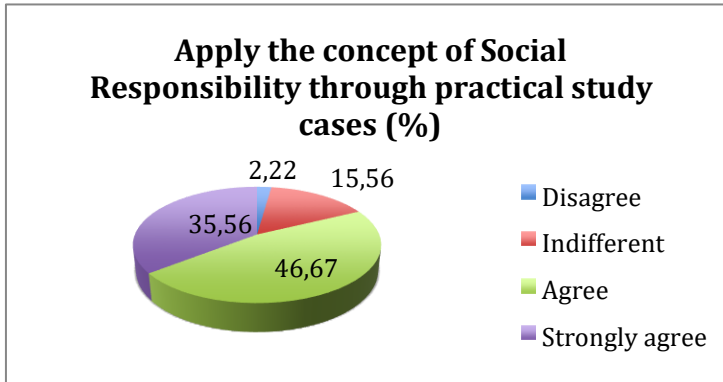


Fig. 14 The opinion on applying concepts of Social Responsibility through practical study cases (%)

Source: Author's own realization based on the surveyed data. Attending to workshops with business practitioners and experts on different themes in Social Responsibility is an important issue as more than a half of the respondents “strongly agree” with and 40% “agree” with. There were no answers that indicate disagreement and less than 5% of the respondent’s opinion is “indifferent”.



Fig. 15 The opinion on attending to workshops with business practitioners and experts on different themes in Social Responsibility (%)

Source: Author's own realization based on the surveyed data.

E. Main learning channels for learning SR according to the respondents are, in the first place, e-learning (62%), followed by the face-to-face courses and applications (31%). In the third place we have found blended learning with almost (7%).

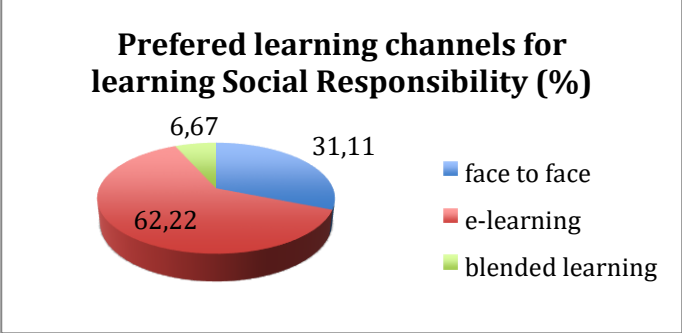


Fig. 16 Preferred learning channels for learning Social Responsibility (%)

Source: Author’s own realization based on the surveyed data.

F. The evaluation of the importance of the factors that should be taken into account by the companies was supported by the following results:

- When it concerns customer’s satisfaction, producing useful and high-quality goods and services is considered “very important” by 78% of the respondents while the rest consider this issue “important”.
- The role of the community in which companies operate is mainly “important”, proved by the 60% of the respondents and “very important” for almost 36%. There were just 4% respondents “indifferent” on this matter.
- The reduction of energy consumption is a “very important” matter for almost 60% of the respondents and for more than 30% is “important”. There is a cumulative of more than 10% though that consider it to be “indifferent” or “less important”.
- As for environmental concern and climate changes, it is a “very important” topic for the vast majority of the respondents

and cumulated with the “important” valuation it makes more than 91% of the responses. There are also around 9% that indicate an “indifferent” opinion.

- As seen in figure 17, making profit for shareholders is considered “very important” for more than 55% of the respondents and “important” for almost 36%.

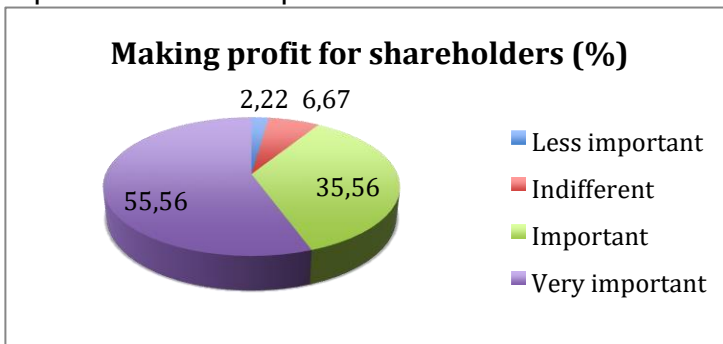


Fig. 17 The opinion on making profit for shareholders

Source: Author's own realization based on the surveyed data.

There are also 7% “indifferent” on this matter and for 2% of the respondents the topic is “less important”.

- Health and safety for the employees is considered “very important” as this represents 89% of the responses, and also “important” for the rest of the respondents.
- Supporting innovation and individual creativity is very important for almost 67% of the respondents while for the rest of them is “important”.
- In what concerns philanthropy and donations to schools, the opinions are more diversified as the 47% of the responses indicate it to be “important”, 38% to be “very important”, 11% to be “indifferent” and for 4% is “less important”.
- Organizing internships for students seems to be “very important” as the 56% result proves and also “important” for 38% of the respondents.

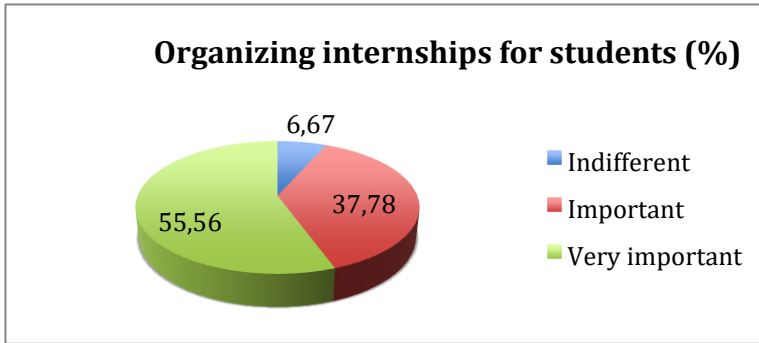


Fig. 18 The opinion on organizing internships for students (%)

Source: Author's own realization based on the surveyed data.

- As seen in figure 19, a cumulative of 96% of the responses indicate that establishing the code of conduct in doing business is “important” and “very important”. For the rest of them (that is 4%) is “indifferent”.

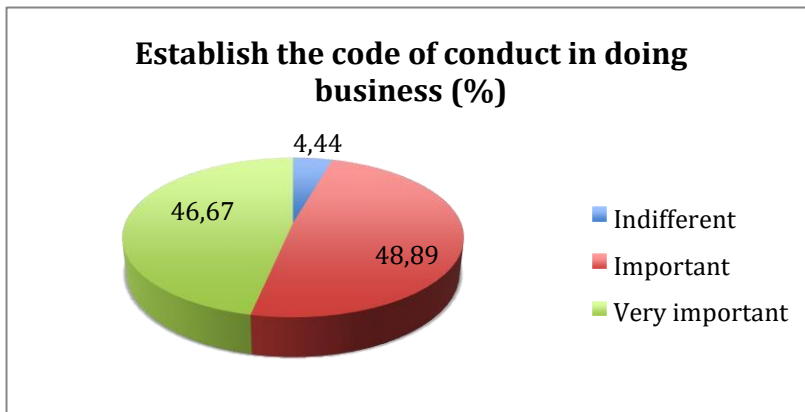


Fig. 19 The opinion on establishing the code of conduct in doing business (%)

Source: Author's own realization based on the surveyed data. • Equality of chances for each employee is “very important” for

almost 67% of the respondents and “important for the rest up to 98%. There are still 2% that are “indifferent” on this matter.

- It is “very important” to improve the quality of life for the community in which the enterprise operates as seen in figure 5.33 for 56% of the respondents and “important” for the rest up to 100%.

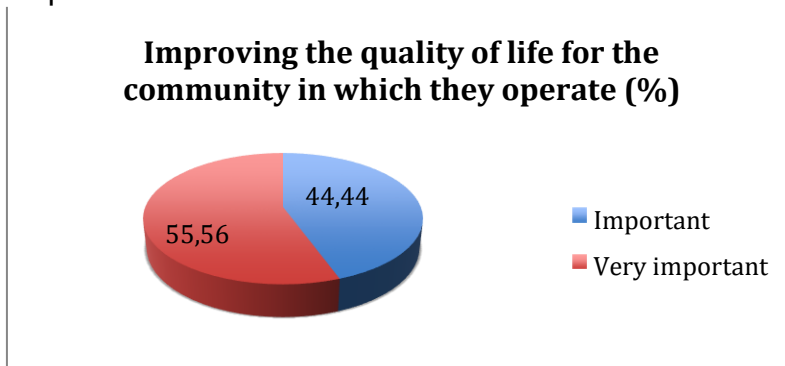


Fig. 20 Opinion on improving the quality of life for the community in which they operate (%)

Source: Author's own realization based on the surveyed data.

- Supporting personal development and wellbeing of the employees is “very important” for almost 69% of the respondents and for the rest of them is “important”. • Respect the “rule of law” is considered to be, in the first place, “very important”, by 49%, in the second place “important”, by 42% and in the third rank, “indifferent”, up to 100%.

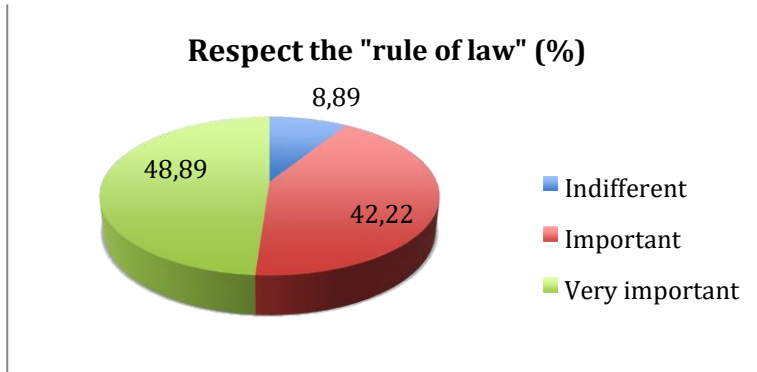


Fig. 21 Opinion on the respect for the “rule of law” (%)

Source: Author’s own realization based on the surveyed data.

G. Verifying the agreement with a couple of questions we collected and analysed the followings:

- There are 49% of the respondents that “agree” and 33% of them that “strongly agree” with the statement that Social Responsibility behaviour could be in the economic benefit of shareholders. For the rest of them, and that means 18%, this is “indifferent”.
- A cumulative figure of 91% indicates that respondents “agree” and “strongly agree” with the fact that a company adopting Social Responsibility practices could obtain competitive advantages over a company that does not. Only a 9% of the respondents are “indifferent”.

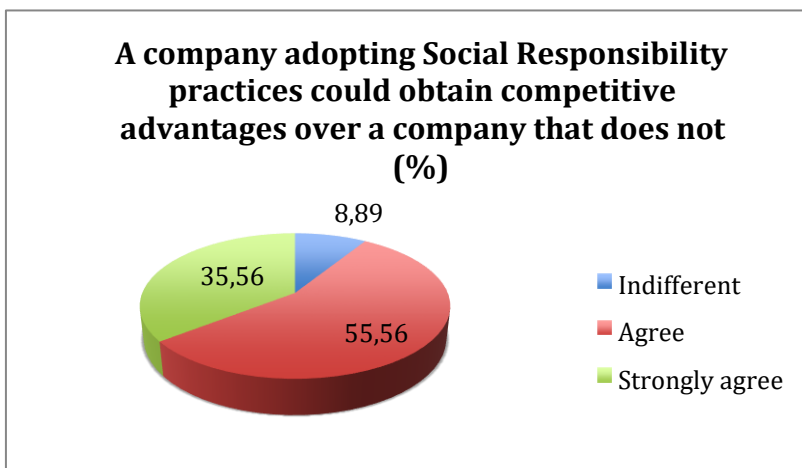


Fig. 22 Agreement with a company adopting Social Responsibility practices that can obtain competitive advantages over a company that does not (%)

Source: Author's own realization based on the surveyed data.

- There is 62% of the respondents that “strongly agree” with the fact that a company willing to build strong reputation has to display a social responsibility behaviour, and also 33% that “agree” with it. Only 4% are indifferent.

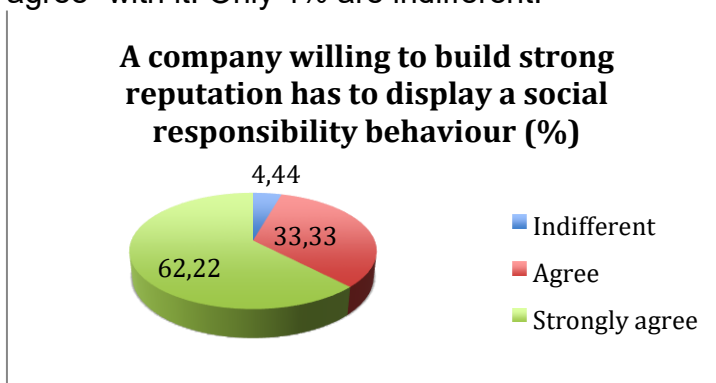


Fig. 23 Agreement with a company, willing to build strong reputation, has to display social responsibility behaviour (%)

Source: Author's own realization based on the surveyed data.

- A cumulative relative frequency of almost 87% indicates that respondents “strongly agree” and “agree” with supporting the improvement of the quality of life may generate increasing company profit on the long run, while 13% are “indifferent” or “disagree” with it.

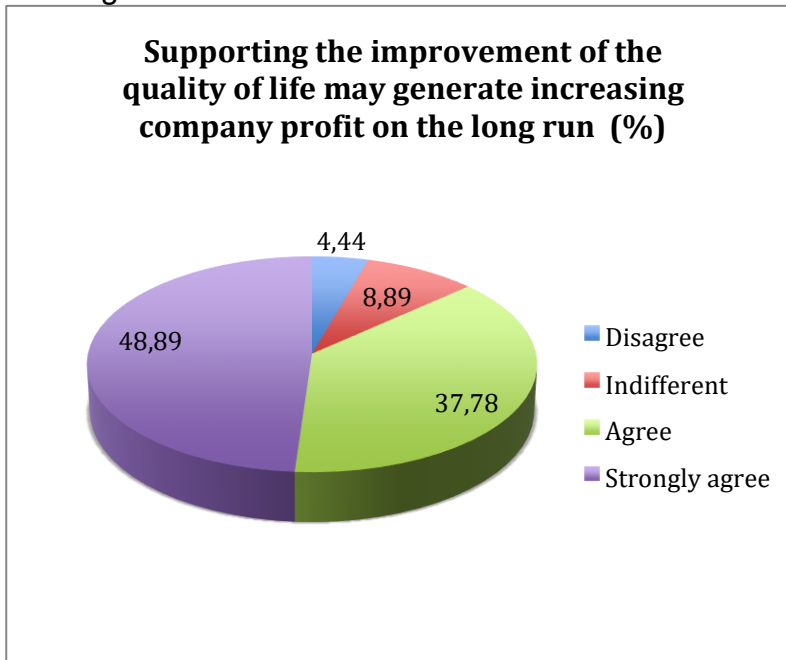


Fig. 24 Agreement with supporting the improvement of the quality of life may generate increasing company profit on the long run (%)

Source: Author's own realization based on the surveyed data. • Social Responsibility is only a matter of public relation reasons generate a wide range of opinions as seen below.

- The same as before, the answers are somehow equally divided among “indifferent” and “strongly disagree”, while “disagree” has the highest percent of 37.78. There has to be taken into account also the pole answers, as there are 22.22% of people that “strongly agree” and “agree” with the statement that SR behaviour may increase the vulnerability of the

company through high resources consumption, removing it from its primary business purpose.

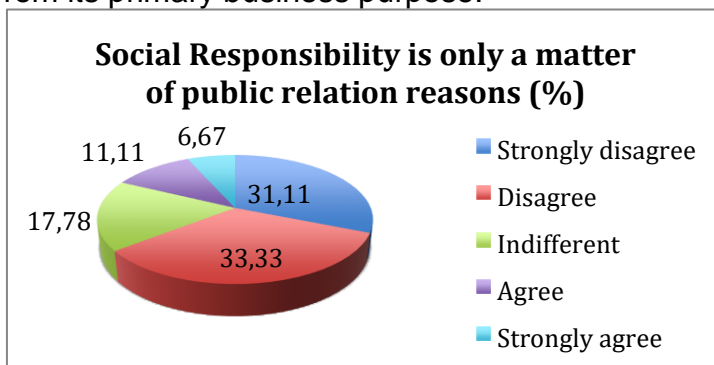


Fig. 25 Agreement with the statement that Social Responsibility is only a matter of public relation reasons (%)

Source: Author's own realization based on the surveyed data.

- There are 49% of the respondents that “strongly disagree” with the fact that companies have already too much social power and should not engage in other social responsibility activities, 27% that only “disagree” with it and 11% “strongly disagree”. For more than 13% the situation is “indifferent” or they “agree”.

The following results analyze the Bulgaria students' values towards different aspects of social responsibility concept:

- the majority of the respondents consider that *helping community and people in needs* is important (19 students) and very important (14 students). That result corresponds with the fact that the initial perception of students of CSR as a discipline correlates with volunteering.
- The result also leads to the same conclusion where it could be seen that 15 students think that it's important and 17 very important *to make the world a better place*.
- The number of students that think that self-realization is important and very important is also very high (34 students). The results confirm the wish of the respondents for a

successful academic and career wise development. That result coincides with the same number of respondents that want *to have a comfortable life and well-being*.

- 53% of the respondents have been acquainted with the 4 elements of the Social Responsibility Model (Economic responsibility; Legal responsibility; Ethic and Philanthropically responsibility) and have some Knowledge about Social Responsibility Concept.
- Not surprisingly 13 respondents have listed Corporate Social Responsibility course as their source for information, a very small number (1 student per each) has chosen Erasmus programme, Marketing, Organizational Behaviour courses. As a conclusion to this panel we could say that students that a very large number of students – 19 (47%) have no idea about the Social Responsibility Concept or just were lazy and didn't want to type the required information on the next question.
- The majority of the respondents (65%) think Ethical themes need to be included in the learning process, and only 5 % of the respondents are on the opinion that it's not necessary. Almost the same high number of students 25 (63 %) consider obtaining knowledge of legislation important for their realization 37% consider it important to a certain percent. The importance of this theme for the respondents is stress by the fact that no one considers it useless.
- A very high number of students think that it would be helpful if they learn more for different strategies for managing conflicts. The results lead to believe that the opinion of the students is divided in half to the degree of necessity for the principles of CSR to be incorporated in the learning process. A possible interpretation of this result might be the fact that some of the students have already gone through such course and don't see big advantages of including such theme again.
- Almost identical number of students wants to have both elective and compulsory courses included in their education.

From these results we can judge that for the respondents is important to have a choice.

- The result demonstrates the wish of the students their learning process to be practically oriented. A very high number of 34 respondents have stated that they consider having internship with subjects in Social Responsibility and applying practical case studies as important.
- The courses that are considered most interesting and valuable by the students: the highest number gets “Human rights” which corresponds with the results shown above, also a very high number of “likes” are for “Standards in Quality Management and Risk Management” and “Social Responsibility Standard (ISO 26000)” equally 20 students think that they would be important for them.
- The majority (48%) still prefer face-to-face as a learning method, 27% of the respondents prefer blended and the other 25% go for e-learning channel. From this result we could draw the conclusion the new electronic channels haven’t yet fully been accepted by the students.
- Through the answers of the respondents in this panel we’re aiming to identify the degree of importance for the students of the implementation of different CSR concepts by the companies. 13.6. Employees health and safety 13.7. Supporting innovation and individual creativity, 13.8. Philanthropy and donations to schools, universities etc. *Which of the following factors should be taken into consideration by the companies operating their businesses?* According to the received data we could summarize that for the respondents social and ethical aspects are the most important factors that should be taken into the account when companies develop their CSR strategy.
- For the majority of the respondents (93%) it’s important matters like Employees health and safety; Philanthropy and donations to schools, universities etc. to be taken into

consideration. Another 96 % of the respondents think that companies should pay attention to personal development and overall wellbeing of their employees.

- The same very high result (93%) is received for such ethical issues like respecting the law, the data shows that for the majority of the students it's very important to be implemented into the company strategy.

On the next couple of lines, we're going to present respondents' *level of agreement related to the statements like "Social Responsibility behaviour could be in the economic benefit of shareholders"; "A company willing to build strong reputation has to display a social responsibility behaviour"; "Companies have already too much social power and should not engage in other social responsibility activities", etc.* The results from their answers give us another confirmation on the presented above views:

- The results give us the right to conclude that the respondents are very aware of the economic benefits for a company which behaves socially responsible. The very high number of 37 students (93 %) shares this opinion.
- The respondents are quite familiar that some companies might use CSR as an instrument for a manipulation (31 respondents). Obviously, a certain aspect of hypocrisy that surrounds CSR hasn't escape from their sight.
- The respondents from the survey have clear idea on the negative side of CSR for the companies as well. 36 students agree that its implementation into company strategy might hinder companies' chances for a business success. Another 30^{ty} respondents share the opinion that company should restrict its activities in the socially responsible field.

Based on the students answers we have managed to analyze students' attitudes and perceptions which was the main goal of the conducted study we also manage to collect some valuable information regarding learning needs of the respondents in

Bulgaria with respect to Social Responsibility and to Responsible Educational Management which we hope to enable us to prepare good teaching materials for the next phases of the project.

4.2. Companies from the market sector

Response total represents the sum of the answers selected by participants for a given question.

The percentage for each option is computed by dividing the sum of the options by the response total.

Question 1. The degree of acquaintance with the notion of “social responsibility of the organization”?

At the question 57 persons (66,28%) chose the first option („In a large extent”), 28 persons (32,56%) chose the second option („In a small extent”), and 1,16% answered “Not at all”.

No rule is obvious regarding the correlation between the dimension of the organization and the social responsibility awareness. In conclusion the popularization of the social responsibility concept must be done in all organizations, independent of size. The popularization is equally important for small companies, even if they have limited resources. They are the most flexible and open to the introduction of new activities, as seen from the application of the questionnaire. One of the reasons there are so few respondents compared to the large number of questionnaire recipients is the fact that very few are aware of the social responsibility concept (SCR).

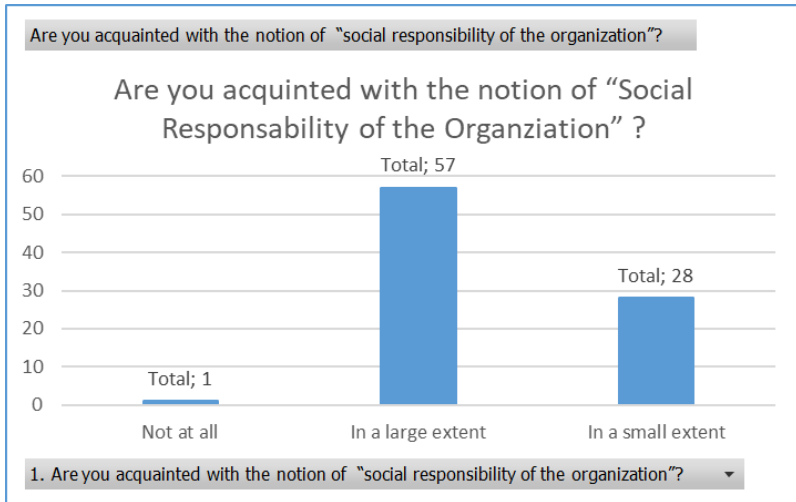


Fig. 26 The degree of acquaintance with SR concepts

We recommend organizing campaigns to raise the awareness of the SRC concept and to involve societies in organization and implementation of social responsibility actions. Care must be taken, since the level of expertise and financial possibilities vary by organization.

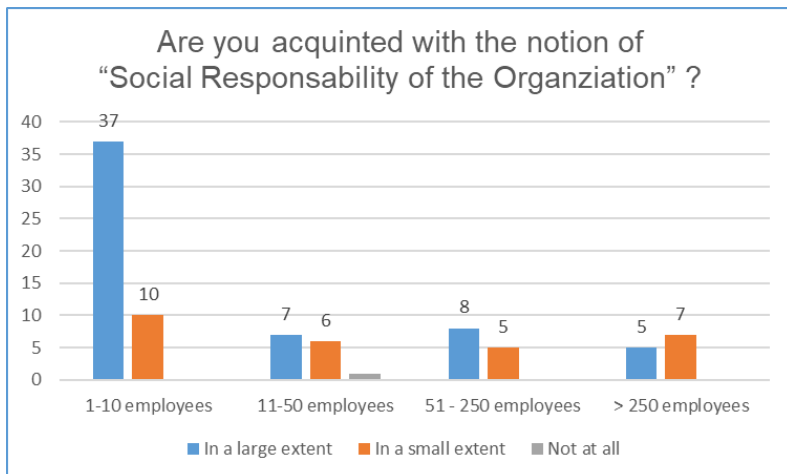


Fig. 27 The degree of acquaintance with SR concepts linked to organization size

Question 2. The degree of knowledge of the European regulations regarding “Social Responsibility of the Organization”?

Notice that, when speaking of European regulations regarding social responsibility, the percentage of persons that declare they are informed, decreases from 66% to 51%. The fact that almost half of the organizations (49%) don't know the European regulations regarding social responsibility is worrying. It reflects the existence of some serious deficiencies in the way organizations are informed about European standards in general, and those regarding social responsibility in particular.

Public institutions that have responsibilities to inform physical and juridical persons about European standards should make sustained efforts to spread the information to the interested ones through flyers, webinars, and workshops. Public funds should be allocated for information campaigns of organizations about European regulations.

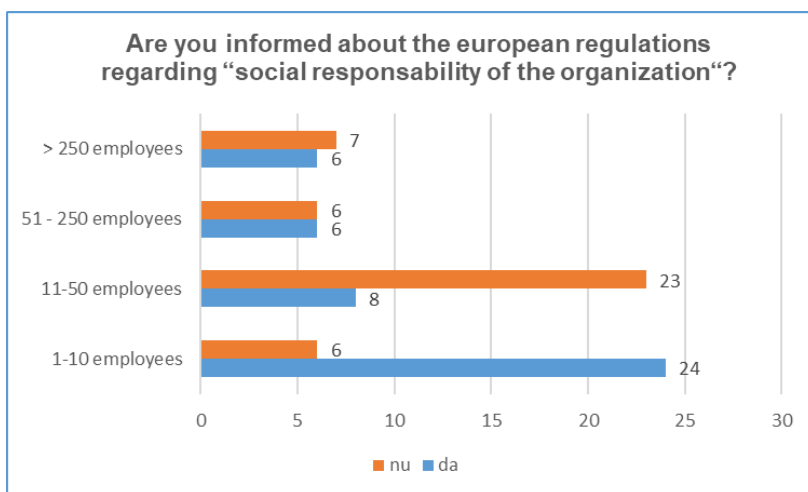


Fig. 28 The degree of acquaintance with EU regulation on SR

Question 3. The sources used to access the information about “Social Responsibility of the Organization”(CSR).

From the total of 86 organizations, only 85 answered this question (98,83%). Among these, 42 checked several options (49,41%), since they had multiple sources. The internet is a source of information for 63 organizations (74,11%), the specialty literature is second place (41 organizations, 48,23%). The last place was information obtained through formal education, attending a specialized training (13 organizations, 15,3%). From the total of 85 respondents, 12,94% declare they are not informed at all (11 organizations).

We consider that organizations should be informed in a formal way, since this ensures a knowledge transfer based on learning objectives, which allow acquiring skills, and measuring the results obtained through knowledge evaluations.

Question 4. The most common implemented projects that contain actions regarding Social Responsibility of the Organizations:

The most common implemented projects that contain actions regarding social responsibility of the organizations belong to the philanthropic domain (96,51%), followed by the ethical domain (94,19%), legal domain (81,40%); and, last, economic responsibility domain (29,07%).

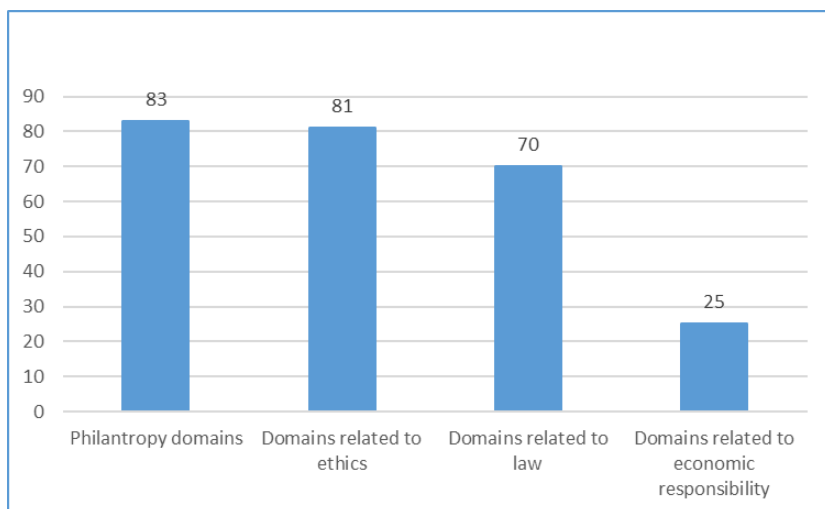


Fig. 29 The topic is SR implemented projects

The CSR in the philanthropic domain are mostly *donations* (56,6%), *internships/practical training* (56,6%), *support given to schools/universities* (51,8%), *sponsorship of art/sport events* (39,8%).

In the *Other* actions from the category of philanthropic domain fall 13,3% of the organizations, as such:

- Organize humanitarian help (social centres);
- Organize theatre and classical music festivals;
- Organize events for student associations or cultural foundations;
- Help for orphanages and elderly asylums;
- Support for artistical creations;
- Qualification training for own employees;
- Projects in health, environment, water and hygiene, mother and child, local development;
- Projects in adult education;
- Projects that promote short supply chains;
- Employment of persons from vulnerable groups and their correlation on the labour market;

Education, health, social services, volunteering;

- Joint philanthropic projects with non-government organizations.

Notice that most activities are in the philanthropic area, maybe because these actions have a social touch, are well received by the public, and have instantaneous results.

Unfortunately, *the SRC actions in the domain of economic responsibility* are less selected, although they ensure functionality and purpose to the organization, and contribute to a healthy economy.

The CSR actions in the ethical domain are mostly dedicated to *supply highest quality products/services (65,4%), offer equal opportunities to each individual (58%), support individual creativity (53,1%), environment protection (50,6%), support innovation (48,1), establish ethical behaviour policies (48,1%), improve life quality wherever the company activates (44,4%), provide a safe work environment (43,2%)*.

In the *Other* category of actions in the ethical domain nobody listed anything.

The CSR actions in the legal domain are mostly *deployment of work relations that respect the legal framework (78,6%), respect the rights of the employees (77,1%), ensure transparency in acquisitions (61,4%)*.

In the *Other* category of the legal domain fall 8,6% of the respondents, as such:

- Education;
- Publicity materials recycling;
- Health, environment, water and hygiene, mother and child, local development;

- Periodic evaluation of compliance with the requirements of health and occupational safety, environment protection according to ISO 14001 and OHSAS 18001.

The CSR actions in the economic responsibility domain named by the respondents were:

- Use part of the profit in investments (reinvest the profit).
- Pay employees only in legal forms.
- Respect accounting legislation, correctness of reports and payment of fiscal obligations.
- Transparency of acquisitions.
- Avoid conflicts of interest.
- Ensure company profitability.
- Provide quality services.
- Durable development.
- Promote entrepreneurship.
- Local development.
- Market research, provide products and services for the final consumer, according to his requirements.
- Tax redirected by employer towards NGOs in health, education.
- Support some economic domains/institutions, from internal sources, beyond the contractual framework (health, education, agriculture).
- Equipment donation for technological high schools and professional schools.
- Provide durable economic solutions to develop and modernize transport operator, according to EU requirements.
- Adopt a responsible position in any action of the company towards both customers and suppliers.
- Ensure a long-term sustainable growth strategy, including company's profit.

- Ensure a procedural framework in the company, performance oriented, through the implementation of KPI for every employee.

Prove an ethical behaviour in business.

- Complete activities with services that cover the market's requirements for IT and professional training.
- Respect contractual conditions.
- Responsibility of monetary and fiscal policies in Romania.
- Social economy
- Social protection.
- Respect labour legislation.
- Business independence.
- Programs to promote investors, EY Alumni
- Introduction, into daily decisions and management strategies, of norms, other than those imposed by legislation, which increase innovation and competitiveness of the organization.
- Create long term relations of equal profitability with the market and the social environment.
- Economic and social policies implemented in the organization must increase the turnover, by using all opportunities of projects in internal and external programs for research-development-innovation, as well as investment in professional training, knowledge and innovation improvement, training of research-development staff (answer given by a research institute)
- Valorisation of research results from the research institutes, activity realized through the transfer and dissemination of the relevant results. (answer given by a research institute)
- Obtain research results with applications in economy. (answer given by a research institute)
- Services and expertises, specialized/certified/ accredited by economical agents.

- Dissemination of research results in the socioeconomic environment, to be used by interested economical agents. (answer given by a research institute)
- Accurate recordings of expenses, costs efficiency, accurate reporting.
- Prevalence of the principle of stability and continuous, organic growth of the business.
- Offer medical services to the people who don't have access to them.

We think the information campaigns regarding SCR should emphasize that economic responsibility is the first level of social responsibility, imperative for all organizations.

Question 5. The problems you faced in the implementation of CSR projects (in order of importance):

This question allowed the respondents to list all the problems that caused them difficulties in project implementation, without any predefined options. This is the reason so few answered this question. Only 50 organizations out of 86 gave a reply (58,14%).

The problems named by respondents were:

- Bureaucracy, a problem raised by many respondents.
- Bureaucracy when you want to donate.
- Unknowing of the SRC.
- Corporate social responsibility is reduced to social investments campaigns, donations, philanthropic actions, directed toward social needs and problems considered of community interest. These are inefficient, don't reach their goal, don't have clear social and marketing objectives, are not evaluated, and are not professionally promoted.
- Most companies in Romania don't have social audits and don't publish social reports.

There is partial information regarding social investment programs, in the form of sponsorships, donations, and corporate philanthropy.

- There is little information about SRC strategies and policies.
- A weak promotion of the problems related to the social responsibility of the organizations.
- Corporate messages regarding social implication are not credible.
- Ignorance of the specific social economic legislation and the existing advantages.
- Small number of professional trainers, that offer professional training programs in social responsibility
- Insufficient number of certification bodies for the social responsibility management systems.
- Opacity of the authorities in accepting suggestions and proposals from NGOs.
- Lack of prioritization, diminished consideration from leadership.
- Modest civic spirit.
- Weak desire of people for volunteering and charitable actions, when compared with people from Western Europe and Canada.
- Low level of social responsibility in the community. Education on the subject is required.
- In general, the CSR is known and respected in large companies (multinational). Middle and small companies don't pay much attention to this subject. They are only interested to respect the applicable legislation, without much initiative regarding CSR.
- Insufficient legislation or lack of clear application methodology (e.g.: practice, apprenticeship).
- Indifference of final beneficiaries.

- Lack of interest and involvement of state structures in social responsibility projects.
- CSR is confounded with marketing
- Difficult promotion of a cause, due to lack of information. For example, children with autism or ADHD (attention deficit)
- Too much legislation, difficult application procedures
- Employers don't allocate a budget for professional training of adults, even if this is mandatory in the work code in Romania. That's why there is no training on social responsibility.
- Lack of funds, lack of implication of the partners to support this activity.
- Inefficient communication of the objectives of the action.
- Legal and logistic reasons.
- Unfair competition, breach of contractual conditions.
- Higher priority for CSR projects compared with other organizational projects.
- Enthusiasm of the employees diminishes when we talk about implementation and effective involvement.
- Economic situation.
- Financial reasons, workforce quality of vulnerable categories.
- Low turnover.
- Lack of funds, Start-up Company.
- Lack of experience, relatively low turnover.
- Commitment violation in relation with vulnerable groups, that have scarce access to education.
- Fight against stereotypes, in both ways: majority people have prejudices against rom minority (don't buy jewellery manufactured by roms), and rom people are reluctant to associate with majority ones, going up to a manifest racism against the majority citizens.

Necessity of a continuous capital to develop initiative, momentarily unsustainable.

- Lack of time, unclear legal framework.
- Leadership ignores the legal framework of CSR, low importance given since they are unaware of the advantage and benefits of CSR for the company.
- Lack of interest from universities to do internships/practical training inside companies.
- Unfavourable situation of the economic environment;
- Reluctance of the employees.

Question 6. In what domains do you think the company might get involved in projects with CSR impact, in the next 3 years?

- Environment protection;
- Life quality improvement wherever the organization activates;
- Provide highest quality products/services;
- Support innovation;
- Support individual creativity;
- Ensure a safe work environment;
- Offer equal opportunities to each individual;
- Establish a best practices policy;
- Establish a deontological code of the employee;
- Donations;
- Support offered to schools;
- Support offered to universities;
- Sponsorship of art/sport events;
- Organize internships/practical training;
- Involvement in social economic specific activities;
- Others.

From a total of 86 organizations, 85 answered this question. Most organizations think they will get involved in CSR projects that *organize internships/practical training*

(62,4%), *provide highest quality products/services* (54,1%), *support innovation* (51,8%), *support individual creativity* (50,6%), *improve life quality wherever the organization activates* (49,4%), *offer equal opportunities to each individual* (49,4%), *donations* (48,2%), *support offered to schools* (45,9%), *establish a best practices policy* (42,4%), *environment protection* (41,2%), *ensure a safe work environment* (41,2%), *support offered to universities* (38,8%), *involvement in social economic specific activities* (32,9%), *establish a deontological code of the employee* (29,4%), *sponsorship of art/sport events* (20%).

Seven organizations (8,2%) include as interest domain for future CSR projects:

- Social support for disadvantaged persons.
- Support social innovation for different stakeholders.

Question 7. For each of the CSR impact projects in which your company might get involved in the next 3 years, listed at question 6, please specify the beneficiaries:

From the total of 86 organizations, only 72 answered this question. The replies suggest that the direct beneficiaries of the future CSR projects are defined depending on the goal of each individual project. Some answers are generic, for example, *the beneficiary will be the community*. In other cases, the potential beneficiaries were precisely identified, for example *children with ADHD, or autism, citizens of sector 3 of the capital city, employees, or, pupils/students that will work on the donated equipment*.

The answers to this question prove that more than 75% of the organizations clearly identify the CSR projects beneficiaries.

Question 8. For each of the CSR impact projects in which your company might get involved in the next 3 years, listed at question 6, please specify which will be the interested factors:

This question got the least percentage of replies, only 56 organizations (65%). The reason is ignorance of the concept of interested factors. There is even confusion with the concept of beneficiary. Proper training should ensure the correct definition of these interested parts in a CSR project.

Question 9. What knowledge do you think is necessary for the implementation of CSR projects?

- European regulations regarding social responsibility of corporations;
- National regulations regarding social responsibility of corporations;
- Environment protection regulations;
- Citizen safety regulations;
- Quality and risk management standards;
- Environment protection standards;
- Requirements of the SA 8000 standard regarding special responsibility and child labour;
- Forced and mandatory labour, health and safety, discrimination, disciplinary practices;
- Standards regarding innovation management;
- Human rights guidelines;
- Principles and orientations about social responsibility accepted at international level;
- International social responsibility and employee rights;
- Methods of stimulation for socially responsible behaviour of the companies;

- Strategic documents and national public institutions with attributions to promote CSR;
- Other necessary knowledge.

From the total of 86 organizations, 83 answered this question. The respondents consider that the order of importance is: *European regulations regarding CSR* (75,9%) and *national regulations regarding CSR* (72,3%). Three types of knowledge received equal score, 56,6% of the respondents: *quality and risk management standards, principles and orientations about social responsibility accepted at international level, methods of stimulation for socially responsible behaviour of the companies*. Knowledge about *environment protection legal regulations* is considered important by 55,4% of the respondents, *strategic documents and national public institutions with attributions to promote CSR* are chosen by 51,8%, *international social responsibility and employee rights* by 50,6%, *environment protection standards* are selected by 48,2%, *requirements of the SA 8000 standard regarding special responsibility and child labor* by 45,8%. Knowledge about *forced and mandatory labor, health and safety, discrimination, disciplinary practices, and human rights* was chosen by 42,2% of the respondents. A big surprise was the low score obtained by: *standards regarding innovation management*, selected by only 34,9% of the respondents.

We recommend the inclusion in the curriculum of summer schools, with enough time allocated, of these themes: European/national regulations regarding SRC, specific SRC standards.

Question 10. Which channels would you use for the transfer of competencies in CSR?

From the total of 86 organizations, 84 answered this question. *Blended (mixed) courses* are considered best by 61,9% of the respondents, second place are e-

learning courses (40,5%). The motivation behind these answers is that employee time is one of the most important resources in an organization. The blended or e-learning courses are optimal for time saving.

Question 11. Your company might be interested in classes of the Edu4Society project?

From the total of 86 organizations, 81 answered this question. 67 organizations (82,7%) declared they might be interested to participate at courses in the Edu4Society Project; 14 organizations (17,3%) declined.

Question 12. Your company is interested to receive information about Edu4Society (newsletters)?

From the total of 86 organizations, 82 answered this question. 71 organizations (86,6%) declared they are interested to receive information about the Edu4Society project; 11 organizations (13,4%) declined.

Question 13. Your organization is interested to receive invitations at events organized in the Edu4Society project (seminars, courses)?

From the total of 86 organizations, 83 answered this question. 76 organizations (91,6%) declare they are interested to receive invitations at events organized in the Edu4Society project; 7 organizations (8,4%) declined.

In our opinion, the answers at questions 11, 12, and 13 prove a high rate of interest regarding the social responsibility of the organizations. Further research should investigate why some organizations fail to get organized information regarding social responsibility, and if this lack of interest is caused only by the ignorance of the economic and social importance of the social responsibility concept.

Question 14. In your opinion, the specific social responsibility of the organization should be:

From the total of 86 organizations, 84 answered this question. 52,4% consider that the specific social responsibility of the organizations should be mandatory, regulated by law, while 47,6% of the respondents consider it should be volunteer.

In our opinion, the volunteer character is applicable to a society with a high awareness degree of the social responsibility concepts and of the advantages of its application. Unfortunately, in Romania the social responsibility concept is little known. The regulation by laws is a better option.

4.3. Educational organizations in upper-secondary level

The extent to which the teachers from upper-secondary educational system are exposed to the key domains in Social responsibility is presented in table 2.

The findings highlighted that:

- Knowledge about social responsibility is weak. The majority of respondents are not informed, national and European regulations are unknown, and the most important source of information is the Internet.

The areas of social responsibility in which the respondents were involved are:

- 59,1% - Donations;
- 34,1% - Support other schools;
- 68,2% - Establishing codes of ethical behaviour;
- 59,1% - Environment protection;
- 59,1% - Providing good quality educational services;
- 81,8% - Respecting employee rights;

77,3% - Respecting the legal framework for working relationships;

52,3% - Transparency in public procurement.

Tab.2. Exposure of upper-secondary teachers to the SR domains

| | | |
|---|--|--|
| General level of knowledge in the SR field | Q: are you familiar with the notion of social responsibility? | A: 61,4% - to a small extent 13,6% - not at all |
| | Q: are you informed about European regulations on social responsibility? | A: 61,4% No 38,6% Yes |
| | Q: Which is your source of information regarding SR? | A: 56,8% Internet websites 4,5% Graduating a specialized course |
| The extent to which the teachers from uppersecondary educational system are exposed to the key domains in SR (multiple choices) | Philanthropic fields | 59,1% - Donations 34,1% - Support other schools |
| | Ethic – doing what is correct and fair | 68,2% - Establishing codes of ethical behaviour 59,1% - environment protection 59,1% - providing good quality educational services |

| | | |
|--|--|--|
| | Legal responsibility – following the rules | 81,8% - Respecting employees' rights 77,3% - Respecting the legal framework for working relationships 52,3% - Transparency in public procurement |
|--|--|--|

Table 3 shows the issues encountered by the teachers from upper-secondary educational system during their Social Responsibility projects.

Tab.3. Issues of SR projects undertaken by uppersecondary teachers

| | |
|--|---|
| Issues encountered by the teachers from upper-secondary educational system in their Social Responsibility projects | <ul style="list-style-type: none"> • The continuous change of legislation • Misunderstanding of the law • Weak leadership • Lack of transparency in the decision-making process |
| Main topics in SR of interest for them (multiple choices) | <ul style="list-style-type: none"> • 65,9% - Supporting individual creativity • 56,8% - Environment protection • 54,5% - Offering equal opportunities • 52,3% - Establishing a code of professional conduct |

The findings highlighted that:

- Most respondents come from technologic high schools. For such schools the threats are high

because the number of students is decreasing, there are often legislative changes, the jobs in the field the students are prepared for are not in line with the demand on the labour market. Teachers in technologic high schools are thus more interested in various opportunities for career development.

- Most respondents come from medium-sized organizations (51-100 employees) and are members of the school management staff and have more than 25 years experience in the educational sector.

Tab.4. The learning expectations on social responsibility

| | |
|---|--|
| Stakeholders | 87,3% - The local community 62,3% - NGO 57,5% - Parents 22,8% - Church representatives |
| Beneficiaries | 92% - Students 57% - Teachers 18,3% - Parents |
| The basic knowledge to access the program | 77,3% - European regulations in the field of social responsibility 77,33% - National regulations in the field of social responsibility 65,9% - National regulations on environmental protection 63,8% - Quality standards and risk management |
| Learning channels | 68,2% - E-learning 52% - Blended learning |

| | |
|--|--|
| The level of interest in the project | 90,9% - Attending courses 93,2% - To receive information about the project 97,7% - To participate to events organized within the project |
| Conclusions and recommendations: <ul style="list-style-type: none"> • The interest in the E4S Project is high, the respondents want to be informed and participate in the project activities. | |

5. RECOMMENDATIONS

Higher education students

Summarizing the most frequent answers on each topic, we found out and useful knowledge for continuing project's main objectives. We'll present those findings synthesized as such:

A. The importance of various factors for the respondents

It is important to be involved in volunteering during the faculty, to earn a lot of money and to help the community and people in needs.

It is very important of being able to do what the respondent wants, to be successful in studies and work, of making the world a better place and of having a comfortable life and wellbeing.

B. Asking if they were exposed to Social Responsibility Model concepts during studies we found out that more than half of the respondents were exposed.

C. Asking which of the following subjects should be followed and developed during studies the results were:

There is a full necessity for ethical decision taking.

The principles of Corporate Social Responsibility are necessary.

Strategies for conflicts resolution are necessary.

Knowledge of legislation in the field of specialization is necessary.

D. When it comes for the opinion on various actions to adopt in order to improve respondent's knowledge in Social Responsibility, the results are:

Respondents agree with effective courses in Social Responsibility topics, with the possibility to perform internships with subjects in Social Responsibility, with

compulsory courses in Social Responsibility topics. There is also an agreement with applying the concept of Social Responsibility through practical study cases.

Respondents strongly agree with attending to workshops with business practitioners and experts on different themes in Social Responsibility.

E. The main learning channels for learning Social Responsibility is e-learning.

F. The evaluation of the importance of the factors that should be taken into account by companies is:

- Customer satisfaction by producing useful and high quality goods and services is very important so are environmental concern and climate changes, reduction of energy consumption, making profit for shareholders, health and safety of the employees, supporting innovation and individual creativity, organizing internships for students, equal opportunities for each employee, improving the quality of life for the community in which the companies operate, supporting personal development and wellbeing of the employees and respect the “rule of law”.
- The community in which companies operate is important.
- Philanthropy and donations to schools, universities, etc. and establishing the code of conduct in doing business are important.

G. Verifying the agreement with a couple of key questions provided the following results:

- The respondents agree with the statement that Social Responsibility behaviour could be in the economic benefit of the shareholders. They also agreed with the fact that a company, adopting Social Responsibility practices, could obtain competitive advantages over a company that does not.

- Respondents strongly agreed with the hypothesis that a company willing to build strong reputation has to display a social responsibility behaviour and also with the statement that supporting the improvement of the quality of life may generate increasing company profit on the long run.
- They disagree with the fact that Social Responsibility is only a matter of public relation reasons and with the statement that SR behaviour may increase the vulnerability of the company through high resources consumption, removing it from its primary business purpose.
- They strongly disagree with the statement that companies have already too much social power and should not engage in other social responsibility activities.

Employees and practitioners from market sector

We consider the sample representative. It reproduces the characteristics of the Romanian organizations, and the results are relevant.

We had some difficulties to complete our research. We faced lack of interest and reluctance from people we contacted inside organizations. For example, to 1303 emails sent to commercial companies/research and development institutes, whose address was in the public domain, we received only 3 replies (0,23%). From 14 city halls, only 2 replied. In the end our sample was large enough, the only variable was the precision degree for the measurement of the Romanian organizations characteristics.

The concept of “social responsibility” was introduced in the Romanian economic practice by multinational companies with branches in Romania. Their advantage is the existence of specialized departments of CSR, and

leadership acquainted with the CSR culture. In this context, the local economic agents, of various size, tried to assimilate the best practices of the foreign companies, in order to implement the concept of “social responsibility”. Although 51% declare they are familiar with the CSR concept, after processing the questionnaires, we observed that relatively few know well the correct way of implementation of the SRC. This triggers the necessity of sustained information and education campaigns, through courses or summer schools. The 2 summer schools in the Edu4Society project are beneficial. They have the role to prepare management students for a correct approach to this subject in their future work places.

The same may be said about knowing the European and national regulations and standards regarding CSR. There is need for organized information of students and organizations in Romania about regulations and standards from European countries.

A large number declared they implemented CSR projects, but don't know basic elements, like interested factors, and identification of beneficiaries. One might also notice that many of the respondent organizations have implemented CSR projects in domains like: philanthropic, internship, or environment protection. In their perception, a behaviour based on social responsibility actions contributes to the improvement of the organizational image. Few are aware they might also influence the profitability degree or the turnover of a company, or the total revenue for a non-profit organization.

No respondent mentioned the existence of CSR policies and strategies, efficient and adapted to the Romanian economic social space.

For Romania, a country with problems in education and local community integration, with corruption at different levels, a socially responsible attitude from organizations

of all sizes (commercial companies, NGOs or public institutions) represents a chance to build a real democracy and a functional state.

About the curriculum for courses/summer schools we emphasize:

- Social responsibility of organizations requires an interdisciplinary approach. This must include economic aspects (increase revenue, maximize profit), legal aspects, and ethical and moral aspects.
- We recommend the curriculum for summer schools to contain and allocate enough time for, European/national regulations and standards regarding CSR.
- The courses must be designed and structured around the specific realities of our country, socially, economically, and from the point of view of citizen education.
- We suggest the creation of "...a socially responsible manager" position in the organizational chart.
- We recommend the presence of social responsibility principles, with emphasis on integrated approach in the organization strategy. In this way, the social responsibility management will be integrated with other management systems in the organization (quality, environment, occupational health, risks).

The organizational processes we identified, regarding social responsibility, are:

- Planning of the social responsibility management system – (SRMS)
- Organising the SRMS
- Administration of the SRMS
- Evaluation and reporting
- Implementation of principles from the standards in this field.
- Professional training

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| NO. | CODE | PARTNER INVOLVED | COUNTRY |
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| 2 | P2 | EUROTRAINING SOLUTION Srl | ROMANIA |
| 3 | P3 | BUCHAREST TEACHER TRAINING CENTER | ROMANIA |
| 4 | P4 | AVANTERA Srl | ROMANIA |
| 5 | P5 | UNIVERSITY OF MARIBOR | SLOVENIA |
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3. SR – Sustainability, Education and Management

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ANNEXES

ANNEX 1: UN SUSTAINABLE DEVELOPMENT GOALS

Goal 1. End poverty in all its forms everywhere

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3. Ensure healthy lives and promote well-being for all at all ages

Goal 4. Ensure inclusive and quality education for all and promote lifelong learning

Goal 5. Achieve gender equality and empower all women and girls

Goal 6. Ensure access to water and sanitation for all

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8. Promote inclusive and sustainable economic growth, employment and decent work for all

Goal 9. Build resilient infrastructure, promote sustainable industrialization and foster innovation

Goal 10. Reduce inequality within and among countries

Goal 11. Make cities inclusive, safe, resilient and sustainable

Goal 12. Ensure sustainable consumption and production patterns

Goal 13. Take urgent action to combat climate change and its impacts

Goal 14. Conserve and sustainably use the oceans, seas and marine resources

Goal 15. Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Goal 16. Promote just, peaceful and inclusive societies

Goal 17. Revitalize the global partnership for sustainable development

ANNEX 2: THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Global Compact principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: Elimination of all forms of forced and compulsory labour;

Principle 5: Effective abolition of child labour

Principle 6: Elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.