

CORPORATE SOCIAL RESPONSIBILITY AND INTERCULTURAL PEDAGOGY

Răzvan-Lucian ANDRONIC*, **Annamarie GORENC ZORAN****, **Anca-Olga ANDRONIC***, **Boris BUKOVEC****, **Matej JEVŠČEK****

* Department of Psychology and Educational Sciences, Spiru Haret University, Brasov, România

** Faculty of organizational studies, Ulica talcev 3, 8000 Novo mesto, Republic of Slovenia.

Abstract: *Corporate social responsibility (CSR) has become a widespread practice in the last several decades. CSR includes at present a very diverse range of practices from initiatives of local companies to multiannual programs of cross-border corporations. Recognizing the importance of this practice, the International Organization for Standardization (ISO) published guidelines on social responsibility of corporations in its standard ISO 26000 on Social Responsibility. The description of this standard was made after a decade of consultations, and the standard can be adopted voluntarily by any organization. Unlike many ISO standards, there is no formal certification process. The paper presents the main features of ISO 26000 as well as how CSR is embedded in the culture of organizations in Romania and Slovenia with reference to synthetic research in the field. Emphasis is placed on how CSR can be used as a means of intercultural education, especially for employees of organizations who come from a different cultural background than the one they profess. This is especially important with the turn of unstable situations around the globe.*

Keywords: *corporate social responsibility; intercultural pedagogy; ISO 26000.*

1. INTRODUCTION

An exact date cannot be established when the concept of Corporate Social Responsibility (CSR abbreviation) appeared or when the first non-formal currents for promoting it appeared. It is generally stated that the first systematic initiatives were made in the 1980s in the United States. In Europe, it is considered that the first institutional effort to promote CSR dates back to 1982 when the Business in the Community initiative appeared in the United Kingdom. Then the first attempts were made to evaluate the role of business in community development and to improve corporate social responsibility. Overall, the first attempts were derived from the theory of business and society (Wartick & Cochran, 1985), where the authors discussed the Corporate Social performance Model with three areas, where one of the areas were the corporate social responsibility principles.

Over the last three decades, CSR has rapidly evaluated from a bizarre concept (difficult to understand, even disapproved by the management committees of many companies) in a daily way of thinking and activity. CSR now existed as a

regular practice both in the world of goodness and in society, as a useful tool in debating and finding solutions for a multitude of social problems. The spread of CSR was favored by several factors, of which it is worth mentioning: the ultra-fast evolution of information technologies, the process of globalization, the consolidation of "civil society," the strengthening of consumer rights and the increase of public distrust towards the functioning of the free market institutions.

The beginning of this millennium was marked by a series of CSR initiatives: e.g. the UN Global Compact (2000), the development of quality standards and the widespread adoption of CSR by international bodies, such as the European Commission (for which "Corporate Social Responsibility is a concept by which companies integrate social and environmental concerns in their operational activities and in their interaction with stakeholders on a voluntary basis").

There are numerous formal definitions, which characterize CSR through the following defining notes (see www.responsabilitate-sociala.org):

– The commitment of the organization to contribute to the economic development of the community by actively involving the employees,

their families, the local community, the large-scale society;

- Conducting community activities, with a high impact on society;
- A concept by which the organization decides to contribute voluntarily to the improvement of the community in which it operates;
- A transparent and responsible business practice towards the company;
- The relationship that a company develops with its wide range of stakeholders (actors involved). Clients, employees, community members, investors, and so forth are included in this category;
- An investment made by companies for the good of the community/society;
- A contract between the company and the business sector.

2. GLOBAL ADOPTION AND STANDARDIZATION OF CSR

At present, the involvement in the life of the community is a necessary dimension for any company that wants to ensure not only its commercial success but also the respect of the community within which it operates. In other words, a business initiative must include social responsibility as a quasi-mandatory dimension.

Concerning global CSR, it has been stated since January 1999, when UN Secretary-General, Koffi Annan, promoted the initiative *UN Global Compact*, which promotes ten universal principles of human rights, labor standards, environment, and anti-corruption. *UN Global Compact* urge the companies to embrace, support, and adopt, within their sphere of influence, a set of core values:

CSR is a commitment by which any economic entity (regardless of size) assumes in a 'standardized' way (Hristea, 2011:61-62) the care for:

1. The protection of the environment and the sustainable development of the society in the interest of future generations by conserving resources, ensuring the health and safety of the population, reducing the gender rights gaps, eliminating the exploitation of children, reducing poverty and increasing the education of the population.

2. Developing relations with employees by creating civilized working conditions, adopting measures regarding the health and safety of the employees, granting incentives for the personal and professional motivation of employees.

3. Promoting an honest attitude to business partners upstream and downstream, respectively, suppliers and customers.

4. Adopting transparent directions of action regarding the company's activity towards employees, consumers, community, and administration.

5. Involvement in the life of the community through active participation, development, and investments with precise destinations in this regard.

6. Ensuring human rights, including the fundamental right to work and social integration.

7. Respecting the rights of the indigenous population and involvement in improving the quality of life.

8. Application of anti-corruption measures.

Starting from CSR, the development of business now involves at least three objectives: (1) economic (i.e., creation of wealth for all, based on the means of production and sustainable consumption), (2) ecological (i.e., conservation and management of resources), and (3) social (i.e., equity and participation of all social groups).

From the adoption of the UN Global Compact, CSR has become one of the "hot topics" in the business field. The concept regarding contributions that companies make to the development of modern society, the "responsible" initiatives of companies, have been promoted through a wide variety of terms: *corporate citizenship*, *corporate philanthropy*, *corporate social marketing*, *community affairs*, *community development*, and so on.

Due to the increased interest for CSR, international standards have also emerged in the field, which can be adopted following an external audit (e.g., SA 8000) or only through a voluntary assumption (e.g., ISO 26000).

Social Accountability Standing 8000 (SA8000) is a standard for voluntary third-party audit, which sets out the requirements that organizations must meet, including establishing or improving workers' rights, working conditions, and a system of work. Therefore, only the premises where the activity is carried out can be certified. Part IV of the standard details the requirements regarding CSR.

International Organization for Standardization (ISO) entrusted in 2005 to carry a standard on CSR that included forming an international working group that, in coming years, included more than 450 experts and 210 observers from 99 member states of the ISO and 42 major international organizations such as *International Labor Organization (ILO)*, *United Nations Environment Program (UNEP)*, *Organization for Economic Cooperation and Development (OECD)*, *Global Reporting Initiative (GRI)* and so forth.

The resulting standard, ISO 26000, is meant to support all companies for achieving long-term economic benefits, bearing low social costs and generating minimal harmful effects on the environment.

ISO 26000 has paved the way for a new category of standards, based on the participatory and consensual approach. This standard aims to develop recommendations in the form of *Guidelines* and not a requirement in terms of compliance (compared to particular management system tools, such as the "certification" proposed by other standards (ISO 9000, ISO 14001). 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 an ethical and transparent behavior that contributes to the sustainable development, takes into account the expectations of the stakeholders, is in accordance with the existing and consistent law with the international norms of behavior, it is integrated throughout the organization and put into practice in its activities.

By adopting this ISO standard, we now have a globally accepted and credible definition that emphasizes the integration of environmental and social aspects into the activities of an organization.

ISO 26000 includes seven core subjects that organizations (government institutions, companies, unions, consumer associations, NGOs, and so on) must address in an integrated way. For each of them, the standard provides information on the purpose, relationship with social responsibility, principles, considerations, and related actions. The seven core subjects are (1) Organisational governance; (2) Human rights; (3) Labor practices; (4) Environment; (5) Fair operating practices; (6) Consumer issues; and (7) Community involvement and development.

Also, ISO 26000 outlines seven fundamental principles, which it advocates as the roots of socially responsible behavior: (1) Accountability; (2) Transparency; (3) Ethical behavior; (4) Respect for stakeholder interests; (5) Respect for the rule of law; (6) Respect for international norms of behavior; and (7) Respect for human rights.

ISO 26000 provides guidance rather than requirements, so it cannot be certified unlike several other well-known ISO standards. It is aimed at all types of organizations regardless of their activity, size or location. However, some countries have established national standards against which organizations can be certified (Thostrup, 2015:16).

Danish Standards has developed a Danish standard Social responsibility management system (DS 26001:2010) which was in 2011 superseded by the DS 49001:2011. It focuses on companies' CSR, with a local anchoring and it is based on the ISO 26000. The Austrian Standards institute developed and published in November 2011 *Gesellschaftliche Verantwortung von Organisationen (CSR) (ONR 192500)*, based on ISO 26000. These Standards are seen as a role models for a possible future ISO 26001 (Walker & Rasche, 2015, 129), standard that will provide requirements, against which organizations can be certified. Interestingly, the term ISO 26001 is quite common in professional literature, although this standard does not exist yet.

3. CSR IN NATIONAL CONTEXTS

Although CSR standards are intended to be universal, there are numerous national features in this area. Following is a brief report on the CSR situation in two states: the Republic of Slovenia and Romania.

CSR in Slovenia: Lack of national strategy vs. many civil initiatives

Slovenia, despite numerous EU initiatives, still does not have a formally adopted national CSR strategy. An overview of developments in the area of corporate social responsibility in Slovenia shows the great involvement of different stakeholders and the range of different activities carried out. This is reflected in the relatively large number of CSR organizations. Unfortunately, the CSR initiative is still setting its path to the highest government levels.

A private non-profit and independent organization Ekvilib (founded in 2003) has awarded the *Certificate for corporate social responsibility (Certifikat družbeno odgovorno podjetje; CDOP)* since 2016. These CSR certificate are based on the content of ISO 26000 and *Global Reporting Initiative (GRI)* indicators.

In 2020, in collaboration with The Association of Employers of Slovenia (ZDS), a call for proposals will be launched, which will allow 200 companies to participate in evaluations free of charge until 2022. Similarly, *The Institute for the Development of Social Responsibility (IRDO)* has been awarding the Horus Prize for the last 14 years, and in co-operation with the Chamber of Commerce and Industry of Slovenia conducts training and awards the *ECQA Social Responsibility Manager certificate: Socires*.

The branch of the *UN Global Compact*, called *The Slovenian Society for Sustainable Development* (Močnik, Crnogaj & Hojnik, 2016, 109), also operates in Slovenia.

European corporate social responsibility awards have already been awarded in Slovenia. *The Social Responsibility Network of Slovenia* (MDOS), in cooperation with its partners, awards the European CSR Award Scheme. Although the state promotes CSR, a national body responsible for notifying standards, *The Slovenian Institute for Standardization* (SIST) offered the ISO 26000 standard at great discounts.

The CSR survey of large enterprises in central European countries (Deloitte, 2016) showed that in Slovenia, as many as 96% of respondents believe that their companies have helped to address socio-environmental issues, where the average among countries was 84%. The greatest benefits of introducing CSR activities are cited by greater involvement of employees (70% in Slovenia, 65% overall), improved reputation (61% in Slovenia, 55% overall) and awareness of the importance of ethical conduct at work (44% in Slovenia, overall 46%). Only 35% of respondents in Slovenia believe that CSR will continue to develop and that the number of socially responsible companies will increase.

Kaučič (2013:69-75) has found only small differences in involving the CSR in strategy of Slovenian companies of different sizes. 60% of micro-companies, 63% of small companies, 65% of medium-sized and 63% of large companies have include a CSR strategy. In doing so, the companies surveyed stated that they opt for CSR practices because of external stakeholders, less because of internal ones. In contrast, there is a strong correlation of CSR and value added per employee. Higher value added companies have a clearly defined CSR strategy at 92%, while 77% of lower value added companies per employee do not have a CSR strategy. After an extensive review of the literature, the authors found a dearth of concrete research on CSR reporting in Slovenia.

CSR in Romania: lack of specific regulations vs. high level of reporting. The European Commission has recommended the need for a national framework and certain additional regulations, which take into account the transparency in the commercial act, competitiveness, the creation of incentives for the companies involved. They can appear in investment policy, in public procurement and are very important, regardless of whether they are large or small companies. The EC

recommendation is that all Member States , including Romania, introduce these additional measures in public policies.

According to a study published in 2014 by Economic and Social Council, Romania does not have a specific regulatory framework for CSR Companies; the only regulatory attempt being the one regarding the corporate governance of public enterprises, otherwise quite incomplete, by reference to modern CSR standards .

CSR is an increasingly present concept in the Romanian business environment sc. The main promoters of this process were the multinational companies, which also made in this field an adaptation of their own organizational cultures at local level. CSR initially imposed itself more as a fashion than as a result of full awareness of needs. As expected in a economic and social context emergent and unstable, CSR was valued in Romania more for his valences in trade than for ethical meaning. "In a market that was becoming increasingly competitive, players quickly discovered the potential of this dimension in the process of image building and consolidating the reputation, as well as the premise for commercial success in the short and medium term. In other words, the part to which the ethical balance - which is profitable in the CR activity - is normally inclined, remains a topic discussed and disputed. The problem is a global one ". (p.46)

The latest version of KPMG Survey of Corporate Responsibility Reporting (2017) attest an increase of 6% CSR reporting rates, to previous version to this report (2015), respectively from 68% to 74%. Romania is a part of the group of countries with higher CSR reporting rates than the global average (p.17). This increase is it as a result of the commitment to transparency by multinationals in the country. The EU Directive on Non-Financial Reporting transposed WAS finally into Romanian law in 2016, with low effects: "Despite this, many companies in Romania and across Eastern Europe are still just beginning to understand the topic and build their capacity to respond " (p.15) However, it is expected to see steady growth in CSR reporting in Romania and Eastern Europe over the next few years and improving quality as regulatory requirements, market pressure and increasing awareness take effect.

4. CONCLUSIONS

CSR was adopted as a global level more than two decades ago, following the announcement of

the UN Global Compact (1999). Subsequently, this practice has expanded, with numerous forms and subtypes of CSR, as evidenced by the two examples of CSR application (Romania and Slovenia).

Due to its spread on the planetary scale, there is currently a quality standard of the International Organization for Standardization - ISO 26000, which can be adopted voluntarily (no certification process required) regardless of the type of organization, field of activity and its size.

Although CSR approaches have developed in the last decades at an accelerated pace, it is still far from the time when the vast majority of businesses will follow this action model, which presupposes the assumption of at least three objectives: an economic one (wealth creation for all, based on the means of production and sustainable consumption), the other ecological (conservation and management of resources) and third, social (equity and participation of all social groups).

In order for CSR to become an implicit component of any business approach, a broad change of attitude regarding the way in which human activities are designed is really needed. This change is possible only through the involvement of intercultural pedagogy: "Formation of attitudes represents a complex and long-lasting process that, apart from understanding and internalization of values, implies an effective learning. The conative component of attitude is built on the cognitive one, energetically supported by the effective one. Intercultural education thus becomes more than an attitudinal assembly, it will be a state of mind, based on love and respect for humans" (Ilișoi, Nagy, 2017, 77), which is at the core of corporate social responsibility.

And let us not forget that with the onset of of unstable situations due to a global pandemic, corporate social responsibility will be ever more important and a wake-up call. As Polman (2020) states, "companies must rapidly transition to a way of doing business that does not destroy biodiversity and natural capital or there will be mor Covid-19s" (para. 1). Corporations will and need to play a leading role in social responsibility to all involved.

BIBLIOGRAPHY

1. Austrian standards. (2011). *ONR 192500:2011 Social Responsibility of organisations (CSR)*.
2. Blasco, J.L. & King, A. (2017). *The Road Ahead. The KPMG Survey of Corporate Responsibility Reporting 2017*. [online]. Available: https://home.kpmg/content/dam/kpmg/campaigns/csr/pdf/CSR_Reporting_2017.pdf [Accessed on March, 2020].
3. *Consiliul Economic și Social*. (2014). Rolul Consiliilor Economice și Sociale și al instituțiilor similare din UE în promovarea conceptului de Responsabilitate Socială a Companiilor. [online]. Available: <https://www.ces.ro/newlib/studii-ces/STUDIUL-Responsabilitate-Sociala-Companii.pdf>
4. Danish Standards. (2010). *Danish standard 26001:2010 Social responsibility management system*.
5. Danish Standards. (2011). *Danish standard 49001:2011 Social responsibility management system*.
6. Deloitte (2016). *Anketa o korporativni družbeni odgovornosti*. [online]. Available: https://www2.deloitte.com/content/dam/Deloitte/e/si/Documents/about-deloitte/si-CSR%20Survey_GFA_SPLET.pdf [Accessed on March, 2020].
7. Hristea, A.M. (2011). Responsabilitatea socială corporativă – între deziderat și realitate. În *Economie teoretică și aplicată*, Vol. XVIII, No. 10(563). 56-73.
8. Ilișoi, D. & Nagy, D. (2017). Intercultural Pedagogy as Reconstruction of Paideia Meaning. In Bari: *6th International Conference Redifining Community in Intercultural Context*. Vol.6 no.1.73-78.
9. International Organization for standardization. (2018). *Discovering ISO 26000*. [online]. Available:<https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100258.pdf> [Accessed on March, 2020].
10. Kaučič, E. (2013). *Družbena odgovornost kot razsežnost strategije mednarodnega trženja slovenskih srednje velikih podjetij (Magistrska naloga)*. Maribor: Ekonomsko-poslovna fakulteta Univerze v Mariboru.
11. Močnik, D. Crnogaj, K., & Hojnik, B. B. (2016). *Slovenska podjetja in družbena odgovornost: Slovenski podjetniški observatorij 2016*. Maribor: Univerzitetna založba Univerze v Mariboru.
12. Polman, P. (March, 2020). This is a wake-up call. We must live within our planetary boundaries to avoid future pandemics. *Ethical Corporation*. [online]. Available: <http://www.ethicalcorp.com/wake-call-we-must-live-within-our-planetary-boundaries-avoid-future-pandemics> [Accessed on March, 2020].
13. Social Accountability International. (2014). *Social Accountability 8000 International Standard*. [online]. Available: <http://sa-intl.org>

- org/_data/n_0001/resources/live/SA8000%20Standard%202014.pdf [Accessed on March, 2020].
14. Thostrup, Jane Jagd. (2015). *Investor Oriented Corporate Social Responsibility Reporting*. Routledge, New York.
15. Walker, Thomas and Rasche, Joachim. (2015). CSR Competence Cube. *Dictionary of Corporate Social Responsibility*. Editor Idowu, Samuel, pp. 129-130.
16. Wartick S.L. & Cochran P.L. (1985), The evolution of the corporate social performance model, *Academy of Management Review*. 10(4), pp. 758–769.