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# **SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY YOUTH'S PERCEPTION AS TO INTEGRATING SUSTAINABLE DEVELOPMENT IN BUSINESS STRATEGIES IN ROMANIA**

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## **Abstract**

The paper aims at counterbalancing the theory of economic reductionism with a complex social perspective on development, which is specific to globalised society. The principle of sustainable development is analysed in close relation with the principle of (individual and social) responsibility, in general, and with the principle of corporate social responsibility (CSR), in particular. The approach is both theoretical and practical, as the paper attempts to clarify some theoretical issues in order to turn them to good account in an empirical research, whose purpose is to identify the Romanian youth's perceptions as to integrating sustainable development in business strategies by means of a questionnaire-based social enquiry. The conclusions of the study are synthesized in the final part of the paper.

*Keywords:* responsibility, sustainable development, perception, youth

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## **1. Introduction**

In 1987, in the Report entitled '*Our Common Future*', the United Nations regarded as necessary a development that "*meets the needs of the present without compromising the ability of future generations to meet their own needs*" [1]. This is one of the most quoted definitions for 'sustainable development'.

One can appreciate that sustainable development initially appears in the context of globalization, and it represents the worldwide awareness of the harmful consequences that human activity has on the future of our planet. People have started to regard sustainable development and environmental protection as an area which is no longer the mere concern of the government or of the community. It is a common responsibility that also resides with corporations, financial institutions, managers, creditors, consumers, and citizens. Sustainable

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development is the responsibility of all states – no matter the size or the power they might have.

One has noticed that: “In Romania in the last decades, over 10% of the territory has been exposed to excessive sources of industrial pollution, while about 8 million persons live in insecure environmental conditions, and about 2 million persons already suffer of chronic diseases due to their long exposure to pollution sources” [2]. In consequence, we appreciate that our analysis – based on the Romanian youth’s perception as regards the integration of sustainable development in business strategies – is a useful one.

We also presume that our analysis of the Romanian young people’s perception as to integrating sustainable development in business strategies in Romania brings into evidence – up to a certain point – the extent to which Romanian entrepreneurs are trusted, as well as the image that corporations have (including Romanian capitalism) in the eyes of young people.

## 2. Experimental

### 2.1. Concept correlation

For many years it was supposed that development is equivalent with economic growth. After World War the Second, the priorities of the states were: increase of economic capital and development of workforce. “It was supposed that economic development, which was measured in relation to the GDP level per inhabitant, will generate individual welfare. Quite soon, however, it became clear that for most countries economic growth did not mitigate poverty, nor did it solve other social problems.” [3]

Thus, a new perspective on development was necessary to be adopted, including for the indicators applied in order to measure development. Economic reductions perspective on development was given up. Development started to acquire new and complex meanings. Now development seems, as David Simon has pointed out, a diverse, multi-facet process, which implies predominantly positive modifications in the individuals’ life quality, as well as in that of societies both from a pecuniary and non-pecuniary point of view. Hence, we infer that development implies both a material and a spiritual dimension; thus, development is more than economic growth since it also implies improvement of life quality. Sustainable development aims at ensuring “better life quality for ourselves, our children and our grandchildren” [*Strategie de l’Union europeenne en faveur du developpement durable*, COM (2001), 264].

Precisely differentiating the concepts of social development/human development/sustainable development and life quality is a difficult task, though these concepts are different. However, one can notice that sustainable development is a condition for the complete social/human development of future generations, whereas life quality (human welfare) is the goal of all these on-going processes [4].

In 1992, Holmberg goes beyond unilateral approaches – economic or environmental ones – and describes sustainable development as a complex phenomenon which has a tri-dimensional character: economic, environmental and social.

According to Elkington, *sustainable development* implies a set of connotations, besides its ecological implications, and it also involves the coexistence in harmony of three components: people, planet, profit. Thus, long-term development can be accomplished, according to the author, only through a series of aggregated actions and conditions: protection of the environment accompanied by social equity and profitability. There is no sustainable development outside preserving the environment and enhancing the quality thereof. The goal of sustainable development is not only to ensure resources for future generations, but also to improve quality of life in all regions of the world and to safeguard human rights. Finally, in accordance with Elkington sustainable development also leads to transferring resources, welfare and know-how to our children and grandchildren, who, in their turn, are supposed to continue this chain of actions [5].

“Sustainable development [SD] is seen as a development process that reconciles economic, ecologic, and social aspects, establishing a virtuous circle between these three poles. This is ecologically sustainable development that is socially equitable but also economically feasible. In others words, the main objectives of the company may still be to minimize risks and generate returns for its shareholders. Yet, the company refocuses more on its workers and less on its profits. Defined in this manner, SD does not just refer to one function of the company; it is in fact cross-functional. From a corporate point of view, SD is based on the concept of overall quality for the humans. It determines management to ask questions about the foundations of the company, the corporate values, the use of manufactured products (in time and in space), and also the entire manufacturing and commercialization process.” [6]

In other words, the sustainable development principle leads us to what is known as corporate social responsibility (CSR). According to the European Commission, corporate social responsibility is a concept whereby companies integrate social and environmental concerns in their operational activities, and interact with potentially interested voluntary actors. It is a concept whereby companies voluntarily decide to contribute to a better society and a cleaner environment.

“Corporate social responsibility implies bringing the activities of a company into line with social values. This means integrating the interests of all those who are affected by the performance of a company into the policies and actions of the company itself. Corporate social responsibility can be described as a *triple bottom line*, which measures financial results, as well as social and environmental results with a view to having a positive impact on society while also indicating business success.” [M. Conolly, *Corporate Social Responsibility Newswire Service*, online at [www.provobis.ro/downloads/CSR%20Concept%20and%20practice.ppt](http://www.provobis.ro/downloads/CSR%20Concept%20and%20practice.ppt)]

Dialogue and partnerships between local communities and government are of strategic importance to pursue sustainable development goals [7]. They also represent an important premise in increasing CSR.

In conclusion we can state that corporate social responsibility is perceived as a microeconomic dimension of the macroeconomic concept of sustainable development. In another interpretation, CSR is understood as an integrating part of the concept of sustainable development, as a contribution of the business environment in achieving sustainable development goals [M. Ciucu, D. Atanasiu and C. Lincaru, *Responsabilitatea socială a întreprinderii – factor al dezvoltării durabile. posibilități de măsurare*, Institutul național de cercetare științifică în domeniul muncii și protecției sociale, [http://www.opendrum.utt.ro/rse\\_ue/docs/RSE-INSEE-2006.pdf](http://www.opendrum.utt.ro/rse_ue/docs/RSE-INSEE-2006.pdf)].

The definition given by the World Business Council for Sustainable Development (WBCSD) to CSR transfers the principle of sustainable development at corporate level. WBCSD defines CSR as the permanent commitment of companies to perform their activities in an ethical way and to contribute to economic development by improving the life quality of employees and their families, as well as of the local communities and our society as a whole. In other words CSR implies the implementation of sustainable development at corporate level, and transposing it from macro- to micro-economic level.

## **2.2. Material and methods. The objective of the research**

The present study assesses the opinion shared by a certain category of young Romanians regarding the implication of Romanian entrepreneurs in promoting sustainable development strategies. More precisely, the research focuses on outlining the extent to which Romanian young graduates perceive that the environmental and social dimensions of sustainable development are integrated in Romanian businesses. This study does not attempt to represent the economic dimension of sustainable development. In other words, the main research questions underlying this empirical survey are the following ones:

- Do Romanian entrepreneurs – according to the young people – promote sustainable development? If yes, how do they do that and to what extent?
- Do young people spot gender differences as regards the promotion of sustainable development by Romanian entrepreneurs?

Given the present difficult economic context in Romania we supposed young people would have a relatively reserved attitude towards entrepreneurs and their involvement in integrating the sustainable development principle into their business strategies. Thus, in 2012, according to the data recorded by the National Institute of Statistics, the economic growth amounted to only 0.2%, while agricultural production was low, investments dropped, and EU funds were absorbed only to a small extent. The figures recorded by the Eurostat indicate that Romanian employees are facing the highest level of poverty in Europe [A. Matei, *Eurostat: Angajații români, cei mai săraci din Europa*,

www.ziarulring.ro, 5]. Moreover, in 2011, the Report of the European Environment Agency indicated that Romania – while considering the size of its economy – is one of the biggest EU polluters, besides Bulgaria, The Czech Republic, Estonia, and Poland.

**The surveyed group** comprises a number of 330 young undergraduates and graduates aged between 20 and 35 years old, of whom 47.8% are males and 52.2% are females. The main arguments that justify the choice of the above mentioned surveyed group is that in comparison with other categories of young people, undergraduates and graduates are more informed and familiar with the concepts of sustainable development and corporate social responsibility. The present research aimed at pointing out the opinions shared by specialists.

In order to accomplish the above mentioned objective, we have used – as an **inquiry instrument** – an opinion questionnaire made up of 30 questions, which was applied during May-July 2012. The steps implied by this empirical study – determination of the axes of investigation, design of the questionnaire, and data collection – were realized with the help of a group of students from The Faculty of Social and Administrative Sciences from *Nicolae Titulescu* University of Bucharest. The questionnaire items were conceived in such a manner so as to be easily identifiable:

- Young people's perception as regards the integration of the social dimension of sustainable development into Romanian business strategies (the questionnaire reveals young people's perception as regards the concern manifested by Romanian entrepreneurs for the employees' training and promotion, for their health and professional security, for deterring discrimination and promoting the observance of human rights at the workplace, as well as for implementing community development programmes and practices, etc.);
- Young people's perception as regards the integration of the environmental dimension of sustainable development into Romanian business strategies (i.e. young people's perception as regards the Romanian entrepreneurs' involvement in reducing waste, gas emissions, the consumption of raw materials and energy, and in making the necessary expenditures / investments in order to protect the environment).

### **3. Results (descriptive statistics)**

#### ***3.1. Young people's perception as regards the integration of the environmental dimension of sustainable development into Romanian business strategies***

According to the data resulting from the research, the interviewed young people consider that more Romanian entrepreneurs (40.5%) are concerned to a small or very small extent about reducing the consumption of raw materials; only 30.5% of them are concerned about this issue to a large or significantly large extent, while the rest of them (29%) manifest a medium interest in this matter.

Young people have quite a similar perception as regards the reduction of energy consumption by Romanian entrepreneurs: thus, young people appreciate that only 27.2% of the entrepreneurs get involve to a large extent or to a significantly large extent in this activity; according to the young people, most of the Romanian entrepreneurs, i.e. 43.2%, are interested in reducing energy consumption only to a small and significantly small extent (the rest of 29.6% manifest a medium concern about this matter). As regards the use of renewable energy sources, the interviewed subjects consider that this requirement is met only to a small or very small extent by most Romanian entrepreneurs (50.4%); according to young people's perception, only 25.9% of Romanian entrepreneurs comply with this requirement to a large or significantly large extent, while the rest comply with this requirement to a medium extent (23.7%).

A similar trend can be noticed as regards the young people's perception of the Romanian entrepreneurs' orientation towards environmental products and services; according to the interviewed young people, 51.2% of Romanian entrepreneurs manifest this concern to a small or very small extent; 24.5% of the entrepreneurs manifest this concern to a large and significantly large extent, while the rest of 24.3% manifest a medium interest in this matter.

The young people of the surveyed group appreciate that more than a half of the entrepreneurs (57.25 %) are concerned with reducing gas emissions to a small or very small extent, while only 20.29% of the entrepreneurs manifest this concern to a large or a significantly large extent. According to the interviewed young people, 22.46% of the entrepreneurs manifest a medium concern for the accomplishment of this indicator. In the young people's opinion gender differences are insignificant.

“The interviewed young people also consider that most of the Romanian entrepreneurs (55.96%) are concerned to a small or very small extent with reducing the quantities of waste. At the same time they appreciate that a larger percentage of women entrepreneurs (20.18%) in comparison with men entrepreneurs (15.21%) are concerned with waste reduction to a large or significantly large extent. The subjects think that most of the entrepreneurs (63%) spend money for environmental protection to a small or very small extent.” [8]

### ***3.2. Young people's perception as regards the integration of the social dimension of sustainable development into Romanian business strategies***

According to the interviewed subjects, Romanian entrepreneurs ensure ***decent working standards and practices*** as follows:

- 35% of the Romanian entrepreneurs pay attention to accident prevention practices at the workplace to a small and very small extent; 39.3% of the entrepreneurs are concerned about this matter to a medium extent, whereas 25.7% of the entrepreneurs pay attention to this matter to a large and significantly large extent.

- A higher percentage of Romanian female entrepreneurs (31.89%) pay considerable attention to accident prevention practices at the workplace in comparison with male entrepreneurs (19.57%).
- 35.9% of the Romanian entrepreneurs implement healthcare programmes for their employees to a large and significantly large extent, whereas 32.7% of the entrepreneurs implement such programmes to a small and very small extent, and the rest implement such programmes to a medium extent. A higher percentage of female entrepreneurs (40.58%) implement healthcare programmes for their employees to a large and significantly large extent in comparison with male entrepreneurs (33.33%).
- 38.2% of the entrepreneurs offer employees career development opportunities to a small and very small extent; 38.2% of them offer such opportunities to a medium extent, while 23.6% of the Romanian entrepreneurs offer career development opportunities to a large and significantly large extent.
- More than a half of the entrepreneurs (52%) are interested to a large and significantly large extent in keeping competent employees; 20% of the entrepreneurs manifest this interest to a small and very small extent, while about 28% of the Romanian entrepreneurs manifest this interest to a medium extent.
- 45.4% of the Romanian entrepreneurs are concerned about creating new workplaces to a small and very small extent; 27.3% of the entrepreneurs manifest this concern to a large and significantly large extent, while the rest of 27.3% manifest this concern to a medium extent.

The interviewed young people perceive Romanian entrepreneurs' concern ***about the observance of human rights and the deterrence of discrimination*** at the workplace as follows:

- Human rights are promoted to a medium extent by 38.2% of the entrepreneurs; 30.4% of the Romanian entrepreneurs promote human rights to a large and significantly large extent, while 31.4% of the entrepreneurs promote human rights to a small and very small extent.
- Most entrepreneurs (42.9%) are concerned about deterring discrimination at the workplace to a small and very small extent; 30.2% of the entrepreneurs manifest this concern to a large and considerably large extent, whereas the rest of them (26.9%) manifest a medium concern about this.
- Most entrepreneurs (52.7%) manifest interest in hiring disabled persons to a small and very small extent; 36.9% of them manifest this interest to a medium extent, while only 10.4% manifest this interest to a large and significantly large extent.
- A higher percentage of female entrepreneurs (12.4%) than male entrepreneurs (8.4%) manifest interest in hiring disabled persons to a large and significantly large extent.
- Only 19% of the entrepreneurs manifest interest in reasonably adapting the workplace for the disabled to a large and significantly large extent; 18.8% of the entrepreneurs manifest this interest to a medium extent, while the

majority (61.2%) pay attention to this matter to a small and very small extent.

- Most of Romanian entrepreneurs (about 69%) encourage the employees' involvement in the decision-making process within companies to a small and very small extent, and only about 12% of the Romanian entrepreneurs encourage employees' involvement in the decision-making process within companies to a large and significantly large extent.

As regards the implementation by Romanian entrepreneurs of programmes and practices that are meant to ensure the *development of the community*, the interviewed young people answered as follows:

- Most Romanian entrepreneurs (about 42%) would be interested in getting involved in developing relations with the local community to a small and very small extent, while 29 % of the entrepreneurs would manifest this interest to a large and significantly large extent, and the rest of them (29%) would manifest this interest to a medium extent.
- A considerably higher percentage of female entrepreneurs (37%) than male entrepreneurs (21%) would get involved in establishing relations with community to a large or significantly large extent.
- Romanian entrepreneurs get involved in charity activities to a small or very small extent (41.30%), while only a low percentage of them (17.50%) get involved in this kind of activities to a large or significantly large extent.
- More female entrepreneurs (18.84%) than male entrepreneurs (15.94%) are involved to a large and significantly large extent in charity activities.
- Most Romanian entrepreneurs (54.5%) support civic education programmes to a small or very small extent; only 20.9% of Romanian entrepreneurs get involved in such programmes to a large and significantly large extent.
- 48% of Romanian entrepreneurs take part in programmes that promote excellence in socio-cultural areas (science, art, sport) to a small or very small extent; 26.8% of them take part in such programmes to a large and significantly large extent, while the rest of them take part in these programmes to a medium extent.
- 45.5% of the Romanian entrepreneurs sponsor research programmes to a small or very small extent; 19.5% of them sponsor research programmes to a large and significantly large extent, and 65% of them sponsor such programmes to a medium extent.
- 41.8% of the Romanian entrepreneurs pay their taxes to the state with a low or very low frequency; 30% of the Romanian entrepreneurs pay their taxes with a high or considerably high frequency, while 29.2% of the Romanian entrepreneurs pay their taxes to the state with a medium frequency.

#### **4. Conclusions**

According to the results of our research young graduates consider that the integration of the environmental dimension of sustainable development into Romanian business strategies is not a priority for most of the Romanian entrepreneurs. Young people appreciate that most entrepreneurs (above 57%) are insufficiently concerned about reducing gas emissions, waste, energy expenditures, and raw materials; similarly, Romanian entrepreneurs' investments in environmental protection are scarce.

We have noticed that young people do not perceive significant genre differences as to the involvement of entrepreneurs in ecological programmes for their businesses.

Young people also consider that the implementation of the social dimension of sustainable development into Romanian businesses is quite scarce.

Young people appreciate that many Romanian entrepreneurs manifest little concern for deterring discrimination at the workplace and are unlikely to hire disabled persons. Young people would rather believe that this concern is more frequent with female entrepreneurs than with male entrepreneurs.

According to the interrogated subjects, the involvement of Romanian entrepreneurs in community development programmes and practices (educational and cultural activities, charity work, programmes for promoting excellence, etc.) is rather 'shy' and inconsistent. Young people appreciate that decent working standards and practices are not a priority for Romanian entrepreneurs, as well: thus, young people consider that more than a half of the entrepreneurs are concerned only to a small extent about ensuring decent working standards and practices.

Young people think that a high percentage of entrepreneurs do not manifest a particular interest in keeping their competent employees. Young people appreciate that Romanian entrepreneurs pay an insufficient interest in putting competence to good account.

The results of this research point out that the interviewed young people tend to perceive female entrepreneurs as being socially more responsible in comparison with male entrepreneurs. According to the interviewed young people, a higher percentage of female entrepreneurs are oriented to a large and significantly large extent towards implementing healthcare programmes in comparison with male entrepreneurs. Young people's perception is more favourable for female entrepreneurs with sub-indicators, too: charity work, accident prevention methods at the workplace, and reduction of waste materials. We can conclude that the interrogated subjects manifest dissatisfaction and distrust in the manner in which Romanian entrepreneurs observe and implement the principles of sustainable development, and corporate social responsibility in Romanian businesses. For certain sub-indicators of sustainable development and corporate social responsibility, young people's perception is more favourable for female entrepreneurs.

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