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EDITORIAL: CSR UNDERTAKEN FOR SOLVING SOCIAL ISSUES IS NOT MERELY A SELF-SACRIFYING ACT,
BUT ADAPTATION TO RULES AS WELL

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Dear Reader,

You are holding in your hand the first issue of the Pannon Management Review in 2015. In this issue our idea is to give you an insight into the nonbusiness – i.e. not directly for-profit – dimension of the economy and the corporate world. It is equally a hot topic in the management science and in the practice. We can realize it if we think of the indispensably active partnership between forprofit and non-profit sectors, which is so painfully prematured – if not missing – in Hungary.

In nonbusiness activities organizations operating on both profit oriented or nonbusiness base take part in promoting and solving such issues and problems that will not necessarily contribute to their short term success, yet these issues are overtaken by the organisations for some reason. Organisations donating can be of not-for profit or for-profit profile; even the state itself can donate and sponsoring as well, can be present elsewhere than the profit oriented sector. Corporate social responsibility has become recently a challenge for every existing organization, regardless of sectors; what is more: it has become an obligation. Non-governmental organisations (NGOs) are compelled to protect the environment, considering sustainable development just the same as the GOs or the for-profit companies. Because of the overlap in interpretations the choice of approaches is rather wide.

Nonbusiness activities can be called „support", yet these serve social goals as well, thus overlap the notion of CSR. Intersectorial nonbusiness activities manifest how the organisations are socially embedded: as in quote:„...economic institutions are not coming to existence, in a form automatically dictated by external conditions, they are rather formed under societal influences" (Granovetter-Schwedberg 1992, 25-26). The failure of welfare state raises the questions of organisational responsibility in solving societal issues.

If we accept that the focus of CSR are the environmental protection and answering the needs of all stakeholders, then „green marketing" can be regarded as the pre-history of CSR.

The aim of this early movement was the responsibility undertaken for the environment. Providing for the environment, taking the responsibility. That is the starting point for CSR as well. In our view, however, CSR is an extended organisational strategy, where responsibility has broader interpretation than natural environmental protection only; organisations handle each environmental factor as the possible scene for increasing social welfare. Thus, employees in the organisation or stakeholders are environmental factors alike. CSR is an area where undertaking responsibility for everything that serves social welfare takes the dominant role.

Nonbusiness activities, as a result of an evolution, have become independent. Earlier nonbusiness activities aimed at helping individuals and groups altruisticly (volunteering, donation). These activities slowly have been entwined with business purposes (e.g. sponsoring). Nowadays we return to the nonbusiness activities - that serve business interests only indirectly and derive from a rather different goal, - namely from the answers given to challenge the global responsibility of the future of society poses.

This is not true for each and every case that these activities have no business purpose. To the contrary, even CSR is an activity that aims at answering societal expectations, thus, on long-term wishes to gain a better judgement of organisations. Companies do more and more in order to stress their role in society and their influence on it, while they strive to maximize the value of corporate contribution in favour of society.

Corporate Social Responsibility (CSR) as a term has gained currency in the last few decades. Today, with the advent of a concept called "globalization" interconnectedness has crept in every institution existent in the society. The result is a change in perspective of corporate institutions. Every organization today becomes responsible for the action that it accomplishes which affects society directly or indirectly. However, questions have been raised about genetically what responsibility does a corporate have? Is it doing something beyond what it is required to do for society? Is it doing for society or for itself? Will Corporate Social Responsibility be a sustainable model for corporates' long term existence (see at Dasgupta 2013)?

The second part of the term is to understand the "social responsibility" aspect of Corporate Social Responsibility. Bowen (1953, 6) viewed social responsibility as "it (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society". Supporting Bowen partially, another veteran scholar, McGuire (1963, 144) stated "the idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations." Again, Walton (1967, 18) defines social responsibility as "in short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and the

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society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals". This definition of Walton indicates the interconnected nature of social responsibility that the corporate must undertake for their benefit and for the benefit of society at large.

Finally "Corporate Social Responsibility" has been perceived and defined by many scholars in a variety of ways. Theodor Levitt (1958) argued, "Corporate welfare makes good sense if it makes good economic sense and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door". However, there were other scholars who felt that economic responsibility should not be the point of emphasis in Corporate Social Responsibility. One such scholar, Davis (1960) referred to Corporate Social Responsibility as "businessman's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interests". This line seems to be interesting, especially with the words, "at least partially". This line suggests that if only there are some partial diversions of activities beyond the economic interest of the firm, then it should be considered as the firm's Corporate Social Responsibility. Keeping all critiques into consideration, Carroll and his colleague Schwartz (2003) developed a Venn diagram which consisted of three dimensions (see Figure), where

Economic responsibility: Corporate should function as an economic institution by producing and selling goods to society at fair prices which the society feels to be its true value.

Legal responsibility: These are codified ethics. Fair practice of business as developed by the lawmakers of society needs to be adhered to.

Ethical responsibility: Beyond the legal boundary, there are activities and practices which are either expected by society or prohibited by societal norms, values, standards, expectations that stakeholders consider as just, fair and consistent with their moral rights.
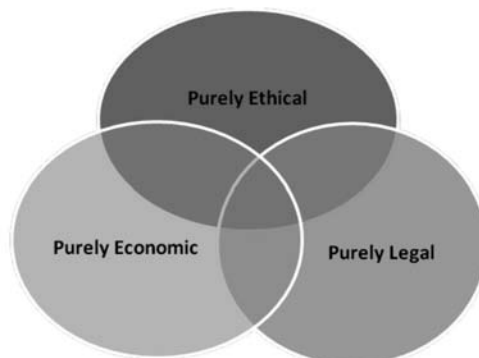

Figure. Carroll's Venn Diagram Model (Schwartz – Carroll, 2003)

Global challenges and the economic crisis created such circumstances which impose new challenges on corporations as well. Companies apart from donating and sponsoring for social purposes, even undertaking certain issues, should show responsible behaviour with regards to individuals and the protection of the environment. And all this have to be put into practice while the company remains profitable. Motivations of social responsibility are different than those of donating.

Corporate social responsibility sends the message to society that the organisation takes the responsibility in favour of societal goals. Therefore CSR means responsibility, sensibility, discern taken in social problems, a desire to act in solving those problems, correspondence to the environment, employees and consumers. CSR undertaken for solving social issues is not merely a self-sacrifing act, but adaptation to rules as well. Defining CSR is a subject of debates; as on one hand, it is foregoing profit in order to ease social problems. On the other hand it is corresponding to certain requirements that serve long-term advantages, thus holding out promises of profit as well.

...the concept according to which enterprises voluntarily try to integrate social and environmental issues into their business operation and into their interactions with stakeholders (European Commission, 2001)

According to the above normative from EU, CSR is an overall organisational behaviour and, though it is partly adherence to rules as well, still, it is a self-undertaken social responsibility.

The literature review has indicated that economic responsibility should be the primary goal of a corporate. Based on findings from in-depth interviews conducted in different countries (see e.g. Dasgupta 2013) managers had been of the opinion that Corporate Social Responsibility helped in the economic sustainability of a company in the long run. Although the benefits from Corporate Social Responsibility may not be evident in the short term profitability of the company, the long term profitable sustainability is something they would have to look out for. It is controversial though what different organisations mean by CSR. A research looking into the online CSR communication of top-200 Hungarian companies revealed that corporate CSR missions have no set structures, different organisations communicate different contents. Charity is very frequent, just as protection of women, health and safety are also preferred topics of this kind of communication (Pataki–Szántó 2011, 8).

Consultants' experiences on the Central European CSR are remarkable. While there are certain advantages of CSR, such as growth of profitability, employees' stronger bonds with corporations, improvement of stakeholder relationships, increase of perceived brand equity,

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improvement of adaptation competency etc. (as listed in the coursebooks), there are such motivating factors in our direct geographical environment as

headoffice expectations,

bottom-line (employee) initiations,

demonstration effect,

managers' desires for promotion,

utilization of PR opportunities and

political considerations (Radácsi 2011, 30–34.)

If the picture seems not entirely clear yet, that can have more reasons to explain with. The development chain of volunteering-donating-sponsoring-CRM-CSR is non-linear. Let us note that this global game has not been over yet, either. *The question is if the dominant goal is the setting-up of an advantageous make-believe or the realized common interest* (Hetesi-Veres 2013).

In this issue a paper on how to adapt to climate change, a study on the role of social media in knowledge sharing, an interview with a successful cultural manager, and a scientific work from the service management area have been selected.

The article of Ágnes Raffay, Miha Lesjak, Peter Wiltshier and Alan Clarke under the title of *Combatting climate change: understanding the role of sustainable decision making* - following a critical review of the literature - demonstrates the need for communities to be empowered through greater involvement in decision making, based on greater knowledge and a sense of responsibility for future developments.

The next paper titled *Social media in organizations: leveraging knowledge sharing* written by Nóra Obermayer-Kovács and Anthony Wensley analyses the results of a research which was conducted in Hungary, applying an online, web-based questionnaire. The survey supports the investigation of how social media technologies are being used for knowledge sharing during work and examines the characteristics of the different generations using these tools by exploring willingness of employees to participate in knowledge sharing.

In this issue we present an interview with István Márta, managing director of the Zsolnay Heritage Management Nonprofit Ltd. and chairman of the Hungarian Festival Association. It is really interesting to hear the opinion of a man of arts about challenges of non-profit management in Hungary. The story of his successful career serves to the reader for an extraordinary example on the value of a creative and unconventional managerial approach.

Finally in the paper of Petra Gyurácz-Németh on *The role of process standardisation and customisation in hotel management* the following questions are answered:

– How can the level of standardisation and customisation be measured?

– Is there any relationship between standardisation and customisation or are they independent from each other so hotel managers have to choose?

– What kind of performance indicators are there in hotels? How their relations look like?

– Do standardisation and customisation help hotels increase their performance?

Well, fasten your seat belt, Dear Reader, and enjoy the ideas discussed by the authors in this issue.

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He worked as project manager of numerous international industrial projects in the Mediterranean region (e.g. Greece, Middle East, North Africa) between 1977 and '90. Since 1990, he actively participates in the higher education. Among others he taught at the College for Foreign Trades; at the Ecole Supérieure de Commerce d'Angers and between 2004 and 2009 he was Head of Institute of Business Studies at the University of Szeged. In 2011 he was appointed professor of Marketing at the Budapest Business School (BBS), Hungary, and between 2010 and 2014 he was also Head of Research Centre at BBS. Since 2014 he is Head of Department of Marketing at the Faculty of Business & Economics of the University of Pannonia, Veszprém, Hungary. From the beginning of the year 2014 he is the editor of the Pannon Management Review.

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