A missing link: Education for security dimension of the corporate social responsibility[1]

Assoc. prof. Ph. D. Ella CIUPERCĂ
„Mihai Viteazul”, National Intelligence Academy
e-mail: **ellaciuperca@yahoo.com**

Abstract

The continuous change of our world determined the reduction of the role of the state in economy. Assuming that the survival and welfare of the community greatly depend of the involvement of every economic company in corporate social responsibility (CSR) actions, in this paper I will propose and argue for a new adaptive strategy to the contemporary social conditions: the inclusion of security issues in the field of CSR actions undertaken by firms. An important step in this direction is to change their own behaviors and attitudes by generalized hiring of security experts and by creating a security culture among the employees.

Keywords: corporate social responsibility, intelligence culture, security culture, economic performance, community welfare

1. Introduction

Corporate Social Responsibility (CSR) has become a priority in the contemporary world, primarily because of the way society has evolved. The present globalization implies the interdependence of individuals, communities, and ideas. All these changes had as a natural consequence the reduction of the role of the state in economy, trade liberalization, international financial transactions, and the emergence of transnational corporations.

In this context, the social involvement of economic corporate is an effective way to compensate the logistic inability of the state to solve the problems of society. The emergence of the notion of "corporate social responsibility" was facilitated by the social pact between the community

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and businesses, based mainly on mutual trust, cooperation and mutual dependency (Wartick & Cochran, 1985). Therefore, according to modern approaches the company is equated with a citizen. The same way a citizen has his rights and obligations, each company acquires corporate citizenship and therefore has, in turn, benefits and responsibilities.

Although I am not in a complete agreement with the idea that the economic environment has the capacity to solve the major social problems of humanity as poverty, conflicts, population growth and so on, I agree with the contemporary idea that firms have significant human and material resources that should be directed to the community and used by its members.

2. Corporate social responsibility: a definition

Social responsibility is a relatively recent issue studied by social sciences, but the interest in this subject is growing. However, to date there is still no agreement on what constitutes CSR. The literature highlighs sometimes dissonant positions among specialists.

Broadly speaking, CSR objective is to solve social problems, i.e. those situations which represent a gap between reality and an imagined ideal society (Pounds, 1969). According to G. Hardin (1968), social problems are caused by selfish behavior of individuals, which is repeated on the long term, and such behavioures create problems for the community (community tragedy).

The European Commission has tried to answer the question “What is CSR?”. Using the answers to a questionnaire applied to a group which consists of over 250 associations, organizations and private companies, unions and civil society, they conclude that CSR is the way a company operates within its legal system and regulations established by the society in accordance with universal human rights. A. Carroll (1979) argues that corporate social responsibility is measured by the degree to which management decisions conform to the needs of the community in which they operate.

In a publication of the World Business Council for Sustainable Development (WBCSD) CSR is definied as follows: “corporate social responsibility is assumed by the continuing commitment of companies to behave ethically and to contribute to economic development while improving the quality of life of employees and their families, local communities and society in general.” (*apud* Holme&Watts, 2000).

Critics highlight the dimension of the concept of CSR, but also some negative aspects of its implementation. Among the most important are the diminution of shareholders power, of their property rights over their own business, the weakening of the overall corporate strength and on the long term – the changing of the very essence of capitalism. CSR has been criticized from the perspective that being exported to foreign communities by multinational companies it can legitimate values and approaches that are not in the interest of the poor and marginalized people.

The discussion about the limits of CSR cannot ignore a famous statement of Milton Friedman (1970): "Social responsibility of business is to increase their profit. According to the author, the only economic entities' responsibilities are to pay state taxes and their salaries." The supporters of these ideas have as their main argument the fact that studies have failed to identify a correlation between CSR activities and the performance indicators of firms.

Beyond the regular European discourse regarding CSR, its practices evolve differently from country to country, depending on the economic and social specificity of each region. The literature include "the Scandinavian model of CSR" which is characterized by the fact that the state plays the role of welfare provider, harmoniously combining the development based on capital items with a generous social security system. A representative country in this regard is Norway, thanks to its commitment of giving evidence in the struggle for peace, poverty and environmental destruction. Recent research shows that, for instance, the United Kingdom, too, attaches importance to ethical issues and moral conflicts arising from the practice of CSR. In the Nordic countries, CSR programs are particularly targeted by environmental problems, while in southern Europe there is a greater interest in diminishing social problems.

3. Corporate social responsibility and economical performance

The degree to which social expectations regarding business ethics resonate with the ethic of the economic environment depends on the comparison of social norms of firms and their conduct and also from the comparison between society's expectations and what corporate managers consider to be legitimate social demands. On the other hand, the connecting of personal interests with moral principles allows long-term development of the company, because, although an immediate profit leads to a lower capital, on the long term it produces a durable capital: reputation.

The literature includes antithetical ideas on this topic. Some (Low&Yeats, 1992; Lucas et al., 1992) are appalled by the manner in which multinational companies exploit lenient laws of some foreign countries, while others emphasize the existence of a strong correlation between internationalization and social responsibility (Bansal&Roth, 2000, Christmann, 2004).

In time, social responsibility has shown positive effects in the socioeconomic field of individual actors engaged in certain activities and the community at large. For example, in countries that encourage cooperation and trust between the actors and that emphasize the human and social capital there is the highest prosperity (Waddock&Graves, 1997).

The difficulty to distinguish positive from negative effects of CSR explaines why the studies regarding the relationship between CSR and financial performance are both contradictory and inconclusive. Recent studies have identified a strong correlation of these variables (Waddock& Graves, 1997), no correlation (McWilliams& Siegel, 2000) or a negative correlation (Wright&Ferris, 1997). For example, Margolis and Walsh (2003) monitored over 95 studies and found that 42% did not indicate any correlation. They also noted that the economic usefulness of CSR occurs when consumers are especially interested in social issues. It was also shown empirically that corporate CSR activities are not sufficiently well known (Sen, Bhattacharya&Korschun, 2006).

Ellen, Webb and Mohr (2006) found that, when choosing a company, 34% of people say they would avoid buying a product or service from a company perceived as being unethical, 16% seek information about its business practices and 50% did not intend to purchase a product or service from a company that is not considered socially responsible. In general, consumers have positive attitudes towards the company if it is involved in CSR activities.

Of course, the existence or inexistence of a correlation between social responsibility and various economic indicators can be determined by many variables. Beliveau, Cottrill and O'Neill (1994) showed that the relationship between CSR and profit varies both from an industry to another but also according to the organizational performance indicators.

Although there are many arguments that favor the hypothesis that CSR covers its own costs (Carroll, 1991) because it eliminates the reasons that lead skeptics to seek the approval of a more drastic legislation, eliminates disputes or reduces their costs and facilitates easier access to funds from NGOs and other governmental agencies, the literature reflects a lot of contradictions within results of empirical research in this field.

4. Social responsibility of Romanian bussiness and the need for security culture

Compliance with ethical principles in business has led to the shaping of the concept of "moral capitalism" based on values such as respect for human dignity, respect for consumer's choice, elimination of immoral activities. Moreover, the corporate citizenship entails a moral obligation of companies to behave according to the ethical principles of the community they belong to, to fight against social degradation, to protect the culture of the community and to encourage education.

After the Revolution of December 1989, Romanian business was in a position to adopt the market economy model, and companies had to become more competitive and more interested in achieving profit in the context of economic hardship: serious problems inherited from the communist infrastructure, pollution, obsolescence of outdated industrial machinery and equipment especially in energy, mining and metallurgy. In such a context, the Romanian managers, still influenced by the mentality of the past, were in a difficult situation: should they spend money to gain profit or to be socially responsible?

The concern of Romanian business environment for the multiplication of such CSR initiatives is notable. Government statistics show that investment firms in corporate social responsibility activities were over 10 million euros each year. However, most of the money is spent for donations or sponsorships in the fields of social assistance support for charitable associations, the financing of scientific projects or research, in education or environmental protection and not for real CSR programs.

In 1973, Daniel Bell warned that the principal driver of change towards a "new techno-economic order" would be information and knowledge. We all agree now with this statement. In addition, everybody supports the growth of quality education so that people's training to be more suited to community needs.

As a proof of maturity of Romanian society in this regard and in full agreement with the changes occurring in the international security environment and the commitments assumed by Romania in the perspective of European integration some institutions of higher education have introduced in their curricula topics that address frontal or tangential the problem of community survival, especilly security issues.

Michael Goodman and Sir David Omand (2008) consider that academic knowledge is hard to convey in the governamental area. Disciplines such as military history, history of intelligence, international relations, social sciences, and critical thinking is part of the required education of every security practitioner, but also of any common member of the community. On the other hand, such a transmission of strictly specialized knowledge from professionals to beginners can be an obstacle to interagency cooperation as it doesn't allow the establishment of common standards.

Hence, to discuss security issues related to running the analysis of education in the context of CSR should not seem so unusual. Unfortunately, the previous analysis of CSR concept made clear that security issues is rarely included in the list of socially responsible activities.

Therefore, along with meeting the need for accurate information, the possibility of specialization in security studies and intelligence is at least as important because it represents the foundation of the culture of intelligence for the civil society. An efficient civil society must be innovative and ready to adjust itself so as to ensure a correct balance between public interests and the sphere of private interests.

From this perspective, I consider that the worldwide realignment regarding the importance of intelligence services reflected in new strategies national and international security is not random. The issues of security and intelligence, as areas that provide tools to collect relevant information and tailored intelligence products, already enjoy new dimensions, which is the contribution of the civil society.

The present need for security becomes more acute in the context of an unmanageable information bombing in the modern era. Providing security is very difficult to achieve in the absence of a social framework that allows the contribution of each social actor (individual or organization). Because of this reality a new type of individual and community behavior has appeared on the social scene – the one that is characterized by social responsibility.

Based on Allesandro Politi's ideas, Leslie Donovan (2005) referred to the concept of "intelligence volunteering", considering that to encourage citizens to be cautious and attentive to issues of national security becomes a public good of a democracy. Of course such efforts should be designed to protect citizens and not to get political or social control. The author also underlines the fact that people are influenced by the preconceived idea that cooperating with authorities in providing information is equal to denunciation, betrayal, espionage or subversive action. In his opinion this is the most important barrier for intelligence volunteering. Therefore, this barrier is located primarily in the individual psyche of citizens and is determined by their value system. In many countries, ordinary people do not grant security the same value politics does. Milton Rokeach has empirically shown that Americans, Canadians, Australians tend to grant a minimum value to national security. Having in mind Maslow's theory regarding the hierarchy of needs and also the widespread perception that people greatly value their security, such a finding is highly counterintuitive. According to Abraham Maslow (1943) people want to meet primarily the needs of food, water, shelter and, subsequently, of security. Only the fulfillment of these needs will enable the individual to feel as belonging to a community. Therefore this lack of theoretical concordance should be considered additionally.

Also Stuart Surlin and Barry Berlin (1991) found that Americans and Canadians put national security on the 18th place in their hierarchy of values. Similar values were found among American and Japanese pilots and among the employees of the National Aeronautics and Space Administration. In these circumstances the question is why national intelligence agencies and policy makers do not set up an educational program to change the idea that ordinary citizens can live their lives without having to look after the security of the community they live in.

As long as people feel unable to influence national security, they will not be able to take appropriate actions when needed. In this regard, psychologists have emphasized the importance of self-efficiency, namely of the belief that one is able of an adaptive response to danger according to his capacity to achieve his own objectives. As Louis Pasteur said "chance favors the prepared mind". A population that lack security self-efficiency is composed of poorly trained individuals in terms of enhancing the value of relevant information they encounter and of acting in accordance with that information (Donovan, 2005).

5. Conclusions

The evolution of the last two decades has decisively shaped the contemporary society with major effects on the security of individuals. Its consequences and costs have been frequently considered to be above the thresholds of acceptance and adaptation of a contemporary man who is set to expect more and tolerate low costs.

The identification of the problem and its remodeling through proactive measures must be a priority for everyone. Therefore every bussinessman should be aware of security threats and include such issues in their proactive actions, especially in the corporate social responsibility sphere. Also I believe that the growth of expertise in research, development and innovation of the national security sector respond to the needs of Romanian society and constitutes one of the greatest challenges of our contemporary society.

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