The Culture of Ethics and Social Responsibility on the Romanian Market of Mobile Telecommunications

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Abstract: - The Romanian CSR is a mere imitation of the foreign practices; social responsibility is not yet an actual value of the Romanian corporations, but it is imposed by the expat management or by the parent company. The economic and social development in recent years has boosted the number of investors, creating new dilemmas for the binomial shareholder - investor versus manager, which provides premises for operational leadership of the firm, imposing, in a competitive economy market and in conditions of globalization, compliance with ethical and moral standards in business. In that context, transnational companies that operate in our country must align, voluntarily or mandatory, to human ethical and human norms on cultural diversity, laws, habits, beliefs and the behavior patterns of the society where they operate. The ethics in the national business environment must represent a major objective for every company because an ethic doing business code will increases the economic efficiency. This aspect must denote an important objective to be assumed by companies in their fight to increase the buyers trust in the company efficiency and, indirectly, in their products.

Key-Words: - Ethics, Social Responsibility, Mobile Telecommunications

1 Introduction
Earning the client’s trust is the major challenge for all those operating in the sale of goods or services. Most times, the main reason for which people buy a certain brand is not the price, but trust. Therefore, most times, we hear the public using expressions such as: “I want to talk to someone I trust”. [1]

Given the aforementioned, understanding the ethical criteria of the business conduct is highly significant as the new organizational structures give rise to dynamic complexities of factors essential in assuring a positive continuity in the business environment.

The main concept of the modern corporate ethics concerns today the social responsibility which is known today as a moral notion or as morality of the business environment involving several particular virtues such as honesty, reciprocity and utility.

2 The concepts of Ethics and Social Responsibility
Recent trends in the managerial theory and practice, underlining here Total Quality Management, define the importance of ethics and social responsibility in business. [2]

Contemporary transnational corporations have appointed corporate ethics officers, with subordinated organizational charts important and critical for the proper operation of the organization.

Robert C. Solomon distinguishes several levels of the business ethics: [3]
- The level of micro-ethics, which includes the rules of the fair exchange between individuals;
- The level of macro-ethics, which refers to the institutional or cultural rules of trade for an entire society (“the business world”);
- The molar level of the business ethics, concerned with the basic unit of commerce, respectively the corporation.

The micro-ethics of business is a very large part of the traditional ethics: the nature of promises and other obligations; the nature of various individual rights, the intentions; the consequences and implication of an individual’s actions.

A feature of the business micro-ethics is the fair exchange and, along with it, the notion of a fair wage, fair negotiation and the idea of “good business” for both parties.

The macro-ethics concerns the large questions about justice, legitimacy and the nature of society that constitute the business’ social and political philosophy.
The molar ethics of business concerns questions about the role of the corporations in society and the role of the individual in the corporation.

The moral unit concerns the question of the corporate social responsibility of each of the corporation’s member, respectively the role of the corporation in a large society and the question of job-limited responsibilities – the role of the individual in the corporation.

The main concept of the modern corporate ethics concerns social responsibility, which concept, according to Milton Friedman, has been embodied in the following formula: “the social responsibility of business is to increase its profits”.[4]

Today, the concept of corporate social responsibility (CSR) is identified as moral notion or as morality of the business environment, which comprises several particular virtues such as honesty, reciprocity, utility and the idea that there are social and moral capacities and availabilities of corporate significance.

In this respect, we have the disputes on the ethics of the business environment and they are classified by the literature in several classes: [5]
• Correctness of the approach on resources distribution;
• The principle of mediation in cases of ethical litigations;
• The conflict at the level of the particular virtues or set of values;
• The dynamic of the development of moral intuitions and tasks for the enforcement of practices listed in the beginning of this document;
• The increase of implications entailed by the new technological products, including the techniques of the IT society and those of chromosomal manipulation;
• The restrictions on the management of business and corporations.

Therefore, the ethic responsibility also includes businesspeople, respectively the company should promote, in this corporate conduct, everything that is fair, honest and reasonable even if such conducts are not always regulated by a legal framework.

In terms of social perspective, the most important concerns regard the identification and establishment of more correct relations between the demanding consumer from the developed countries and the consumer from emerging countries, rather focused on survival than on quality and value, and the development of fair relations between the urban and rural population, between men and women.

Domestically, the National Strategy on the Promotion of Social Responsibility of Companies has identified 3 key areas which need action in the near future in order to promote social ethical responsibility: [6]
1. To enforce social responsibility in the State’s activity;
2. To create a framework proper for the CSR development, both on central and local levels;
3. To promote the enforcement of social responsibilities in the Romanian companies.

2 Ethics and Social Responsibility on the Romanian Market of Mobile Telecommunications

According to some surveys published in the “Amfiteatru Economic” Magazine [7], the Romanian CSR has weakness and strengths, which include a problematic heterogeneous area claiming, among others, the absences if CSR specializations and training and development courses for specific competences.

The absence of the legal regulations to encourage and to contribute to the development of the corporate social responsibility is another weakness pointed out by the respondents. Also, this class includes the failure to incorporate the CSR strategy into the company’s business strategy and the lack of reporting and monitoring of CSR activities.

Moreover, according to some respondents, the Romanian CSR is a mere imitation of the foreign practices; social responsibility is not yet an actual value of the Romanian corporations, but it is imposed by the expat management or by the parent company; if the company’s management is of Romanian origin, CSR is seen as “green wash” at the most or as PR tool since CSR is not a legal requirement, but one voluntarily undertaken above the legal regulations. Moreover, CRS is used as PR tool, substantiated by investments or donations to the detriment of long-term programs.

As regards the positive aspect, the respondents’ opinions highlight the implication of a higher number of companies in CSR activities, the diversification and originality of implemented projects and the constant increase of the public’s interest in programs of social responsibility. Along with these positive aspects, we can add the increased visibility of CSR programs and the existence of a more ONGs which promote, in the name of several companies and with their financial help, various social causes.
In fact, at the level of the telecommunication market of Romania, we can analyze the CSR of the three major players competing at present on the domestic market, considering that all three companies benefit from a massive import of procedures from the parent company.

2.1 Vodafone Romania
Vodafone Romania wishes to be known as a company which promotes a model of business conduct, meaning an ethical and fair conduct in its relations with its partners. As shown by the principles of business conduct promoted by the company, each employee plays a significant role in the promotion of the organizational model, by means of its conduct towards co-workers, clients and supplies and towards authorities, communities, environment and the society in its entirety.

Since 2011, Vodafone Group has held an extremely honorable position, being among the 20 largest companies in the world of the 2000 included the top.

As outcome of its activity’s globalization, Vodafone operates under various jurisdictions. Therefore, the company respects the rule of law in each jurisdiction and promotes the internationally accepted standards, including those concerning human rights.

The company promotes the idea that in a market economy, competition based on ethical principles is the best way to generate benefits for all partners involved. The criteria underlying investments, acquisitions and business relations are primarily economic, but they also value the social components and the environmental protection.

As clients are concerned, the company says it is committed to offering Romanian clients secure and cost effective products and services in terms of value for money.

The relations with and between the Vodafone employees are based on respect for individual and human rights. The company complies with the principle of equal opportunities and diversity principle in its promoted employment policies.

All Vodafone companies, their directors and employees are required to comply with the laws, standards and principles of international and local on corruption, and all other applicable laws and regulations.

Vodafone Romania requires its employees to avoid any contact that could lead to an actual or potential conflict of interest between their personal and business activities of the company. The company’s employees should avoid accepting gifts or favors that could create obligations in one way or another.

Vodafone advocates programs for the community and invests in the society, promoting the efficient use of resources, including through support for charitable organizations. Principles of business conduct stated Vodafone act as the general framework established by the company, and some of the most important are:[9]

- The programs for professional orientation and development will comprise information on the principles on business conduct of the company;
- The assembly of the Board of Directors will receive a report on the operation and implementation of the conduct principles;
- Disciplinary measures against those who breach the principles of business conduct;
- Analysis of the principles’ enforcement during periodical meetings and evaluations and on other occasions and discussion on newly occurred problems.

2.2 Orange Romania
At Orange Romania, Corporate Social Responsibility underpins the development of their business’ strategy. For Orange, responsibility means, firstly, innovation and development of responsible products and services, accessible to many people.

The investments made by the company include the financial sponsorship, and products, services, technical support, time, volunteer hours, advice and assistance. It is therefore difficult to estimate the total value of investments in those programs.
The Company believes that information technology and communications have an important role in the sustainable development of society.

The Orange Romania projects are divided into 4 categories:
- Corporate charity: partnerships with ONGs and volunteering;
- Responsible products and services meant for clients with special needs: SMS donations, Cronos Vocal, safe Internet access, communication access;
- The environment: electronic bill, ecological label, phone recycling, internal initiatives (tie bikes, paper recycling, IT equipment, automatic shutdown, etc.);
- Children and phone lines: conduct code, partnership with sigur.info, parent guide;

Several of these projects are, so to speak, the Orange tradition, started long ago and still successful: the partnership with Adept Transylvania for a project dedicated to the preservation of landscape biodiversity and development of rural community or Orange Education Program, a project for scholarships for students of the Faculty of Electronics, Telecommunications and Information Technology.

However, a considerable number of people know little about CSR. Unfortunately, this includes environmental projects that go beyond the forestation of certain areas, cleaning of green spaces, recycling projects, reducing electricity consumption etc.

At company level, several directions followed by Orange Romania worth mentioning. The first concerns the existence of a CSR department in the company organization and the second if CSR professionals have realized that it is not enough to involve in actions based on budget and availability, similarities or other subjective motivations. Thus, a dialogue is required between all the stockholders in order to outline CSR strategic directions according to the needs and wishes of each type of stockholders.

### 2.3 Cosmote Romania

COSMOTE Romania has recently published a new and detailed report on Corporate Social Responsibility (CSR) as per the most influential international standard, namely Global Reporting Initiative.

The report concerns all the activities of COSMOTE Romania starting from January 2010 – and describes the company’s operations (network, offices, sales, post-sales).

According to the report, COSMOTE Romania sees Corporate Responsibility as management practice and includes in its report 110 quality markers and 66 GRI markers, with quantity details in this respect.

The report is structured on five pillars of Corporate Responsibility, as identified by COSMOTE: Environment, Strategy and Management, Company, Employees and Market, Clients and Suppliers.

As the first pillar is concerned, the activity, aimed at mitigating the environment impact, carried out by the company, had the following results:
- Decrease of total consumption of fuel by 80%;
- Decrease of electricity in offices by 2.3%, of water by 30% and of paper by 19.5%;
- Recycling of 3.62 ton of paper, 130 ton of lead batteries, 1.5 ton of plastic, 301.9 kg of mobile phones and accessories and 90% of solid waste from warehouses;

Since 2008, the company has been carrying out an internal program to reduce the carbon footprint. The "Green Office" program focuses primarily on educating and involving employees in environmental protection, starting at work. COSMOTE, also, tries to educate its clients as per the same ecological spirit, informing them regularly on the need for recycling and limiting the number of monthly printed invoices.

According to the report, on the second pillar, COSMOTE has identified and discussed with the interested parties, which have been grouped as follows: clients, business network, NGOs, suppliers, local communities, employees, government, academia, public, media and shareholders.

According to the third pillar, COSMOTE invested starting with 2010, more than 100,000 Euros per year in social causes and rights of disabled people, to support education (through Cosmote scholarships, program launched in 2010), to mitigate the consequences of natural disasters (through a partnership with the Red Cross) and the care for children (Cosmote is a partner of Child Helpline).

Also, another activity related to child protection is the social campaign "Messages of Love" launched by Cosmote in 2008. The company offered, in 2010, 50,000 Euros in revenue from New Year SMS to five non-profit organizations that care for children. COSMOTE also supported fundraising activities of non-governmental organizations, offering SMS lines where clients could send their text messages to donate money to humanitarian causes.
According to data published, COSMOTE invested both in employee safety and in their professional development. The company developed two training sessions on health and safety at work, resulting in zero accidents, and 623 training programs, equivalent to over 6,500 hours with more than 150,000 Euros invested.

COSMOTE’s declared approach is based on principles of transparency and ethics in management and aims to facilitate the responsible operation on markets where it operates.

An example of lack of transparency undertaken by the company is that, although the operator acknowledges that it has received sanctions from the Authority for Consumer Protection, following client complaints, these complaints do not mention the number or total amount of fines paid, according to international standards.

3 Conclusion
CSR is an area that has grown sharply in recent years in Romania. It has not yet reached the Western countries, but progress is visible.

Increasingly more companies go beyond the stage of confusing CSR for philanthropy and develop CSR programs focused on environmental sustainability, education, health, culture, etc. It is predictable that the development of this CSR segment will bring the need for new national regulations to create a framework where social responsibility to operate.

Moreover, the public is increasingly interested in sustainable products and services, with positive impact on society and - at the same time - in a company using the resources available in a responsible manner. The ethics in the national business environment must represent a major objective for every company because an ethic doing business code will increases the economic efficiency.

This aspect must denote an important objective to be assumed by companies in their fight to increase the buyers trust in the company efficiency and, indirectly, in their products. In Romania unfortunately only the multinational firms accomplish today the requirements for the fulfillment of the concept of social responsibility, and not all of them. Most of the national firms are not able to provide an ethic code and sadly, we can’t see at them the intention of defining one in the next period. [12]

Finally, I appreciate that economic and social development in recent years has boosted the number of investors, creating new dilemmas for the binomial shareholder - investor versus manager, which provides premises for operational leadership of the firm, imposing, in a competitive economy market and in conditions of globalization, compliance with ethical and moral standards in business.

It remains to be seen whether, in addition to pompous declarative statements, transnational companies that operate in our country will align, voluntarily or mandatory, to human ethical and human norms on cultural diversity, laws, habits, beliefs and the behavior patterns of the society where they operate.

References: