

## PRACTICES FOR THE INTEGRATION OF SOCIAL RESPONSIBILITY OF SOME SMEs

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### ABSTRACT

**G**iven the role and importance of SMEs, in the European economy, this research aims to provide a better understanding of the practices of some local SMEs, from Romania, on the integration of social responsibility. The study focuses on how analyzed SMEs have integrated, monitored, evaluated and communicated their own social responsibility, being examples of good practices. This research was conducted through documentation and by completing a questionnaire sent to some SMEs that have integrated social responsibility. The study makes possible the promotion of social responsibility among SMEs but also to other organizations (public, private and nonprofit). Since research on social responsibility of SMEs, from Romania, are rare, the known ones have been cited by author, it is appreciate that the present research represents a novelty in that it is addressed to some local SMEs, from Romania, which have integrated social responsibility and contribute to a better understanding of these practices.

**Key words:** social responsibility/ CSR, SMEs, good practices, strategy, Romania.

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## 1. Introduction

Social responsibility is a permanently evolving concept (Hohnen, 2007:4). In recent years, it has experienced numerous characterizations that has complicated the matter (Asongu, 2007:2). Dahlsrud (2006:4) conducted a meta-analysis of 37 definitions that identifies five key dimensions, based on an empirical research of 27 authors over 23 years: the environment dimension, the social dimension, the economic dimension, the stakeholder dimension, the voluntariness dimension. One of the most used definition is the one offered by A.B. Carroll (2012:34) where social responsibility of an organization is defined in relation with economic, legal, ethical and philanthropic areas of actions. According to Visser (2008:488) Carroll's pyramid is based largely on research in American context and Crane and Matten, starting from Carroll's pyramid, approaches social responsibility, in a European context, where levels have different significance and interconnection. Visser claims that the order of Carroll's pyramid levels differ in the context of developing countries, where the emphasis is on economic responsibility, followed by philanthropy, and then barely legal and ethical responsibilities. Explanation of social responsibility can be done by stakeholder theory (Linh, 2011:90). Freeman (1998:41) defines stakeholders and include in their category: shareholders, customers, employees, suppliers, creditors, government and community. Clarkson (1995:105) identify stakeholders: primary and secondary. In the category of primary stakeholders are included shareholders, investors, employees, customers, suppliers, governments and communities. Secondary stakeholders are those that affect or are affected by the company's shares but they are not involved in transactions with it and whose existence and participation does not depend on the company's survival, but can cause great losses. Today, the integration of social responsibility involve the identification, selection and involvement of stakeholders in decisions and actions of organizations (ISO 26000:2010), frequently and systematically (Morsing and Schultz, 2006:328) and refers to the voluntary contribution of organizations, beyond legal obligations (Schultz et al, 2011:2). The European Commission developed public policies for the promotion of social responsibility, since 2001, with Green Paper (EC, 2011:4). In "A renewed EU strategy 2011-14 for Corporate Social Responsibility", the European Commission announced its new strategy, including a new definition of the concept (EC, 2011: 6). Social responsibility underlying the objectives of the Europe 2020 strategy (EC, 2011:3) and is included in the Romanian Government strategy, which has developed a national strategy to promote social responsibility for 2011-2016. The document provides the approach of social responsibility by all organizations, whether public or private, and in reference to social responsibility, uses the abbreviation "CSR/ RS". Romanian Standardization adopted the international standard ISO 26000, so that, from February 2011, there is SR ISO 26000: 2011, "Guidelines on Social Responsibility": the standard is intended for all types of organizations in the private, public and non-profit sector, regardless of size and location.

In reference to social responsibility, we will use, in the following, the term "social responsibility" but also the well-known and widely used abbreviation of it "CSR".

In the European Union (Muller et al, 2014:14), in 2013, there were 21.6 million SMEs witch employed and generated value added equivalent to 28% of EU28 GDP. 99.8% of all enterprises of the EU28 were SMEs, which employed 66.8% of total employment and generated 58.1% of the value added. 92.4% of all enterprises of the EU28, were micro-enterprises.

SMEs play an important role in the economy, through their collective impact, and their contribution should be considered. SMEs have different needs (Davies and Crane, 2007:127) and special characteristics compared to large organizations (ACCA, 2012:4). According to Network for Business Sustainability (2012), an SME presents the following characteristics: it is often managed by its owner, in an informal way, addressing the problems without a strategic vision and characterized by flexibility, importance of personal relationships, but also by the existence of everyday problems with cash flow.

The concept of social responsibility is little known among SMEs (Romanian Government, 2011:5; Campopiano et al, 2012:1) but they practice social responsibility (EC, 2002:7; Mandl and Dorr, 2007:51; Cici and Ranghieri, 2008:3) in an informal and intuitive way (EC, 2011:6; Balluchi and Furloti, 2013:24), not anchored in strategy. Often assumed or ignored, depending on personality and personal beliefs of the owner/ manager (Vo, 2011:91; Kechiche and Soparnot, 2012:99). Few SMEs have written intentions, formal strategies (Davies and Crane, 2010:127) and policies (DTI, 2002:5). The term corporate social responsibility/ CSR is not recognized, generally, by SMEs, so that, some researches indicates the use of the term responsible practices in reference to the social responsibility of SMEs (Vivre, 2010:107). SMEs often do not have departments and specialized personnel for social responsibility (Serban and Kaufmann, 2011:189; TISK, 2013:106).

The study conducted by Mandl and Dorr (2007) on the 35 best practice examples of social responsibility in SMEs, from seven European countries, revealed that there is a positive relationship between socially responsible activities of SMEs and the increase of its own competitiveness. The same results are outlined by other studies too (EC, 2008:118; Turyakira et al, 2013:168).

Employees, market, society/ community and the environment are often identified areas (Mandl and Dorr, 2007:1; Turyakira et al, 2013:159) which SMEs are addressed, but seldom social responsibility actions of an SME covers all these areas.

A good socially responsible strategy, according to Hohnen (2007:33) identifies: the direction from where to start; stakeholder perspectives and interests; priority areas; an action plan; a review process. According to Jenkins (2004:37) strategies of social responsibility for SMEs should not be developed as for large companies. The relationship between social responsibility and innovation is most obvious in the case of organizations that have integrated social responsibility in the business strategy (Mendibil et al, 2007:3). Social responsibility offers new opportunities to learn, innovate and manage risks (Zadek, 2007:91), which will lead to competitive advantage (Carroll, 2014:41).

By good practices of social responsibility for SMEs, understand: those SMEs who have recognized their social responsibility, identified, selected and involved in SME actions and decisions their stakeholders, using transparent selection criteria and procedures, in order to identify the impact of SME and how it might act. They have identified relevant areas and corresponding actions and integrated social responsibility in decisions and actions (ISO 26000: 2010).

There are too few studies that explore the social responsibility of SMEs (Chamhuri and Siti, 2007:9; Vo, 2011:89; ACCA, 2012:3; Popa, 2012:154; Karam, 2014:1), researches and initiatives for social responsibility focused on large companies and multinationals (Perinii et al, 2007:285; Goyal, 2014:90). According to Vo (2011:89), Massoud conducted a research, identifying fewer than 15 articles published between 1980 to 2008, on the social responsibility of SMEs.

## 2. Research question

The question that generated this study was whether, at Romanian level, there are practices of SMEs for the integration of social responsibility which can be proved as representing good practice examples.

Primary and Secondary Objectives:

The main objective of this paper is to give a better understanding of the practices of some local SMEs on integrating social responsibility.

To address the main objective the following secondary objectives were formulated:

- i. performing a theoretical investigation of the particularities of social responsibility of SMEs;
- ii. performing an analysis on how some SMEs, from Romania, integrated, monitored, evaluated and communicated their own social responsibility;
- iii. identifying examples of good practices of social responsibility of some local SMEs.

### 3. Literature survey

#### 3.1. Social Responsibility in Romania

##### 3.1.1 Particularities of social responsibility in Romania

In Romania, the concept of social responsibility exists from the 1990s, when were founded many NGOs with the participation of public and private international institutions, but a major involvement of companies from Romania was made after 2000 (Mandl and Dorr, 2007:12; Smart Kolektiv, 2007:13; Government of Romania, 2011:5; Obrad et al, 2011:45; TISK, 2013:18). Currently, in Romania, social responsibility is at the beginning (Guvernul Romaniei, 2011:5, Popa, 2012:154). Central, local and regional authorities are insufficiently involved (Government of Romania 2011:5) although, consumers appreciate that the state should take measures to integrate social responsibility in all organizations (Buturoaga, 2014a:64). According to TISK (2013: 253) 70.05% of the 109 companies surveyed, in Romania, do not know government measures to support and promote social responsibility.

Nationally, there is not a clear framework for social responsibility (TISK, 2013:43) although this is a key factor for SME performance (Gagliardi et al, 2013:11).

In Romania, there are few organizations that have integrated social responsibility. The private sector is the most active but, often, companies have only initiated social responsible actions without integrating social responsibility in operations and into the overall strategy (EC, 2011:5). According to the study conducted by CSR Media and Ernst & Young Romania "Tendinte si realitati CSR in Romania, 2014" which examines and explores the perceptions of 113 executives and specialists in relation to projects initiated and carried out in the field of social responsibility, in 2013, 96% of companies surveyed were involved in socially responsible projects.

Since the definition of social responsibility differ (Vo, 2011:89) and there is no universally accepted one (Hohnen, 2007:4), for the purpose of this article social responsibility follows the definition given by European Commission, in 2011.

##### 3.1.2 Particularities of Romanian SMEs' social responsibility

According to the European Commission (Muller et al, 2014:82), in Romania, SMEs generate less than 50% of total value added of the non-financial business sector. In terms of employment, Romania, along with several other countries have the highest number of people employed by SMEs. According to the report, Romania registered a positive performance, between 2012 and 2013, in terms of number of firms, employment, value added, with gains higher than 3%. Post-Privatizare Foundation report (2013:1) identify that as relative to Romanian population there exists a small number of enterprises and unevenly distributed. 99.7% of all companies, from Romania, are SMEs. Micro-enterprises hold 88% and small firms accumulate 10%, of all SMEs.

It is estimated that, in general, SMEs are more innovative and flexible. Regarding SMEs in Romania, according to INS Romania (2014:16), between 2010 and 2012, large companies with over 250 employees, were 2 times more innovative than SMEs. According Berger - Douce (2014:1) sustainable management can lead to innovation.

According to the research conducted by Buturoaga (2014c:3) on some large companies and SMEs in Romania, which have integrated social responsibility, the main motivations that led SMEs were: ethical/moral considerations; improve employee motivation, satisfaction, engagement and loyalty; strengthen relationships with suppliers/ clients/ public administration/ community/ non-profit/ investors/ business partners; and so on. The main benefits of integrating social responsibility, identified by SMEs surveyed, were: a better capacity to learn, to innovate, to generate new ideas; a greater satisfaction of customers' needs

by improving the quality and safety; increased loyalty, involvement, participation and well-being of employees; open and constructive communication with stakeholders; and so on. The barriers identified to address social responsibility are of a financial nature, according to research conducted by Popa (2012:159), in Romania, on 15 SMEs, and of time, resources and clarity regarding the additional responsibilities of organizations, according to research conducted by TISK (2013:245) on 109 companies (of which 99 SMEs), in Romania. Integrating social responsibility does not necessarily mean greater investment, but a strategic approach.

Some studies (Perrini, 2006:305; Murillo and Vallentin, 2012:17) suggests that research conducted on SMEs should be based on the concept of social capital and not on the stakeholder theory more appropriate for the study of large companies. Nahapiet and Ghoshal (1998:243) defines social capital as being the sum of resources of an organization.

For the purposes of this article we use the definition given to SMEs by Romanian legislation, Law 346/2004. The criteria for classification of SMEs are, by type of enterprise: medium: with number of employees <250; turnover  $\leq$  € 50 million or a balance sheet total  $\leq$  € 43 million; small: with a number of employees <50; turnover  $\leq$  € 10 million or a balance sheet total  $\leq$  € 10 million; micro: with a number of employees <5; turnover  $\leq$  € 2 million or a balance sheet total  $\leq$  € 2 million. The limits are applicable to autonomous enterprises.

In Romania, there exists, from 2011, 42 county assistance offices to promote social responsibility and a National Coordination Centre launched by Chamber of Commerce and Industry of Romania (CCIR), through the contract POSDRU64/3.3/S/34198, co-funded by European Social Fund.

#### 4. Research design

The research methodology used, in order to achieve the set objectives, involved:

- literature review: articles in scientific databases; instruments of social responsibility; reports of specialized institutions; documentation developed within the European funded projects that were carried out in Romania; studies and analyzes conducted in Romania, in order to grasp the particularities of social responsibility of local organizations;
- developing a questionnaire inspired by studied literature;
- establishing the criteria for identifying the sample to be studied;
- application of the questionnaire on selected SMEs.

SMEs in the sample were selected considering the following self-imposed criteria:

- to be SMEs, according to national legislation;
- to exist the proof of integration of social responsibility (no single action);
- the undertaken actions to exceed mandatory law requirements;
- to have initiated actions in order to be questioned with regard on monitoring, evaluating, communicating and reporting recorded performances.

A total of 8 SMEs were included in the survey: S.C. Junior Group S.R.L.; S.C. Product Mobteco S.R.L.; S.C. Cotraco Rom S.R.L.; S.C. Maguay Impex S.R.L.; S.C. C & V Water Control S.R.L.; S.C. Radox S.R.L.; S.C. Point Max S.R.L.; S.C. Graphtec Design S.R.L. which have integrated social responsibility according to project documentation: POSDRU/64/3.3/S/41722; “Intarirea capacitatii companiilor romanesti de dezvoltarea a parteneriatelor sociale – RSC” project co-funded by European Social Fund through the Sectorial Operational Programme Human Resources Development 2007-2013, developed by ANEIR in partnership with UNDP and AIPPIMM, published in the online environment, in 2012. These SMEs meet the set criteria. This is not meant to be an exhaustive list of relevant SMEs.

The research was based on online questionnaire, transmitted in Romania, between November 18-30, 2014. An online questionnaire was chosen because investigated SMEs have head offices in different counties. Respondents were assured that their responses will remain anonymous, the research being conducted with academic purpose.

The author has provided all of the interviewees personal e-mail address and telephone number so that, if necessary, can provide additional explanations to respondents. The questionnaire was sent to the General Manager or, where it was possible to identify to the person in charge, with the request to be completed only once for an organization. The questionnaire was self-administered in electronic version. A total of 25 questions were addressed through the online questionnaire to the 8 SMEs included in the sample.

The questionnaire contains: 4 open questions; 21 closed questions; 11 simple questions with Yes or No type responses; 21 questions involving a single choice; 4 questions which offers the possibility to choose several answers and the possibility of providing a different response from those suggested; 7 questions requires answers rated using a numerical scale from 1 to 5 (where 1 = not at all satisfactory, 2 = less satisfactory, 3 = so and so, 4 = satisfactory; 5 = very satisfactory).

The author has collected 6 (six) responses from SMEs included in the sample which are, in order of their response: S.C. Maguay Impex S.R.L.; S.C. Product Mobteco S.R.L.; S.C. Cotraco Rom S.R.L.; S.C. C & V Water Control S.R.L.; S.C. Radox S.R.L; S.C. Graphtec Design S.R.L.

S.C. Junior Group S.R.L and S.C. Point Max S.R.L. did not participate.

The general objective of the survey based on questionnaire: gathering information in order to identify examples of good practice of some local SMEs for the integration of social responsibility.

The specific objectives of the survey based on questionnaire:

O1 Knowledge the opinion of responsible person on monitoring social responsibility;

O2 Knowledge the opinion of responsible person on evaluation of social responsibility;

O3 Knowledge the opinion of responsible person on communication and reporting of social responsibility.

After contacting, several times, it was found that SMEs are hardly open to share about their experiences.

## 5. Empirical results

Applying the method of content analysis on project documentation POSDRU/64/3.3/S/41722; "Intarirea capacitatii companiilor romanesti de dezvoltarea a parteneriatelor sociale – RSC" allowed to do a brief introduction of SMEs, in Table 1. The data presented in the following, are given for 2011 year.

SMEs surveyed received individualized assistance on project POSDRU/64/3.3/S/41722, for integrating social responsibility. The assistance was based on a methodology developed within the project. The integration of social responsibility offered by POSDRU project, involved four key steps (2012:17): understanding strategic context, the organization's impact and relevance of the social responsibility; setting organization's business objectives which integrate the principles of social responsibility; identification of obstacles and opportunities; integrating social responsibility throughout the organization.

The methodology developed within the project POSDRU/64/3.3/S/41722 was based on the use of private initiatives, as well as internationally recognized guidelines and principles (2012:17).

For reasons of efficiency it is important to adopt a formal approach based on guidelines and internationally recognized principles: OECD Guidelines for Multinational Enterprises; the ten principles of the United Nations Global Compact; ISO 26000 " Guidance on social responsibility"; United Nations Guiding Principles on Business and Human Rights; the ILO Tri-partite Declaration of Principles Concerning

Multinational Enterprises and Social Policy, as well as voluntary initiatives in the field of social responsibility (Buturoaga, 2014b: 27), such as ISO 26000:2010; Global Reporting Initiative (GRI); SA 8000; AccountAbility 1000 Assurance Standard; ISO 14000 series of environmental management; ISO 9000 series of quality management; OHSAS 18000 series of standards of occupational health and safety management, etc.

Research carried out by TISK (2013: 218) on 109 companies (of which 99 SMEs), in Romania, identified that in addressing their social responsibility only 11.93% of those surveyed used initiatives, internationally recognized principles and guidelines.

According to project documentation, integration of social responsibility in analyzed SMEs, was done with the involvement and cooperation of managers and relevant stakeholders (internal and external) in all stages, and otherwise required (McElthaney, 2009:32). The involvement was also done in: analyzing strategic context of operations; identifying the activities and operations that could affect social responsibility; identifying relevant areas of social responsibility; establishing immediate priorities; determining the direction of the organization - reviewing the vision, mission, values, goals and strategy, taking into account the principles of social responsibility; identifying risks and opportunities in achieving the objectives set; raising awareness of social responsibility; introducing social responsibility in the systems and procedures of the organization. The approach of social responsibility was a strategic one. Asongu (2007:2) argues that a strategic approach of social responsibility involves finding the balance of the needs of all stakeholders with the needs of organization.

According to ISO 26000:2010, social responsibility principles are: Accountability; Transparency; Ethical behavior; Respect for stakeholder interest; Respect for rule of law; Respect for international norms of behavior; Respect for human rights. The standard identify seven main themes of social responsibility, each with a certain relevance: Organizational Governance; Human rights; Labor Practices; The Environment; Fair Operating Practices; Consumer Issues; Development of the Community and Society. Each theme has several main areas of action on social responsibility and SMEs should identify those areas of action, as well as relevant actions and appropriate expectations. The order in which themes and areas of action are addressed is up to the organization, according to its particular situation. SMEs should recognize their own social responsibility, identify and dialogue with their stakeholders. Identification, selection and stakeholder involvement in SMEs' decisions and actions should be done using transparent criteria and procedures. The purpose of stakeholder engagement is to understand the impacts (existing and potential) of SME and the way in which it might act. Integrating social responsibility in decisions and activities involves, according to ISO 26000:2010 (2011:9), integrating social responsibility throughout organization.

Until the moment the project received assistance, SMEs had already implemented the following standards: ISO 9001:2008; ISO 14001:2005; OHSAS 18001:2007, and some actions for employees, environment, market and community.

Content analysis of the project documentation POSDRU/64/3.3/S/41722 revealed a variety of actions proposed by the eight SMEs which have integrated social responsibility, and addressed to (Table 2):

The actions presented, above, represent just a few examples of what SMEs could initiate. By integrating social responsibility, SMEs contribute to sustainable development.

We appreciate that SMEs have made appropriate changes to their needs, when integrating social responsibility, reflected in decision-making and activities implementation. The standard, ISO 26000:2010, recommend implementing small changes, simple steps for the beginning. Antonio Vives (2011:127) considers to be counterproductive for SMEs to be promoted the integration of social responsibility, in an integral way. There is not an appropriate method for all organizations to integrate social responsibility because organizations have different characteristics and circumstances (Hohnen, 2007:18).

In the following we will focus our attention on how it was managed (monitored, evaluated and communicated) social responsibility from the date of its integration, 2012 year until now, by the SMEs which responded to the survey.

The monitoring framework and the data to be collected should be established from the beginning, in the planning phase. Monitoring the performance of social responsibility will increase credibility. Stakeholders should be involved and informed of the results of monitoring. The results should be easy to understand and respond to stakeholder interests. Based on the results obtained, after monitoring, the organization should take measures, in order to achieve the established indicators.

Performance indicators should be established as early as the planning stage, together with stakeholders. Indicators can be: quantitative and qualitative because not all social responsible actions can be measured. The existence of indicators sustain the sustainability of strategy. In the research conducted on 918 SMEs, from Romania (Olaru et al, 2011:66), 30% of SMEs surveyed do not use at all or only to a small extent performance indicators for their social impact.

Following the survey, it was found that: 4 of 6 SMEs monitored initiated actions of social responsibility; 4 of 6 SMEs have involved stakeholders in monitoring. To the question, with several possible answers: "How do you monitor the actions of social responsibility?" SMEs surveyed have chosen: by measuring in relation to preset indicators; based on interviews; based on questionnaire/ evaluation form. The way was conducted the monitoring of social responsibility was appreciated, on a numerical scale from 1 to 5, as follows: all 4 SMEs have chosen 4 = satisfactory. Performance indicators, according to the objectives assumed, were used by 5 of 6 SMEs surveyed; and were qualitative but also quantitative for 4 SMEs and only qualitative for 1 SME.

Evaluation should constitute a basis for making new decisions. Its purpose should be clearly established, since the planning phase, but also the objectives. The evaluation should involve stakeholders and the general manager. Following the evaluation, should be known whether the objectives set have been achieved, or if established strategy was correct. All evaluations should aim to be effective, efficient, relevant and consistent (EC, 2013b: 7). The evaluation plan and its methodology should be made known, in short, to all stakeholders. The results obtained should be made public but also actively discussed, to learn from this experience. The research conducted in Romania identified that SMEs are less concerned with the evaluation of the community's perception (Olaru et al, 2011:57).

The survey also found that: 5 of 6 SMEs evaluated their actions of social responsibility; 3 of 6 SMEs involved stakeholders in evaluation; 4 of 6 SMEs made known to stakeholders the evaluation methodology. When asked, with several possible answers: "How have you evaluated the actions of social responsibility?" SMEs surveyed chose: by measuring in relation to preset indicators; based on interviews; based on questionnaire/ evaluation form. The way was conducted the evaluation of social responsibility was appreciated on a numerical scale from 1 to 5, as follows: all 5 SMEs have chosen 4 = satisfactory. The results from the evaluation were appreciated on a numerical scale from 1 to 5, as follows: 4 SMEs chose 4 = good; and 1 SMEs chose 5 = very good. Organization's financial performance, following initiation of socially responsible actions, was appreciated: positive by 3 SMEs and the other 3 have not analyzed it. As a result of investments in responsible actions, stakeholder satisfaction is estimated that underwent changes, so: 3 SMEs have chosen 3 = so and so; 1 SMEs have chosen 4 = satisfactory; 2 SMEs have chosen 5 = very satisfactory. The effects, at the organization level, of the developed actions of social responsibility were appreciated on a numerical scale from 1 to 5, as follows: 1 SMEs have chosen 3 = so and so; 5 SMEs have chosen 4 = satisfactory. The effects, on the targeted groups, of carried out actions of social responsibility were appreciated on a numerical scale from 1 to 5, as follows: 1 SMEs have chosen 3 = so and so; 5 SMEs have chosen 4 = satisfactory.



The cost - efficiency ratio is appreciated as rarely monitored by SMEs (Mandll and Dorr, 2007:2) and, at European level, there is little information, regarding the effects of social responsibility initiatives on the companies and the stakeholders (Mandll and Dorr, 2007:45). There are software programs to identify the social, environmental, and economic impact but, most often, large companies can afford them. Kaufmann and Olaru (2012:15) argue that the impact of social responsibility on business performance can be measured.

Research carried out by TISK (2013:278) on 109 companies, in Romania, identified that 70.64% of the surveyed companies do not consult their stakeholders in order to address their social responsibility, and 66% of SMEs surveyed (of which 99 SMEs) want, in the future, to develop social responsibility within the company. Herman (2012:709) conducted a qualitative research based on the opinions of 46 managers from Bucharest and Mures county, from Romania, thus: 31 of 46 considered the implementation of social responsibility suitable only under certain conditions and only for certain companies, sometimes this action would be totally inappropriate for their companies.

In an empirical research carried out in Romania (Buturoaga, 2014a: 14) on 196 consumers, 87.76% of respondents are not aware of actions which involve the consumer in socially responsible actions while Romanian consumers are eager to be involved and act as partners for organizations. 76.53% of consumers have expectations from organizations about communicating the results of their social responsible actions.

Communication and reporting helps build and increase credibility. Perrini et al, (2009:13) argue that to get the confidence of stakeholders, besides communicating their social responsibility, companies should ensure that they continue, they are engaged in continuous improvement of social responsibility, in the long term. Morsing and Schultz (2006:323) talk about the need for sophisticated communication strategies.

5 of 6 SMEs have said they communicated the results obtained from monitoring/ evaluation performed. As a way of communication, SMEs have chosen: organization website; discussions with stakeholders; communication between managers and employee; meetings, public events; media; letters; communication with stakeholders; articles in journals and newsletters. The way communication of social responsibility was conducted have been appreciated on a numerical scale from 1 to 5, as follows: 4 SMEs have chosen 4 = satisfactory; 1 SMEs have chosen 5 = very satisfactory.

Only 2 SMEs have public and periodic reports on social responsibility, with the possibility of feedback to stakeholders. GRI indicators are used by only 1 SME and for future 4 SMEs out of 6 considers to be relevant a public and periodic reporting of social responsibility. Reporting: is a valuable tool that allows stakeholders to appreciate how well the objectives set have been met, as well as their effects. Reporting should be done in a professional manner and to make known the progress and shortcomings. Reporting lines of the Global Reporting Initiative (GRI) are among the most widely recognized instrument for social responsibility, among large European companies, given the recent research carried out by the European Commission (2013c:7). Global Reporting Initiative (GRI) encourages all organizations belonging to the three sectors (private, public and nonprofit) to report, regardless of size and location.

In order to report, in the absence of a national instrument, SMEs can use integrated reporting or the selection of relevant GRI indicators, followed by data collection and establishing whether they can be made public, following to be briefly presented the GRI indicators chosen. A total of only 6 companies out of the top 300 most important companies in Romania, reported in the last three years, according to international reporting model GRI (Global Reporting Initiative), for its activity, in Romania (Buturoaga, 2014b:31).

All 6 SMEs surveyed in the present research have initiated new social responsible actions in order to achieve the strategic objectives. The new social responsible actions addressed, in the order they responded: employee; community; market, the environment.

## 6. Limitations of this study and areas for further research

In Romania, the national statistics providers do not offer data on the number of SMEs that have integrated social responsibility. The sample was determined based on theoretical issues, so it is not representative. On the other hand, due to the lack of public information about the performance of social responsibility of investigated SMEs it was not checked whether the data received, after questioning, are real. Another limitation is that only general managers or responsible persons were questioned. A questionnaire carried out on all parties concerned could lead to different results than those presented. In Romania, the author could not identify another research to address to the topics developed in this study, so that could have a starting point. The study provides interesting perspectives for further research, it aiming to identify specific cases and provide examples of local SMEs with different areas of activities, for a better understanding about the integration of social responsibility by SMEs. In research on case studies is less important whether or not the results are representative (Stake, 1995:57). Potential development directions could extend the analysis to other SMEs or on areas of activities or sectors (public, private, nonprofit), and may involve multiple stakeholders. Large-scale quantitative and qualitative research should be considered to obtain representative results for the entire population of SMEs in Romania.

## 7. Conclusions and Recommendations

Empirical analysis allowed the appreciation of the following: compared to the previous research, the results differ because SMEs surveyed and analyzed voluntarily integrated social responsibility, with specialized assistance offered. Seminars, conferences and working visits helped them understand the importance, benefits and the need to assume social responsibility. Therefore, they integrated and some of them monitored, evaluated, communicated and reported. All the surveyed SMEs continued to develop new socially responsible actions.

The author appreciate that through identified results answered the question that generated this study. At Romanian level, there exists practices of SMEs for the integration of social responsibility which can be proved as representing good practice examples. The general and secondary objectives established were achieved.

Author suggestions goes, primarily, to the attention that ought to attract analyzed SMEs and, thus, to be recognized the effort and to be awarded. Also, to be supported by public funds (or European funds) such initiatives, in order to continue to integrate social responsibility.

To be successful, a framework of social responsibility for SMEs, which take into account the unique characteristics of SMEs in Romania, according to the author, should:

- provide guidance, free assistance for the integration of social responsibility (from public or European funds);
- ensure monitoring based on performance indicators, evaluation, communication and reporting of social responsibility;
- provide SMEs with an online tool to help them report cheap and easy (Buturoaga, 2014c:5);
- provide a platform for dialogue with examples for the integration of social responsibility and lessons learned, manuals, support services, training, conferences, seminars, awards.
- Romanian government, in the Public interest, should:
- recognize and reward efforts: integration of social responsibility, social responsible strategies, actions such as reporting, communication, certification according to voluntary standards;
- provide support from public or European funds to SMEs which prove the integration of social responsibility adapted to local needs;
- provide SMEs with more case studies and examples of good practices to help them identify their own approach of social responsibility;

- familiarize public opinion and organizations regarding the concept of social responsibility and, thus, increase the visibility and credibility of social responsibility for that consumers to remunerate SMEs which have integrated social responsibility;
- find a way to remove the preconception that assuming and integration of social responsibility is costly;
- make known the benefits of integration of social responsibility;
- initiate group discussions on the integration of social responsibility, on areas and sectors of activity, taking into account the national, regional and local characteristics;
- provide SMEs (managers and employees) relevant courses, conferences, seminars, experience, exchange platforms for the integration of social responsibility.

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**Table 1**

Brief introduction of SMEs which have integrated social responsibility

<b>SMEs name</b>	<b>Foundation year</b>	<b>Number of employees (for 2011)</b>	<b>Activity area</b>
S.C. Junior Group S.R.L.	2002	14	Retail trade of computers, peripheral units and software.
S.C. Mobteco Product S.R.L.	2004	23	Manufacture of furniture.
S.C. Cotraco Rom S.R.L.	2004	18	Intermediation in the sale of various products.
S.C. Maguay Impex S.R.L.	1992	48	Manufacture of computers and peripheral equipment.
S.C. C&V Water Control S.R.L.	2001	41	Manufacture of other machinery and other general-purpose equipment.
S.C. Radox S.R.L.	2002	85	Wholesale of equipment and ironmongery supplies for sanitary and heating installations.
S.C. Point Max S.R.L.	2000	17	Printing activities.
S.C. Graphtec Design S.R.L.	1998	129	Manufacture of metal structures and parts of metal structures.

Source: made by author based on the project documentation POSDRU/64/3.3/S/41722.

**Table 2**

Actions proposed by the eight SMEs when have integrated social responsibility

<b>Working environment</b>	Junior Group S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Establish a special area for smokers, with their direct involvement;</li> <li>2. Establish clear tasks for maintaining cleanliness in the workplace;</li> <li>3. Practicing constructive feedback and non-conflicting communication;</li> <li>4. Promoting care for the environment among employees and their involvement in green actions.</li> </ol>
	Mobteco Product S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Develop functional job descriptions, assimilated by employees;</li> <li>2. Achieve realistic working procedures;</li> <li>3. Additional training employees;</li> <li>4. Weekly working meeting.</li> </ol>
<b>Market</b>	Cotraco Rom S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Retention of company suppliers and customers using social responsibility elements of which they are interested or motivated;</li> <li>2. Improving dialogue with partners, customers and suppliers regarding the products and services offered;</li> <li>3. Improving communication on social responsibility performance.</li> </ol>
	Maguay Impex S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Publication of the results of social responsibility in a dedicated report to social responsibility;</li> <li>2. Formalize an ethic code of the company.</li> </ol>
<b>The environment</b>	C&V Water Control S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Promoting the importance of clean water, and the methods by which water can be purged;</li> <li>2. Establishing strong relationships with local authorities, NGOs, as well with the representatives of schools and local society.</li> </ol>
<b>Community</b>	Radox S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Improving the relationship with the community by creating stronger ties with faculties (polytechnic and construction) to recruit future employees;</li> <li>2. A permanent collaboration with an NGO that protects mother and child.</li> </ol>
	Point Max S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Promotion of the many philanthropic activities undertaken up to the date of participation in the project;</li> <li>2. Involvement in activities to protect the environment and children;</li> <li>3. Develop a strategy of social responsibility with a help of a PR specialist.</li> </ol>
<b>Integrated perspective</b>	Graphtec Design S.R.L., proposed actions: <ol style="list-style-type: none"> <li>1. Promoting environmentally responsible behavior among customers and suppliers;</li> <li>2. Ensuring a safe and healthy work environment for employees, subcontractors, community;</li> <li>3. Developing an environmentally friendly production process;</li> <li>4. Community involvement in the protection and awareness of the importance of recycling waste oil.</li> </ol>

Source: made by author based on the project documentation POSDRU/64/3.3/S/41722.