ORGANISATIONS, BETWEEN SOCIAL RESPONSIBILITY AND GREENWASHING

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ABSTRACT

The paper analyses the concept of social responsibility from an individual, organisational and societal perspective. The history of social responsibility shows the stages it has traversed: business ethics, business & society, social issues, business management, and the level at which it acts: internally – on the level of employees or externally - towards society. The transparency of social responsibility actions has allowed society to recognise the existence of greenwashing in many situations. The situation of Petrom SA is exemplified, which attempts to demonstrate its social responsibility, although the reality indicates the performance of totally unsustainable activities.

KEY WORDS: *social responsibility, ethics, greenwashing*
JEL: *M10, M14*

1. DEFINITION OF THE SOCIAL RESPONSIBILITY CONCEPT

There is a clear preoccupation to define as precisely as possible the concept of social responsibility, and the large number of definitions demonstrates the interest this concept has stirred. Approaches are diversified and dynamic, because "values and attention change over time and circumstances themselves are changing" (Okoye, 2009). That's why the concept varies from country to country, from continent to continent, depending on ideology, culture, epoch.

J. Pasquero (2005) claims that „each epoch has its own requirements", and this, in one way or another, shall be reflected in everything that people will create or use, in all the conceptions they will consider right, whereas Acquier (2005) claims that social responsibility is „an open, multiform conception under construction".

The concept of social responsibility is viewed from an individual, organisational (managerial, microsocial) and societal (macro-social) perspective.

From an individual perspective, DEX defines social responsibility as "conscious attitude, sense of responsibility towards social obligations.", "obligation to respond, to do something, to accept and bear the consequences".

The definition of Etchegoyen (1999) is relatively similar; for him responsibility means "to be liable for one's own acts and decisions, and their consequences to others".

Some of the definitions are explicit: "our moral, individual and collective mission is to cultivate understanding, to deliver work by which, considering the limits of our creativity and capacity, we will make our world better than we found it when we came into it. When we say better, we refer to safer, healthier, more beautiful, more equitable, more loving, more cognizable and sustainable." (Ionescu Gh.), While others just suggest

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-" a concept founded on a moral, thus relative idea, according to Capron, Quaine, (2007), whereas Yederer, Zaddem, (2009) consider that responsibility means to "do good in a beneficial way," and Persais (2007) considers it only "a convention between stakeholders".

Social responsibility is also widely approached from a managerial perspective. Thus, Expert Group defines social responsibility as being "actions by which companies do more than their pecuniary obligations require" (esc Evaluation in Moldova, 2005), while Samuel Certo appreciates it as "the obligation of the management to take actions that protect and improve both the well-being of society as a whole and the interest of the organisation."

Haward R Bowen, who is considered to be the founder of the concept as he wrote the book "Social Responsibility of Businessmen", defined in 1953 the responsibility of "following policies, making decisions or observing desirable guidelines in terms of goals and values of society".

Luminita Oprea states that social responsibility is "the sum of certain actions included in a long-term strategy, donations, sponsorship, volunteering, expertise, benefits, obviously addressed to economic operators, in the same way that the European Commission appreciates it as a" a concept by which companies integrate social and environment preoccupations into their business activities and interactions with stakeholders on a voluntary basis".

OECD approaches this concept in a broader view, of a social (globalist) nature, considering social responsibility to be "the organisation's contribution to sustainable development. The organisation is responsible towards "the concerns and values of the society and the environment".

It is also in a social manner that this concept is approached both by Carrol "CSR encompasses the legal, ethical and philanthropic economic aspects of society at a given moment, and by Mc Williams A., Siegel D. (2001), for which it is" the achievement of the collective good in consensus with the interests of the organisation which are required by the law"; Capron, (2007) emphasizes that social responsibility is the way "companies respond to societal interrogations by implementing strategies, management policies, change actions and control, evaluation and reassessment methods, of incorporating new performance concepts. We find the same idea at M. Porter for whom the concept is based on "a set of social issues that the company can approach with maximum success and from which it can obtain the most significant competitive advantages".

Since the definitions are extremely numerous, they have been classified according to criteria facilitating the comprehension of the concept. Thus, in a first approach, they have been found to be institutional and academic (Dejean, Goud, 2004).

The institutional definitions arise from the fact that the core and essential part is played by the organisation's commitment to the responsibility of obligations and legal aspects. This set of heterogeneous definitions is dependent on the specialisation of the institution having issued the definition, the nature of its activity, the angle from which it regards this concept.

The academic definitions seek to create a framework of analysis independent from the goals of an organisation. Here the definitions are so difficult to obtain that Bausal, Kandora (2004) find it much easier to find an irresponsible organisation than a responsible one.

Some authors consider this classification to be in fact macro and microsocial, the

perspective of the organisation and of the society as a whole being essential in this situation. The essence of the analyses is based on the syntagm "it is not that society exists for businessmen to take advantage of it, on the contrary, business exists to meet social needs." (Crăciun).

2. HISTORY OF SOCIAL RESPONSIBILITY (CSR)

CSR emerged and has developed as a concept in the US after the Second World War. Bowen is believed to be the first author to approach this concept in his work "CSR in Business Organisations", but he was not particularly successful, his work being often criticized for these ideas. Indeed, later on, even the author himself denied some of his statements in this book. However, two principles were, at first, under scrutiny and profusely commented: businessmen should not make decisions about their businesses unless they are in consensus with the values of society and the social preoccupations are of voluntary nature.

Later on, Acqnier, Gound (2005) mention that these ideas are actually taken over from Weber and are found in his Protestant ethics.

Between the 1950s and the 1960s, CSR remains under observation, the aspect of philanthropy being often considered sufficient to resolve some social discrepancies.

The 1970s brought awareness about the manner organisations manifest on the market in terms of their responsibility. In this respect, a famous work is published, written by Friedman, creating a true tsunami: "CSR is a profoundly subversive doctrine in a free society." He emphasizes that the only concern of companies must be to earn profits, other organizations having to deal with social issues.

Then there followed only attempts to respond to this very well-argue work. In 1982, Goopaster and Mattheus published the paper " Can Businesses Have a Conscience?", attempting to bring arguments in favour of the need to involve organisations in the social problems of the times.

However, true studies on CSR have emerged since 1985 when the issue of the environment and pollution gained more importance. Trends appear approaching the stakeholder organizations' getting closer to stakeholders (Caroll, 1999), economic liberalism (Godfrey, Hatech, 2007) (Doh, Guay, 2006), but CSR remains in the attention of the American continent, Europe getting timidly interested in the concept only after 1990.

In 1998 Elkington explains the Triple Bottom Line concept, with economic growth meaning financial growth, environmental performance and social performance, thus consecrating the importance of economic organisations in the sustainable development of society. ESR thus transcends the private environment and becomes organisational. (Mansour, 2012) The concepts of "public service" and "stewardship" appear.

In the United States the stress, when addressing CSR-related issues, is laid on ethical and religious precepts, the Protestant religion being strong and influencing the entire life, including the economic one, whereas in Europe the concept is dealt with especially in terms of sustainable development. In Europe there has long been the concept that organisations have certain obligations towards society. Comte (2005) states that in Europe capitalism has a social tinge, and in the United States it was intended to be moral. On the other hand, in Europe, the paternalist view somehow had the same role that Protestantism played in the US. The Catholic source of ESR is found in 1891

"Rerum movarum" by Pope Leo XIII (Manson).

However, Capron (2003) states that in the last decades the concepts have seemed to get uniformed, sustainable development being a thorny topic none of the regions can truly cope with.

On the other hand, Capron and Lamorzelee (2007) emphasize that in the US, when analysing CSR, the stress has been laid on the individual, manager, leader, businessman, emphasizing their voluntary attitude. Their ethics are being questioned, nothing can be interfere and hinder or restrict individual freedom. In Europe, public authorities are the ones that constantly and deeply influence the issues CSR. The Green Chart (CCE, 2001), Europe's synthesis paper, which is addressed to organisations and orient them towards sustainable activities, is permanently given as an example, in compliance with the legal rules on labour relations and the improvement of work conditions.

On the whole, there were two opposing opinions: utilitarianism and morals, the authors being the followers of one or another of the concepts, which they support with arguments. (Ivanaj, Mc Intyre, 2006). There is also a mediating position, which is more and more frequently being quoted (Allonche et al 2004).

The stakeholder theory, very frequently encountered, is also criticized (Jensen, 2006, Doh, Guay, 2006), as it is considered to be inconsistent with the legitimate objectives of the organisation and not observing property rights so intangible in the US.

The problem of ethics cannot be approached, according to Robets (2003), unless it is demonstrated that it is profitable for the business. Roberts highlights the difference between authentic accountability and the desire to be perceived as having ethical behaviour. Roberts approaches ethics from a Kantian perspective.

Bansal, Kandola (2004) are the followers of the analysis of the individuals who compose the organisation.

Allonche (2004) states that there is a mediator aspect between the two opinions determined by a management continuum of political inspiration.

ESR may be considered a concept that has gone through several stages: business ethics, business § society, social issues, business management.

ESR supposes diverse levels of responsibility:
- Internal - towards employees;
- External - to society

The diversity of issues determines a multitude of areas to be addressed (Godhray, Hatch, 2007). Thus ESR is a concept that interests management specialists, labour law, environmental law, marketing, as well as public relations. This proves the importance of the subject, its impact on the entire society.

Multiple activities are required, with environmental and social features being required. This means adopting practices for the development of human resources and environmental management (recycling, pollution reduction). ESR "is not an activity but is a general denomination for a whole set of activities" (Gofray, Hatch, 2007). That is why the organisation has to adopt manuals, internal rules, etc.

The need for managerial transparency emerged, especially after 2004 (Igalens, environmental and social reporting), Vuontisjarvi, 2006). This means the adoption of certain transparency of donations, of all actions with a connotation of responsibility. This aspect made Frankental (2001) declare: "ESR is an invention of the public relations functioning." He continues by pointing out that the PR departments are dealing with this issue, so ESR is not set up at the organisation level but peripheral. In other words, it is

just a PR tool, most often an advertising feature. So, the term greenwashing (Dupuit, 2007) appears quite fast.

3. BETWEEN GREENWASHING AND SOCIAL RESPONSIBILITY

Greenwashing is a concept that takes into account "a set of activities of an organisation by which it erroneously tries, through marketing and communication actions, to offer its market an ecological image. (Bretcu).

The Oxford English Dictionary defines greenwashing as "misinformation disseminated by an organisation, etc., so as to present a public image responsible towards the environment; but perceived as being ill-founded or deliberately misleading." The term is formed by merging the words *green* and *whitewash*, and appeared in the English press in the 1990s when some actions of multinational companies had negative consequences on the environment, but they presented to the public as being highly responsible.

In francophone countries one uses the term *ecoblanchiment* - whitening or verdissage - greening, these words approaching the ecological endeavour of organisational activity. French literature strongly criticizes this behaviour - French terminology translates the term greenwashing as "an ecological masquerade" that some international corporations display.

Delmas and Burbano (2011) define greenwashing as "the intersection of two firm behaviours: poor performance of the environment and positive communication on environmental performance."

The concerns of environmental organisations show the strategies used by large companies that carry out activities with negative consequences on the environment, by which they are misleadingly present themselves as being friends of the environment and socially responsible.

Stauber and Rampton defined this term as "pejorative but pertinent, showing today the methods of polluters who are tempted to become ecological virgins, dissimulating their attention to the biosphere and public health"

The variety of methods by which products / services are presented as ecological, or the organisation as interested in environmental issues has forced society, through its institutions, to react mainly through legislation. Thus, all developed countries use the ISO 14000 standard, others implement specific laws (on commercial practices), regulations that limit the right to issue ecological claims without a fair foundation and good visible practice. However, greenwashing is difficult to detect, as the actions of the organisations in question are extremely skilful (most of the time, they are confusing, just suggestive, without expressing a clear idea that can be argued against).

In the past decades, organisations' claims to be ecologist have enormously grown, while consumers have become increasingly skeptical and less confident in their claims.

The greenwashing impact on public confidence in the activity of large companies has led to the emergence of many works highlighting the slippages of large companies that by their exclusive actions and preoccupations to achieve profit second-hand the issues of environmental protection, protection of life, health and people's integrity, which attempts to see whether "responsible engagement of a firm is genuine or simply a facade" (Castello, Lozano, 2011)

Laufer (2003) identifies a number of strategies that companies use in order to have a good reputation, all based on the limited capacity of civil society stakeholders to

gather information, communicate and monitor corporate actions. It shows how companies use confusion, fronting and attitude to create deceptive impressions, and to maintain a positive image in society.

Environmental, humanitarian and environmental associations are extremely attentive to any attempt by large corporations that are trying to demonstrate the social responsibility they show in their work. Also, social media are dynamic and coherent in analysing the attributes that companies unduly assume, eluding the real problems they create for society. Thus, Lyon and Montgomery (2012), analysing the consequences of social-media actions on large companies, appreciate that:

- Social media substantially inhibits greenwashing forms;
- Large companies have reservations in promoting environmental actions if they are questionable;
- Large corporations tend to recognise their less "clean" actions and take quick action to correct mistakes;
- Social media has a big impact in emerging societies, which awakens hope for a better society in the future;
- Companies using social media are more convincing than those using their own media channels;
- Companies less receptive to environmental protection avoid social media.

In this way, social media, acting actively along the interested organisations and state institutions, are trying to encourage genuine, responsible social responsibility and to prevent the hypocritical actions of companies that do not keep their promises or try to form a false image in society, claiming a moral conduct that does not exist.

In its turn, the literature attempts in theory to "separate the responsible behaviours from the organisational facades" (Aguinis, Glavas, 2012) so that the correct understanding of CSR mechanisms allows society to protect itself against the dubious actions of corporations.

4. PETROM AND SOCIAL RESPONSIBILITY

Petrom is currently considered to be the largest petroleum and gas company in Romania, with complex activities related to natural gas exploration, production, refining, petrochemistry (Upstream, Downstream Gas, Downstream Oil). Since 2005 she is a member of the OMV Group. Together, Petrom and OMV are considered "the largest integrated oil and gas group in Central and South Eastern Europe" (Petrom.ro) The company operates in Romania (where it supplies half of the domestic gas output), Moldova, Bulgaria and Serbia. OMV's investments invested 600 million EUR between 2010-2014 to modernise the Petrobrazi refinery.

Petrom states on its website:

„Corporate Social Responsibility is an integral part of Petrom's strategy. In this way, we want to make sure that we meet our responsibility towards society through programs that generate not only long-term results but also attitudes ... we understand to bring our long-term contribution to creating a better world, both for the present and the future generations. So we show "Respect for the Future"! And that's why we've chosen this name for our CSR programs."

Petrom believes that its social responsibility is proven by its concern for the "effective use of energy product resources". It launched a program called "respect for

the future", underlining that it acts in the "interest of the future generations", sponsoring sporting or education activities. The main actions in this respect are (Petrom.ro):

- The Parks of the Future - project for the rehabilitation of five parks in five cities of the country;
- Think Ahead – a series of information and education campaigns for Petrom employees regarding environmental protection;
- National Disaster Preparedness Campaign - information and training program for vulnerable communities in the face of natural disasters;
- The Petrom Olympic Champions - a project through which over 1,300 children and young performers in sports, art, literature, informatics, chemistry, physics, civic education, foreign languages were supported with scholarships;
- Resources for the Future – education and awareness program for employees and communities on the responsible use of natural resources.

However, Petrom has an activity that uses natural resources of the planet, which it exhausts, to the detriment of the future generations that it claims to protect. The core business itself is unsustainable and polluting. On the other hand, Petrom claims to prove its social responsibility by making its exploitation more efficient, concealing that this concern is due to its interest in increasing its profits. Petrom obtains huge profits by exploiting the country's natural resources and exhausting them, and its actions in the "respect for the future" program do not represent significant percentages of its profit.

On the other hand, at the Conference on Social Responsibility and Sustainability of the Association for Community Relations Romania, attended by Jo Confino, editorial director of The Guardian UK and president of the "Sustainable Business" division of the British daily; H.E. Matthijs van Bonzel, Ambassador of the Netherlands to Bucharest, S.P. O'Mahony, Director of General Opportunity Microcredit and Honorary Member of the Board of the Association for Community Relations Petrom, CEO of Orange Romania, CEO of Danone South East Europe, Raiffeisen Bank Romania, Ursus Breweries, Prodplast Imobiliare, approached topics related to: global warming, depletion of resources, sustainability, and innovation to solve problems that seem insurmountable at this time. One proposed the following: to develop circular economy, to adapt clearly positive economic models, to develop alternative solutions, especially renewable energies, the only ones able to effectively ensure the sustainability of the business. In this context, OMV Petrom announced that "as far as the negative impact on the environment is concerned, it should be noted that the leaders of the company do not yet consider the possibility of a transition to the production of energy from renewable sources".

This statement can be considered an eloquent example of greenwashing, as the Company tries to form a positive impression in society through minor actions, while its activities have a negative impact on the environment and economic sustainability as a whole.

CONCLUSIONS

As a result of the accusations brought against the company related to its polluting activities, public statements have appeared in recent years about the company's interest in new energies - second-generation biofuels, direct conversion of solar energy into hydrogen, chemical recycling of plastic waste at the end of life duration. It remains to be seen whether these statements will be real, or they represent just an attempt by the

Company to cover the criticism increasingly related to the way in which Romania's limited reserves are exploited.

This aspect demonstrates that the external environment of organisations exerts pressure on them to focus on a genuine social responsibility for actions meant to contribute to a sustainable development of the economy. Even though the responsible approach of organisations seems insignificant, evolution is undoubtedly ascendant.

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