CORPORATE SOCIAL RESPONSIBILITY AND SPORT

JEL classification: L83, M14

"One of the things I learned when I negotiated the termination of apartheid was that until the change itself will not be able to change other"
Nelson Mandela

"You cannot escape the responsibility of tomorrow by avoiding today"
Abraham Lincoln

Abstract

Strategic orientation of world famous companies to actively contribute to the development of society, supporting projects and initiatives of national importance that are consistent with the values for which it stands. Thus, the countries of the Balkan region, including Serbia, to accept corporate social responsibility as a system that makes their business more successful. Adhering to the principle that „there is something above profit,“ the company continuously support collectives, projects and talented individuals in the fields of science, technology, education, health, sports, culture and arts. Charity support to socially vulnerable groups and initiating socially responsible activities is an important factor in future investment and an integral part of the corporate culture of the company. In addition to pay great attention to the collective popular sports, such as football or basketball, significant support is directed towards stimulating development of sports associations related to sports which the state pays less attention, such as judo, wrestling, karate, biking, skiing, gymnastics and others, but also those that bring together young people with
disabilities. This paper is an attempt to review the development of Corporative Social Responsibility in companies and enterprises in Serbia, especially in the function of sport and comparative overview of the situation in the region.

Key words: corporate social responsibility, sports, humanitarian activities

1. INTRODUCTION

The concept of Corporate Social Responsibility – CSR, is relatively new in Serbia. Corporate social responsibility means the company's commitment to contribute to the sustainability of economic development to improve the lives of employees and their families, local communities and society in general (Drucker, 1984).

According to European Union Green Book (2001), being socially responsible means not only to fulfill legal obligations, but to go beyond mere compliance with laws and invest more in human capital, environment and relations with stakeholders.

Corporate social responsibility is a practical example of the strategic planning of sustainable development at the enterprise level. Sustainable business success must have at least three components: economic, environmental policy and social policy, as well as management or decision-makers with a vision. This is also demonstrated by representatives of the authorities, but it is a different kind of responsibility (Kotler & Lee, 2007). Application of the concept of CSR in practice shows that the social engagement of corporations and profit maximization and shareholder value are not exclude each other, but strengthen.

Corporate social responsibility is the concept of managing a company that maintains a balance between economic and social goals in order to "establish higher standards of living, while maintaining the company's profitability, for people in and outside the company" (Cadbury, 2000).

Serbia started the political and socio-economic transition much later, in comparison to neighboring countries, and the corporate social responsibility of late, both in theoretical and practical meaning. But in Serbia has always been present giving, in the form of an endowment or humanitarian funds that were established by wealthy noble people. The revival of the practice of socially responsible business in a way a continuation of the human contribution to those humanitarian workers who gave to organizations, associations, communities, individuals, groups and society for the benefit.

Mihajlo Pupin (1854-1835) founded the most humanitarian funds, including education for youth, for publishing material on the Serbian antiquities,
the Fund for the work in the National Hall and Pupin horticulture school in Idvor. Financial helped many companies, community associations, associations, families and individuals. Help of Pupin arrived to all parts of the former Yugoslavia. In the elementary school in Idvor, in the birthplace of Mihajlo Idvorski Pupin, has been open Memorial Museum, funded the National House restored building construction, built a post office with telephone switchboard that allowed all the inhabitants of this village to get a telephone connection with the world. (Kostic & Urosevic, 1993).

2. CSR - WHAT IS IT?

The concept of corporate social responsibility is very extensive. Understanding of corporate social responsibility is not unique, nor universal and there is no list of activities and areas that this term includes. Corporate social responsibility entails, generally looking at that company, the profits to be responsible not only to shareholders, but also to individuals and groups, and all the stakeholders to whom it in any way reflects (Ducker, 1984).

Many authors have written in different ways on corporate social responsibility during fifty of years. Their definitions of CSR have similarities, but also differences.

Social Responsibility is the obligation of businessmen to pursue those regulations, bringing those decisions and to take those steps that are desirable in terms of objectives and values are represented in our society. Social responsibility includes an important truth that the future must be the guiding principle in business (Carroll, 1999)

Social responsibility refers to the obligation of people to consider the consequences of their decisions and actions on the social system as a whole. Business people apply social responsibility when they take into account the needs and interests of those who may suffer the consequences of their business decisions. In doing so, bear in mind the interests that are much broader than those narrow, technical, interest of their companies. (Davis & Blomstrom, 1960).

Corporate social responsibility is a company's commitment to contribute to sustainable economic development, working with employees, their families, local communities and society, in general, in order to improve their quality of life (Holme & Watts, 2000).

Being socially responsible means not only to fulfill legal obligations, but to go beyond mere compliance with laws and invest more in human capital, environment and relations with stakeholders (European Commission, 2001).

What connects all these definitions of corporate social responsibility are also the basic principles of the system. These are community involvement,
accountability, sustainability, transparency, ethical behavior, fairness and inclusion.

These principles have several basic characteristics in common.

The universality - apply to all types of companies.

The voluntary - realization takes place on the basis of free will.

Cooperation - are directed to cooperate with stakeholders.

The contribution of quality - express obligation to contribute to the quality of life, not just quantity.

Development - highlights development and not just economic growth. (Jones et al., 1980).

The three pillars of sustainable development - the „Triple result“- socially responsible companies strive towards the goal of which includes a triple result - a business that has social, economic and environmental impact (Carroll, 1979).

3. SOCIAL RESPONSIBILITY – WAY TO HAPPIER SOCIETY

Increasingly confronted with the question of how can be a better and happier society. Research suggests a practice confirms that one of the ways could be - taking less and giving more. Isn't it, in fact, socially responsible action? There are more examples of social groups, individuals, businesses and companies, personal action affect the better living conditions in the region, supported by specific social projects. In this way become an integral part of quality of life and work in a common area and contribute to the betterment of society as a whole.

Three European Union countries - Sweden, Denmark and Finland, occupying the first three places among the top 20 countries in the world to develop the practice of corporate social responsibility. Since 2008, corporate social responsibility (CSR) is included in Denmark law. Consequently, the largest Danish companies must include certain information on corporate social responsibility in their annual financial reports.

One shining example corporative social responsibility is just out of this country, but well before the said law was enacted. Maersk Mc -Kinney Moller, shipping magnate, donated in 2005 by the people of Denmark the new building of the Opera, which is amazing of the architectural and cultural sensation. There are many other positive examples from the world.

Canada has adopted a national stance and develop standards of WHO and expects the Canadian company accordingly and behave, but it is not binding
legally. The European Union is actively working to identify the best legal framework for CSR. However, India is the first country in the world where the company on 1 April 2014. The legal obligation to allocate 2% of their net profits to social needs. Many companies did not have this obligation, but only those whose net worth 5 billion rupees (about 80 million US dollars) revenue of approximately $ 160 million or if their net profits exceeding 50 million rupees. In this way, it is planned to annually collect about $ 2 billion in socially responsible projects.

While as recently as 15 years ago, CSR did not play a significant role in sport (Kott, 2005; Robinson, 2005), professional sport organizations are now entering into socially responsible initiatives at a rapid pace. Despite this increase, there has been no empirical work examining the factors that motivate professional sport organizations to become involved in socially responsible activities (Babiak & Wolfe, 2009).

Professional sport leagues (e.g., National Hockey League (NHL), National Basketball Association (NBA)), corporations (e.g., Maple Leaf Sports and Enter-tainment, Palace Sport and Entertainment), teams (e.g., Toronto Maple Leafs, Toronto Rock, Detroit Pistons, and Detroit Shock), and athletes (e.g., Curtis Joseph, Chauncey Billups) are influential agents in our society when considered from both economic and cultural perspectives (Kern, 2000). Due to the importance of developing and maintaining good relations with the communities in which they operate, the above mentioned entities often turn to community outreach activities to build good-will among salient stakeholders (e.g., local businesses, public policy makers, members of the community). These activities take a multitude of forms, including programs where coaches and/or athletes contribute time to particular causes and/or financial donations to causes, often via the formation of charitable foundations (Irwin et al., 2003).

Virtually all organizations within the sport industry, broadly defined, have adopted CSR programs. From Nike and Reebok to the NBA and NASCAR, examples abound of activities undertaken to bring messages and resources to underprivileged and other members of society who may not otherwise be the targets of socially responsible initiatives (Babiak & Wolfe, 2009).

According to Babiak and Wolfe, (2009), the types and focus of community outreach initiatives vary considerably. Leagues have programs such as the NHL’s „Hockey Fights Cancer“ wherein funds are raised to support cancer research and „NHL Diversity“ programs that provide support for youth hockey organizations committed to offering economically disadvantaged boys and girls opportunities to play hockey. The NBA’s „Read to Achieve“ program is a community outreach initiative implemented by individual teams to encourage youth to read, and its „Basketball Without Borders“ initiative involves a summer camp for young people designed to promote friendship, goodwill, and education through sport. Major League Baseball (MLB) and the Boys and Girls Clubs of America have had a long term association. Leagues such as the National Football
League (NFL), MLB, and the NHL have also begun to address environmental concerns. Thus programs to offset carbon emissions, as well as recycling efforts during games and major events have been implemented (Major League Baseball Team Greening, 2008; National Hockey League Green, 2008). Charitable giving has been at the core of how the PGA Tour operates; in 2005 the PGA surpassed the $1 billion mark in charitable donations and announced an ambitious goal of matching that total again within 10 years (Babiak & Wolfe, 2009).

And what is the situation in our environment?

While the concept of corporate social responsibility implemented for decades all successful companies in the world, in Serbia, but also in its surroundings, it is only beginning to develop. Help is usually directed at education, health, culture, sports, arts. While Serbia can be proud of its tradition of patronage and donations, (known as endowments from the late 19th and early 20th century – Mihajlo Idvorski Pupin, Ilija Milosavljevic Kolarac, Miša Anastasijevic, Nikola Spasić, Persa and Risto Milenković, Vladimir Kalenić, Luka Ćelovic Trebinjac, and even earlier Sava Tekelija, Mary Trandafilović and even earlier, a constellation of benefactors from Nemanjić - corporate responsibility in the contemporary practice of recording only the first steps. It is wider application of the stops transition and economic crisis, rather than the incentive of development. Similarly, in countries of the region, which is similar fate. Awareness about the importance profits outweighed the philanthropic impulses. Most Serbian citizens, most of whom live barely assembling end with the end of fighting with poverty, coping with job loss or impossibility to employment do not take into account the CSR when buying something.

Fortunately, more and more large companies that the system of corporate social responsibility into their everyday practice. Employee care, living environment, brings mutual use it and adds a little more profit - esteem, respect, reputation, and more users or customers. Among them are „Hemofarm“, „Lafarge“, „Holcim“, „Telenor“, „Tiger“, „Cisco Systems“, „EFG Eurobank“, „Societe Generale Bank“, „Purezs bank“, „Credit Agricole Meridian“ „Gazprom Neft“ „Cisco Systems“, EFG Eurobank. „Societe Generale Bank“, Carlsberg “, „Banca Intesa, „Erste Bank“ „Efes“, „Philip Morris“ „Titan“, „British American Tabaco“.

Some companies have been incorporated CSR in the business system and the results are expressed in business reports. Especially shining example of corporate social responsibility in the Banat region of the Company „Gomex“ in Zrenjanin, which contributes to the realization of significant projects in the field of culture and art, as well as sports.

Some of the companies already are winners and various awards for socially responsible behavior. That's Telenor won the VIRTUS Award, awarded by the BCIF, from the NGO sector, corporate philanthropy, in the category of special contribution at the national level in the field of corporate responsibility.
Awards „Virtus“ Corporate Philanthropy awarded to seven years in eight categories. For last year's award were registered 34 candidates, mostly for the local community. This year the competition for the award was conducted by Trace Foundation, with financial support from the European Union, the Government of Serbia Team for social inclusion and poverty reduction, and the Balkan Trust for Democracy.

According to Director General of NIS, Kirill Kravchenko, a company headed until now in philanthropy invested more than five billion dinars „Our Company has a Serbian origin, carries the name of Serbia, but has a European future"- said Kravchenko. NIS was nominated for the prize Association for Local Development Kamenica for the financial support of the communities in which NIS operates through a program of corporate social responsibility. Through this program, entitled „Cooperation for Development“ NIS was 2103. year supported 145 projects, including a number of sports.

NIS received the award for the program to support science and education „Power of Knowledge“ as well as the action of corporate philanthropy in which they are employed and companies together in maternity wards across Serbia bought 23 appliances „cardiotography“ (CTG) as a diagnostic method for monitoring the fetus condition and delivery flow.

Acknowledgement for the local community has gained bank "Eurobank Beograd" for contribution to the action „Big Heart“ for the reconstruction of children's playgrounds in state kindergartens.

A media company „E-gate“ received an award for media contribution because it is through the section „philanthropist“ stood out socially responsible companies and their humanitarian actions.

Banca Intesa received an award for volunteering over the „Wrap gift - make us smile“ - At eight elementary schools and one kindergarten in Serbia.

„Bambi“ Company from Požarevac won the Prize for action „Juh! Playgrounds“ - to improve conditions on the courts, won the award for the most innovative project.

Delta Holding has won awards for its contribution to social inclusion, while the award for long-term partnership received Telekom Serbia.

Director of Free Zone Pirot, which was awarded to small and medium-sized enterprises, Dragan Kostic called on the businessmen to join humanitarian activities because, he says more can contribute to a better society.

Head of the European Union Michael Davenport, who presented the award at a ceremony in Belgrade in early 2014, indicating the importance of contributing to the common good, addressing ethical issues and human rights.

„Thank you, despite the challenges, we continue to expand the awareness of corporate engagement in Serbia. Corporate social responsibility is an important
factor for strengthening the competitiveness and sustainability of the economy“ - says Davenport.

Nevertheless, comprehensive and systemic solutions in the field of CSR no, but absent and higher domestic corporate ventures and stronger support from the state. Capitalism largely pacing the area, but his creativity did not comes to the fore.

The practice of companies in the world confirm that investment in the community benefiting. This way of building bridges of trust with its customers and the positive image that stakeholders recognized as a recommendation for cooperation. Although advertising makes more profit, more useful in the long run becomes an investment in the development of the system of corporate social responsibility.

What managers of major international companies that operate or have operated until recently in Serbia say about that?

„This includes not only the treatment of employees in a company, but also the problems of local communities Participation in environmental projects and for companies it means a great success in the long run“ - said Douglas Matthews, from US Steel Serbia. Unfortunately, US Steel has not been operating in Serbia.

„If you ask me in what to invest more, I'll tell you definitely Corporate social responsibility“- Says Stavros Ioannou, from Eurobank EFG.

„People are tired of commercials, sometimes they are completely insincere and are bombarded with advertisements from all sides, and with the social responsibility of investing in education and culture and community that recognizes that“ - Said Miodrag Stojadinovic from Philip Morris.

Solving the problems of the community the most, however, should help the state institutions. Government is the first that must be given to that concept.

„The process of privatization and new companies that are coming should bring with them a culture of corporate social responsibility“ - considers Radovan Jelacic, former Governor of the National Bank of Serbia.

The media have an important role in solving community problems. For example, the media coverage of the Women's Safe House provided a large number of donations for victims of domestic violence.

4. CORPORATE RESPONSIBILITY IN THE DEVELOPMENT OF SPORT

The Company „Siemens“ and Company „Universiade Belgrade 2009 d.o.o.“ were strategic partners in the preparation and organization of the Summer Universiade, which was held in the Serbian capital from 15th to 26th July 2009.
On behalf of the Universiade Belgrade 2009 doo agreement signed Sinisa Jasnic, General Director of the Universiade Belgrade 2009 and Alexander Šoštar, Director of Sports in the Ministry of Education and Sports of the Republic of Serbia and President of the Executive Committee of the Universiade Belgrade 2009, and on behalf of Siemens d.o.o. Belgrade, Obrad Spremić, CEO and Kurt Schwarzlmüeller, commercial director.

Sinisa Janic says that strategic partnership with Siemens, on the occasion of the Universiade 2009, very important for our country and sports:

„Cooperation with Siemens as strategic partner for the Universiade Belgrade 2009, is an exceptional honor and a guarantee that in the preparation and organization of the Universiade will be used the most modern technologies, equipment and knowledge of the employees of this global giant. Siemens, together with us, and takes care of the entire organization of the event, which goes beyond the borders of sports. We are convinced that with Siemens to organize the best Universiade so far, and that the technical solutions, information technology, security system and professionalism to be a standard in the organization of future major sporting competitions. I believe this is the beginning of a long-term sports-business cooperation, whose results cannot be seen in a short time, because it will largely overcome local boundaries“.

Siemens d.o.o. Belgrade, as part of a large multinational company in Serbia, feels an obligation and a desire to contribute to the development of Serbia, as well as its successful affirmation in the world through sporting events, such as the Universiade 2009. Siemens, as a global company that has experience in supporting global events in the world such as the Olympics, World Cup, etc., is a natural and logical strategic partner of the Universiade 2009, our country and economy.

UniCredit's sponsorship of the UEFA Champions League added the note of social responsibility initiatives associated with dedicating the final match of humanitarian activities. „Make a kid smile“ campaign is to encourage employees and the general public to support UniCredit Foundation whose resources are aimed to help local communities. This initiative is directed where it is most needed, in some of the countries in which UniCredit Group operates. Socer is a game big emotion, full of ups and downs, just like real life. With a range of activities that follow the Champions League final of 2011, „UniCredit underlines commitment to the football community that goes beyond the sponsorship of the UEFA Champions League and reaches social inclusion projects, with the aim of making tangible benefits to local communities and those in need of assistance“, said Maurizio Beretta, Director of Identity and Communication at UniCredit.

Under the slogan „The funniest kid“ UniCredit invited all to join in creating a unique football experience dedicated to children. For each participant actions which set smiling photo on the website http://be-part-of-it.unicredit.eu/hr/, UniCredit Foundation, the corporate humanitarian organizations operating within UniCredit, has donated 10 euros - up of the total amount of 200,000 EUR - the
Open Fun Football School" (Open Fun Football School), a project that promotes the values of fair play, team spirit and mutual respect among children in divided societies.

Open Fun Football Schools is a humanitarian initiative under the leadership of the international humanitarian organization that involves working with children from 7 to 12 years, who organize cheerful games and pedagogical concept „Fun Football“. This can help ensure peaceful coexistence, gender equality, tolerance and social cohesion in countries and societies to which they contributed to the war and ethnic conflicts.

Campaign support has arrived by uploading photos to the address http://be-part-of-it.unicredit.eu/hr/. Application „KIDSMILE-ME“ redesigning photo smiling face and after registration becomes part of the gallery KidSmile Arena. As Official UniCredit Ambassador to the UEFA Champions League and generous donor, Luis Figo has provided strong support to this campaign and I gave her a picture of this gallery.

According to Maurizio Carrara, the head man of UniCredit Foundation, „this initiative demonstrates how sport and social commitment can go together“. "We hope that our many fans of football, sending his pictures to the gallery, encouraged to donate a substantial amount of this valuable and far reaching project“ - were his expectations, that realized.

The example of CSR pratique is Hellenic Coca Cola.

Eleventh Belgrade Coca-Cola Bicycle gathered thousands of cyclists who, through their participation once again send a message about the importance of recreation and active living. City event under the slogan „Bicikliraj Belgrade“ was organized by the Association „Sport for All“, sponsored by the City of Belgrade and with the Coca-Cola system, as a partner, who, like years back, and this time motivated and inspired participants to make their move for joy. Ride did not have competitive, but recreative. This year's Belgrade Coca-Cola cycling joined the youngest participants cycling with their parents, the older children, as well as members of various bicycle association in Serbia.

About this manifestation, Slavica Rakic, President of the Association „Sport for All“, Belgrade, said: „We are pleased that this year Belgrade Coca-Cola Bicycle reunited wide circle of those who regularly or occasionally riding a bike. Thousands of participants who are now driving to Ada gave full contribution to the development of recreational cycling and sport in general in our country, and I'm sure it will be so in the future“.

Recreational, safe and lightweight drive from the Republic Square to Ada participants of this year's sporting event promoted the bike and highlight the benefits of using this means of transport which avoid the crowds and do not pollute the environment. The specialty of Belgrade Coca-Cola Bicycle Race is in that the fans could bike completely undisturbed to enjoy driving the streets of Belgrade that are normally provided to motor vehicle traffic.
Another Helenic Coca Cola event are „COCA - COLA Fun Run” This year's Coca-Cola race satisfaction gathered thousands of citizens of all ages who are in a good atmosphere Belgrade streets walked or ran five kilometers. The race that is not a competitive event but brings together all those who want to enjoy on the go just aims to emphasize the importance of regular recreation. The marathon is run and promoted more than 100 employees of Coca-Cola system, as well as 150 graduates marathon that Coca-Cola system continuously supports. A large number of people came because of fact that race had human character. The Coca-Cola system to donate funds the Department of Children and Youth, which will be invested in equipping and arranging houses in Čortanovci where residents of this institution spends weekends and summer in nature.

Milica Stefanovic, represent of the Coca-Cola system said: „Today, we once again confirm that this event is rightly called the Race of Pleasure. Proof of all people of good will who are with us today to enjoy on the go. This, and other events that support or partnership organized in the framework of our platform Movement for joy, we want to draw attention to the importance of recreation in everyday life. Even greater is the pleasure that we will use this opportunity to help the children from the Institute for Children and Adolescents, and to provide them settling corner where they will spend time just to recreation and play“.

During the race, significant attention was paid to the responsible treatment of the environment, and the partners Coca-Cola system from Sekopak sure that used packaging is collected and disposed of.

Celebrating 45 years since the beginning of production in Serbia, Coca-Cola system's citizens donated 45 outdoors gym. Citizens are chosen by voting in which cities and municipality gyms will be built. The project was launched in cooperation with the National Alliance for Local Economic Development (NALED) and with the support of the Ministry of Regional Development and Local Self-Government and the Ministry of Youth and Sports. Gyms were built in small, medium and large municipalities, 15 in each of them.


Projects „Free fitness for all“ and „health programs“, in schools and fitness centers are results of cooperation between selected fitness centers and municipalities in Serbia. Projects are realized two times during each year science 2007. Project supported and financed by state and municipalities budget. The project is the result of cooperation of selected fitness clubs and centers, schools
and gyms, 4 months, 2 times during the year. On this way different fitness programs are presented and they are affordable and available to everybody.

They are bright example of good practice that should be followed by every city and regions in Serbia. This can be good way for raise conscience about health and adoption of health habits, including regular daily exercise. This project can contribute of raise awareness of fact that public health is important for health nation. It is also a good way of socialization, making friends, overcome obstacles, raise a quality of life and work of each individual, making progress of community and society, as well.

5. INSTEAD OF CONCLUSION

Corporate social responsibility is a real the need for companies. The concept of Corporate Social Responsibility has ten years ago, a relative unknown for a significant part of the company in Serbia, and even more for the domestic public. Companies which have decided to start doing business in a manner that is consistent with those standards generally cited good image as the main motive. Reputation remained an important driver for companies that want to present yourself as a good „social actors“ who, for example, do not pollute the environment, help the neighbors who live in difficult conditions and the welfare of its employees.

A very important segment in the system CRS's contribution to the development of sport, sports clubs and individuals.

Can we be happier and better society. The authors of this paper believe, and this is corroborated by the examples, it is possible, if we are more giving than taking. Countries, companies, enterprises, individuals. And they are sure that only in a healthy body, healthy mind. If sport is one of the ways that the body is healthy, then the contribution to the development of sports, mass and high performance, social responsibility in action.

REFERENCES


Kotler, F., & Li, N. (2007). Corporate Social Responsibility - to do the most for his company and for selected social goal. Hesperia, Faculty of Economics, Belgrade.

