

Social Responsibility of Modern Business as the Function of the Mechanism for Overcoming Crisis Situation in the Company

Alen Stranjik¹, Maja Turčić² and Sanja Jozić³

¹ University of Applied Sciences Velika Gorica, Velika Gorica, Croatia

² Carlsberg Croatia, Koprivnica, Croatia

³ Kindergarten »Gajnice«, Zagreb, Croatia

ABSTRACT

Social responsibility is a very important element of modern business where the companies integrate the care about the society in to their business, business strategy and relationships with their owners, employees, consumers, customers, suppliers and wider public. Adherence to ethical principles because of the moral obligation, and not only in order to fulfil the legal obligations, gives the company added value which may contribute to maintenance of continuous stability of the company and serve as one of the mechanisms for overcoming the crisis in the company at the time of adverse market and economic situations. Such an approach to corporate management has been increasingly contributing to the realization of competitive advantage of the company on the market. This paper explains why the social responsibility in the modern operation of a company is important and how it can help in overcoming the adverse economic situations that may lead to crisis in the company. The conclusions in the paper are based on the carried out study of impact of social responsibility on the corporate image. The aim of this study was to examine the attitudes of the respondents about the importance of the socially responsible operation of the company for its image and purchase intention as well as the impact of various forms of socially responsible business on the corporate image.

Key words: company crisis management, financial crisis, social responsibility

Introduction

The subject of this paper is the analysis of the significance of social responsibility in modern operation of a company and studying of its role in overcoming adverse economic situations. The awareness about the significance of achieving the competitive edge creates in companies an increasingly serious orientation to the development of various forms of initiatives of social responsibility and ethical business processes. Due to ethical and responsible activities of the companies towards their employees, community, environment, and market, the companies realize positive effects on their business creating a positive image and long-term sustainability. Therefore, the subject of research which is part of this paper is the analysis of the impact of socially responsible business of companies on their perceived image. The basic aim of this research is to study the attitudes of respondents to

the familiarity and meaning of the concept of socially responsible behaviour and the significance of socially responsible operation of companies for their image and purchase intention, i.e. to prove or reject the following hypotheses:

H.1 Social responsibility of a brewery is important for its positive image.

H.2 Social responsibility of a company is important for the purchase intention of its products.

H.3 Customers are ready to pay a higher price of the product in compliance with the standards of ethical operation and social responsibility.

The practical implications of this paper, regarding the aim of performing the analysis, refer to pointing out the advantages of using the activities of socially responsible

operation with the aim of affecting the image. By affecting the image one affects also the fidelity and loyalty of customers to a product, i.e. service of the company which contributes to the stability of the business of a company i.e. balance, especially when this balance is disturbed by the external influences of the globally adverse situation on the market.

In times of crisis when the financial crisis has a negative influence on the business of a company due to weak purchasing power of the society, it is important to gain any competitive edge and to retain the existing and to attract new customers who will be willing to pay even a higher price due to the positive attitude towards the company and its image. Confirming the set hypotheses would prove that the social responsibility of a company has a very important influence on the customers and their decision on about purchasing the products. Eventually, such customers' decisions can significantly influence the company business, especially in crisis compared to companies with no social responsibility.

Material and Methods

The concept of social responsibility of the company, as indicated in the literature, encompasses the most important activities undertaken by a company in order to support the society and show their orientation to corporate social responsibility contained in six key initiatives¹:

- Promoting of social goals and support to the raising of the care and awareness for the society reality;
- Social marketing of a company, i.e. marketing campaigns with the aim of changing the behaviour in the society;
- Marketing of a company related to social goals and donations depending on the scope of sales;
- Company philanthropy meaning charity work in favour of others in the community;
- Community work through the employees as volunteers in local social organizations and actions;
- Socially responsible business practice which means regular business based on the raised historical responsibility.

Regardless of the size of the company, the concept of social responsibility is applicable to all companies, whether this refers to small, medium-sized or large companies. Further to one's own strategic goals, business possibilities, mission and vision and corporate company culture, every company applies the concept of social responsibility in the areas and through the initiatives for which it is estimated that they contribute most to the building and increase in the competitiveness. Numerous items of literature deal with the benefits of social responsibility of a company since, apart from the fact that there are obvious advantages of the concept of social responsibility for a company, customers and buyers, the companies themselves and their employees have multiple benefits from such behaviour².

Regarding various aspects of activities of the socially responsible company, the wide scope of benefits for the wider social community is unquestionable. With various socially responsible initiatives the socially objectives are supported, which contribute to the health of the community (early breast cancer detection, timely vaccination), safety (special programs for drivers, prevention of crime), education (literacy of the population, purchase of computers for schools, education at the workplace) and employment (employment policy), living environment (all initiatives related to environmental protection, recycling, termination of using harmful chemicals, reduction of packaging), community development, and economic development³.

The benefits of corporate social responsibility are for the customers on the one hand and for the buyers on the other, multiple. A socially responsible company places very high on the list of priorities the unambiguous quality of their products and/or services, as well as innovations that will respond to the growing needs of the customers. This results in the safety of products offered by the company to the customers and buyers on the market, respect for the customers and their rights, transparency in business, ethics in product advertising, security in the morality and ethical business and fulfilling all the legal as well as moral obligations. The trust is built over a long time thus facilitating the interaction, both between the customers and companies, and between the companies and buyers, business partners. Social responsibility provides greater flexibility in the design of actual and correct solutions for the customers and initiates new approaches in providing service to the customers⁴. One should mention here also the available research carried out on the topic of confidence of the customers in the proclaimed social responsibility of the company⁵. The results of this study very clearly indicate that the confidence of customers towards the social responsibility programmes performed by a company plays an important role in accepting the company as being socially responsible and influence on its positive perceived image. The customers expect the company to be consistent in socially responsible behaviour; undertaking of actions for environmental protection and safety of workers and the transparency in reporting about the social responsibility of a company, and on those basis they build confidence in the real and for the wider society beneficial corporate social responsibility. The research recommends reporting on corporate social responsibility program of the company to the general public and continuous construction of the corporate reputation based on the socially responsible initiatives.

Benefits arising from the socially responsible activities which involve the employees for the employees themselves include: improvement of competences (knowledge and skills) of the employees and work on target competences such as leadership or creativity, increase in the motivation and loyalty of the employees through the feeling of self-satisfaction and respect for what has been done, networking with new people, feeling of teamwork and sense of belonging, good image in new talents that

will represent the future of the company⁶. A social responsible company in its business strategy focuses also on the care for the employees, respecting their rights at a legislative level, and beyond. This provides equal rights to all employees regardless of age, gender, race, nationality, and sexual orientation, equal opportunities to all employees for promotion, improvement, additional education, and safety of all employees at their workplaces. These companies invest also additional efforts in caring for their employees – organizing day-care for children of their employees in the company premises, assistance with illness of family members and the like.

Areas where benefits can be realized for the company itself by applying the concept of social responsibility and its integration into the business strategy are numerous and can be summarized as follows:

- Creating and managing the company image – social responsibility represents a means by which companies can manage and influence the attitudes of its stakeholders, build up their confidence and realize business advantage through the benefits that result from the positive relationships⁷ and a positive image of the socially responsible company. Responsible business results in positive public perception, meaning positive reputation and image of the company in the immediate and wider public.
- Risk management – Social responsibility of the company enables more efficient risk management since it helps the companies in reducing the losses that are avoidable, establishing new circumstances and using the leading position as a means of gaining competitive edge by influencing the adoption of new regulations to strengthen the competitive advantage⁷.
- Influencing the purchase intention, increase in sales and market share – research carried out in the 1990s already indicate strong evidence that companies can have significant benefits from binding to a social goal while at the same time the customers resent even more the socially irresponsible behaviour of the companies and they will even boycott a socially irresponsible company and its products².
- Strengthening the capability of attracting, motivating and retaining employees – social responsibility in the world is one of the best methods of attracting and retaining high-quality workforce, particularly highly educated and professional persons².
- Reducing operating costs – In several areas of the business the reduction of the operating costs and increase of revenues from grant exemptions are the result of social initiatives involving the company, first of all by adopting the environmental initiatives aimed at waste reduction, recycling and saving of water and electricity⁸.
- Increasing the attractiveness for investors and availability of capital – Corporate social responsibility allows an easier access to the capital, and the companies that seek funds for new ventures or wish

to attract investments should observe social responsibility as an opportunity to expand their access to capital⁷.

- The relationship with the government and regulatory bodies – Companies that exceed through their proactive practice the legally stipulated conditions are less controlled by the state, and often receive various benefits.

These areas show numerous benefits of consequent, transparent and continuous implementation of initiatives and social responsibility programmes which results in numerous business opportunities resulting from relationships with all the stakeholders of a company, and in crises at the global and local level they can play a crucial role in ensuring the stability of the or its survival on the market. The overview of the benefits resulting from the implementing the socially responsible activities for the company itself, emphasises the creation and management of the company image as well as risk management which will be further subject of this paper so one needs to consider in more detail their theoretical guidelines.

The corporate image is a complete impression of the company represented by the identity and all other features significant for the target audience. It represents an overall picture of the company that includes attitudes, opinions, experiences, beliefs, prejudices and feelings that certain groups in the public have about the company – customers, buyers, financiers, suppliers, and the widest audience⁹. Every company has its image which represents the dynamic and profound affirmation of its nature, human resources, financial and market values, culture and structure through verbal and non-verbal elements as well as its overall behaviour. Therefore the image has to be clear, concise and consistent with all the key segments. Image transfers the mission of the company, professionalism of the employees and managers and its role in the environment. However, the perception of the public does not always reflect the actual corporate profile, meaning that the desired image can be misunderstood, therefore it is very important for the image to be adequately designed, properly directed and managed consistently¹⁰.

The corporate image is a valuable asset and an attractive concept since the positive image can increase the sales through increased satisfaction of the customers and loyalty, as well as attract both the investors and prospective employees. Many companies recognize the importance of active recruitment and retention of highly qualified and good employees as a necessary component of their comparative advantages. The image allows the company the weakening of negative impact of competition, allowing the company higher levels of profit¹¹.

Image and reputation are relatively stable values and unquestionable components of creating extraordinary competitive advantages of the company. Positive image facilitates the entry of the company into new markets and attraction of potential customers, buyers and users¹². At the same time a good image of a company creates both

the trust and credibility of the customers and buyers which in turn leads also to an increase in the perceived quality of the product or service produced by the respective company. The studies have shown that the image of the company directly influences on purchase decision, as well as that the good image of the company represents additional barrier to potential competitors¹¹. Also, the same group of studies has shown that good image of a company is very important when the customers decide to try a new product of that company since it reduces the uncertainty and helps them in rationalization during selection. The companies with positive image and reputation enjoy market advantage which is expressed in sales and profit and the relationship with the suppliers, government, customers and other stakeholders¹³.

As already stated, the customers and the consumers are largely affected by the created perception of the company image, and it depends on the image which company they will select, as well as the loyalty to a certain company and its products and/or services. Therefore, the goals of image strategy include: creation of distinctive advantages, through which the company highlights those properties which distinguish it from others, building of the desired reputation, which understands general assessment of the company by the public in long term and stronger competitive position as well as gaining and maintaining the trust of customers as tools of survival and development of the company in terms of strong market competition, as well as profit as the basic reason for the existence of the company¹⁴.

For all the companies it is important to develop the awareness about the significance of building up one's own image and initiatives and activities that will serve to build the positive image. Since corporate image is one of the benefits that result for this company from the implementation of socially responsible activities, this paper will present the results of the research which studies the level to which a socially responsible corporate activity affects its image and creation of the competitive advantages of the company due to the influence on the intention of purchase.

When speaking about crisis situations it should be noted that two types of causes of crisis are distinguished – the internal and the external ones. In case of internal causes these refer first of all to the factors which have to be affected by the subject in such a manner as to systematically prevent the crisis (e.g. in case of companies this may be a fault in management, problems with liquidity, decline in sales, etc.). The level of influence on the company depends on the level of resistance of the corporate system to crisis, level of internal consolidation of the given system, flexibility, possibility of threats diversification, etc. The external causes refer to factors for which the company itself is not to blame and can hardly have any influence on them. Naturally, they have a general influence on the entire economic situation. These are e.g. political influences, the economy of the country, monetary policy, legislative influences, influences from the neighbouring systems, government obligations, etc.

Crises have been occurring through history in certain time intervals, and in recent studies and attitudes of the economic experts, financial crisis is more and more frequently considered as reality of the present time. In other words, it is considered that the adverse economic situation will be constantly present at the global world level and as such it will have large negative influence on the business of companies at local levels.

Every crisis has negative impact on every human. The human is an employee of a company or other organization, a member of the nation, a citizen of the state, a member of the larger international unit and a member of the human race. The crisis, which occurs in various subjects, refers more or less directly or indirectly to everyone, even to a greater extent than we allow ourselves to admit. The company is not isolated from its environment. It is part of the economic and social environment. It consists of several elements, and these are humans and technical devices, whether they are machines, computers, transport means, etc. There are connections among these internal elements. However, there are also connections between the company and its environment – both internal and external environment. It is precisely all of this – both internal company elements, and the environment affect the company as a whole. There is mutual interaction here – positive (opportunities) and negative (threats). From the standpoint of systemic understanding, the company is a sub-system of a higher unit, and at the same time the company itself has a system of sub-systems. This very simplified systemic view of the company is important not only for understanding the crises of the companies but also for their solution.

Identification of the crisis in its latent phase and fast application of corrective mechanisms and starting the processes of crisis management give the company great hope for its recovery, which means for successful overcoming of the crisis. It is in these situations when it is necessary to activate counter-crisis mechanisms, when company management has to undertake measures that are usually not motivating for its environment and its customers, the image of the company is of great importance and it will help in retaining the customer loyalty and creation of competitive advantages on the global market. The establishing of competitive advantage in the conditions of crisis is greatly contributed by the image that has been created by undertaking the socially responsible activities.

The research carried out in 2005 among managers of various companies¹⁵ showed that only 35% of surveyed managers considered social responsibility as company priority. Three years later an equal research showed that 96% of surveyed managers considered that social responsibility offers a certain value for money, and 56% of them thought that social responsibility is the priority of the company¹⁶. The world economy is changing and has increasing impact on a global level because of which the social responsibility has moved from the margin of significance to the priority level in company operation¹⁷, and thus also in the crisis conditions.

The study »Impact of Corporate Social Responsibility on the Company's Image« which is the subject of this paper was carried out in November and December 2012 in Zagreb and Velika Gorica for the purpose of proving the hypotheses of specialist postgraduate work, and was conducted using the survey on a sample of 173 respondents.

The sample of respondents in this study was intentional sample, meaning no systemic approach to sampling was used. The study included 141 students of undergraduate, graduate and postgraduate studies at two faculties and 32 employees of lower, middle and top management of two big companies (over 250 employees) in Zagreb and Velika Gorica.

The survey included an approximately equal number of male (44%) and female (56%) respondents out of which most of them at the age between 18 and 25 (59%), while 19% of them are 26–35 years old, 12% are older than 45 and 10% of them are 36–45 years old. The largest number of respondents included in the survey have secondary school qualification or are studying (62%), and about a third have college or university qualification (33%). Almost half of the respondents are employed (46%), half of them are full-time students (51%), and the number of unemployed and retired persons is negligible.

The data for the carried out survey were gathered using a questionnaire composed of questions about the demographic profile of the respondents and 14 closed-type questions. The statements used in the questionnaire have been either originally developed for the needs of the paper or modified and adapted from the already existing measuring scales that can be found in scientific literature, and having in mind the theoretical meaning and content scope of certain variables.

The questionnaire was structured so that at the beginning it gathers the basic demographics of the respondents (age, gender, acquired education qualification, and working status). The second type of the questionnaire studied the familiarity with the concept of corporate social responsibility so as to determine the knowledge and meaning of the concept of the corporative social responsibility. The next set of questions study the image of breweries and the influence of their socially responsible initiatives on the image. In questions which assess the corporate social responsibility of a brewery in relation to its image, the task of the respondents was to express their level of agreement with single statements on a Likert scale of five levels (1 – strongly disagree; 5 – Strongly agree) where one of the questions is formed as the image scale of a brewery which has a socially responsible business.

List of statements that are used to study the corporate image, and that have been taken over or modified based on the available literature¹⁸ are as follows:

1. A social responsible brewery awakens in me positive reactions.
2. I find the social responsible brewery as an extremely good one.
3. A social irresponsible brewery is a bad company.

4. A social responsible brewery has good reputation.
5. I have a positive attitude towards a social responsible brewery.
6. A social responsible brewery has a good image.
7. A social responsible brewery has a good identity.

The reliability of the scale (expressed by Cronbach's alpha coefficient) in this survey is 0.71 and, although somewhat lower than the obtained one in the research that also studied the corporate image (0.92), it is still acceptable. The result on the scale is the sum of estimates on items, in which higher result marks a more positive image. The range of end results is from 5 to 35.

The last group of questions studied what influences the selection of a product or decision on purchase, whether corporate social responsibility influences the intention on purchase of their products and whether the respondents are willing to pay a higher price for a product produced in compliance with the standards of ethical business and social responsibility. The respondents were asked to express their level of agreement with single statements on a Likert scale of 5 levels (1 – strongly disagree; 5 – strongly agree). For the variable of purchase intention the questionnaire contained a number of statements that have been taken over and modified based on the available literature¹⁹.

The statements form the Scale of intention on the purchase of products:

1. I prefer buying products of a social responsible company rather than from a competitor that is not socially responsible.
2. I am more satisfied with my decision to purchase a product of the social responsible company in relation to the competitive one that is not.
3. It is more likely that in the future I will buy a product of a social responsible company rather than of a competitive company that is socially irresponsible.

The reliability of the scale (expressed in Cronbach's alpha coefficient) in the research is satisfactory and amounts 0.85, which is in accordance with the earlier study of the authors that also used those statements in studying the intention on purchase of the product of a company that operates in a socially responsible manner¹⁹. The result on the scale is the sum of the estimates on each statement, where the higher result marks the more pronounced intention of purchase. The range of final results is from 3 to 15.

The data were analyzed by using the statistical program for social sciences SPSS 11.0 for Windows. The analysis tested first the reliability of applied scales by using Cronbach's alpha coefficient, and in the light of providing responses to the set hypotheses and study goals also different methods of descriptive statistics were applied, such as distribution of frequencies and the mean value with the respective dispersions, the method of Hi-square test that belongs to a part of inferential statistics and testing the significance of differences by t-test for dependent and independent variable samples²⁰.

Results

H.1 A brewery with corporate social responsibility has a positive image.

The following presentations show the results of the analysis of the group of questions which deal with the attitudes of the consumers to the activities and characteristics of breweries that create their image (Figure 1), study the opinion about the influence of social responsibility of breweries on their image (Figure 2), and deal with the importance of individual activities of social responsibility of the brewery for its positive perception (Table 1).

The results presented in Figure 1 show that the quality of products and brands offered by a company on the market primarily build and create the image of the breweries. This is followed by the communication messages of the brewery and its innovativeness and success rate. Only after that there are more concrete activities of social responsibility that affect the image, but to a smaller extent. Since the presented results suggest that the activities of social responsibility of the brewery affect its image, but to a smaller extent than its other activities and characteristics, for more detailed testing of the set hypothesis it is necessary to study in more detail the influence of social responsibility of the brewery on its perceived image. Therefore, further in the text is the interpretation of the results of the next group of questions which studies this relation in more detail.

In Figure 2 it is clear that more than half of the respondents (54.34% of them who agree or strongly agree with the given statement) believe that social responsibility of a brewery has influence on its positive image. Further, in order to provide an answer to the first hypothesis, the data obtained by the application of the Image Scale of the brewery with corporate social responsibility are presented. The mean value achieved by the respondents on the Image Scale of the brewery with corporate social responsibility amounts to $M=26.09$ with $sd=3.92$, where the higher result indicates a more positive image. The possible range of results is from 7 to 35 and it is clear

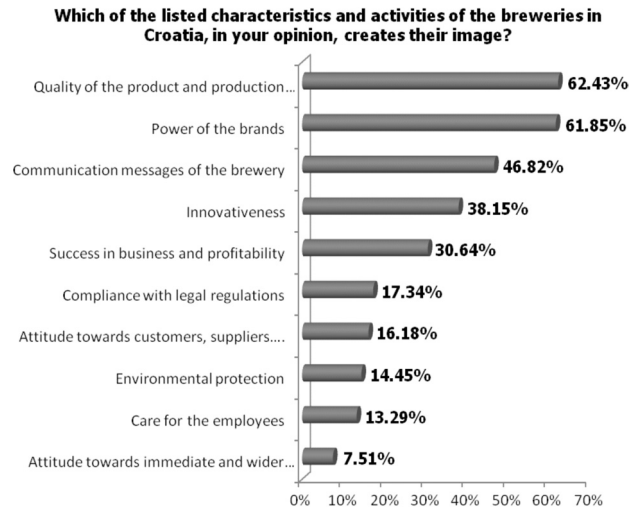


Fig. 1. Characteristics and activities of the breweries in Croatia that create their image.

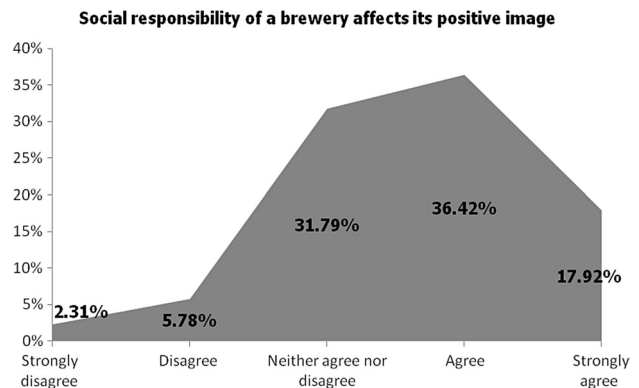


Fig. 2. Attitude towards impact of social responsibility of a brewery on its positive image.

from the given presentation that the mean value is high i.e. that the respondents perceive the socially responsible brewery positively. Thus, according to the obtained and

TABLE 1
BASIC DESCRIPTIVE DATA FOR THE ASSESSMENT OF THE PERCEPTION OF CERTAIN ACTIVITIES OF A SOCIALLY RESPONSIBLE BREWERY

Evaluate the importance of the activities undertaken by a brewery for your positive perception thereof	N	Min	Max	M	SD
Care about environmental protection	171	1	5	4.10	1.07
Care about the employees	170	2	5	4.38	0.84
Prevention of underage drinking and promotion of responsible consumption of alcohol	171	1	5	3.89	1.17
Cooperation of the brewery with the local community	167	1	5	3.73	0.99
Participation of the brewery in humanitarian activities, donations and sponsorships	169	1	5	4.11	0.97
Carrying out actions by the brewery in which the customers participate by purchasing products from the price of which a percentage is allocated for the in advance defined social or humanitarian purposes	169	1	5	4.04	0.92

presented results it may be concluded that the implementation of socially responsible initiatives of the company is important for its positive image.

Based on the presented results and their interpretation it may be concluded that Hypothesis 1 is accepted – Social responsibility of a brewery is important for its positive image.

Today the breweries in Croatia implement various initiatives and activities of social responsibility. Regarding their actuality and wide application, they represent an interesting framework for the analysis of the influences on the image of the breweries which leads to the question which of these activities mostly affect the creation of their positive perception. The respective results obtained in this research are presented in Table 1. The care of the employees received the highest mean value as the most important activity ($M=4.38$; $sd=0.84$). The respondents have given the lowest importance to the cooperation of the brewery and the local community ($M=3.73$, $sd=0.99$) and preventing underage drinking and promoting of responsible drinking ($M=3.89$, $sd=1.17$).

H.2 Corporate social responsibility of a company is important for purchase intent of its products.

The following presentations show the results of the analysis of the group of questions that study the attitudes of the consumers towards the influence of corporate social responsibility on the intention of purchasing the company's products (Table 2 and Table 3).

First of all, the intention was to study how much single elements in the selection of products influence the intention of purchase, taking into consideration also the corporate social responsibility. The obtained results are presented in Table 2. It is clear from the presented results that the values have been shifted towards higher ones, and that all the elements are relatively important to the respondents. The highest value is achieved by the quality and characteristics of the product ($M=4.65$, $sd=$

0.55), and the respondents consider the product brand as the least important ($M=3.65$, $sd=1.02$).

In order to provide the answer to the second hypothesis Table 3 shows the basic descriptive data of the Decision Scale on purchasing the product of a company with corporate social responsibility, where the higher result represents the stronger intention of purchase. The range of the scale results is from 3 to 15 and the table shows that the mean value is high i.e. that the respondents claim that they prefer to buy products of a company that implements corporate social responsibility.

Based on the presented results and their interpretation, it may be concluded that Hypothesis 2 is accepted – Corporate social responsibility of a company is important for purchase intent of its products.

H.3 Consumers are willing to pay a higher price for a product harmonized with the standards of ethical business and social responsibility.

The last hypothesis has been tested by the last question in the questionnaire which asks whether the company can charge a higher price for a product produced in compliance with the standards of ethical business and social responsibility, the results of which are presented in Figure 3. It may be seen that as many as 72.83% of respondents stated that they are willing to pay a higher price for a product that guarantees that it had been produced in compliance with the standards of business ethics and social responsibility. Furthermore, in the performed study and processing of the results the difference has been tested between those who are willing to pay more and those who are not, regarding the importance of elements during the selection of the product. Table 4 shows the mean values of the importance of single elements while making the purchasing decision by those who are willing to pay a higher price compared to those who are not.

TABLE 2
BASIC DESCRIPTIVE DATA FOR THE INFLUENCE OF ELEMENTS DURING THE SELECTION OF THE PRODUCTS AND DECISION ON PURCHASE

How important is each of the elements when selecting a product and making decision on purchase	N	Min	Max	M	SD
Price of the product	171	2	5	4.22	0.84
Quality and characteristics of the product	171	3	5	4.65	0.55
Brand of the product	170	1	5	3.65	1.02
Availability at the nearest sales point	171	1	5	4.04	0.94
Social responsibility of the producer	170	1	5	3.72	1.06

TABLE 3
BASIC DESCRIPTIVE DATA FOR THE SCALE OF DECISION ABOUT THE PURCHASE OF A PRODUCT OF A COMPANY THAT IS SOCIALLY RESPONSIBLE

	N	Min	Max	M	SD
Social responsibility of a company affect the intention of buying	169	3	15	11.73	2.39

Are you willing to pay even a higher price for a product with the guarantee that it has been produced in compliance with the standards of ethical business procedures and social responsibility?

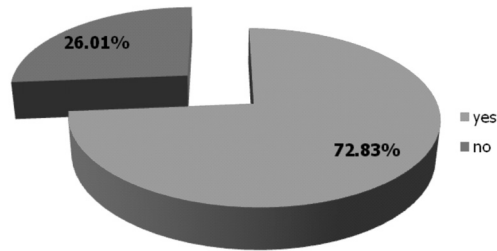


Fig. 3. Higher value of a product produced in compliance with the standards of ethical business operation and social responsibility.

According to the presented results it is clear that the respondents who are willing to pay more give statistically significantly higher importance to social responsibility of the producer when making the purchasing decision than given by those who are not willing to pay a higher price for such a product ($t=4.258, P<0.01$). All other factors in the purchasing decision do not distinguish significantly those who are willing to pay more from those who are not willing to do so for a product produced in compliance with the standards of social responsibility. This means that for a successful operation of a company it is important to continuously implement and report on the initiatives and activities of social responsibility since, apart from influencing the purchasing decision, the awareness about corporate social responsibility and compliance of the product to business ethical standards allows the companies to charge even more for their products.

Based on the presented results and their interpretation it may be concluded that Hypothesis 3 is accepted – The consumers are willing to pay a higher price for a product in compliance with the standards of business ethics and social responsibility.

Discussion

Regarding the first hypothesis and based on the presented results and their interpretation it may be concluded that social responsibility of a brewery is important for its positive image.

The obtained results coincide with the literature that states that 86% of consumers have a positive image about a company which provides visible contribution to the wellbeing of the society⁷ as well as with literature that studies the importance of corporate social responsibility for its perceived image, and the results of a research conducted by the agency Cone/Roper show that as many as 83% Americans have better opinion about the companies that undertake something in order to improve the living conditions and to the benefit of the entire community²¹. Even big companies worldwide are aware of this fact and so the British Telecom estimates that corporate social responsibility realizes over 25% of the effect that its image and reputation have on the satisfaction of the users⁷. The research carried out in the USA in 2007 including 1,066 respondents shows that 92% of them created a more positive image about the company in case it implemented socially responsible initiative which they care about, as well as that 91% of Americans have a more positive image about a company when it is environmentally responsible²². The research carried out in the USA on 1,045 respondents showed also that 51% of respondents would recommend a company when it consistently and continuously implemented the socially responsible initiatives²³.

Thus, according to the obtained and presented results it may be concluded that the implementation of socially responsible initiatives of a company are important for its positive image. Since the previously presented results and comparisons with the available literature and previous research have shown that the care about the employees is on the first place of the meaning of the concept of social responsibility, it may be concluded that, apart from the fact that for the respondents the meaning of so-

TABLE 4
TESTING THE DIFFERENCE BETWEEN THOSE WHO ARE WILLING TO PAY MORE AND THOSE WHO ARE NOT REGARDING THE IMPORTANCE OF THE ELEMENTS DURING PRODUCT SELECTION

How important is every of the elements during product selection and the decision on purchase?	Are you willing to pay even a higher price of the product with the guarantee that it has been produced in compliance with the standards of ethical business operation and social responsibility?	N	M	SD
Price of the product	yes	125	4.26	0.81
	no	44	4.14	0.90
Quality and characteristics of the product	yes	125	4.68	0.52
	no	44	4.59	0.62
Brand of the product	yes	124	3.63	1.02
	no	44	3.73	1.04
Availability at the nearest sales point	yes	125	4.07	0.92
	no	44	3.91	1.03
Social responsibility of the producer	yes	125	3.91	0.93
	no	44	3.16	1.20

cial responsibility is in the first place the care about the employees, they consider it also the most important activity of the brewery which affects its positive perception. Preventing underage drinking and promotion of responsible drinking, as well as cooperation of the brewery with the local community are according to the results of this survey the least important for the positive perception of a brewery; however, their significance is relatively high and one may conclude that all the indicated activities of social responsibility of breweries do have relative importance for the building of its positive perception by the consumers and the wider public.

Regarding the second hypothesis, and based on the presented results and their interpretation, it may be concluded that corporate social responsibility is important in the purchasing intention of the products of a company.

These results coincide with numerous studies available in literature. According to one study, 75% of consumers claimed that their purchasing decisions were influenced by the attitude of a company regarding the environmental issues²⁴, whereas according to the research of CSR Europe in 2002, there were 70% of the European consumers who believed that the inclination of a company to social responsibility is an important element when purchasing a product or using a service²⁵. Another available study performed in Great Britain showed that 83% of consumers tend to recognize the ethical standards when purchasing a product²⁶. Cone/Roper's study from 1993 and 1994 showed that 78% of adult respondents prefer to buy a product related to a social goal which they care about, and that 66% of them are ready to switch to a brand which supports the social goal which they care about²⁷. According to yet another available research from 2002, there were 44% of the British public who believed that in making a purchasing decision regarding a product of a certain company it is very important whether this company shows a high level of social responsibility⁷. The already mentioned globalCone/Echo research from 2011 showed the attitude of the consumers who claimed that, in case of the same price and quality of a product, they would probably (41% of them) or very probably (53% of them) switch to another brand if it supported a socially responsible goal which they found important²⁸.

In the review of the past research it is important to consider also the findings of the Puls research from 2007 according to which when selecting a product also the perception of corporate social IR responsibility is even somewhat more significant than the positive perception about social responsibility of a company. The knowledge about the incorrect behaviour of a company in this sense is more significant, but the consumers' awareness that the company is operating in a way which is responsible towards its environment cannot be neglected either²⁹. The 1999 research on 25,000 respondents in 23 countries shows that 17% of the respondents claimed that they really avoided products of a company which is considered not to be socially responsible³⁰.

Based on all the above it may be concluded that when making a purchasing decision the consumers are inter-

ested in the quality and price of the product (as confirmed by this survey); however, they are equally interested in ethical issues and corporate social responsibility of the company producing this product and they are willing to punish the company by not purchasing the product of a socially irresponsible producer as well as to support the socially responsible awareness by selecting the product of a producer who implements such initiatives which is especially important to bear in mind in times of crises.

Thus, it can be concluded that for the Croatian breweries, as cited in the literature and available studies, as well as for other companies in Croatia and in the world, their corporate social responsibility in the intention and decision on the purchase is of importance.

Guided by the obtained results in responding to the third hypothesis it was found that the consumers are willing to pay a higher price for a product in compliance with the standards of business ethics and social responsibility. Such results are consistent with the literature and available survey according to which 68% of Americans claim that they would pay even more if they knew the money would be used for a higher cause²¹. Equally, according to Puls survey in Croatia a substantial part of respondents (83%) state that they are willing to pay more for a product if they knew that the producer took special care about the impact on the natural environment²⁹.

Regarding the limitations of this study it should be noted first that the questionnaire has been self-designed and thus represents only a rough estimate of the tested constructs. Besides, one of the limitations of the very instrument of research is the usage of closed questions and multiple questions, which causes difficulties in predicting all the possible categories of answers the respondents might give. However, in the absence of a more appropriate instrument prepared for the Croatian population that would fit the topic and objectives of the work, the usage of this questionnaire is considered justified as well. Furthermore, regarding the restrictions of this research, it should be noted that the questionnaire is subject to socially desirable answering which can argue in favour of the interpretation of higher values on the scales on which social responsibility is preferred. Thus, one should keep in mind such relatively high mean values obtained on e.g. Image Scale of corporate social responsibility when generalizing the results of this survey, since they indicate the possibility that the survey included either a relatively biased sample or that socially desirable responding should have been included in the draft. Based on the results obtained by the questionnaire it is not possible to make cause and effect conclusions, nor is it possible to completely prove the accuracy of the set hypotheses, which is a drawback of the survey.

The limitation of this research is the convenient sampling since its biggest advantages are availability and low expenses in collecting the sample. However, at the same time such a sample is not random and does not ensure the representativeness of the obtained results, i.e. results cannot be generalized to a population. Therefore, the follow-up studies should encompass a larger number of re-

spondents, of various educational and employment status.

Conclusion

The results of the conducted research show that the respondents associate the social responsibility of the breweries with their positive image, as well as that corporate social responsibility has significance when intending and making decisions on the purchase of their products.

Social responsibility of the producers and business compliant with the ethical standards, according to the results of the survey, can allow them to charge even more for their products.

In conclusion, the presented results and their interpretation have confirmed the set hypotheses of research:

H.1 Social responsibility of a brewery is important for its positive image.

H.2 Corporate social responsibility of a company is important for purchase intent of its products.

H.3 Consumers are willing to pay a higher price of the product which is in compliance with the standards of business ethics and social responsibility.

Consequently, attention should be drawn also to the implications arising from this research. Information and communication about the socially responsible activities is intended to build confidence into the motives of their implementation, which, according to the findings of this research, result in higher significance of corporate social responsibility of selecting its products. In other words, transparent and continuous communication of socially responsible initiatives is important for the building of consumers' confidence in socially responsible programmes and motives of their implementation, and all this is particularly important in crises.

Thus, the research gives also recommendations for further research that would study in more detail the understanding of the concept of social responsibility on the

one hand, and that would study in more detail the possibility of building the consumers' confidence in the implementation of activities of social responsibility for the common good, on the other side.

Moreover, during the times of crisis the companies can use the results of this research as orientation when selecting the crucial activities of the corporate social responsibility on the Croatian market with the aim of influencing their perceived image and business results. Care for the employees has been highlighted as the top important activity, followed by the care of the environment and humanitarian actions.

Likewise, it has been shown that corporate social responsibility is important in the intention to purchase a product, implying that by integrating social responsibility in their business strategy and by its continuous implementation the companies can affect their business results. An additional important argument which speaks in favour of this is the finding of this survey according to which a substantial part of respondents is willing to pay more for the products of a company that has corporate social responsibility, which can make it possible for such companies to realize additional profits and achieve success in business. It is precisely this possibility which is one of the important mechanisms in overcoming crises. The created image of a company allows the management to adopt anti-crisis measures which will not destroy the company or lead to disaster. On the contrary, undertaking of the necessary anti-crisis measures in a company without a created image may cause considerable damage to the business. The company with a created image has a competitive edge.

Therefore, the findings of this paper suggest that by integrating the principles of corporate social responsibility in their everyday operation, the companies can contribute to their positive image, realize significant competitive advantage and business result, even in times of crisis.

REFERENCES

1. KOTLER P, LEE N, DOP, Društveno odgovorno poslovanje: Suvremena teorija i najbolja praksa (M.E.P, Zagreb, 2009) 15. — 2. UNDP, accessed 29.10.2012. Available from: URL: www.drustvena-odgovornost.undp.hr. — 3. KOTLER P, LEE N, DOP – Društveno odgovorno poslovanje: Suvremena teorija i najbolja praksa (M.E.P, Zagreb, 2009) 15. — 4. BOEHM A, Bus Soc Rev, 107 (2002) 171. — 5. DARSONO L, Gadjah Mada International Journal of Business, 11 (2009) 275. — 6. BAČUN D, MATEŠIĆ M, OMAZIĆ A, Leksikon održivog razvoja (Hrvatski poslovni svijet, Zagreb, 2012) 53. — 7. VARNEY D, Poslovni argumenti za društvenu odgovornost poduzeća, accessed 31.10.2012. Available from: URL: http://www.drustvena-odgovornost.undp.hr/upload/file/156/78390/FILENAME/Poslovni_argumenti_za_drustvenu_odgovornost_poduzeca.pdf. — 8. KOTLER P, LEE N, DOP – Društveno odgovorno poslovanje: suvremena teorija i najbolja praksa (M.E.P, Zagreb, 2009) 28. — 9. KESIĆ T, Integrirana marketinška komunikacija: Oglašavanje, unapređenje prodaje, Internet, odnosi s javnošću, publicitet, osobna prodaja (Opinio, Zagreb, 2003) 107. — 10. BABIĆ M, Korporativni imidž (Adamić, Rijeka, 2004) 25. — 11. AMINI A et al, Interdiscipl J Contemp Res Bus, 4 (2012) 192. — 12. VUGRINEC HITREC V, Računovodstvo, revizija i financije, 2 (1997) 492. — 13. ROUSE MJ, ROUSE S, Poslovne komunikacije: kul-

turološki i strateški pristup (Masmedia, Zagreb, 2005) 240. — 14. BABIĆ M, Korporativni imidž (Adamić, Rijeka, 2004) 26. — 15. THE ECONOMIST, The world according to CSR (2005). — 16. ECONOMIST INTELLIGENCE UNIT, A survey, Global BusinessBarometer (2008). — 17. BLOWFIELD M, MURRAY A, Corporate Responsibility, Second Edition, (Oxford University Press, 2011) 5. — 18. PIRIĆ V, Tržište, 20 (2008) 149. — 19. DARSONO L, Gadjah Mada International Journal of Business, 11 (2009) 284. — 20. MILAS G, Istraživačke metode u psihologiji i drugim društvenim znanostima (Naklada Slap, Jastrebarsko, 2005) 81. — 21. BUDEŠ EM, JA TRGOVAC, 3 (2012) 20. — 22. CONE COMMUNICATIONS, 2007 Cone Cause Evolution & Environmental Survey (Cone Communications, Boston, 2007) 7, 18. — 23. CONE COMMUNICATIONS, 2010 Cone Shared Responsibility Study (Cone Communications, Boston, 2010) 5. — 24. KOTLER P, LEE N, DOP – Društveno odgovorno poslovanje: suvremena teorija i najbolja praksa (M.E.P, Zagreb, 2009) 23. — 25. MUŠURA A, Korporacijska društvena odgovornost i održivi razvoj: O konceptu društvene odgovornosti. In: KRKAC K (Ed) Uvod u poslovnu etiku i korporacijsku društvenu odgovornost. (MATE / ZSEM, Zagreb, 2007) 444. — 26. GABRIĆ T, Tzv. »korporativna odgovornost« i tzv. »civilno društvo«: O društvenoj odgovornosti korporacija. In: HORVAT S

(Ed) Društvena odgovornost kapitala (Studio Artless, Zagreb, 2007) 138. — 27. KOTLER P, LEE N, DOP – Društveno odgovorno poslovanje: suvremena teorija i najbolja praksa (M.E.P., Zagreb, 2009) 22. — 28. CONE COMMUNICATIONS, 2011 Cone/Echo Global CR Opportunity Study (Cone Communications, Boston, 2011) 21. — 29. HOLCIM HRVATSKA d.o.o., Utjecaj društveno odgovornog ponašanja na ponašanje kupca, ac-

cessed 29.10.2012. Available from: URL: <http://www.holcim.hr/mediji-izdavanje/publikacije/izvjesca.html>. — 30. KOTLER P, LEE N, DOP – Društveno odgovorno poslovanje: suvremena teorija i najbolja praksa (M.E.P., Zagreb, 2009) 24.

A. Stranjik

*University of Applied Sciences Velika Gorica, Zagrebačka cesta 5, 10410 Velika Gorica, Croatia
e-mail: alen.stranjik@vvg.hr*

DRUŠTVENA ODGOVORNOST SUVREMENOG POSLOVANJA U FUNKCIJI MEHANIZMA ZA SVLADAVANJE KRIZNE SITUACIJE U PODUZEĆU

S A Ž E T A K

Društvena odgovornost je vrlo važan element suvremenog poslovanja gdje poduzeća integriraju brigu o društvu u svoje poslovanje, poslovnu strategiju i odnose sa svojim vlasnicima, zaposlenicima, potrošačima, kupcima, dobavljačima i širom javnošću. Poštivanje etičkih načela zbog moralne obveze, a ne samo u svrhu ispunjavanja zakonom propisanih obveza, daje poduzeću dodatnu vrijednost koja može doprinijeti održavanju kontinuirane stabilnosti poduzeća i služiti kao jedan od mehanizama svladavanja krizne situacije u poduzeću u vrijeme nepovoljnih tržišnih i gospodarskih situacija. Takav pristup upravljanju poduzećem sve više daje doprinos ostvarivanju konkurentne prednosti poduzeća na tržištu. Ovaj rad objašnjava zašto je važna društvena odgovornost u suvremenom poslovanju poduzeća i kako ona može pomoći u svladavanju nepovoljnih ekonomskih situacija koje mogu dovesti do krizne situacije poduzeća. Zaključci u radu temeljeni su na provedenom istraživanju utjecaja društvene odgovornosti na imidž poduzeća. U radu su prikazani rezultati istraživanja na primjeru pivovara. Cilj istraživanja bio je ispitati stavove ispitanika o važnosti društveno odgovornog poslovanja poduzeća za njegov imidž i namjeru kupovine te utjecaj raznih oblika društveno odgovornog poslovanja na imidž poduzeća.