CORRELATION AND IMPORTANCE OF Socially RESPONSIBLE BUSINESS
AND ORGANIZATIONAL CULTURE OF COMPANIES

ABSTRACT

When defining a business strategy, companies should take into consideration the relationship that a company has with its stakeholders and what kind of image it creates on the market. The concept of social responsibility or socially responsible business is defining the norms, values, and behaviour of the company according to the internal and external environment. In this way, the socially responsible business of the company contributes to the improvement of relations with the key players, which contributes to the long-term sustainability of the company and the differentiation of the same among successful enterprises. The paper points to the important link between corporate social responsibility and the organizational culture of the company. The paper gives a theoretical overview of the CSR concept, focusing on the importance of the organizational culture of the company as an important segment that creates a successful relationship with the internal and external environment. The paper defines the term CSR as well as its significance and special characteristics in the application in companies. Paper is defined and explained the term organizational culture of the company, as well as what the organizational culture of the company makes. Also, a link has been defined and explained between the socially responsible companies and the organizational culture of the same, and the importance in defining the right systems of values and norms in companies, both for the company itself and for all its stakeholders, and ultimately for the competitive advantage that the company in this way does. The paper also has a practical part in which is explained the link between social responsibility and the organizational culture of the company on the example of Faculty for business and tourism.

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INTRODUCTION

Not only the events in business as it used to but also the turbulence of the environment and market changes that represent the process today have led companies to rethink and to complement their business strategies to gain a competitive edge in the market. In order to achieve a competitive advantage, they need to focus on people, i.e. to increase the number of people who use their products and services or, more simply, to believe them. In the past ten years, both in literature and practice, the concept of social responsibility has started to develop that has to help the community in which it operates. In return, these companies are recognized by the community as trusted companies, which is one of the ways in which enterprises can contribute to their growth and their competitive advantage.

As the turbulent environment and the market dictate the conditions of business, the companies realised that they also have to incorporate the concepts of social responsibility into their business strategy, to differentiate themselves and gain competitive advantage in the market, which is characterized by an increase in the number of companies and tougher competition in the market and partly marketed to whom they "live”.

The paper outlines the concept of corporate social responsibility in Montenegro, as well as the introduction or implementation of this concept in their business. It also points to the positive relationship between CSR and organizational culture. Without the social responsibility of the company, it is not possible to improve or expand the business. The aim is to show that profit and CSR are not opposing categories, but CSR comes through the definition of an organizational culture that propagates social responsibility for every individual in the company and society as a whole and leads to CSR representing a serious comparative advantage in the market.

The paper gives a theoretical overview of the concept of CSR and its application in the market or part of the market. Then, it gives an overview of the definition of organizational culture and correlation between the concept of socially responsible business and the definition of organizational culture that carries the norms and rules of behaviour within itself, which supports the concept of business that is based on social responsibility. The paper defines the concept of CSR, its significance and specifics related to the application in
enterprises, the notion of organizational culture, its significance, and definition, defining an organizational culture that contains norms and rules of behaviour that result in the strategy of the company that is interested in socially responsible business. Then, the correlation between organizational culture and social contract business, and, in the end, the significance of this correlation, which results in one-sided increased profit and competitive advantage of the company, and on the other hand contributes to the social community in which it exists.

Based on the collected data through the literature, the analysis of the factual situation was carried out and the conclusions were drawn and recommendations given for the implementation of the CSR concept in enterprises from the aspect of defining organizational culture that carries within itself the norms and rules of behaviour directed towards the welfare of society and the improvement of the competitive position of the company in the market. Through a comparative analysis on the relationship between CRS and organizational culture, based on the available data, the advantages and disadvantages of CSR in Montenegro were observed. It is showed what CSR activities are the most frequent, and which still can be improved and engaged in the marketing strategies of enterprises that operate in this territory.

Finally, it was pointed out that in Montenegro there is still not enough awareness of the benefits that the CRS brings to the company. Often, socially responsible practice is perceived as a non-profit and impractical activity. In recent years, socially responsible activities have gained importance and tend to grow. By defining the organizational culture that carries in itself a postulate that in essence has a social responsibility that puts people in the company and society as a whole in the first place, and its business strategy is defined and implemented through the socially responsible business of the company, it contributes to the improvement of the existing situation in certain segments for which state does not have enough resources to help. The enterprises carry out their socially responsible activities through activities in the fields of education, health, culture, sport, environmental protection, and work with people with disabilities. It can be concluded that enterprises have a dual role. They are also promoters of socially responsible behaviour and institutions that invest in those areas of vital importance, for which the state does not have sufficient resources. The CSR company represents a serious comparative advantage on the market because the companies that apply it send out a clear message to their clients, that they are ready to remain on the market in which they operate in Montenegro, and actively engage in solving problems both at the local and national level.
1. THEORY ASPECTS OF SOCIAL RESPONSIBILITY OF THE COMPANY IN MONTENEGRO

1.1. Defining the concept of corporate social responsibility

Social responsibility is now seen as an inevitable part of the company's business and as one of the possibilities of differentiation on the market. In this context, social responsibility or socially responsible business (according to the World Business Council for Sustainable Development) can be seen as "determination of business units to contribute to sustainable economic development, cooperation with employees, their families, local community and society as a whole, the quality of their lives.” This means that on the one hand, the concept of social responsibility is not seen as suppression of the side, people, the community and the environment, and, on the other hand, the economic goals of the enterprise. The concept of social responsibility would mean that the enterprise assumes responsibility for the impact of its activities on all its stakeholders as well as on the environment. It should also be noted that CSR is not the same for every company, but business according to this precipitation depends on the size of the company, the economic region, the market and the business itself of the observed company.

As stated above, socially responsible business connects and improves relations between companies, stakeholders and the environment, and connects them to a whole that creates well-being, both for the enterprise itself and for fulfilling the present needs and needs of future generations. The most famous CSR model is the pyramid model presented by Caroll (Carroll, 1996) in which the company should be socially responsible and economically stable (to be profitable), then legally responsible (to respect the laws of the state and the market), ethically responsible (to do business in accordance with moral and ethical norms of society, community and market) and ultimately to have philanthropic responsibility (to be a good citizen).

Regarding the origin of the concept of social responsibility, we could say that historically speaking, it dates back to the thirties of the last century, and as a subject of research, experts and interested individuals, later somewhere to the nineties when the company accepted the modern concept of social responsibility for the formation and implementation in business...
strategies. Therefore, on the one hand, the activities they implement create value for the owners of the company, and on the other hand, value for the broader community.

1.2. Significance and characteristics of corporate social responsibility

Numerous questions are raised about concepts and the application of social responsibility in enterprises. Some of them are related to the implementation of this concept in the business of the company itself, and it relates to whether the social responsibility is profitable or not and whether it should be viewed as an expense or as an investment (Stojanović-Aleksić, Erić Nielsen, Bošković, 2016). These questions cannot be answered either by "yes" or "no", but the answers contain the viewing of things from different angles. The concept of social responsibility can be viewed through the impact on the company and on society when a company operates under the given concept. This would mean that responsible behaviour in the public is commendable, i.e. positive effects seen in the long run can create a positive image or existing improvement. Consequently, there is a sense of security and trust from interested individuals and groups, which creates a positive effect on the business of the company itself. By this, we would say that the concept of social responsibility creates a positive effect on the company through activities that contribute to a positive image, and the image creates confidence in the stakeholders, and this brings the company to an increase in the value of shares, a higher market share, a competitive advantage. A study conducted in the US showed that factors related to social responsibility have almost the same effect on the reputation of the company as some traditional factors such as quality, price, usability (Stojanović-Aleksić, Erić Nielsen, Bošković, 2016).

Also, one must bear in mind that there is another aspect in which the significance of social responsibility is reflected. It is reporting on corporate social responsibility that should be included in the results and reporting on the overall business operations of the company.

When we are talking about activities, i.e. areas that cover the concept of social responsibility, we would say that this is a promotion of social goals, the connection of marketing activities with social goals, volunteer work and corporate philanthropy (Stojanović-Aleksić, Erić Nielsen, Bošković, 2016).

When we talk about the concept of social responsibility, firstly we think about the relationship between CSR and profitable business companies, which perceive this concept as
a way to contribute to the community but also to achieve greater competitive advantage. By developing the market and increasing the number of market participants as well as increasing and creating new service products, companies have to find a way to improve their reputation, trust their users, to restore this trust through various activities that would make people eager to face and ears. Thus, companies realised that the concept of corporate social responsibility gives them the opportunity to expand and improve their business. They can incorporate this concept into their defined strategy and thereby achieve CSR competitive advantage on the market. By implementing socially responsible activities of the company they become an active part of the community in which they operate (Zelenović, 2015) through:

- Promoting social objectives - through a financial contribution or other contributions to develop or solve a social goal,
- Marketing of general welfare - when a certain amount of income is given for the achievement of a social goal,
- Corporate social marketing - development assistance, implementation of campaigns that influence the raising of awareness about health, sickness, environmental protection,
- Corporate philanthropy - directly making contributions to a charity or social action,
- Volunteer work of the community - volunteer work of the employees of the partner,
- Socially responsible business practice - the adoption and application of a business practice that supports a social goal that needs to improve community life (both people and the environment) (Kotler, Li, 2009).

As a motive for the introduction of the concept of social responsibility, it appears at various levels (www.rare-eu.net: Corporate Social Responsibility and Gender Equality in the Banking Sector by Yelenović V., 2015):

- Internal ethics - processes in the company and
- External ethics - the effects of company shares on the market.

2. THEORETICAL ASPECTS OF ORGANIZATIONAL CULTURE

2.1. Defining the concept of organizational culture

The most general definition of organizational culture is considered to be the one that emphasizes the "model of basic assumptions, values and norms that the data group developed
or discovered by learning how to deal with problems of external adaptation and internal integration and functioning well enough to be transferred to the new members of the organization as well as the correct way of opinions and feelings in relation to those problems” (Schein, 2008).

Culture is common knowledge organization members created their interactions which specify the organizational value system (Wilkins & Dyer, 1988).

Organizational culture refers to the pattern of beliefs, values and learned ways of dealing with experiences that have evolved through organizational history and manifested through material objects as well as the behaviour of members of the organization. (Brown, 1995).

We define organizational culture as "the assumptions, beliefs, values and norms of behaviour that members of one organization have developed and adopted through a shared experience that is manifested through symbols and direct their thinking and behaviour” (Janićijević, 2008).

2.2. Characteristics and importance of organizational culture

All of the above in a part of an idea of determining and defining an organizational culture synthesis of cognitive and symbolic elements. The assumptions, beliefs, values, attitudes and norms of behaviour are its cognitive elements, while the symbolic ones are: language, symbols, patterns of behaviour (Schein, 2004:29). In other words, organizational culture manifests cognitive content through symbolic elements in the context of an organization. Organizational culture aims to establish, based on existing values, attitudes and norms, a standard for new ones that will be functional and useful both for internal integration and for external organization adaptation.

Organizational culture makes several factors and influences. If we look at actors who are directly involved in the life of culture in an organization that directly or indirectly creates it, they are individual values, organizational values, the relation of individual and organizational values, the dynamics of development and influence, the leader and its role.

Authors as the most important beneficiaries of the existence of organizational culture in the company cite the fact that they affirmatively affect the productivity, efficiency, integration and adaptation of the company into a business and social context. The question is what
mechanisms can be achieved in business practice. The most prominent and most functional system of reviving organizational culture in the enterprise is realized with stories, rituals, symbols and language.

When we are talking about symbols (symbolic sign), we mean conventional signs that are a matter of agreement and convention, human creation. Symbols are organized into codes that can sometimes be smaller, sometimes more obvious (behaviour, dressing, etc.). Visual symbols that decorate the premises of a company are a powerful tool for sending messages about organizational culture. Large companies know this, so their efforts send a clear message of priority through this tool in the company's strategy: profit (the number of pictures of sales chains around the world), humanitarian work (PR of successful projects that saved people), preservation of biodiversity principles that point to the importance of preserving the nature of man's survival).

The stories contain affirmative information about the business, positive examples of business activity, and elements that will motivate members of the collective to repeat similar actions or engage them in business practices.

The stories succeed in transferring the values of organizational culture to new employees, and also to keep the level of awareness of organizational culture for the old employees. Stories contain affirmative information about the business, positive examples of business activities and elements by which members of the collective will be motivated to repeat similar actions or to involve them in business practice. Besides, the environment (clients, stakeholders and the social environment) sends a positive picture of the company's image.

The ceremonies organized by the company aim to promote the values of the organizational culture through the celebration of important dates, anniversary, or results achieved. Companies often use them as an opportunity to reward those who deserved, business associates, to show gratitude and present the organizational culture and its values.

Members of the organization that closely cooperate and intensely communicate, for example, employees in the same sector, share the same set of language characteristics. The jargon helps to increase the sense of belonging to the group and affirm the value of their subculture.
What distinguishes organizations that have a functional organizational culture from those that do not have it? The arrangement of a functional organizational culture implies that the employees share common values and norms. This diminishes the factor unexpected in their behaviour, so the complex tasks imposed by the demands of a turbulent and insecure market are easier to perform. Therefore, such organizations more readily accept and take the risk without the additional stress of their employees. Companies with functional organizational culture among its employees create positive thinking, feelings and actions expected of the company, but it is perceived by the environment - clients, stakeholders and the community. In this way, the image of the company expands to an optimal extent. Besides, functional organizational culture contributes to the motivation and involvement of employees in solving challenging and complex problems. The level of flexibility in the division of tasks and responsibilities is also frequent, and employees of such organizations effectively carry out the tasks for which they are talented and willing to give their time offered maximum performance.

3. CORRELATION AND IMPORTANCE BETWEEN SOCIALLY RESPONSIBLE BUSINESS AND ORGANIZATIONAL CULTURE OF THE COMPANY

The current tendencies of socially responsible behaviour at the global level have been seen as a comparative advantage, but also as an opportunity to contribute to the social community in which the company operates. Organizational culture seems to have been proven as an effective link between business units and society as a context, and as such has produced notable results in the constitution, operation and development of socially responsible behaviour.

This does not mean that you cannot do more, especially when it comes to transitional societies such as Montenegrin. Existing organizational culture relies on past values, and the undefined and foggy business conditions of the last three decades were not suitable for organizational culture or justification or development of the dynamics of socio-economically developed societies. Besides, the current tendencies of some countries in the region that also went through the transition period point to the presence of elements of national culture mixed with the overcoming, but also with new ideological content, which caused disorientation in the operations of companies (Šormaz & Ilić, 2016). Here, it can be particularly noted that such an organizational culture has not been able to affirm its very important value - CSR.
Viewed from another angle, in Montenegro, there are businesses that, despite the real difficulties withstand the challenges of the transition process. We refer to those entities who have continued their lives as part of successful European and global corporations or to new business entities that have perceived the importance of organizational culture and CSR for successful work and market positioning in time. Hereinafter, a case study is provided to support this.

It is not necessary to specifically emphasize the fact that organizational culture is a dynamic category that, with new challenges, initiates new values, beliefs, attitudes, norms and patterns of behaviour. Modern business flows set corporate social responsibility as a core value, and all participants in the business process should be aware of this and implement it in business practice. In that sense, changes in organizational culture should be expected, to promote a socially responsible business as an opportunity for development and growth.

Changes in organizational culture should be initiated by the top management. Often these changes are initiated by the founders of companies. Apart from being initiated by the top management, socially responsible business, as the value of organizational culture, must be part of its everyday business practice. It conveys its ideas on the need for socially responsible business to middle management, which, by acting and interacting with its employees, changes their values and attitudes. Changes at the level of the organizational culture here are operatively executed. By definition, the human resources department has the task of taking care of the employees, their needs, the wishes. Also, this sector identifies, checks and evaluates the state of the organizational culture and the values in it. Based on this, the expert report and advise is necessary to make a change there.

At all operational levels of change in organizational culture, modern business requires the establishment of the socially responsible business as a value that increases professional chances for companies, their integration and adaptation, and makes them a factor in the development of the social community.

3.1 Faculty for Business and Tourism - academic implementation of CSR in practice
Faculty for Business and Tourism Budva is a higher scientific institution which enrolled the first generation of students in 2011. It is accredited and licensed for basic, specialist and master academic studies. The programme has been developed in cooperation with the leaders in business, tourism, and catering, and it represents the optimal combination of academic knowledge and practical skills. After the completed studies, students are equally successful in performing managerial tasks in the economy as well as in public administration and science.

In their founding acts, the founders recognized the importance of socially responsible business, and through the organizational culture, they involved it in the professional practice of academic and non-academic staff employed in this scientific-educational institution. Through the quality policy program, values have been recognized as qualities in the wider community.

First of all, this refers to the enrollment policy that encourages high school students to give their maximum in learning and work, and thus acquire the conditions for free education. All the winners of the "Luča" diploma have been provided with a full scholarship at this Faculty. Also, excellent athletes are provided with scholarships and additional hours' programs if there is a need for it. The Faculty promotes all socially useful forms of behaviour and action among employees and students through various programs, promotions, presentations and actions.

Every year, in the summer semester, students acquire theoretical knowledge from the domain of the organization of the event at the forefront of the management event. Last Sunday of April, just before the May holidays, students apply their acquired knowledge into practice; more precisely in public time, they show how to use them. Events always aim to promote the values of the local community and thus contribute to the integration of the institution in the social context. By actively participating in the revival of this content, students not only raise awareness of the importance of fostering socially responsible behaviour, and business but also urge the community to do the same. With the mentor's work of subject teachers, they present the challenges, obstacles, and benefits that they encounter in their work.

An example of such an event from 2016 came to the attention of the public and the community, and therefore we distinguish it from others. The project entitled "Promotion of rustua fest" (Fešte od ruštula) aimed to promote a local pre-season tourist event which promotes the culture Pastrov region, with special emphasis on artistic and gastronomic content.
During the promotion, students prepared programs that presented a part of cultural heritage and customs. With the colourful folk costumes, the rhythm and the spirit of the Mediterranean city that they wanted to show, the students pointed out the attractiveness of Fešta od ruštula, then planned for July, and all the experiential contents that are expected at the festival itself with promotional tools. Also, a welcome cocktail was organized in the hall of the Faculty, in which students emphasized the hospitality of the local population and the presentation of gastronomic specialities of this coastal region.

Students invited all potentially interested target groups that they thought could directly or indirectly include this content in the program of staying tourists in the municipality of Budva: Budva Municipality, Budva Tourist Organization, public and private sector companies. All of them focus on tourism and catering, faculties, citizen associations, and the media. The idea was to animate as many of the brokers and employees as the Feast of the Rosewood Festival is good complementary content for completing the calendar of the events of the preseason or season and more effectively positioning the end on the tourist market.

During the organization of the event itself, the management of the Faculty of Business and Tourism played a key role, which, by unselfish support, logistics, and financial means, helped organize this event. In addition to the home institution, the event was greatly assisted by the hotel "Queen of Montenegro", the hotel "Palas" from Petrovac, the music club "Harmonia" and the Memorial House Reževići. All partner companies and institutions, each in their domain, contributed to the event taking the desired outline through sponsorship. Radio Television of Budva and Television "Atlas" helped the event to get media attention.

Faculty of Business and Tourism Budva is an example of an institution that aims to educate students in their quest for affirmation of socially responsible business by fostering the standards of organizational culture. As the academic staff is familiar with QUALITY, each teacher motivates students to think about the importance of CSR in their course. The example we refer to is representative because it has networked several actors from the private and public sectors, which in no way means that the others lag in importance and meaning. We believe that this type of synergy can be a conceptual framework for future cooperation, and on similar foundations build private-public partnerships with the effects of socially responsible business.

CONCLUSION
It has been concluded that the concept of social responsibility and complementing the company's business strategy can have multiple benefits both for the enterprise itself, i.e., its competitive advantage on the market, as well as for the improvement of the social community, and hence greater customer satisfaction. By introducing this concept, a positive image is being built on the market, and thus a higher degree of trust is created for all interested individuals and groups for banking operations.

The paper analyzed the concept of social responsibility, and its positive impact on economic operators, the introduction of this concept in business strategy, the introduction of the concept of organizational culture in business policy and contribute to the introduction of this concept is realized for both the company and all its stakeholders.

The paper suggests that companies of their corporate social activities implemented through action in education, health, culture, sports, environmental protection, working with people with disabilities. It was concluded that the companies have a dual role, they are also promoters of socially responsible behaviour and institutions that invest in those areas of vital importance, for which the state does not have enough resources. It was then concluded that CSR companies represent a serious comparative advantage on the market, because the pre-orders they apply to their clients send a clear message, that they are ready to remain on the market, and actively engage in solving problems both at the local and national level and to worry, through defining organizational culture, for the benefit of people in the company and society as a whole.

The contribution of the work is reflected in the fact that through the analysis of available literature a section of activity and areas in which CSR companies in Montenegro are represented. Also, we defined our work with CSR pre-conditions, what are the advantages and what disadvantages in the previous CSR practice and in which direction CSR should be improved by defining the appropriate organizational culture.

This paper gives an overview of CSR activities that can help decision-makers in the marketing sector of the company, using CSR as one of the leverages for achieving a comparative advantage in the market. Through analysis, what is predominantly characterized by CSR and what are the advantages and disadvantages of past CSR practice and what can be improved through organizational culture, which would have an impact on reputation, and thus to achieve greater profits.
Also, new opportunities for future research have been opened, and one of them relates to what are the strategies that companies apply in the realization of socially responsible business.

LITERATURE


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www.rare-eu.net: Corporate Social Responsibility and Gender Equality in the Banking Sector
SAŽETAK

Pri definiranju strategije poslovanja treba voditi računa o odnosu koje poduzeće ima sa svojim *stakeholderima* i kakvu sliku stvara o sebi na tržištu. Pojam društvene odgovornosti ili društveno odgovornoga poslovanja definira se preko normi, vrijednosti i ponašanja poduzeća prema internome i eksternom okruženju. Društveno odgovorno poslovanje poduzeća tako pridonosi poboljšanju odnosa s ključnim akterima, te pridonosi dugoročnoj održivosti tvrtke i diferencijaciji iste među uspješnim poduzećima. Rad ukazuje na značajnu svezu između korporativne društvene odgovornosti (CSR) i organizacijske kulture poduzeća. Radom se daje teorijski pregled koncepta društvene odgovornosti poduzeća (CSR), usredotočuje se na značaj organizacijske kulture poduzeća kao bitnoga segmeta kojim se kreira uspješan odnos prema internome i eksternom okruženju. U radu je definiran CSR, kao i njegov značaj te posebne značajke u primjeni u poduzećima. U radu je definiran i objašnjen pojam organizacijske kulture poduzeća, kao i ono što je čini. Također, definirana je i objašnjena sveza između društveno odgovornoga poduzeća i njegove organizacijske kulture. Objašnjeno je koliki je značaj u definiranju pravih sustava vrijednosti i normi u poduzeću, kako za samo poduzeće tako i za sve njegove *stakeholder* te, na kraju, za konkurentsku prednost koju poduzeće na taj način ostvaruje. Rad sadrži i praktični dio koji objašnjava svezu između društveno odgovornoga poslovanja i organizacijske kulture tvrtki i to na primjeru Fakulteta za biznis i turizam.

**Ključne riječi:** društveno odgovorno poslovanje, organizacijska kultura, poduzeće, reputacija, konkurentska prednost