

Professional paper/Stručni rad

METHODOLOGICAL ISSUES IN PUBLISHING INFORMATION ABOUT SOCIALLY RESPONSIBLE PRACTICES AND THE ROLE OF DIGITALISATION

ZHANA GENOVA

University of Economics-Varna

Varna, Bulgaria

Phd student

jana.genova@ue-varna.bg

ABSTRACT

Publishing the information of social responsible business practices is becoming more and more relevant due to the public's interest in the contribution of business to social causes. Is obvious the need of standards and criterias for publishind social reports. The business digitization process facilitates communication with users and enables easier and quicker disclosure of good business practices, including socially responsible. This could play an important role in building a positive corporate image.

KEYWORDS: (CSR) corporate social responsibility, reputation, socially responsible practices, digitalisation, publishing information

OVERVIEW

Modern business realities provide opportunities for growth and development, especially if an undeveloped market niche is occupied, but at the same time, however, they create limitations due to the many requirements and legal frameworks put by society before business organizations. One of the main problems of business organizations today is the lack of trust in them. Consumers become increasingly demanding, and the burgeoning business-society relationship give different interpretations to business responsibilities. Therefore, good corporate reputation and trust in organizations could be an advantage over competitors and a prerequisite for building company sustainability. Socially responsible practices have the potential to increase the business' reputation in the long run and to facilitate the relationship between business and other stakeholders (consumers, network of suppliers, state regulator, non-governmental sector, etc.). This makes the topic particularly relevant both to practical research and for theoretical discussion.

Since today's main source of information is mass media, and in particular the Internet, much of the corporate image of companies is being built there. And the image depends to a large extent on the publication of information about the activities of a business organization, including its socially responsible practices. In this respect, the success of a socially responsible campaign kind of depends on the way it is presented to the public. Nowadays, disclosing data through

social reports is an important element of the overall image-building. This is a final stage in building a socially responsible campaign as the start depends on the selection of a cause and the choice of partners for its implementation.

It can be added that today in an environment of media digitalization, the conditions of communication between consumers and business offer an opportunity for quick feedback and easy and rapid dissemination of information. This puts managers in a new situation, which requires strategic planning both in the selection of socially responsible causes and in the way of their communication with all stakeholders.

The objective of the study is to explore opportunities to enhance corporate reputation and trust in business through socially responsible practices by taking advantage of the digitalization of business.

Taking into account the objective set forth above, the following research tasks can be derived:

1. Defining the significance of corporate reputation and related terms – image, trust, sustainable development and their relation to social responsibility
2. Describing the impact of digitalization in the process of disclosure of socially responsible practices
3. Developing tendencies and directions to future research in the field of social responsibility and building a positive corporate reputation

Research approaches and constraints:

Various approaches, methods and tools have been used to achieve the objectives and tasks of the research. In theoretical and methodological terms, scientific synthesis, theoretical analysis and comparative approach are used to clarify the reputation-socially responsible business relationship.

Constraints:

This article examines reputation in the context of business planning of organizations rather than in marketing aspect. Socially responsible practices of business are seen as a potential opportunity to enhance corporate reputation, especially in today's conditions, where measuring online reputation is an essential element of building a reputation and liaising with other stakeholders. Constraints in the consideration of theoretical elaborations: for the purposes of the research, publications of foreign and Bulgarian authors examining social responsibility not in general, but in particular its role in creating better image, building a lasting, positive reputation and trust have been examined.

MAIN TEXT

The article explores the possibilities to work purposefully to build a positive image by using social responsibility practices. We present a conceptual model of socially responsible business practices-corporate reputation enhancing relationship through examples of practice and derive the factors pertaining to social responsibility and affecting corporate reputation. As it was mentioned above, business-society relations are developing quite rapidly and many demands on business organizations put on test their sustainability. One of the possible prerequisites to create an advantage is the positive image. The image is the impression that a company creates for itself through employees, emblems, logos, symbols and through attitude to all stakeholders. In the context of sustainable development theory, the image would also become a lasting reputation if consistency and logics of disclosure of socially responsible practices are followed

Examples are sectors such as chemical industry, metallurgy, insurance and banking sector, mobile operators, etc. who have serious socially responsible campaigns. This can easily be traced back to history. However, they have traditionally low reputation among consumers. We believe that due to the lack of good enough communication strategies and inappropriate social reporting, many of these businesses have a bad image. This could be improved if consumers are timely aware of the businesses' socially responsible campaigns and policies. Here, digital business environment, fast access to information and easy feedback (social reaction) of society play a crucial role. Together with online reputation formation trends and the wide range of socially significant issues, the opportunities to create a lasting positive reputation for business is derived by disclosing socially responsible practices.

For the purposes of our research we will define some basic concepts – image, mark, brand, reputation.

With the development of corporate social responsibility, globally important initiatives and forums emerged that promote and enrich the interest in the socially responsible business. The signing of the United Nations Global Compact marks a significant step towards the socialization of society. Marketing theory and practice is partly related to the introduction of the concept of corporate social responsibility and we will only address some of the theoretical concepts used in marketing. Mostly these, related to the creation of image, positive image and influence, brand and mark/brand attachment.

Image – a public impression that is common in society, among customers and consumers and with which an organization is associated (Petrovski, 2015). The term “image” refers to a design, prototype, reflection, vision. The image is a public perception of a person or subject, who presents his/her positive aspects and aims to gain social approval from stakeholders (Altkorn, 2004), wrote Bednarska, Olejniczak , 2016.

In their book *Brand Spirit*, Pringle and Thompson support the idea that if a company or a brand is associated to a worthy cause, they can influence consumers. They assert that consumers go beyond “the practical aspect of the functional purpose of the object or the rational benefit of it and cross the boundary of the emotional and psychological nature of the mark. Consumers reach the top of Maslow's Hierarchy of Needs and look for “self-development and realization”, (Kotler), 2014.

To implement social responsibility, the company takes the public interest into account by assuming responsibility for the impact of its operations on customers, suppliers, employees, participants and other stakeholders.

And what brand is - identifies and legitimizes products, goods, services of a company through name, symbols, combination of colours, shapes, slogans, sound, (Petrovski) 2015.

Business for Social Responsibility, a leading global organization, provides consulting services, educational products related to the integration of corporate social responsibility into company structures. According to its research, companies have a number of benefits from implementing socially responsible business models:

- Increased market share
- Trademark establishment
- Enhancing corporate image and influence
- Increasing the possibilities for attracting and retaining employees
- Reducing operating costs
- Increasing the investment attractiveness of the company

Socially responsible practices are a type of communication but also advertising campaigns that require time and money, but no business can solve all the social problems of the world, so

campaign selection is extremely important. In their public reports, business organizations should be able to convince users of the reason and manner they have selected certain causes. Every socially responsible campaign must correspond to the objectives of the business organization; there must be logic in support of an initiative. Today, digital space greatly facilitates this process of communication between business and society, so digitalization is a prerequisite for a successful socially responsible campaign as long as it is presented in a reliable manner. Or else, again because of fast online communications today, corporate image and reputation are spoiling much faster than before. Let's mention that all the information existing in the virtual environment for an object creates its online reputation, which is why each company should be responsible for the data it publishes online and in the public domain.

We can assume that in today's business reality, business-to-stakeholders communication is crucial, the ability of getting instant feedback and social response through mobile technologies transfer much of the business communication into a digital reality. Concepts such as online reputation are established and this could be a positive opportunity for businesses – to create the desired image within a shorter space of time. Socially responsible business practices and their timely disclosure in reports and other forms would provide the basis for building a long-term partnership with both different counterparties and, above all, with consumers. Thus, the opportunities for the social responsibility of the business to be perceived as “hypocrisy” can be greatly reduced. By mentioning accountability and disclosure of data, we can briefly summarize that global companies often benefit from the services of various organizations advising businesses how to prepare their social reports, as there is a great need for unification in this aspect. The most commonly used and well-formulated are the recommendations of the Global Reporting Initiative – GRI. It is by referring to information from their site that we will bring several possible advantages for business derived from the correct disclosure of their social activities:

1. Strengthening the relationship between financial enterprises and non-profit ones at a global level;
2. Strengthening the importance of strategic planning in corporate activities;
3. Avoiding social, environmental and political scandals;
4. Increasing customer loyalty and motivation of staff;
5. Facilitated understanding of the mission, vision and objectives of the organization by employees and customers. Identifying of employees with the organization's business objectives.

Social accountability is an important element in building a positive business image. In addition to showing companies' serious demand for social commitment, accountability is also a kind of feedback in communicating with other stakeholders in the business process. As regards the company image, we can note that this is primarily a subjective concept, because the impression of a company built up in the minds of some stakeholders would affect the positioning of that company among competitors. A different aspect of social assessment is the disclosure of socially responsible initiatives by business organizations themselves. We find this information in social reports, corporate sustainability reports and official websites or as an integral part of the overall annual activity report together with the financial statement.

Modern business realities put business in a different environment; digitalization is a prerequisite for quicker consumer feedback, but also it is responsibility, as easy access to information can quickly ruin a corporate image. An online story goes around the world in a blink of an eye, and the consequences of a badly communicated business initiative can permanently damage the business reputation of an organization. The disclosure of data, especially in the online

environment, requires precision and openness. The user should be able to easily find information about the companies' socially responsible practices on the Internet. And this information must be realistic in order to make it clear why these causes are chosen and how much is invested in them. To put it briefly, accessibility, openness and timely information to all stakeholders are possible factors for a successful socially responsible campaign, presented through modern means of advertising and today's online communications.

CONCLUSION

Nowadays, consumers are demanding, they have a wide choice of products and services they can use. They require business organizations to be loyal to them and give them openly the results of their activities. Therefore, if a company is socially responsible only for a particular issue or only within a particular campaign, and for the rest of the time it is not, it will be interpreted as "hypocritical" behaviour. One possible option could be the regular disclosure of information about socially responsible practices to make it clear that they are part of the targeted corporate policy rather than episodic events. While digital space offers managers the opportunity to poll public opinion on the selection of causes or to get any feedback, including on socially responsible initiatives. Virtual space is the easiest and fastest way to reach users; an acknowledgment of the importance of digitization for a company's image is also the increasingly popular concept of online reputation.

Today, good image and reputation are crucial to the competitiveness of business organizations. Starting from advertising, design, logo and all visible parts of reputation and reaching to deeper and symbolic signals that are sent to users through socially responsible campaigns. They form a long-lasting positive image if the campaigns have a well-chosen cause and are adequately addressed. It is meant that the choice of cause the business will be involved with is extremely difficult and crucial. Over the last 20 years, cause popularization has become a strategy for achieving marketing and social goals, as Kotler (2014) wrote. Well-advised promotions can significantly improve the opinion about the company and increase sales and customer and partners' loyalty to business.

REFERENCES

- [1] Bednarska-Olejniczak D. (2016). Corporate social responsibility as part of company image management in banking institutions. *Acta Sci. Pol., Oeconomia*, 15 (2), pp. 5–14.
- [2] Petrovski Iv.(2015) *Glossary on Management* , p. 94
- [3] Kotler.Philip. *Good Works!*,Ciela, Sofia, 2014, page. 23
- [4] <https://www.globalreporting.org/information/sustainability-reporting/Pages/reporting-benefits.aspx> downloaded: [May, 27th 2018]
- [5] <https://www.bsr.org/en/about> downloaded: [May, 27th 2018]