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SOCIAL RESPONSIBILITY RECOGNITION AND INVOLVEMENT OF INTERESTED PARTIES

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Abstract: This paper will outline social responsibility in organisations. The concept of corporate social responsibility is becoming more and more prevalent both in business practice and in scientific and professional analyses. Being responsible for an organisation means that its actions are driven by knowledge of responsibility not only to shareholders, owners, but also to all related parties. The concept of corporate social responsibility is based on the growing belief that modern organisations have more and more responsibility for their role in society. Corporate social responsibility has evolved from the idea that organisations that successfully operate on a voluntary basis give back to the wider community a share of the profits made. It was accepted worldwide that corporate social responsibility was compatible with the competitiveness of organisations. The research shown that organisations that are socially responsible were making more profit. Thus, the ISO 26000 standard is a recognized international standard that organisations should implement in their processes.

Keywords: organisations, social responsibility, ISO 26000, implementation, stakeholders

INTRODUCTION

Social responsibility has proven to be important worldwide for the survival and continuous improvement of an organisation. The concept of socially responsible business is increasingly present in business practice as well as in scientific and professional analyses. The concept of socially responsible business starts from the stronger belief that modern organisations have more and more responsibility for their role in society. [1].

Organisations around the world and all stakeholders are becoming increasingly aware of the need for and benefit from socially responsible behaviour. Competent human resources are the key to achieving corporate social responsibility through continuous improvement.

The goal of social responsibility is to contribute to sustainable development and continuous improvement in all segments of human life. This is a reflection of the growing recognition of the need to ensure a healthy ecosystem, social equality and good quality management in every organisation. Each organisation in its mission, vision and strategy should plan activities to preserve a healthy ecosystem on earth. The requirements of all stakeholders should be taken into account.

The local community, which is very common in the theory and practice of organisational management, defines a very heterogeneous set of individuals, informal groups, institutions and similar organisations, mainly taking into account the common interests of the organisation considered local in relation to natural resource use. [2].

Individually, each of these individuals, groups and institutions were defined by special interests, roles, responsibilities and rights. In order for all interested parties to exercise their rights but also be responsible for the improvement of the organisation, it is necessary for the organisation to identify the requirements and obligations of all stakeholders at the beginning of each calendar year and to

identify responsible persons and stakeholders involved in its process.

BENEFITS FROM THE IMPLEMENTATION OF ISO 26000

This International Standard provides guidelines for all types of organisations, regardless of their size or location, in relation to: concepts, terms and definitions relating to social responsibility; background, trends and characteristics of social responsibility; principles and practices relating to social responsibility.

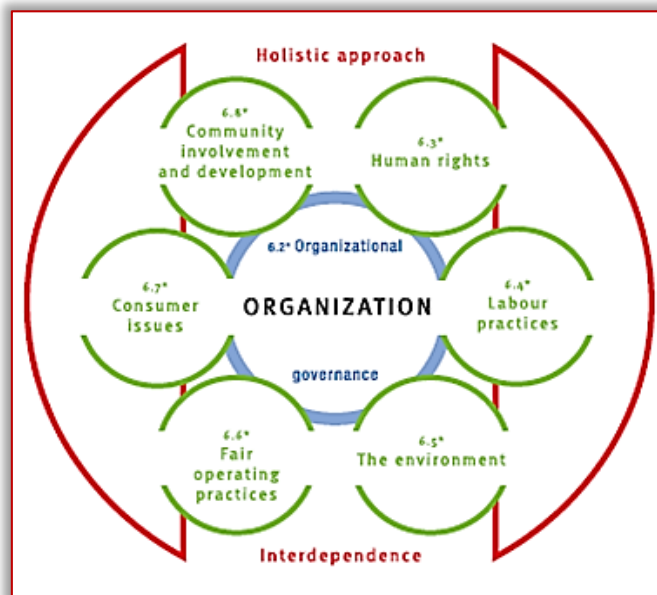


Figure 1. Social Responsibility: 7 key topics [3]

ISO 26000 - The Social Responsibility Guide focuses on seven key topics, namely:

1. organisation management,
2. human rights,
3. work practices,
4. environment,

5. fair business practices,
6. consumer issues and involvement
7. community development.

These key topics of social responsibility were defined in the standard and shown in the following graph. The numbers refer to the corresponding point of the standard.

This standard was intended neither for a management system nor for certification purposes.

The perception and reality of an organisation's performance on social responsibility can affect, among other things:

- image and competitive advantage,
- the ability to attract, retain and meet the requirements of all stakeholders,
- maintaining employees and customers' satisfaction, commitment and productivity,
- satisfaction of investors, owners, donors and the wider community,
- relationship with organisations, government institutions, media, suppliers, industry organisations and customers.

All stakeholders benefit from the implementation of ISO 26000 and it was intended to help organisations contribute to sustainable development. Its purpose was to encourage them to go beyond the realm of legal compliance.

Recognizing that compliance with the law is being a fundamental duty of any organisation and an essential part of its social responsibility. The standard was intended to promote mutual understanding in the field of social responsibility and to complement other instruments and initiatives for social responsibility but not to replace them. [3].

INVOLVEMENT OF STAKEHOLDERS

The implementation of the guidelines on social responsibility and in practical application in the organisation should set a strategic goal of the organisation that will optimise its contribution to sustainable development. The way to achieve the set goal is to respect the principles of social responsibility.

All employees in the organisation must base their behaviour on standards and other positive legal regulations which are in accordance with the accepted principles of correct and good behaviour in the context of specified situations in the organization. The organisation should take into account social, environmental, legal, cultural, political and organizational differences and that everything should be in line with international norms of behaviour.

The ISO 26000 standard lists seven principles that an organisation should apply when implementing guidelines. The principles are: responsibility, transparency, ethical conduct, and respect for the following: interests of stakeholders, rule of law, international norms of conduct and human rights.

Principles, practices and basic areas (organisation management, human rights, work practices, environment, fair business practices, consumer issues and involvement in community development) form the basis for the practical

implementation of the organisation's social responsibility and its contribution to sustainable development.

Decisions and activities of a socially responsible organisation must achieve the planned result for the sustainable development of society. Organisations must monitor and periodically review information on external and internal issues.

Tables 1 and 2 show all stakeholders and their needs and expectations.

Table 1. Internal stakeholders

| Internal stakeholders | Needs and expectations |
|-------------------------|---|
| Owners | Profitability Transparency Organisation growth and expansion |
| Organisation management | Maintaining the stability of the income and liquidity of the organisation |
| Employees | Good working environment Job security Recognitions and awards |

Table 2. External stakeholders

| External stakeholders | Needs and expectations |
|-------------------------|---|
| Buyers | Product quality Price and performance of the delivered product Fulfilment of contractual requirements |
| Suppliers & partners | Mutual benefits and continuity of supply Business capacity expansion |
| Society | Compliance with the requirements of laws and regulations Ethical behaviour Environmental protection |
| Banks and insurances | Good cooperation Regularity in payment of obligations |
| Inspections | Good cooperation Regular communication |
| Universities | Scientific research and knowledge transfer Students internship and students' employment |
| Certification companies | Certification of the organisation according to international standards Participation in seminars |

The context of the organisation implies understanding of the organisation and its context, understanding the needs and expectations of stakeholders, determining the scope of the quality management system, the quality management system and its processes.

The organisation must identify internal and external factors that are relevant to its purpose and strategic direction and that affect its ability to achieve the intended outcome of each quality management system. The organisation must also

constantly monitor and review information about these external and internal factors.

Stakeholders are acting on the organisation's behaviour in relation to products, services, investments and the joint action of internal and external factors creating a continuous improvement [4].



Figure 2. Understanding of the organisation and its context

All organisations that have an integrated quality management system in place and implemented must monitor and review information on these stakeholders and their pre-established requirements on an annual basis. In this way, the understanding of the needs and expectations of stakeholders is being met.

When determining the scope of the quality management system, the organisation must determine the limits of applicability of the quality management system and determine the scope of its application. All external and internal factors, stakeholders' requirements and a clear identification of the type of product or service performed by the organisation must be considered in this determination. In this sense, the scope must have documented information in which the types of products and services must be described.

The introduction, implementation, maintenance and continuous improvement of the quality management system imply that the organisation identifies the processes required for the quality management system and their application at the level of the entire organisation.

Thus, it must determine the required inputs and expected outputs from these processes, the order and interaction of these processes, the application of criteria and methods necessary for efficient functioning, resource needs, responsibilities and authorities, risks and opportunities, evaluate processes and implement necessary changes, achieving goals and daily improving processes and the entire quality management system [5].

In the identification of stakeholders, the method that is one of the most commonly used, namely mapping of stakeholders, should be determined. Many authors use a two-axis matrix of power and interest. The axis of power

represents the ability of a stakeholder to influence an organisation or a particular project. This influence can be based on their ability to provide or retain resources or to influence others in accessing information or entering key players.

The axis of interest measures the importance that an organisation or project has for the interested party. Interest can be political, financial, social, or cultural, but most often it is a combination of them. It can also be scientific or technical one.

According to the authors Eden and Ackerman, the following groups of stakeholders were distinguished [6]:

- subjects, those who have a high interest but are limited in terms of power to influence outputs. These stakeholders essentially have unrealised power because in relation to other stakeholders they can become active, either as representatives or opposition;
- players, positioned in the upper right quadrant, are those who have great power to influence the exits but also a high interest in it;
- mass, have low interest and little power to influence;
- leaders, those who determine the context, the representation of potential players and the positions they could hold and it can be critical for the exits from the organisation.

CONCLUSION

Socially responsible business in this paper was observed through the economic, social and environmental dimension. In this way of management, organisations seek to encourage the development of society, environmental protection and quality of life. Doing business in this way leads to excellence and creates a better image of the organisation in the public and is in the function of achieving comparative advantages in the world market.

Corporate social responsibility was imposed from the requirements of the environment that organisations adapt to general and specific requirements, responsibilities to society and the environment while maintaining their own economy. If the set goals of the organisation are to be achieved, it is necessary to build an integrated quality management system, determine the path towards TQM, strive for excellence and this can only be achieved by involving all stakeholders, teamwork and good quality policy.

The main goal of this paper was to point out the importance of stakeholders' identification including the methods and approaches that enable it. Corporate social responsibility can significantly contribute to the development of a reputation for desirable business in order to attract quality and competent human resources.

Note:

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