CORPORATE RESPONSIBILITY AND ITS CONNECTION TO ORGANIZATIONAL RESPONSIBILITY OF LEADERS

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ABSTRACT

Social responsibility as a concept of thinking, living and working increasingly becomes current and inseparable part of the successful existence. Realizing the need for socially responsible actions is already moving upwards and reaching organizations with progressive features. The fact is that the whole cannot yet say that organizations want to be socially responsible by themselves, not because of laws, rules or regulations, not for its own advertising but for the common good of the whole community, and sometimes beyond, the entire planet.

Leading companies in different areas in the regions want to create their own image of socially responsible organizations and lead other institute in the direction of highly specific criteria for the practice of socially responsible activities. "Easy money" is not typical of the serious and successful companies that provide sustainable development in the long run, on the contrary they do not complain to invest in the development of its employees and in the organizational culture. These companies have strong instructive leaders who managed to finish the process of leadership and create their own followers in the employees' personalities in the organization. Thus the behavior of the leader becomes the benchmark by which other related employees. Setting up a social responsibility as inseparable part of the organizational culture by the leader gives a positive reflection in organizational socially responsible behavior.

Successful leaders set the vision and build strategy in which social responsibility certainly occupies an important place as a way to work and set an image of the organization. The conducted research in the most successful and rewarded socially responsible organizations, show that these organizations have strong leaders on the top positions, leaders that practice corporate social responsibility practices. Their followers are simply trying to follow and apply procedures that are openly discussed in the company according to the built value system in which social responsibility takes an important place.

This paper includes data obtained from research conducted in reputable and socially responsible organizations certified by the Former Yugoslav Republic of Macedonia which show the connection between the applications of socially responsible activities by supporting leaders with the appropriate organizational strategy by employees. The key to setting social responsibility in the organization of a priority position is in direct correlation with the behavior of the first person in the organization.

Key Words: leadership, leadership skills, corporate responsibility, shared social corporate responsibility, organizational culture.

INTRODUCTION

Social responsibility is not so often applied in organizations though is the hallmark of successful organizations. Large organizations struggle to conquer the market in order to compete which of them will be shown as more responsible towards employees, community, society etc. That is the way organizations manage to build their image and to ensure sustainable development of its organization. It is still questionable and disputed the need for

socially responsible activities of the organizations. The conducted researches in the direction of confirming the connection between the successes of organizations and their practices in the field of social responsibility suggest that this kind of connection can be confirmed solely on the basis of successful leadership. If the leader succeeds to fully realize the leadership process in the organization and at the same time he prefers the practice of corporate social responsibility practices, than its employees will fully support and follow him/her. Thus the organization stands among the organizations applying for socially responsible and respected in the environment as such.

1. Organizational Corporate Social Responsibility Nowadays

Expectations that have community and society from an organization over time are increasing. This makes it difficult to make a breakthrough for small companies on a still undeveloped market, but for large organizations that have already been established it is a great responsibility. In this context, it is the responsibility of the companies that developed the image of socially responsible ones. Paying respect to the norms prescribed by law or are that are widespread cannot be a benchmark for corporate social responsibility organizations. Even though the primary reason for establishing an organization is the profit, the organizational sustainability and securing the working positions of employees, nowadays the organization must take care of many other things. Thus, as a field of its attention must be employee satisfaction, not just customers, then maintaining and beautifying the environment and care for society.

Globalization itself contributes to value systems to spread across national borders of countries. Thus, social responsibility by going through big and successful leaders in the smaller environment starts to change the criteria for success and way of doing business. The change that will occur once in the environment never goes back. Thus social responsibility as a hallmark of successful companies began to go into the intention to develop organizational policies to smaller, but progressive companies. If we introduce the concept of social responsibility better, then the smaller, less developed financial companies will realize that for application of this concept capital is not crucial, but the behavior and thinking. The possibilities for application of socially responsible practices are great. Using imagination and creativity can bring to socially responsible practices within the organization that will not spend big money, and the long term can increase profit organization.

2. The Impact of Leader Behavior on Human Resources

With the increasing interest in the concept of social responsibility and its expansion in the enterprise begins to be considered an essential, natural part of good management (Margolis and Walsh 2003). If we know that changes in organizations are implemented by social responsibile leaders then inevitably CSR is associated with leadership in organizations. For CSR to become part of the vision of the organization, for it to be shared with the collective and become parts of the organizational strategy is certainly needed the leader wants it to happen.

Collective acceptance of the legitimacy of a concept speaks of a new trend of management organization (Frenk den Hond, FrankG.A. de Bakker and Peter Neegaard, 2008). Social responsibility encompasses segments of organizational actions that could be developed without the participation of leaders in the organization. That leadership is not simply managing human resources in organizations but a process that creates followers has long been known. In that process the desire of followers to follow the leader in the person of his actions speaks of how social responsible behavior of the leader is motivating in terms of converting followers in socially responsible individuals, and thus the entire organization.

The process of socially responsible business organizations require successful communication leader with all kinds of capital. The need to think of all segments of socially responsible behavior: transparency, human resources inside the organization and outside with all other stakeholders, environmental care and concern for society.

Every true leader in corporate social responsibility will recognize the opportunity to strengthen its leading position among the employees in the organization and the organization in the environment, community and market. Successful leaders are leading the changes in the environment because in terms of social responsibility they are the ones that lead to a rise of staff awareness of the need a socially responsible behavior inside and outside the organization.

3. The Impact of Leadership on Corporate Social Responsibility (Conducted Research)

The research is conducted in FYROM (Stoilkovska and Delovska2010) and concerns the development of nine different organizations present in the corporate social responsibility practices in the country. For some of those practices, few of these organizations were rewarded in 2010 with the national award for Social Corporate Responsibility organized by the National Coordinating body on CSR adopted by the Government of FYROM. Research is conducted within the scientific research projects at the University of Tourism and Management in Skopje.[1] As a sample for the conducted survey, 271 employees for questioned and 9 leaders (leaders of the rewarded organizations).

Practical purpose of the survey was to create a basis for improving the performance of by the results obtained in that survey. Applying the concept of social responsibility in organizations requires more than mere training of employees. Some suggested ways to stimulate employees and dedicating special attention to the different needs of customers and subcontractors, but also to social needs and environmental needs. It was also important that the management teams in organizations prefer practicing in the area of CSR that is subject of the research. In fact the purpose of this study was to determine the need to introduce a new approach that contributes to new market behavior by all parties involved in the organization and operation of firms.

With confirmation of the cause effect relationship of leadership in initiating and implementing measures and activities related to CSR shows the necessity of applying the same concept. The purpose of this research was to understand the need to implement the concept of CSR in companies in order of their successful performance at the free market.

It is important to note that the survey was done in three areas as follows: *Approach to People*, *Approach to Environment* and *Approach to Society*.

Interesting are some of the data obtained in respect of the first area: *Approach to People,* where the answers of the respondents employees and managers of organizations, although somewhat different, though largely indicate high commitment to the first person (the leader) in the organization to work with human resources in the organization. For example, the following question:"The leader exercised equal standards for all employees in the evaluation of individual performance results", obtained high scores in the positive sense that talking about the confirmation of uniform terms for the leader to the employees.

Table 1
**Practicing Equal Standards for Assessment of all Employees**
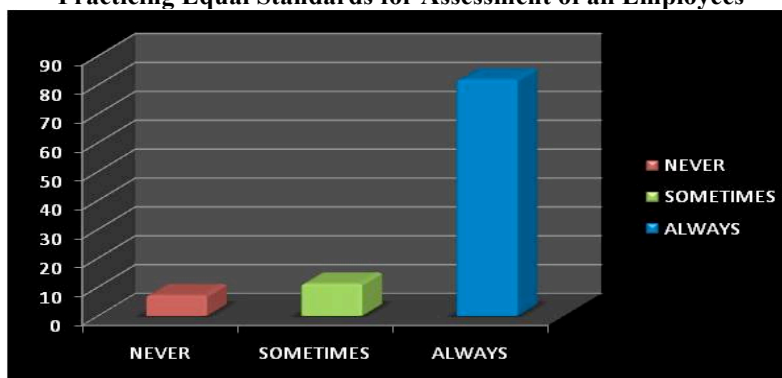
Subjectivity of their superiors that they are equal in the valuation of the work of subordinates even to deny 100% of the employees, but still within the high compliance with that even in their superiors 81.78% have the same standards for evaluating their work.

It is interesting to note the assertion: "The health of employees is one of the main efforts of the leader", shown in Table 2 from which one can see that employees are more confident that their bosses care about their health (81.78%) than it considered itself the superior (77.78%).

Table 2
**Caring for the Presumed Health of the Employees**
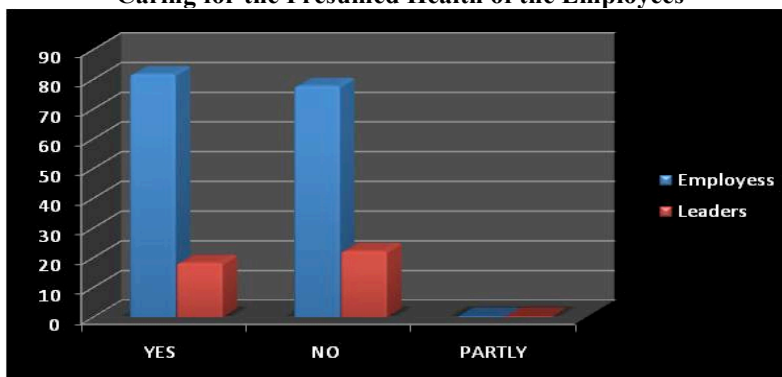
The opinions on the individual questions given in the questionnaire in the area "Approach to people" as a set of questions, show the employees' opinion on the leaders' skills for taking care for its employees, versus grouped set of questions about the attitudes of leaders have about themselves. The data (Table 3) indicate a high degree of perceived need by both groups of participants for leadership approach towards people. These findings are in favor of the claim: If a manager has leadership abilities, he will be able to motivate employees, encourage the development of their career and take care of improving working conditions, improve their quality of life to look after their health and their families.

Table 3
**Leadership Approach to People**
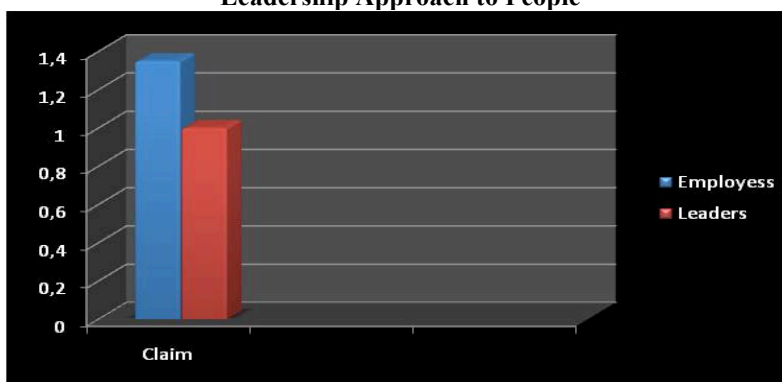
The second research area "Approach to the environment" was observed by several techniques: interviews, questionnaires and content analysis. Some of the questions in the set of questions are very indicative. For example the question: "The Director is a leader in caring for the environment protection", even 68.89% of the employees believe that preserving the environment is due the active role of their leader in the environment, even while managers believe that with 70% it just sometimes is a result of their commitment. This shows little awareness of managers about the impact that they have on staff. Visually this is represented on Table 4.

Table 4
**The Manager as a Leader in the Process of Caring for the Environment**
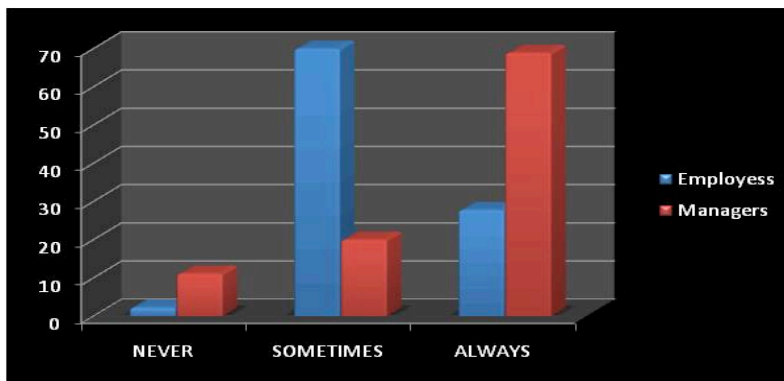
The analysis of the questions in the set of questions for the leaders and employees confirm that these selected organizations really take good care the environment they live in: "In your organization are introduced safety measures against environmental pollution." The employees' and managers' answers are almost identical. (Table 5)

Table 5
Introduced Safety Measures against Environmental Pollution
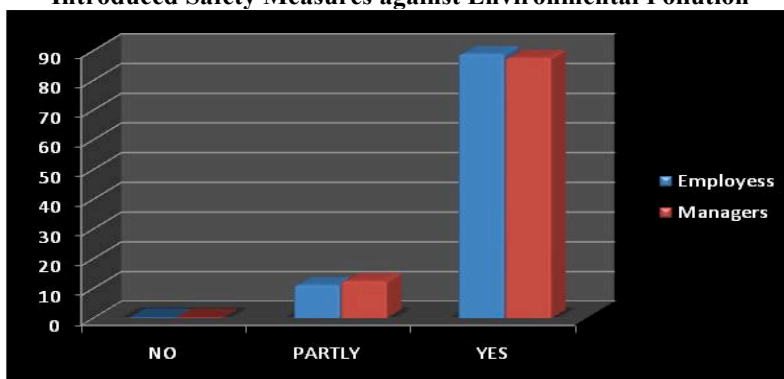

In the companies researched, the organizations themselves led by their leaders introduced safety measures that protect the environment that speaks to the high awareness of socially responsible behavior. This is confirmed by the results of the question, "The manager initiated initiatives to protect the environment or to seek legislation." Visually this is represented on Table 6, where it can be noticed that 67,11% of the employees and 61,11% of the managers have made it clear that in their organizations safety measures of many kinds (depending on the basic activities of the organizations) in order to protect the environment.

Table 6
**Initiated Initiatives to Protect the Environment**
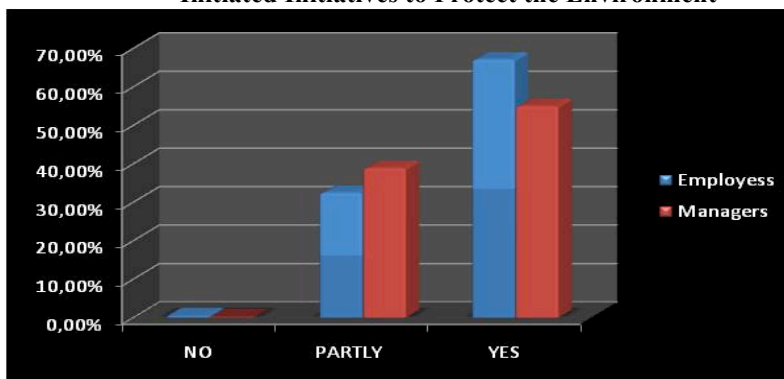
In the third research area "Approach to the society", the intention was to shoe the connection between the first man in the organization – the leader and the society, and provoking same reaction in the employees i.e. in the organization itself which will apply to be socially responsible in the society. For example the answers to the following question:"Do you accept initiatives for joint activities for environment protection together with the health organizations?" both for the employees and managers are almost identical (Table 7). The similar answers suggest that this kind of cooperation exists, but can rise to a higher level in the interest of the common good.

Table 7
Accepting Initiatives for Joint Activities
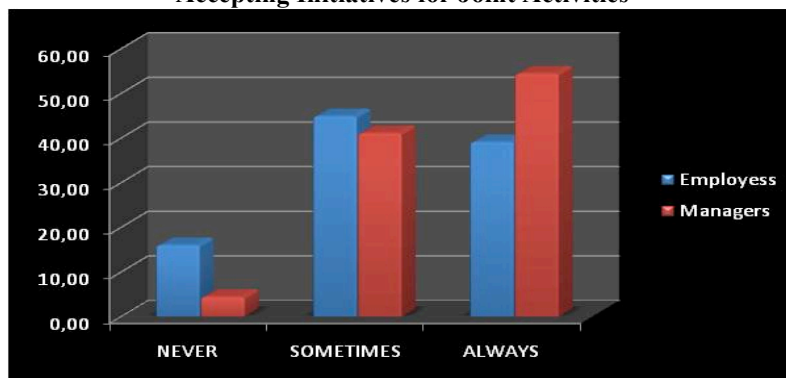
The level of cooperation of these organizations and the civil sector is not as recommended but should not be neglect, but may also rise to a higher level. The question: "Your organization has the level of cooperation partnership with some government organizations" a little over half of employees (55.56%) and managers (53.33%) said they only occasionally realize this kind of cooperation. Visually this is represented on Table 8.

Table 8
Partnership Collaboration with Government Organizations
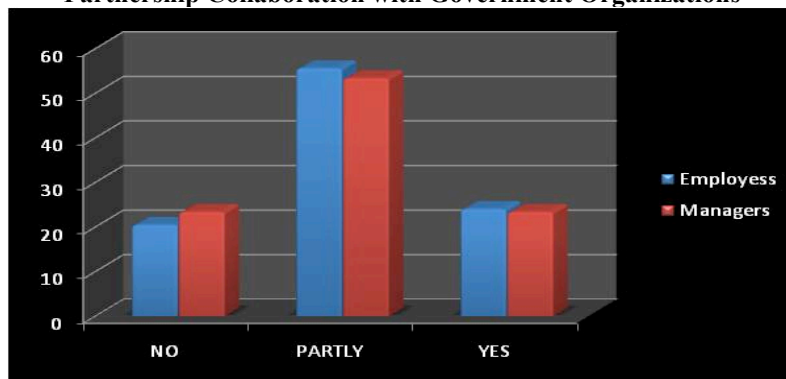
How has the leadership influence reflected in the corporate social responsibility behavior of the employees, can be seen according to the conducted research and the results shown by asking the appropriate questions of the set of questions. Table 9 shows that the leader's behavior is with graded high 1, 68 points out of 2, cause socially responsible behavior among employees in these organizations also high 1.57 points out of second.

Table 9
The Influence of CSR' Leader on the Employees

CSR Behaviour

CONCLUSION

The basic assumption which started this research is that if the manager has the leadership skills it will encourage socially responsible behavior in the company. Because he has a vision and knows how to share with subordinates followers, and thereby reflecting the long term, will provide greater competitiveness of the organization that will enhance its reputation in the community and thus achieve sustainability in the long term operation.

The survey was conducted in the field were treated with three main areas of socially responsible behavior as follows: *Approach to People*, *Approach to Environment* and *Approach to Society.*

The results of research, the findings into practice outlined in this paper and the theoretical basis based on the conducted research that was set unequivocally indicate that if the manager has the leadership skills and is involved in the creation of socially responsible activities of the organization that will ensure that followers will go to the path towards achieving the shared vision, and this will provide the organization's long-term survival in the immediate and wider environment.

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