CONNECTIONS OF SOCIAL RESPONSIBILITY, ETHICS AND SUSTAINABILITY PRINCIPLES IN THE CONTEXT OF ENHANCING THE ORGANIZATION’S REPUTATION

The article analyzes the concept of social responsibility, concepts used by Lithuanian scientists are provided, the content of corporate social responsibility and the main trends defining social responsibility principal provisions in accordance with which the organizations of Global Compact network are functioning. The article analyzes the principles of ethics and sustainability as important components in the context of corporate social responsibility, highlights the connections of following ethics, sustainability and social responsibility principles and the significance in shaping the company's reputation, thereby assuring stakeholders’ (employees, the public) favour for the organization carrying out any economic activities (services, production, trade).

Keywords: social responsibility, ethics, sustainability principles.

Relevance. Corporate social responsibility is related to ethics and compliance with the principles of sustainability. There is no doubt concerning the practical implementation benefits of social responsibility concept when it comes to the public's expectations, but it is quite difficult to draw a boundary between these benefits and costs of the organization to realize socially responsible behavior. The problem stems from implementation of social responsibility concept in practice. According to Juscius (2009), the organizations when developing their identity quite often only formally incorporate corporate social responsibility values into their management schemes and structures, resulting in a gap between publicly declared ideals and actual business practice. Long-term success and reputation of the organizations depend on how sustainable they are while integrating into the environment and assessing stakeholders' social sentiments - the relationship between the organization and the surrounding environment should be formed on the basis of social responsibility [3], where ethical principles and development of sustainability are essential component parts.

The problem: what are corporate social responsibility, ethics and sustainability principles connections and how they can be used to enhance the company's reputation.

Research aim. To define connections of social responsibility, ethics and sustainability principles. To achieve the aim these research objectives are formulated:
1. To discuss the concept of corporate social responsibility, its contents and...
principles.
2. To analyze the peculiarities of social responsibility, ethics and organizations' sustainability development of individuals and organizations, and at institutional level.
3. To reason the impact of corporate social responsibility, ethics and sustainability connections on increasing the reputation of organizations.

**The research object:** connections of corporate social responsibility, ethics and sustainability principles.

**Research methods.** Scientific literature analysis and synthesis.

**Problem discussion.** Corporate social responsibility development is linked to Bowen (1953) who defined corporate social responsibility as a social duty, and the formulated frames of the concept, despite occasional criticism and the benefits of frequent doubts in practice for the companies themselves [5], have remained unchanged ever since. Corporate social responsibility is defined as a social commitment to carry out this policy in decision-making and acting in accordance with the values accepted by society [19, 33]. Many scientists agree that social responsibility embodies common human values aimed at organization’s (shareholders’) benefit and public interest harmony [27,8, 29,14,18]. Business cherished values and ethics implemented in organizational culture are cornerstone principles of CSR [1, 36, 21,13, 22,26, 28, etc]. Ethical problems call for a debate on corporate social responsibility weaknesses. Generous practices linked by very honest ethical obligations remain alien norms outside „normal“ business operations.

Changes in the global environment inevitably lead to harmony and responsibility, that is why management concepts inevitably vary and overlap, are supplemented with the problems discussed by each other. In the scientific works of recent years there is observed a growing interest in the expression of the organizations' social responsibility and sustainability concepts in total quality management [2]. According to Ubius and Alas (2009), social responsibility development - organizational values change, paying attention not only to the needs of the individual but also the society.

In discussions about profitability, according to Erhemjamts et al. (2013), there remain contentious issues, and the studies show that socially responsible activities are positively related to investments and organizational strategies, and there is highlighted the indirect effect of social responsibility on the company’s performance results through the organization's reputation, the employee and customer satisfaction [2]. In agreements corporate social responsibility standards are consolidated by both the business communities and international institutions. McAdam and Leonard (2003) state that corporate social responsibility is characterized by multiplicity encompassing such areas as employee welfare, environmental protection concerns and corporate sustainability. Socially responsible business is the company's contribution to sustainable development, that is, economic growth, social development and environmental protection [4]. Lithuanian economic research group proposes to implement social responsibility initiatives in the following areas: social responsibility in the workplace, social responsibility in the society and community, social responsibility to the environment, social responsibility in the market (1 table).
**1 table. Social responsibility initiative to implement areas [2]**

<table>
<thead>
<tr>
<th></th>
<th>Social responsibility in the workplace</th>
<th>Safe and healthy workplaces for employees, promoting the employees’ awareness in this area; Respect for human rights and their protection in the workplace, creating equal working conditions for representatives of different social groups; creating opportunities for employees to lifelong learning, to improve and develop others;</th>
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<td>2.</td>
<td>Social responsibility to the environment</td>
<td>Efficient and responsible use of resources in company activities; environmental protection and revitalization of neglected areas by developing activities; Development and production of &quot;green&quot; products</td>
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<td>3.</td>
<td>Social responsibility in the society and community</td>
<td>Listening to the local community needs, combining the community and the company interests in a mutually beneficial manner; Philanthropy and voluntary participation in community and society activities and initiatives; Promotion of youth involvement in business and professional activities, transferring the knowledge and creating opportunities for practice;</td>
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<td>4.</td>
<td>Social responsibility in the market</td>
<td>Dutiful payments according to received accounts; socially responsible marketing, not abusing the weaknesses of different social groups; Taking into consideration special needs of individual groups (people with disabilities, the youth, pregnant women).</td>
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In recent years, the researchers studying the organization's social responsibility, usually relate it to the implementation of sustainable development principles in the organization\[6,16,17, 25, 32\]. According to Garavan, Heraty, Rock, Dalton (2010), a lot of the research are conducted to identify corporate social responsibility (CSR) and corporate sustainability correlation. The authors distinguish between CSR and sustainability obstacles that result in adoption of CSR and sustainability concepts initiatives at the individual, organizational and institutional levels. Corporate social responsibility (CSR) and corporate sustainability (CS) are now widely accepted concepts in the academic world, and are emerging as key variables in the global business environment in the bid to achieve competitive advantage. When analyzing sustainability issues, we can highlight the following advantages of CSR: CSR provides feedback between the company and the environment; when discussing emerging conflicts with stakeholders, it promotes the search for solutions to some problems; it increases company's sustainable development opportunities for a long period [16].

Sustainable development assessment as a research object is not new. In scientific works it was studied in a variety of contexts: sustainable development of states regions cities; industrial enterprises and others are assessed. Sustainable development assessment is becoming more and more urgent in the activities of real companies. Sustainable activity of the company is a mutually beneficial manner for the company that creates and develops its business as well as for the public living next to the company that develops activities or working in it. Sustainability benefit
for companies is a long-term public support and confidence, a favorable image, demand for the products or services that maintain the possibility to work profitably and create conditions for successful development of the company [30, 23,6,24]. According to the scientific research review, the Global Compact statistical analysis, the integration of corporate social responsibility and sustainable development principles into processes occurring in the companies is not as intense as expected. This is pre-conditioned by a number of obstacles that are divided by scientists into individual, organizational and institutional levels (table 2,3,4). The theme of CSR and sustainability obstacles is analyzed by a number of authors according to specific criteria CSR/CS knowledge awareness, CSR/CS fit, motivation and commitment, perceived organizational and supervisory support, attitudes toward CSR/CS personal social actions, perceptions of organizational ethical culture and climate justice, organizational structures and other criteria.

Table 2. CSR and Sustainability barriers in organizations: individual level [13]

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<tr>
<th>CSR/CS knowledge awareness</th>
<th>CSR/CS fit, motivation and commitment</th>
<th>Perceived organizational and supervisory support</th>
<th>Attitudes toward CSR/CS</th>
<th>Egocentrism and positive illusions</th>
<th>Perceptions of organizational justice</th>
</tr>
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<tbody>
<tr>
<td>Employee awareness of CSR/CS policies, strategies, and initiatives implemented by the organization plus general environmental awareness</td>
<td>Perceived fit of CSR/CS activities with the organizations activities and values. Motivation and commitment of the employee to implement CSR/CS activities.</td>
<td>Perceived supervisory support focuses on the extent to which employees believe that environmental actions are supported by supervisors</td>
<td>General attitudes that employees have toward investment in CSR/CS. Specific focus on actions that have involvement of employees. Personal social actions</td>
<td>The potential of people to make selfserving judgments concerning what is fair or considered good. They will as a result make decisions that they perceive to be fair.</td>
<td>The extent to which employees make judgments concerning the fairness of the social concerns and actions of their employing organizations</td>
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Individual level is important in the way that the processes happening in the organization are always associated with human actions and behavior, that is why the elimination of such barriers as not informing the employees about CSR policies, the
perceived CSR alignment with the organizations’ activities and values, motivation and employee resolution to implement CSR, employee non participation in CSR integration processes would lead to CSR implementation higher level. Employee participation in making solutions to problems related to social issues and actions in the organizations can lead to positive changes.

Table 3. CSR and Sustainability barriers in organizations: organizational level [13]

<table>
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<tr>
<th>Ethical culture and climate</th>
<th>Organizational Structures</th>
<th>Organizational trust</th>
<th>Senior management values and leadership</th>
<th>Discretionary corporate responsibilities</th>
<th>Organizational inertia</th>
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<td>Culture focuses on sense-making devises that are carriers of meaning.</td>
<td>Organization structures focus on roles, responsibilities, patterns of interaction, and authority levels. Distance between what an organization asserts in respect of CSR/CS</td>
<td>The willingness of employees to be vulnerable to an organization’s actions and policies. Processes of collaboration, knowledge sharing, and team spirit within an organization.</td>
<td>Collective values of senior management and the extent to which decisions are driven by personal values. Leadership focuses on ethical leadership behaviors.</td>
<td>Those responsibilities that are undertaken by organizations about which society has no clear message to business.</td>
<td>A desire for stability and tendency to resist change driven by habitual routines, resource limitations and power bases.</td>
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Organizational level integrate criteria related to human resources development and the organization's ethical cultures and climate. Human resources development shares a number of common concerns with CSR/CS including issues around processes, people, learning, communication, and delivery and it is proposed here that Human resources development can provide a number of interventions that can address many of the challenges and barriers faced by organizations with respect to implementing effective CSR/CS policies. Human resources development possesses the knowledge and tools to change organizational behavior and ensure the integration of CSR/CS into organizational processes and translate both into action. The tools available to Human resources development professionals range from those that focus primarily on the individual level such as corporate environmental awareness, education, and training activities, to those that focus on organizational and institutional levels that include organizational learning and social learning-type interventions [33,13]. The companies are currently trying to implement sustainable development principles independently, because the governments’ efforts are of minor
importance. Codes of ethics are created as self-regulatory principles, standards are introduced to improve environmental protection or social activities. All of this is closely related to corporate social responsibility. The company’s desire to share their created wealth is welcomed in order to ensure exclusiveness against competitors. This ensures the possibility to survive and avoid the unfavorable point of view of state and public institutions [33], the risk, the employee motivation, competitiveness decrease and the company's reputation increases [23, 30].

Table 4. CSR and Sustainability barriers in organizations: institutional level [13]

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<tr>
<th>Regulatory forces</th>
<th>Normative forces</th>
<th>Cognitive influences</th>
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<tr>
<td>Factors such as laws, regulations, and regulatory bodies that mandate particular courses of action for organizations in respect of CSR/CS.</td>
<td>Influences derived from standards, operating practices, best practice suggestions that lead organizations to adopt particular CSR/CS practices.</td>
<td>Cognitive practices in the form of beliefs shared by organizations that influence the adoption or not of particular practices in organizations</td>
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Scott (2008), Ferner et al. (2005) Kostova and Zaheer (1999) Garavan, Heraty, Rock, Dalton (2010) the following topics were presented regulatory forces, normative forces and cognitive influences. The institutions, basing their activities on ethical and moral principles, use not only the government granted rights and obligations for them, but also the concepts of knowledge and experience, organizational memory, symbols and justice. The institutional framework creates conditions to develop economic, social activities and environmental protection initiatives, to initiate, import, modify and disseminate new technologies. When analyzing the problems of sustainable development, formal institutions are very important, because they have legal and direct impact on the expansion of sustainable development. The institutionalization, as a political process, influences (stimulates or blocks) the sustainable development course. In order to enable institutional dimensions, it is necessary to establish such public policy in the states and take such decisions of public administration that the components of sustainable development could operate and interact effectively [7]. Removal of social responsibility and sustainable development principles barriers is a complex process.

Removing these barriers determines the organization’s (company’s) development, and at the final stage, the creation of reputation and stakeholders favourable approach to the implemented activities. The development of society can be pre-conditioned by long-term contribution to CSR, sustainability and ethics, and business organizations aiming for productivity and efficiency should be aware of their role, apply such operating systems that re-orient companies to sustainability, social responsibility, ethical principles application, and at the same time ensure the organization's profitability and success. Studies have shown that employees want to work in organizations that promote ethical behavior increasing job satisfaction, organizational commitment and employee involvement in CSR activities [2]. Global companies operating in various legal and social conditions began to recognize the
need for moral values. Ethics, CSR and sustainability activities whose concept highlights the connection of principles and aims, in practice, have the potential to increase social reputation of the organization and to develop public welfare.

Garavan, McGuire (2011) state that the development of the society can be conditioned by long-term contribution to CSR, sustainability and ethics. Business organizations, aiming for productivity and efficiency, should be aware of their role. The authors discuss the operating system that can be used re-orienting companies to sustainability, social responsibility ethical principles application and at the same time ensure the organization's profitability and success. Ethics focuses on behavior that is not necessarily codified in law, but is respected in organizations responding to society accepted norms which are important for all stakeholders. The organizations aim to promote ethical culture / climate, and the focus is on positive values developing human resources and formulating ethical beliefs and actions of employees [33].

![Ethics Diagram](https://example.com/ethics-diagram.png)

Figure 1. Connections of corporate social responsibility, sustainability and ethics[13, 30, 23]

Attention to ethics helps solve such issues as good, evil, right and wrong, and using a variety of strategies shape ethical behavior. Some organizations develop codes of ethics defining the requirements of ethical values and behavior [36], the organizations also implement specialized training aiming to provide employees with the knowledge of ethics [37]. The primary motivation for the implementation of these strategies ensures that employees perform their job functions ethically. There is evidence that employees want to work in organizations that promote ethical behavior. This increases job satisfaction, organizational commitment and employee involvement in CSR activities [31,33]. Ethics training programs increase the

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organization's ethical culture and understanding of the CSR [39]. Research shows that ethics and responsible business practice are gradually integrated into organizational strategy. Jack (2007) has emphasized that global corporations operating in different legal and social contexts have begun to recognize the need for a moral compass. Global corporations operating in various legal and social conditions have begun to recognize the moral values demand.

Figure 1 conceptualizes the relationship among the three concepts that are designed to improve the welfare of the society. The main goal in each concept is public welfare creation. The goal is achieved in different ways. Ethics focuses on application of behaviour standards (the employees reflect on their actions in a moral sense). CSR focuses on the concern of organizations and the public on economic aspects. In the theory of corporate sustainability (CS) it is emphasized that the social, economic and environmental sustainability pursuit aims are interdependent and include both sustainability of human attention and physical aspects. Ethics, CSR and sustainability activities have the potential to increase the organization's social reputation.

1. The concept of social responsibility in the scientific literature is presented as extremely complex, involving corporate citizenship, sustainable development, stakeholder management, environmental management, business ethics and corporate social performance results, that is why social responsibility can be assessed as implementation of ethical, sustainability and responsibility principles in the daily activities of an organization. The organizations realize social responsibility by targeted behaviors in four key areas: market, environment protection, relationships with employees, relationships with the public. 2. Ethics, CSR and sustainable development (sustainability) theoretical concepts are related with respect to principles and aims, and their application in practice creates the welfare of the society and has the potential to increase the organization's social reputation. 3. Long-term success of the organization depends on its ability to integrate harmoniously into the environment, having assessed the stakeholder social moods, and the organization’s relationship with the surrounding environment should be formed on the basis of social responsibility. 4. Successful integration of corporate social responsibility and sustainable development (sustainability) principles into the organizations’ management system is determined by removing the individual, organizational and institutional level barriers. 5. Long-term efforts while integrating corporate social responsibility, ethics and sustainable development (sustainability) principles into the organizations’ management system lead to positive processes within the organization, the satisfaction of employees as stakeholders, encourage the customers and the public confidence, pre-condition the organization’s benefits and create positive social reputation of the organization.

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АНДРЮКАЙТЕНЕ, РЕГІНА – доктор соціальних наук (менеджменту), зав. кафедри підприємництва та економіки, Маріямпольська колегія (Маріямполь, Литва).

ВИКОРИСТАННЯ ПРИНЦИПІВ СОЦІАЛЬНОЇ ВІДПОВІДАЛЬНОСТІ, ЕТИКИ ТА СТАЛОГО РОЗВИТКУ В КОНТЕКСТІ ПІДВИЩЕННЯ РЕПУТАЦІЇ ОРГАНІЗАЦІЇ

У статті проаналізовано концепції соціальної відповідальності, поняття, які використовуються литовськими вченими, зміст корпоративної соціальної відповідальності та основних тенденцій, що визначають основні положення соціальної відповідальності Connections of social responsibility, ethics and sustainability principles in the context of enhancing…
вибірково до яких функціонують організацій, мережа глобального договору. У статті
аналізуються принципи етики і сталого розвитку як важливих компонентів в рамках
корпоративної соціальної відповідальності, висвітлюється використання принципів етики і
соціальної відповідальності та їх значення у формуванні репутації компанії, тим самим
забезпечуючи відповідальність зацікавлених сторін (співробітників, громадськості),
проведення на користь організації будь-якої економічної діяльності (послуги, виробництво,
торгівлі).

Ключові слова: соціальна відповідальність, етика, принципи сталого розвитку.

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