

**DECLARATION "RUSE" - UNDERSTANDING OF CORPORATE  
SOCIAL RESPONSIBILITY (CSR)<sup>7</sup>**

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**INTRODUCTION**

In May 2008 professors and senior lecturers from universities in Bulgaria, Croatia, Romania, Serbia, Slovenia, Austria and Germany got together in Resita / Romania, in order to start a close, trustful and creative cooperation in the scientific fields of entrepreneurship and innovation and founded Academic Network "Entrepreneurship and Innovation".

Now, eight years later, members of the "South-Eastern European Academic Network Entrepreneurship and Innovation", are universities respectively scientists of 16 universities of Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Romania, Serbia, Slovenia and Germany.

The network universities pursue especially the following main goals:

- The improvement of students' and graduates' qualification in the fields of entrepreneurship and innovation management which gain an increasing importance for the economic development of countries and regions more and more.
- The students attain opportunities to gather practical and concrete experiences in intercultural communication and cooperation.
- The creative cooperation of professors, senior lecturers and students within the Resita Network should contribute to improve the entrepreneurial spirit and to increase the number of successful innovation within the regions of the network universities.

The network is financially supported by the German Academic Exchange Service DAAD, based on a special budget of the German Minister of Foreign Affairs.

Activities of the network are among others summer schools for Master students, round table workshops between university and enterprises and joint research projects for PhD-candidates. Current research projects are empirical studies about the subjects "Failure of small and medium sized enterprises" and "Corporate social responsibility". This subject, Corporate Social Responsibility, was the topic of the current round table workshop at the University of Ruse at the end of October 2016.

**1. WHAT DOES MEAN "CORPORATE SOCIAL RESPONSIBILITY"?**

As shortly defined by the European Commission [2], Corporate Social Responsibility means the responsibility of enterprises for their impacts on society.

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<sup>7</sup> Revised Speech given by Prof. Dr. Peter Schulte during the plenary session of the 55<sup>th</sup> Annual Conference of the University of Ruse, draft and written together with Prof. Dr. Gerd Wassenberg, based on discussion during the round table workshop of South-Eastern European academic network Entrepreneurship and Innovation – Ruse University 2 October 2016.

More detailed, Corporate Social Responsibility is described by the European Commission<sup>3)</sup> as a concept, whereby companies decide voluntarily to contribute to a better society and a cleaner environment; this is a concept, whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. (European Commission)

From the point of view of businesses it is possible to describe Corporate Social Responsibility as achieving commercial successes in ways that honor ethical values and respect people, communities, and the natural environment. In words of Business for Social Responsibility<sup>4)</sup> (BSR), Corporate Social Responsibility is the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies and activities.

Besides the descriptions mentioned above there is a couple of further, different definitions of “Corporate Social Responsibility” in the literature<sup>5)</sup>. Mostly the definitions of CSR were dominated by the stakeholder and the societal approach, with the recognition of economic, social and environmental issues as the basic components of responsibility [6].

In our understanding Corporate Social Responsibility is a “Behaviour Model”, and four dimensions characterize Corporate Social Responsibility essentially:

- Aspiring towards profit,
- Considering the right, the law,
- Using principles of ethics,
- Acting voluntarily (philanthropically).

## **2. TO WHOM IS ADDRESSED CSR MAINLY?**

In order to achieve impacts, especially commercial success with Corporate Social Responsibility, the activities of businesses must be geared to appropriate target groups. The main target groups for actions in “Corporate Social Responsibility” are the employees of the companies and the customers. But corporate social responsibility can also be focused on the suppliers, the competitors, especially on the regional surroundings and on the society in general.

## **3. WHY “CORPORATE SOCIAL RESPONSIBILITY”?**

Corporate social responsibility is the consequent behavior within the social market economy, the intended economic system of the European Union. Finally corporate social responsibility is aimed at commercial success, with the recognition of social and environmental issues. We assume by the hypothesis that taking corporate social responsibility will result in better commercial success in the long run. In detail objectives of corporate social responsibility could be the following aspects for example<sup>7)</sup>:

- Increasing motivation of the employees, boosting their engagement,
- Beneficial working atmosphere,
- Improved access to future employees,
- Getting and assuring a suitable public image,
- Customer loyalty,
- Increase in creativity,
- Encouraging professional and personal growth,
- Trust.

Among others we are interested in realizing the mentioned research project in order to gain more knowledge about the objectives of corporate social responsibility, about the reasons why CSR might be important for businesses. This should be the knowledge basis in order to recommend managers and enterprisers, businesses and also non-profit-organisations using the behavior model of corporate social responsibility. But the results should be the basis also for universities to

integrate aspects of corporate social responsibility more and more in their study programmes, for examples lessons about Business Ethics and Sustainability Management.

#### **4. WHAT CAN MANAGERS AND ENTERPRISERS DO IN ORDER TO REALIZE CORPORATE SOCIAL RESPONSIBILITY?**

Finally it is an important precondition of corporate social responsibility to use the principles of Business Ethics. In detail this could mean for example,

- to pay an appropriate wage,
- to design suitable labour conditions and a working atmosphere that promotes success,
- to involve employees into entrepreneurial decisions,
- to satisfy the promises of the attributes of the product like quality etc.,
- appropriate, even-handed, equitable cooperation,
- even-handed, equitable competition,
- contribution to the economic development of the region,
- protection of the regional environment,
- to improve the innovation spirit.

In general the concretely realized activities of corporate social responsibility should be aimed at the objectives and prospects of the managers and enterprisers as well as the employees, the customers and the other target groups.

#### **5. MEMORANDUM OF RUSE ABOUT "CORPORATE SOCIAL RESPONSIBILITY"**

As mentioned, within our network we discussed together with enterprisers of the region about Corporate Social Responsibility, its importance and impact. The result of our discussions is the following Memorandum of Ruse about Corporate Social Responsibility, addressed to businesses and to universities.

We recommend:

*"Act only according to that maxim whereby you can, at the same time, will that it should become the universal law. (Immanuel Kant)*

In the last year 2015 the Network Universities recommend by the Memorandum of East Sarajevo<sup>7)</sup>, to intensify and improve the cooperation between businesses and universities. This year 2016 we recommend integrating the increasingly important topic "Corporate Social Responsibility" (CSR) in the cooperation.

"Corporate Social Responsibility" means the responsibility of enterprises for their impacts on society. CSR describes the useful behaviour of executive managers in order to act within the social market economy in an appropriate way. We recommend realizing "Corporate Social Responsibility" consequently.

Addressing to universities we recommend integrating in the study programmes more intensively aspects of Corporate Social Responsibility, for example "Business Ethics" and "Sustainability Management", by lectures, trainings and practical work; students should get the competence to take responsibility (European Qualification Framework), not only students of Management, but also students of Engineering and other fields.

Corporate Social Responsibility is also an important topic for continuing education, life-long learning and empirical research. Results of research are a useful basis for recommendation of behavior, addressed to businesses and universities.

We recommend stimulate and organize regional Round Table Workshops gathering businesses and universities in order to design the balance between the principles of Corporate Social Responsibility and their appropriate practice.

Ruse University, 29-10-2016"

## REFERENCES

[1] Revised Speech given by Prof. Dr. Peter Schulte during the plenary session of the 55<sup>th</sup> Annual Conference of the University of Ruse, draft and written together with Prof. Dr. Gerd Wassenberg, based on discussion during the round table workshop of South-Eastern European academic network Entrepreneurship and Innovation.

[2] European Union, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions, Brussels 2011

[3] Commission of the European Communities, communication from the commission concerning Social Responsibility: A business contribution to Sustainable Development, Brussels 2002; European Union, Green paper: Promoting a European Framework for corporate social responsibility. Brussels 2001.

[4] [http://www.csrwire.com/home/more\\_news/?category=23](http://www.csrwire.com/home/more_news/?category=23)

[5] See for example: A. Dahlsrud, How Corporate Social Responsibility is defined: An Analysis of 37 Definitions. *Corporate Social Responsibility and Environmental Management*, 15 (1), pp. 8 – 11; Dirk Matten, Jeremy Moon, “Implicit” and “Explicit” CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility. *The Academy of Management Review*. April 2008, vol. 33 no. 2, pp. 404-424;

[6] Sanela Arsic, Andjelka Stojanovic, Ivan Mihajlovic, Peter Schulte, The most important dimensions of Corporate Social Responsibility. *Journal of Entrepreneurship and Innovation*, Ruse 2016.

[7] See for example Abigail McWilliams, Donald Siegel, Corporate Social Responsibility: A Theory of the Firm Perspective. *The Academy of Management Review*. January 2001, vol. 26 no. 1, pp. 117-127; Xueming Luo and C.B. Bhattacharya (2006) Corporate Social Responsibility, Customer Satisfaction, and Market Value. *Journal of Marketing*: October 2006, Vol. 70, No. 4, pp. 1-18; John L. Campbell, Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *The Academy of Management Review*. July 2007, vol. 32 no. 3, pp. 946-967; Dima Jamali, Ramez Mirshak, Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context. *Journal of Business Ethics*, 2007, pp. 243 – 262.

[8] Memorandum of East-Sarajevo: Cooperation between Universities and Enterprises:

Universities are scientific and cultural institutions. They are places of science, research and education. The main goal of research is to provide knowledge. The results of research are not the end of themselves, they should also be useable to solve practical challenges of the society and to stimulate and realize innovations. Objectives of education are knowledge (theory and critical understanding), skills (using knowledge for solving practical problems) and competence (responsibility for decisions).

Cooperation between universities and businesses, especially small and medium sized enterprises (SMEs), could improve education and training of universities in order to get special skills and competence. Cooperation may also help to use the results of research coping with economic challenges. This means to supplement basic research by applied research and by reducing the gap between research and technology transfer. Without doubt such cooperation is an important driving force for the economic development of regions.

The members of ResitaNet are willing to intensify the cooperation between universities and enterprises, especially SMEs. They will increasingly use familiar and innovative measures of cooperation, as for the benefits of students and lecturers, as well for the universities and the enterprises.

Concrete activities are:

- trustful technology transfer between scientists and entrepreneurs,
- intensive supporting start-ups, using the knowledge of scientists and the equipment of universities,
- including entrepreneurs for education and training at universities,
- including students for internships in enterprises,
- partnership of education and training as well as applied research between enterprises and universities,
- establishing career centres commonly run by universities and enterprises,
- regional collaboration between enterprises, universities and policy in order to support and strengthen the economic development and to intensify the spirit of innovation and the culture of creativity in regions.

At present the EU programme HORIZON 2020 offers very good opportunities to stimulate innovative ways of cooperation between enterprises, especially SMEs and universities. ResitaNet is willing to use the outstanding chance of HORIZON 2020 and other EU programmes.

East-Sarajevo, 2015, July 17