Abstract. The debates on the differences between social enterprises and commercial enterprises are related to task performance and the way that social mission is accomplished by involved parties. However, commercial entrepreneurs must pursue both economic and social issues, but primary mission will be to acquire financial independence by investing and creating value for stakeholders. Corporate Social Responsibility has an undeniable effect on both society and businesses, but this practice depends on the companies availability to get involved which is at the discretion of the managers and shareholders. This study is based on a quantitative research, aimed to evaluate specific aspects of CSR policies developed by 79 firms from N-W part of Romania. Corporate social responsibility and social entrepreneurship have distinct conceptual approach, but both have an indubitable effect by valorizing social opportunities.

Keywords: Corporate Social Responsibility, social enterprise, social value, enterprises.
1. Sustainable development of enterprises

The term sustainable development was used for the first time when environmental degradation and excessive use of resources has been highlighted on the agenda of international organizations and governments (Keinert, 2008). Solving these problems started at the macroeconomic level, involving large companies because of their growing demand for resources and because of their negative environmental impact.

Stivers (1976) was one of the first who mentioned the importance of environmental component during business development process, claiming that a company must act „consistent with the ecological systems that”. Similarly World Conservation Union (IUCN) with the United Nations Environmental Program (UNEP) and World Wide Found for Nature (WWF) believes that ensuring sustainable development of an enterprise is given by conservation (IUCN, 1980). The term was used by the World Commission on Environment and Development in Brundland Report 1987. Thus, sustainable development (corporate sustainability) emphasize the need for resources without compromising the ability of future generations to meet their own needs (Keinert, 2008), or involves a firm's ability to meet the demands of stakeholders without compromising the ability to do so in the future (Brundland Commission, 1987). Sustainable development implies economic and social development model to ensure stability and productivity of ecosystems, contributing to social welfare of humanity. These systems include climate, air quality and water ecosystems providing food and environmental quality in which one operates (McMichael, 1995).

Sustainable development refers to obtaining significant gains compared to required investment, for compliance with environmental and social practices (Elkington, 1994). A similar opinion is given by Kai Hockerts who believes that providing solutions to social problems without compromising future generations is fully justified and more strongly supported (Hockerts, 2003). A more recent definition of sustainable development implies that it is „the process of human development that provides a comprehensive and safely development” (Garriga, Mele, 2004). According to World Bank report (World Bank, 2007) political instability, high taxation, corruption and access to funding sources are seen as the most feared obstacles for sustainable development, followed by local political instability and infrastructure. These barriers vary from country to country.

Although sustainable development has assumed the environmental protection and conservation in the short term social considerations deadline was extended to include elements that are inseparable from the term sustainable development (Keinert, 2008). From a business perspective, the World British Council for Sustainable Development (WBCSD) considered that sustainable development is „necessary to integrate social and environmental issues in parallel with a number of economic considerations, to ensure a long term vision” (Garriga, Mele, 2004). Thus sustainable
development issues include human rights, transparency, and dialogue between stakeholders, other interests and social rights.

Businesses show an increased concern over environmental and social component in order to achieve a long-term development. They must ensure a balance between economic, social and environmental components. Thus, the company must follow these three dimensions known as triple bottom line (Elkington, 1997). Sustainable development requires a detailed analysis of businesses in order to emphasize the way that the three components are affecting it. Company's financial results do not reflect the entire reality, showing the approximate capital owned by it.

Sustainable economic development of a company requires business liquidity while allowing a surplus beside the capital consumption (Hockerts, 1993). The firm must conduct its business so as to provide quality products and services in profitable conditions without adversely affecting the environment. When promoting sustainable development it is important to take into account a number of issues to increase attention to social development, to increase social investment portfolio in order to support sustainable development, to increase concerns about social issues and strengthening awareness of the need of social involvement, to support collaboration, partnerships with organizations with social missions or other organizations in order to achieve social goals.

Sustainable social development reflects companies' concern for community through human capital development (Hockerts, 2003). Sustainable social development relates to social change through the creation of norms, values, formal or informal rules that help to create social structures that must support inclusion, cohesion and empowerment of society. When talking about the social dimension of the development we refer to the dynamics created between people within a community, market or policy areas (World Bank, 2004).

Key factors for sustainable social development are following (World Bank, 2007)
- Promoting Inclusion: companies that promote egalitarianism in terms of access to opportunities (formal and informal rules restrict and discourage the participation of various individuals in the development process).
- Promote cohesion: refers to unify forces to address common problems and needs.
- Support institutions responsible: should be transparent institutions to support public interest effectively and properly.

Ecologically sustainable development requires a company to use efficiently natural resources, not to produce environmentally harmful emissions which can not be absorbed and assimilated by the environment, avoiding accumulation. Unfortunately there are many forms of social capital and natural capital that can not be replaced economically (Binswanger, 1994). Traditional economic theory considers that all inputs are converted into monetary units, considering the fact that they can be substituted by monetary equivalent (Solow, 1978). However many authors contest this, rightly considering that not all social values and natural economic capital can be substituted (Hockerts, 1993). Although innovations have increased the chances of
identifying new methods to replace natural resources, there are things that can not be substituted (e.g. opportunities to identify substitutes for ozone layer). At company level such example includes skills that can not be easily imitated or substituted (Barney, 1991). Whether some resources may be substituted or not, companies should recognize the need for rational use, conservation and recycling resources. However there are other aspects to be considered because of the non-linear and irreversible damage of certain resources.

Sustainable development must take into account the social change which involves paying attention to issues of political, social and economic tensions that may degenerate into conflict, and support the responsible institutions. Social reality is at the junction between formal and informal rules.

We consider useful to speak about sustainable development (Sustainable development) to highlight differences between this concept and term sustainability. Sustainability in our view reflects an organization's ability to finance itself and is an integral part of sustainable development because without this sustainable development is difficult to be accomplished.

2. Social enterprise and commercial entrepreneurship

2.1. Social enterprise

A social enterprise is oriented towards solving social problems, through a mechanism that works on economic principles, and requires reinvesting the surplus achieved in order to ensure sustainability (Borza, 2009c; 2009d). However to survive in its infancy, social enterprise needs support such us (grants, donations, voluntary acts, etc.). The start-up of this mechanism faces a lot of problems. Not all organizations with a social mission aimed this model of dependency on donations; some of them run businesses able to give them financial autonomy (Dees, 1998, Tracey et al., 2004). A social enterprise is based on voluntary principles, ethical behavior and mission focused on social causes. There are organizations that have a enormous social impact (Save the Whales, Royal Society for the Protection of Birds) and depend mostly on donations but fail to provide services for tourists which can offer the possibility to get financial resources (sales souvenirs, coffee using organic products, etc.). The combination between acts of volunteering, donations and commercial activities are often modest.

For a social enterprises is difficult to fulfill the economic principles, which usually affect the capacity to fulfill social mission. According to the Department of Trade and Industry UK (DTI) social enterprises have a social mission, which is missing in many cases to commercial entrepreneurs (DTI, 2002). Social enterprises have advantages such as obtaining tax relief, access to acts of volunteering and the opportunity to obtain unique advantages in terms of social impact, which could give them an unique position from that of businesses.
Social entrepreneurship emphasizes the ability to make the connection between social entrepreneur and social values of community, seeking to overcome its potential (Kent and Anderson, 2003). Social entrepreneurship process involves weighing the social and economic behaviour that leads to social and economic value (Chell, 2007).

2.2. Commercial entrepreneurship

Commercial entrepreneurs are acting on capitalist markets which give them the chance to gain a competitive advantage because of the opportunities given by those markets (Kirzner, 1982). They can create new combinations through innovation that can destroy the market balance in developing such products, processes, markets, suppliers and new industries (Swedberg, 2006). One can say that they act observing socio-economic phenomena and imagining the future and trying to implement their vision (Shackle, 1979). However entrepreneur must pursue both economic and social issues, but the primary mission will be to acquire financial independence by investing and creating value for stakeholders (Borza, 2008). Definition of Harvard (Southern, 2001) tends to focus more on achieving economic performance (capital accumulation) and economic welfare, without considerable emphasis on the benefits of entrepreneurship to create jobs, membership, human relations, self-esteem, human skills development.

As time passed the civil society played an increasingly important role in promoting change in society, while the state's role in solving social problems has diminished considerably. While corporate social responsibility has an effect on society and businesses, this practice remains at the stage of voluntary act, is being the discretion of the manager or owner and shareholders, being deployed by enterprises on condition that they consider it is necessary. Corporate social responsibility policies are a tool for competitive advantage rather than to acquire one public good (DTI, 1998). Often companies adopt various methods according to their concern for the environment and society. All these are admirable, but their efforts are indirectly related to social problems. Often the question arises about the boundaries between social enterprise and corporate social responsibility; many authors consider corporate social responsibility a form of promoting social entrepreneurship. Many enterprises have a main purpose to obtain value for the benefit of owners adopting different practices both social and environmental, but because the social mission is not only a means for obtaining profit and not vice versa, we can not talk about social entrepreneurship, but rather corporate social responsibility. Companies’ goal is to create a successful business and this implies profit. It is true that to achieve it the company must focus in particular on achieving results and social responsibility is a powerful tool for influencing public and stakeholders.

In the non-profit sector social mission is compulsory and in the commercial sector is has a voluntary character. However, analyzing the impact of two types of involvement both have a great contribution by solving social problems, only the
context in which they are applied is different. If organizations with social purposes (foundations, associations) are created by a company „could be considered such involvement a way to promote social entrepreneurship?”. In our opinion the answer is affirmative because in this way it is created the necessary mean to solve social problems and that can sustain (Borza et al., 2009a, 2009b). Thus, enterprises provide the necessary funding to launch the social organization and at the same time the necessary tool for solving social problems.

3. Collaborations and partnerships sustain social entrepreneurship

Social involvement is often based on collaboration and partnerships. Firms and their partner develop long term goals, projects and mechanisms for social participation. We can say that a method which gives the company a chance to sustain the process of social entrepreneurship is to create or support a non-profit organization. To increase the impact of corporate social responsibility policies, enterprises should identify the community operating partners (businesses, social mission organizations) who have experience of the outside and the problems facing the community. In this context the most favorable would be to choose as partners organizations with social mission (eg NGOs), as they have the ability to sustain enterprises to develop corporate social responsibility policies. Using this tool to support social mission, the company can be considered an important part in supporting social entrepreneurship process; perhaps even more, corporate social responsibility can be considered a trigger factor of social entrepreneurship.

Source: adapted after Tracey et al., 2007:334.

Figure 1. Social value through collaborations and partnerships
Interaction between commercial enterprises and organizations with social missions can take different forms: collaboration (charitable contributions, internal projects) and partnerships (Tracey et al., 2005). In the case of collaboration the beneficiary is the organization with social mission and indirectly the community. The community will have a positive reaction to the social organization and to the enterprise involved in corporate social responsibility policies. If these two are involved in common projects the community has a positive reaction on both organizations taken together. The first two types of interaction between the enterprise and organization are called collaborations. Active participation by an effective contribution in the form of partnership involves a more complex relationship holding some defining characteristics that give uniqueness and a growing significance because it requires a two-way transfer of resources and mutually beneficial trade between the company and organization with social mission. These resources relate to financial resources, containing costs of various research projects developed by the two entities, but also resources and intellectual capital. The three parties actively involved in the process of common economic benefit and social responsibility policies are more visible to the community. The model of Tracy et al. (2007) provides an overview of the interface area of corporate social responsibility and social entrepreneurship. Austin (2000) considers that there are three stages of development of the relationship between social organization and an enterprise that is philanthropic stage, transactional stage and organizational integration.

- Charitable status
  This stage places the organization with social mission in the receiver position and the position of the donor organization. It is absolutely necessary to find the optimal variant to create an advantage for both partners. Enterprise donor having an advantage will not be motivated to maintain continuity in the relationship and thus the process of creating social value will not be supported. For long-term collaboration between social mission and business organizations, it is important to move beyond philanthropy.

- Transactional stage
  Complexity of interaction between social mission and business organizations must increase; both organizations must engage resource exchanges through specific activities such as: actions of sponsorship, promotion through advertising, licensing, and extension relationship to paid services. These relations must create value for both parties. To move from transactional stage to organizational stage the relationship between partners must be based on strong values which ensure constancy collaboration.

- Organizational Stage
  The relationship is established when the partners act collectively. This is made possible through a partnership involving intense exchanges and collective value creation such as business managers involved in managerial decisions of the social organization. The relationship between two sides is sustainable and mutually beneficial. Such cooperation shall remain subject to the law, governing the activity of associations and foundations and is based on the financial support of the company,
operating as an independent entity, which has its own management and staff of the projects. Each organization's culture is influenced by relations established between them and internal or external environmental components. Processes and procedures are established to manage the growing complexity of the relationship. As a result, the relationship tends to institutionalize partnership. Relatively few organizations with social missions and businesses reach this level of integration.

These organizations depend heavily on community involvement strategy of the company. Practice in this field identifies different types of foundations, corporate associations, the criterion for classifying them being business dependence.

Another approach involves a separate classification that takes into account the integrated corporate and independent foundations (Association for Community Relations, 2006).

- Corporate integrated foundations and associations
  All Foundation members (including board), are people of business. Strategy and business plan of the foundation is established in line (and sometimes overlapping) with company strategy. Company personnel work as volunteers or part-time and volunteer programs are strictly related to the work of this foundation.

- Corporate independent foundations and associations
  Foundation members are not necessarily from the company. The business strategy and plan is established independently of the strategy of the company. Foundation staff is composed and volunteer programs are not related to the business. The top management is involved in managing and developing the foundation or association.

Business benefits from these initiatives are translated into increased notoriety and strengthening position on the market by increasing sales and consumer loyalty, enabling the creation of a preference for a particular brands and reach target markets, provide opportunities to engage in actions that are interested in creating prerequisites for development partnerships.

Companies can turn to that means of social participation because of some advantages such as:

- Chance granted to all applicants without adequate consideration of the current activities of the company
- The company can create their consistent involvement in community programs that provide the desired impact on beneficiaries
- The company assumes public involvement in a particular area, allocating funds strategically. avoiding dispersion of resources on specific projects that do not generate long-term impact
- Facilitates the targeting of funds to beneficiaries
- Companies are gaining reputation as managers and employees are willing to engage in a particular social field and assume this responsibility in public
- The company is able to cover areas of interest or needs for which there is no formal structure to cover.
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4. Research Methodology

In this paper we present the way companies from N-W part of Romania can help social organizations to promote social entrepreneurship. Our study is based on a quantitative research, aimed to evaluate specific aspects of social involvement. The main tools were structured interviews and questionnaires. Each consists of a number of 25 questions, constructed to track managers’ perceptions related to the CSR policies.

In this research we wanted to achieve a disproportionate stratified sample of companies in Cluj. So we started from a statistical population of 27,364 large enterprises and SMEs excluding family associations and individuals. We used Taro Jamane method in order to calculate and we obtained a sample of 394 companies.

Basic assumption that will be pursued during the research
- Social entrepreneurship and corporate social responsibility are clearly distinguishable but have a common aspect given by the social value created.

Secondary hypotheses
- The main goal of the companies is to achieve profit;
- Social involvement is viewed more as an obligation rather than as an act of will voluntarily expressed;
- Large companies have a greater propensity to implement CSR practices than SMEs;
- Businesses social involvement is seen as a mean for acquiring competitive advantage.

Results of the research
- Social Mission
  Through a set of questions we wanted to analyze the values that are characterizing the mission of the companies in order to see the importance given by them to the social value. Regarding the elements that characterize the mission of the companies, profit was for 88.4% of the respondents the most important value. Creating new jobs for 15.2% of respondents is not an element that characterized the mission, 13.9% have shown that this is important only to a very limited extent and only 12.7% have indicated that this element is important. We observed that innovation has a low importance for most of the enterprises, taking into account that the majority of the respondents are SMEs. This is considered truly negative, since it is known that SMEs are those which should promote innovation (Borza et al., 2009a). Regarding the use of non-conventional resources, only 8.9% of the respondents considered as being an important matter in a very large extent. Based on these results we believe that the companies do not show an increased interest for unconventional resources and for innovation. Although non-conventional resources are considered extremely important in developed countries, our results confirm the opposite.
  - The involvement of the companies to employ disadvantaged people
    Companies have a reticence regarding employing minorities or the employing of people with disabilities. This can be noted by the fact that 67.1% of respondent
companies have no employees with disabilities; only 29.1% of respondents have between 1 and 4 employees with disabilities and 3.8% between 5 and 9 employees with disabilities. Also, 50.6% of the companies have no minorities as employees. There is a limited availability of enterprises to include people with disabilities, former prisoners, former drug addicts, homeless people and Romani people. Thus 86.1% claimed that they would not hire former prisoners, 93.7% would not employ former drug addicts, 89.9% would not employ homeless, 81% would not hire Romani people and 75.9% would not employ people with disabilities. In these conditions the chances of these people to find employment are very low. Also, 44% of respondents have considered that this type of resources would not be used under no circumstances, 19% believed that they would accept to take use of such resources only if the state would provide financial incentives, 5.1% only if they would be forced by circumstances, and 7.6% if they do not have other alternative, only 24% believed that these could have potential, but it could also be dependent on the field and the business.

- **Companies’ economic activity**

Analyzing the business strengths, the most respondent companies considered marketing and sales, human resources management, less important were R&D and the access to funding. Marketing and sales are considered by most companies as being relevant since more than 50% of the respondent companies are in the field of services. Regarding the additional income sources the companies can use, we observed that for more than 80% of the respondents, donations are not a source of additional income, governmental grants are not a source of additional income according to 70.9% of respondents, and also funding projects were considered by 74.7% as not being a source of additional income.

- **Social Involvement**

Approximately 21.4% of the respondent companies have indicated that they are not involved in socially responsible activities and only 2% mentioned that were involved before 1990. The remaining 76.6% specified that they were socially involved after 1990. As expected, all firms that started their social activities after 1991 or mainly after 2000, were motivated by the owners desire, to get involved in the process of solving social issues.

- **Advantages and disadvantages resulting from social involvement**

78% of the respondents have shown that social involvement has not brought economic benefits to the enterprise. Only an amount of 22% noted that social involvement would have a benefit. Also, 28% of the respondents believed that benefit could be brought by increasing the reputation of the company, approximately 12% have indicated that they influenced sales growth, 20% felt that it adds value to the company, 40% have shown that social involvement brings owner satisfaction. Analyzing the question which seeks to identify the social disadvantages arising from the involvement of companies, we have found that 58.9% of the respondents considered the increased of the total cost increased as the main disadvantage, 30.4% considered the use of additional resources and 12.5% considered that decries the efficiency. Also analyzing the question about the problems faced when providing
support bureaucracy was mentioned by 47.3% of the respondents, mentioned legislative restrictions by 23.6%, difficulties in attracting volunteers by 12.7%.

- Social Impact

The final purpose of the social activities of the companies was assessed on the basis of 58 valid responses; the main groups were people with disabilities, children and young people, the local community. The financial support is preferred than the material one. However, there were other forms of assistance such as providing food and clothing and offering jobs to those in needs, but they acquired a low percentage. The assessment of the social impact does not represent a big concern for companies that engage socially. But among those who have such a method, most of them have specified that the resources allocated and the scope of the results give an idea of social involvement.

- Partnership with NGOs

74% have indicated that the companies would not make a partnership with NGOs to achieve social responsibility policies. The rest agreed on the idea of having a partnership with an NGO, the means of collaboration being the following: 22% agree with the establishment of a partnership, 20% would work on long term with an NGO, 3% would create a foundation on its own initiative, 35% have indicated that they will establish a partnership only if the NGO would be the beneficiary, 10% believed it would work only if the social activities would be complex, and only 10% have worked in order to increase the social impact.

Among the benefits of having a partnership with an NGO, companies considered owner satisfaction as being the biggest advantage of these collaborations, followed by rising notoriety and by a good relationship with the social sector. We noticed that these companies had a strong policy regarding social responsibility activities sustained on long term. Corporate social responsibility is considered by some companies as a competitive advantage and we observed that most of the respondents will react if other firms will develop a competitive advantage in a similar area. This response is expected especially because we can talk about the commercial area where only the best companies can win. Also, 74% of the respondents indicated that would not make a partnership with NGOs to achieve social responsibility policies.

Of those companies responding that would involve in social collaboration they chose the following ways: 15% agree to establish a partnership, 20% were long-term collaboration with an NGO, 10% would create a foundation on their own initiative, 35% specified that they would involve only if the NGO would be the beneficiary, 10% thought it would work only if the social activities were complex and only 10% have work to increase social impact.

Regarding the benefits arising from collaboration with an NGO respondent companies have chosen the company image as the most important benefit followed by improved relations with the social sector. We noticed that most of the companies involved in the survey do not have strong corporate social responsibilities policies, and sustained on long-term, and social responsibility is viewed more as a moral obligation and not as a source of benefits that can be harnessed of economically.
6. Conclusions

Social entrepreneurship can be a viable alternative in the presented context; it depends on innovative people, motivated and persistent to share their desire to promote social value. In the Romanian regulation, social entrepreneurship is known as social economy and concerns a group of people seeking to assume an active economical role in the fight against social problems. Social entrepreneurship can take various forms of organizations, but in our opinion NGOs provide the best conditions, because of the facilities provided by the regulations. According to our opinion, in order to promote social entrepreneurship, organizations must meet the following criteria: social problem, transparency of the performed work, tracking down the social mission, providing the skills needed by the promoters of social causes, the need of innovation, achieving social impact and the performance of self-sustainable activities.

Starting from the general hypothesis, which were the basis of the research, we concluded that social entrepreneurship is a process that can be identified in the current social environment of the N-W area of Romania and that it is manifested mainly in the form of independent organizations that wish to implement innovative practices in a manner which allows solving social problems. Starting from this study, we developed a model that reflects up to this point our view on how social entrepreneurship is manifesting.

Based on this research we conclude that NGOs have better chances to promote social entrepreneurship based on the fact that these have a social mission. Also we can say that social entrepreneurship can be sustained by the companies through CSR (partnership, collaboration, founding an organization with a social mission). Corporate social responsibility and social entrepreneurship have distinct conceptual approach, but both have an indubitable effect by valorizing social opportunities.

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