

# Corporate Social Responsibility in the Republic of Moldova

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**Abstract** Corporate Social Responsibility (CSR) has recently become a developing subject in the Republic of Moldova. CSR is frequently addressed in local publications, emphasizing the importance and timeliness of implementing appropriate social policies, since Moldovan companies are not familiar enough with the impact of CSR and implied opportunities for establishing a positive reputation of the company on the market, gain loyalty to the brand, etc.

Currently, the perception of the CSR notion varies in the Republic of Moldova. The population, largely influenced by the former socialist ideology, expects businesses to solve social problems instead of the state. It is assumed that companies must take responsibility for the social protection, including rest and treatment packages and create various facilities for well-being at work. In turn, many business people consider that their social responsibility lies with job creation only, by providing employees with middle wage standard and paying taxes. Thus, social responsibility is conceived more as philanthropic activity in the entrepreneurs' mind-sets.

During the development of the CSR concept in the Republic of Moldova, various studies have been carried out in this field. The latest highlight that companies prioritize social actions in employee-oriented initiatives, followed by actions for the benefit of the community and less attention paid to consumer issues. Thus, a very small number of companies are involved in customer and disability-oriented services, prophylaxis of professional diseases, etc. Businesses treat them as additional costs, not taking into account that these initiatives can have a positive impact on economic performance.

Although we cannot yet speak of significant achievements in CSR, it's been steadily developing mainly in companies with foreign or mixed capital. As they are not limited to philanthropic actions, but alone initiate social sensitivity projects, focused on interaction with stakeholders and addressing serious social problems.

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## 1 Introduction

The Republic of Moldova is a country located in Eastern Europe, associated with the European Union in 2014. The transition to a market economy has been slow due to the challenges of implementing socio-economic reforms, the collapse of the industrial sector and political tensions following the disintegration of the Soviet Union. The population is three million (according to the 2014 census) (NSB, 2017). The country's population suffers significant demographic changes characterized by low fertility rates, rather low life expectancy and aging population, with economic and social implications, such as social security. Migration from the Republic of Moldova has progressively increased and the number of working age population currently abroad is estimated at 1/3 (NSB, 2016).

In such circumstances, the importance of any instrument capable of facilitating the country's economic development and enhancing the well-being of the population increases. The experience of the Western European countries shows that the integration of the Corporate Social Responsibility (CSR) implemented model into the operational activity of the companies increases the country's regional competitiveness and investment attractiveness, increases labour productivity, contributes to solving environmental and human rights problems, etc. (Expert-Grup, 2011).

Corporate Social Responsibility is not a new term. Moreover, it is a moral value that has existed for centuries, aimed at doing good to others. But it is the approach that is new—doing well by granting mutual benefits. In fact, many entrepreneurs know instinctively that “doing the right thing”—serving customers, taking care of staff morale, being careful with suppliers, being good neighbours and protecting the environment—means good business sense. However, in the last few years, other incentives for corporate social responsibility have emerged, including pressure from stakeholders: customers, local communities, local authorities, banks, financiers and insurance providers, etc.

**The purpose of this study was** to investigate the issues related to the implementation of CSR actions within Moldova's economic units and their effect on the level of competitiveness and sustainable development. Activities and tools have been developed specifically to raise awareness and improve knowledge about CSR.

The paper is structured in two parts. The first part of the study represents a review of the specialised literature, studies and analyses conducted in the Republic of Moldova, in order to identify certain peculiarities of social responsibility specific to the companies within the country. The second stage—a survey conducted through a structured interview—between February and May 2018 among 28 Moldovan companies that have implemented CSR activities over the past years. The carried out research plays an essential role in understanding the mechanisms and the role of the responsible behaviour of Moldovan economic units in the contemporary society, the latter generating a competitive advantage at local, regional, national level, as well as capacities for economic regeneration and revitalization.

## 2 CSR in the Specialised Literature

Discussions on CSR are very common in the specialised literature, emphasizing the importance and timeliness of implementing appropriate social policies, as domestic companies are in a situation where they can lose ground in competitive terms, against companies growing by implementing innovative actions and getting closer to customers. However, social responsibility programmes are an incentive for innovation and a good marketing tool. Only the positive correlation between economic and social interests can effectively contribute to the sustainable development of both the community and the economic units. According to Hristea (2011, p. 57), corporate social responsibility is a way of sustainable development whereby companies choose to treat environmental and social issues as integral parts of their business operations. The paradigm of corporate social responsibility now supports the idea that involving companies in social programmes actually contributes to their financial competitiveness (Cretoiu, 2015).

According to the definition given by Expert-Grup (2005, p.10) SCR represents a set of actions by which companies do more than performing their pecuniary obligations. They adhere to certain corporate values, trying to demonstrate that they can effectively contribute to solving social problems. Companies believe that by assuming these responsibilities, they not only demonstrate efficiency in solving social problems but also build a positive image and even invest in their own future by educating generations of loyal consumers.

Companies conduct social responsibility activities of various forms: donations, sponsorships, volunteering, programmes to promote a certain cause, etc. From the separate ad-hoc activities, well-established social responsibility strategies were incorporated into the general corporate strategies. Changing the contributions of economic units in this field has prompted the emergence of a variety of terms: corporate citizenship, corporate philanthropy, corporate social responsibility. Unlike philanthropy, CSR does not represent single, circumstantial actions of an individual. CSR activities involve communication companies, long-term relationships with stakeholders and the community, interposing management objectives (strategies, human resources) and marketing (branding, brand loyalty, customer loyalty schemes).

The CSR concept means going beyond the full compliance with legal requirements by investing “additional” resources in human capital, in the environment, and in dealing with stakeholders. But what dissuades most the social involvement of the contemporary business environment is the loss of sight of the real benefits of SCR materialization strategies (Cismas & Stan, 2010).

In the case of the Republic of Moldova, this concept has still limited application in the corporate management, and if implemented, we find it predominantly within foreign or mixed-capital companies, provide a leading example to local companies. They are not limited to co-participation in philanthropic actions organized by NGOs, but they initiate projects with high social sensitivity, based on interaction with the interested persons and addressing serious social problems.

During the implementation of the CRS concept in the Republic of Moldova, certain investigations have been carried out in this field. Among the first studies we can mention the “Assessment of Corporate Social Responsibility in the Republic of Moldova”, conducted in September–November 2005 by “Expert-Grup” Analytical Centre. The results of the investigation indicate that CSR and CSR practices are at an early stage and are being promoted by a small number of local and foreign, medium and large companies. CSR practices and public reporting on the CSR are limited to a few sectors and the situation does not differ fundamentally other countries in the region. Moldovan companies have a certain sense of social responsibility. Their social responsibility encompasses wide areas, ranging from internal towards employees and shareholders, to investing in community development and charity. But usually these initiatives are somehow separated from what companies see as their core business. At the social level, these initiatives are separated from one another and, even more importantly, they are not brought to public attention.

Although a large number of enterprises in the Republic of Moldova conduct certain CSR activities, they do not find it necessary to make their social policies public. There are frequent cases when companies have fancy web-sites, but they do not communicate anything on their social activities.

In most cases, corporate social behaviour is based on strategic decisions. As a result, many companies define their competitive advantage in terms of social responsibility. Although this attitude is quite new, it has been taken over by the Moldovan companies as well.

International organizations are increasingly oriented towards promoting this concept and have a beneficial influence on the social policies of the domestic companies. A special role is played by the UN Global Compact.

The Global Compact Local Network (MGCLN) was launched in Moldova in November 2006, initially comprising 14 national and multinational companies of different sizes. These companies have adhered to universal principles on the protection of human rights, labour and environment standards by guaranteeing the respect for and promotion of social responsibility within the Moldovan community. Subsequently, the number of companies that joined the GC increased considerably.

Due to UNDP initiative and support, various activities were conducted: seminars, conferences, trainings aimed at increasing the level of awareness of local entrepreneurs about the benefits of responsible social behaviour. For these reasons, UNDP experts Lilia Covas and Aurelia Braguta elaborated in 2009 the paper entitled “Corporate Social Responsibility: Practical Aspects”, which provides a synthesis on CSR in the Republic of Moldova and theoretical support in the process of elaborating social responsibility programmes at corporate level. Moldovan enterprises—members of the Global Compact Local Network acted as subject matter in the study.

The studies carried out in the Republic of Moldova, especially during the last decade (Expert-Grup, 2005, 2011; Buciuscan, 2010; Grigoras, 2011; ASEM, 2011; Cretoiu, 2015; ODIMM, 2017) highlighted various aspects of CSR activities.

The analysis of domestic social practices, in terms of social responsibility, shows that much of the actions implemented by companies are reduced to philanthropic

activities. However, the experience of developed countries shows that these are a starting point in the evolution of CSR policies. If, initially, philanthropic actions are based on spontaneous and dispersed reasoning, the development of the given activity correlates with the company's strategy and its desire to improve in the most related areas.

CSR is a very dynamic concept that constantly improves with new ideas and undergoes continuous transformations. And if at the beginning of the last century this concept was growing slowly, without support by the business community, it is now treated as a fundamental business philosophy in most developed countries. In its evolution, the term social responsibility has taken various approaches: (1) social obligation, (2) social response, (3) social responsibility (Mercioin, 1998).

According to the first approach, the role of businesses in the society is reduced to generating profits, within the limits of the legislation. Due to the fact that the society admits the existence of enterprises, the *social obligation* of businesses is generating profits. According to the second approach of social responsibility—the *social response*, the enterprise is meant not only to provide society with goods and services, but also to take care of some of the existing social problems related to environmental protection, fighting unemployment, etc. Spending on social and philanthropic programmes reduces current profit, but leads to long-term favourable social circumstances and a steady income. In this case, the social response is seen as voluntary and is often directly determined by social pressures. However, an economic unit that reacts to a social response as a result of boycotting groups or consumer pressures cannot be treated as socially responsible. The concept of social response has now matured into *social responsibility*. Corporate responsible behaviours are anticipatory, preventive and not just reactive or restorative, meaning much more than social obligation or social response. Social responsibility includes adopting a position of support for public issues, actions in favour of disadvantaged groups, anticipating the future needs of society and actions to meet them, working with the government on existing legislation, and anticipating desirable legislation.

Unfortunately, many of the Moldovan companies are still only at an initial stage of the SCR—a social obligation, which only appreciates the benefits of implementing certain legislative provisions (for example: ensuring good working conditions, environmental non-pollination etc.). If the company decides to evolve from the original model of responsible behaviour to other interaction patterns, it is more likely that it will choose philanthropy and neglect SCR. Only mature companies—most of them with foreign capital—adopt SCR principles independently of their involvement in philanthropic activities (Expert-Grup, 2011). For these, the distinction between philanthropy and SCR is obvious, as the purposes of certain activities are different. These companies have annual budgets, delegated functions and sometimes concrete plans for implementing SCR principles, as well as concrete expectations about the results they can generate.

The study, which interviewed 119 managers who have a bearing on social responsibility actions, highlights that most of the existing SCR programmes are focused on building a positive image of the company with few attempts to provide employee benefits, or to address the social problems stringent in the community

(Buciuscan, 2010). The emphasis is not on building a better workforce by improving morale, teamwork, and developing employee skills. The same idea is found in the study, carried out in the framework of 33 economic units in the Republic of Moldova, indicating that the least CSR actions applied are the encouragement of employee participation and granting opportunities to team members (Grigoras, 2011).

Often, the SCR concept is confused or associated with corporate volunteering. The study (Buciuscan, 2010) indicates that 67.6% of the MGCLN member companies and 36.6% of non-MGCLN companies understand the SCR concept as a voluntary enterprise action to help the community, resulting in a national average figure of 46.2%.

A summary of the situation regarding the volunteer activity in the country are presented in different studies (Zacon, 2017; Procopie, 2012). The authors believe that volunteering involving business employees in community issues offers these people an opportunity to gain a wider perspective on society that excludes ignorance, indifference, insensitivity and stereotypes. Through corporate volunteering, people get involved in issues they were not aware of, raise the level of understanding of community issues, provide more social services and increase the number of beneficiaries.

However, the analysis of the current status shows that corporate volunteering in the Republic of Moldova is at its initial stage and does not have adequate functioning mechanisms and tools. In the Republic of Moldova, the voluntary sector has little political influence, most host institutions are not prepared to provide a positive experience for employees acting as volunteers, there is no safe place to fund initiatives that would increase the number of volunteers and there are no volunteer centres.

According to Fonari and Ostaf's analysis (2010, p. 3), one of the obstacles is the wrong perception of the population on volunteering and the lack of a culture of volunteering. As there is no strong volunteering culture in developing countries, including Moldova, the need for promotion of civic activeness and for capacity building in volunteering management is obvious. Moldova works on building its own interactive model on developing a volunteering culture in the country, which would be applicable throughout Eastern Europe.

### **3 Social Responsibility in the SME Sector**

The first companies that noticed the benefits associated with adopting a SCR model were large corporations (including transnational) and regional networks associated with them. Later, the example was successfully taken up by smaller companies and the term began to spread in transition countries in Central and Eastern Europe in the late 1990s and early 2000s (Expert-Grup, 2011). The same idea is supported by Tatarusanu (2016, p. 220), who states that the SCR term was applied especially in relations with large companies, which should take into account the needs of all stakeholders while making decisions, and these should be integrated into the general

corporate strategy, so that the society which is providing the necessary resources benefits from the results generated by businesses.

But within the global economy, not only large corporations are called upon to implement socially desirable behaviours, but smaller businesses can also benefit from the same competitive advantage if they adopt a clear socially responsible position (Cretoiu, 2015).

In the case of small and medium-sized enterprises (SMEs), the concept of social responsibility is less applied in business managerial activities. Most domestic enterprises face difficulties in accepting and implementing corporate social responsibility standards, as few methods are used to modify entrepreneurial perceptions.

However, ODIMM, which is a central public organization set up to contribute to the development of the SME sector, has a special role in the dissemination of the SCR concept among SMEs. For 9 years, ODIMM together with its local partners has been organizing the “SME—Model of Corporate Social Responsibility” National Competition. The main purpose of this contest is to promote the SCR concept and motivate local entrepreneurs to actively engage in social responsibility actions on four strategic principles such as employee responsibility, environment, market and community.

SCR is a managerial tool that enables businesses to reach sustainable development. Therefore, several studies have been initiated by various institutions in order to identify the perceptions of SME entrepreneurs with regards to the concept.

In order to determine the level of awareness and implementation of SME-specific SCR practices as well as to highlight the effect of these practices on the level of competitiveness and sustainable development of SMEs in the Republic of Moldova, the “Social Responsibility of SMEs” study was conducted within the Academy of Economic Studies of Moldova (ASEM). The survey was conducted during August–September 2010 on 184 entrepreneurs and managers of small and medium enterprises (SMEs) from multiple localities of the Republic of Moldova. The research was carried out within the “Management of the economic competitiveness of the Republic of Moldova in the context of globalization and European and regional integration” project, financed by the Academy of Sciences of the Republic of Moldova.

Similarly, in determining the extent to which entrepreneurs perceived the need for SCR activities and the willingness to engage actively in their realization at the local level, ODIMM organized an online research in July 2017 on 64 entrepreneurs, of which 41% were women.

Although the above-mentioned studies have been carried out at different times and by different institutions, however, the results show many similarities and common tendencies:

1. Awareness in the SME sector of the SCR concept is still quite low: the survey conducted in 2010 by ASEM revealed that most of the surveyed entrepreneurs (about 92%) have general knowledge of SCR, of which only 33% conduct CSR activities. The study conducted in 2017 by ODIMM found that every second respondent stated that they are aware of SCR concept, 30.1%—partially aware and only 17.5%—unaware.

2. It has been noticed that the SCR concept is addressed differently: 4.0 percent of respondents treated SCR as a way of supporting foundations or NGOs, 39.7%—as a volunteer action aimed at helping the community, and 30.5%—charity shares. Only 17.8 percent perceive SCR activities as ways to improve the company's image. Moreover, 5.7% of respondents treat these activities as actions imposed by local authorities (ASEM, 2010).
3. We believe that the existing perceptions regarding SCR actions contribute to the formation of a hierarchy of the reasons, which determines the Moldovan entrepreneurs to undertake social actions. According to the results of the ASEM study, the most common motivation is the desire to build a positive image of the enterprise—55.3% of the respondents, followed by CEO ethical behaviour (altruism)—36.2%, and the establishment of good relations with Government authorities—35.1% of respondents.
4. The results of the researches show that the concern for SCR activities relies neither with the company's legal form, nor its business activities. According to analysis, the highest motivating factor is the entrepreneur's desire and openness for such type of activities. The ASEM survey found that the selection of priority areas for SCR actions was largely driven by the company's manager—79%, 3%—based on personal preferences, 2% of respondents mentioned the Marketing and PR Departments, 1%—HR Department.
5. In this connection, the research carried out by ODIMM identified a correlation between the entrepreneur's age and the duration of the enterprise's activity and their likeliness for SCR activities. According to the survey results, 50% of entrepreneurs aged over 45 say they are doing SCR activities versus 21% of those aged 18–44. Companies with up to 5 years' experience less SCR activity—only 18%, but in companies that have been active on the market for more than 5 years, this indicator is up to 65%.
6. Also, the correlation between the size of the companies and their involvement in social actions has been identified. It is noteworthy that 82.4% of medium-sized enterprises are more active in social responsibility activities, followed by small businesses—72.0% and micro enterprises—49.1% of respondents (ASEM, 2010). A fact confirmed by the ODIMM study, 2017, which finds that the size of the company by number of employees has an increased influence on the decision whether or not to perform SCR activities. Thus, small businesses are more active in performing these activities than micro enterprises interviewed. This can be explained by the fact that with the development of the business, the management of the company is not limited to the economic aspects of the business, but it also starts to pay some attention to social and environmental issues.
7. SCR activities can be conducted in various ways. Direct help and volunteer activity are considered as the most efficient by the Moldovan entrepreneurs. At the same time, support for community development and activities for employees were found to be the most frequent SCR activities carried out by entrepreneurs (ODIMM, 2017). The ASEM study in 2010 identified labour-related activities carried out within SMEs (employee services—34.04%, teaching, trainings—



- 28.19%), and the protection of the employees' health—25.53%), followed by activities aimed at community development (aid to the poor—33.51%, cultural activities—27.66%, collaboration with the educational institutions—27.13% etc. ), market oriented activities (customer satisfaction analysis—29.26%) and environmental orientation (17.02% environmental protection actions).
8. With regard to environmental protection, respondents of the survey conducted in 2010 considered it as one of the most important. In fact, environmental protection proved to be given lower attention by businesses. Many entrepreneurs consider that their business operations have insignificant impact on the environment.
  9. It should be noted that entrepreneurs are aware of the existence of several barriers in the implementation of social programmes. The main barriers are “lack of necessary funds”—40.2%, as well as “lack of knowledge in SCR”—19.4% of the answers. A very small percentage of respondents believe that SCR activities are inefficient—only 3% (ODIMM, 2017).
  10. Local entrepreneurs do not communicate about their socially responsible activities because they consider it a lack of modesty or they can be accused of using a cynical marketing trick. Thus, only 16 percent of respondents mentioned that they communicate to people outside the organization about their social policies, 40 percent partially and 38 percent do not communicate and do not consider it necessary. Some believe that a SCR-related communication is a prerogative of large businesses. And for others, responsible social work is something so natural that it should not be communicated to the public (ASEM, 2010).

Thus, by generalizing local SME practices in social responsibility activities, we can conclude that the SCR concept is in its early development stage, characterized by the predominance of philanthropic actions. Business and social activities are scattered. Aid is granted more often in cash or in products, in accordance with the personal preferences of the top manager.

## 4 SCR Trends Within Moldovan Enterprises

Having the intention to know the current situation for SCR in the Moldovan enterprises, regardless of their size, we conducted a survey through a structured interview. The study was conducted within 28 local enterprises, selected by probabilistic method and layered sampling. The poll was conducted at the companies' headquarters with representatives of the top management.

The basic criteria when selecting companies were the business areas and the size of enterprises. Thus, 46% of the total number of enterprises were large companies, and 54%—small and medium-sized enterprises. The companies analysed relate to 10 fields of activity, mostly manufacturing, wholesale and retail, transport and storage, hotels and restaurants, etc.

In order to be able to carry out a broader analysis of the level of involvement of companies in SCR activities, they were divided into social and environmental activities.

#### **4.1 The Social Dimension**

Taking into account that SCR actions are mostly voluntary and can be widely diversified, the social indicators have been structured in five types of responsibilities to the main company stakeholders. In the attempt to structure this wide field, the most common stakeholders that companies interact with, regardless of their field of activity are: employees, consumers, the community.

Five types of actions were identified under each type of responsibility that are more often conducted by companies. Respondents were also given the opportunity, if necessary, to fill in with their own initiative (Table 1).

A company's social indicators were determined by calculating the number of social initiatives made by the economic unit in a given period of time.

Upon analysing the responses concerning the social dimension, it was found that companies tend to be more active in *employee-targeted actions*—33.1% confirmed taking such initiatives, followed by *adapting to changes in the community*—23.3%, and *safety and health at work*—18.8% (Fig. 1).

A very small percentage of companies claimed to conduct *social activities towards community development*—13.7% and *initiatives aimed at consumer protection* registered a lower share—11.0%.

Of the total number of social actions undertaken by the companies surveyed, almost all of them consider it necessary to ensure *equal opportunities at work* and *the balance between professional and private life*, with a share of 96.4%. Various companies make efforts to *improve working conditions*—78.6% and to *train and develop the staff*—78.6% (Fig. 2).

However, a very small number of companies are involved in customer-oriented services, disability, prophylaxis of occupational diseases, etc. Businesses treat them as additional costs, not taking into account that these initiatives can have a positive impact on economic performance by gradually changing the perceptions of employees, consumers and the community towards the company as a fair and responsible entity.

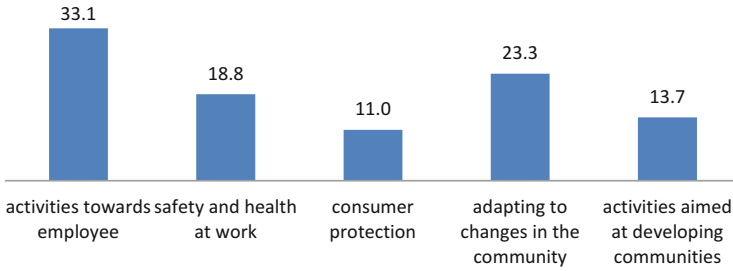
#### **4.2 The Environmental Dimension**

The environmental dimension of business activities heavily depends on innovation and responsibility within companies. But the benefits of prudent environmental behaviour are not only favourable to society, but also have multiple benefits for the entity: reduced production and maintenance costs, etc.

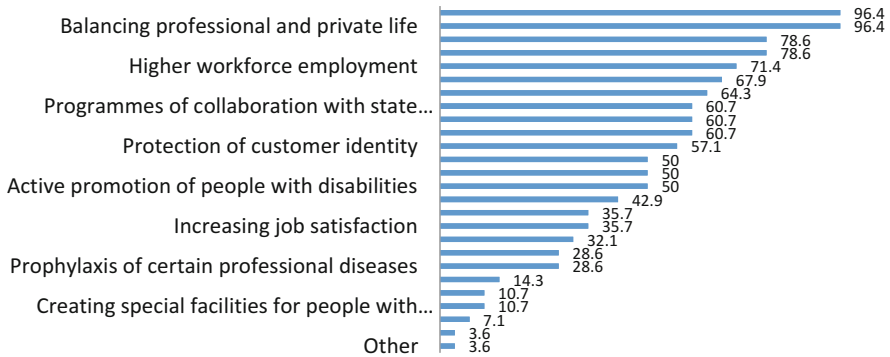
**Table 1** The social dimension of the company

Stakeholders	Type of responsibility	Types of actions
Employees	Social actions towards employees	<ol style="list-style-type: none"> <li>1. Staff training and development;</li> <li>2. Informing employees and their involvement in company decision making;</li> <li>3. Responsible and fair remuneration or financial support for employees, providing social packages to employees;</li> <li>4. Balancing work and private life, granting childcare allowances to employees;</li> <li>5. Equal opportunities (gender, age, ethnicity, religion).</li> </ol>
	Ensuring safety and health at work	<ol style="list-style-type: none"> <li>1. Improving working conditions;</li> <li>2. Increasing job satisfaction;</li> <li>3. Medical service to company personnel;</li> <li>4. Promoting a preventive culture aimed at achieving a high level of occupational safety (prophylaxis of occupational diseases);</li> <li>5. Active promotion of employees who are inactive due to permanent or temporary diseases or disabilities.</li> </ol>
Consumers	Consumer protection	<ol style="list-style-type: none"> <li>1. Protection of customer identity;</li> <li>2. Offering products or services aimed at protecting consumer health;</li> <li>3. After-sales services or other SCR services;</li> <li>4. Special facilities for customers with certain disabilities;</li> <li>5. Promotional services and counselling.</li> </ol>
The community	Adapting to changes in the community	<ol style="list-style-type: none"> <li>1. Taking responsibility for ensuring high employment rates;</li> <li>2. Reorganizing work processes (contributing to the employment of low-skilled workers);</li> <li>3. Good relations with local business partners (preferential conditions);</li> <li>4. Collaboration programmes with state organizations, professional associations, other non-governmental organizations;</li> <li>5. Sustainable cooperation with local authorities.</li> </ol>
	SCR activities towards community development	<ol style="list-style-type: none"> <li>1. Organizing actions to help socially vulnerable groups;</li> <li>2. Programmes for supporting children and adolescents;</li> <li>3. Participation in programs for the restoration and protection of cultural and historical objects;</li> <li>4. Sponsoring sports, cultural or educational demonstrations and organizations;</li> <li>5. Support for major investigations and campaigns.</li> </ol>

The source: Developed by authors



**Fig. 1** Share of social activities conducted by the respondent companies. The source: Developed by authors



**Fig. 2** Types of social initiatives by companies. The source: Developed by the authors

The environmental indicators in the study are also structured into five types of corporate responsibility for environmental protection. Each responsibility consists of five possible actions (Table 2). Companies can carry out an unlimited number of voluntary initiatives.

The environmental indicators are determined in a similar manner by calculating the number of initiatives made by the company over a certain period of time.

The data gathered in the study shows that companies are launching a series of environmentally-friendly actions that go beyond legal requirements. Out of the five types of environmental responses proposed, certain trends emerged. The highest share was registered by actions aimed at the *efficient use of resources*—27.3%. We believe that this is also driven by economic interest. It is positive that 25.3% of respondent companies conduct *voluntary actions aimed at protecting the environment in the community*. A large number of companies are making efforts in *waste recycling*—24.7% (Fig. 3).

But there are quite a few companies' initiatives to *reduce waste and pollution*—12.6%, as well as the analysis of *environmental issues when designing production processes or products*—10.1%.

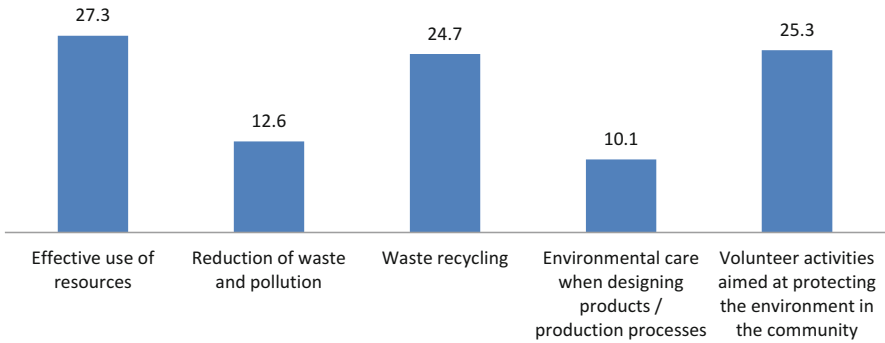
**Table 2** A company's environmental dimension

Type of responsibility	Types of actions
Effective use of resources	<ol style="list-style-type: none"> <li>1. Reduced use of raw materials;</li> <li>2. Energy savings by increased efficiency of its use;</li> <li>3. Water savings;</li> <li>4. Eco-innovations;</li> <li>5. Optimal and rational use of means of transport.</li> </ol>
Reduction of waste and pollution	<ol style="list-style-type: none"> <li>1. Initiatives to reduce indirect consumption of water, energy, materials (paper);</li> <li>2. Reduction of greenhouse gas emissions per product unit;</li> <li>3. Reducing emissions of harmful substances per product unit;</li> <li>4. Reducing the ratio between the products sold and the amount of packaging;</li> <li>5. Empowering the public and employees to behave more responsibly in terms of environmental protection (I.e. collecting used portable batteries).</li> </ol>
Waste recycling	<ol style="list-style-type: none"> <li>1. Separate collection of waste;</li> <li>2. Waste recycling initiatives resulting from the production process;</li> <li>3. Water recycling and re-use initiatives;</li> <li>4. Energy recycling initiatives;</li> <li>5. Packaging recycling initiatives.</li> </ol>
Environmental issues when designing production processes or products	<ol style="list-style-type: none"> <li>1. The existence of certified environmental management systems according to ISO 14000;</li> <li>2. Initiatives to reduce the negative environmental impact caused by company products / services (recyclable packaging);</li> <li>3. Initiatives for low-energy products and services;</li> <li>4. Applying an "environmental assessment" of suppliers with respect to their environmental standards;</li> <li>5. Informing business partners, customers, or society about environmental issues.</li> </ol>
Voluntary actions aimed at protecting the environment in the community	<ol style="list-style-type: none"> <li>1. Green office;</li> <li>2. Company's landscaping;</li> <li>3. Protected habitats on the company's land;</li> <li>4. Planting green areas in the community;</li> <li>5. Supporting community-based programmes to protect the environment.</li> </ol>

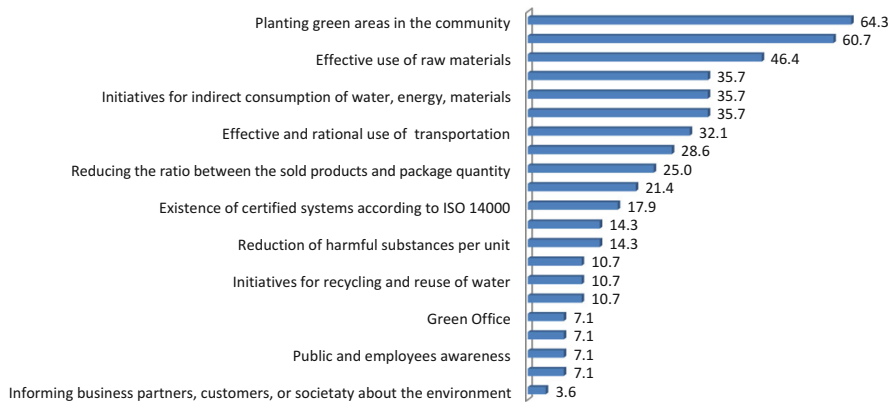
The source: Developed by the authors

The results of the survey show that Moldovan companies pay less attention to the environmental aspects as opposed to the social ones (Fig. 4). The most frequently performed actions include: *planting green zones in the community*—67.3%, *company landscaping*—60.7%, *efficient use of raw materials*—46.4%.

A very small number of companies take some initiatives in *informing business partners about environmental issues, empowering the public and employees, making more responsible environmental protection, applying environmental assessments to suppliers*, etc. These are activities that do not require considerable financial



**Fig. 3** The share of environmental activities conducted by respondent companies. The source: Developed by the authors



**Fig. 4** Types of environmental initiatives by companies. The source: Developed by the authors

resources but can have a beneficial impact on the image of the economic units and on the economic performance of the enterprises.

## 5 Conclusions

The studies analysed in this paper enabled to outline certain national features in the implementation of SCR practices.

Currently, the perception of the SCR notion at national level differs. The population, largely influenced by the former socialist ideology, expects companies instead of the state to solve social problems. It is assumed that companies must take care for the social protection of the population, including rest and treatment packages, housing, creation of various facilities for workplace comfort, etc. Since most

companies cannot afford this, there was established a negative attitude towards businesses and their leaders.

Also, many business people consider their social responsibility to be reduced only to job creation, middle work payroll and tax liabilities. In the mentality of the society, responsibility can be expressed by the formula “you have to share” and it is perceived more as a philanthropic activity. Thus, for local enterprises, the issue of social responsibility is both new and well-known.

However, in recent years it has been observed that SCR practices follow a positive trend at national level. The main actors in this field are businesses, but there is also some involvement by the government, the media and NGOs. Leaders in social activities are foreign and mixed companies, which provide an example to local enterprises.

At this stage, businesses in our country prioritize their SCR actions on initiatives towards employees, followed by actions for the benefit of the community and less attention is paid to consumer issues. Among the SCR activities more is done within the social dimension and less initiatives are taken towards the environment.

While multinational companies have gradually begun to develop their own culture of social responsibility, the SCR concept is less known among small and medium-sized enterprises in the Republic of Moldova. In most cases, public authorities at central, local and regional level are developing insufficient activities to promote the SCR concept to the benefit of the communities in which they operate. Thus, involvement in social responsibility campaigns is extremely low.

Among the difficulties that negatively influence the achievement of SCR activities by local companies, the following can be highlighted:

The negative influence of the transition period to a market economy, which is characterized by inhibited social programmes and the general tendency within companies to avoid the social infrastructure;

- There is no full understanding of the meaning of the SCR concept, which causes a negative attitude of certain companies’ management towards social programmes, considering them as an inefficient use of the available financial means and a waste of time.
- Lack of awareness by company management of the relationship between SCR and the opportunities of building a positive reputation on the market, gaining brand loyalty, as well as underestimating the economic benefits, by both the companies and the stakeholders, of social and environmental programmes implementation.
- The low level of the business culture among the Moldovan business community, which does not enable fair assessment of business activities in terms of observance of the ethical norms.
- The lack of a well-founded state-level policy aimed at supporting companies’ SCR practices, by providing tax incentives for such activities.

In order to successfully carry out SCR activities, the social responsibility policy must be properly organized, in order to avoid typical mistakes in this area. It should be noted that the analysis of the relevant experience of Eastern European states

indicates that there are many similarities in the business practices and mistakes made. According to the study conducted by the Charities Aid Foundation in Russia (Tkachyuk, 2004), there are several mistakes which cause failure of social programmes implemented by companies (they are not treated by the society as concerns of the socially responsible business):

- One of the typical mistakes made by companies when expressing responsibility towards the society: **the reaction to a certain issue, but not its solution**. Instead of paying environmental taxes, companies may change the existing technologies.
- Slightly effective from this point of view—**projects based on the indications of local authorities** (instead of identifying which causes certainly need to be supported, companies follow indications by the officials).
- **The lack of transparency of social activities**, when it is not clear who, how and what are the donations made for by companies is similarly useless to a company's image.
- And the last mistake—**financing objects, instead of programmes**. In many instances, instead of supporting, for example, poverty-fighting programmes, companies choose to do charity for the benefit of “popular” objects (churches, monasteries), carrying out an honorary mission, but more often not stringent to the society, i.e. supporting children's nursing homes or providing useful training courses for the unemployed.

High efficiency of social programmes' implementation can only be achieved by avoiding these mistakes and taking into account the interests of all stakeholders.

SCR means more than donations / sponsorships. It is a strategic concept that involves first of all the integration of the company stakeholders' concerns into the business practices, concerns that are translated into: employee satisfaction, health and safety at work, energy saving measures, prevention of harassment or abuse of any form, the responsible management of raw materials, ecological acquisitions, contribution to solving social problems within the community, etc. Thus, we can conclude that Moldovan companies may be moving a bit slower but in the right direction in terms of attitude towards the society and the environment.

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