

THE BUSINESS ETHICS - SUSTAINABILITY - CORPORATE SOCIAL RESPONSIBILITY TRIPTYCH

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ABSTRACT: *This paper explored the concepts of business ethics, sustainability and corporate social responsibility from a perspective where the development of the organizations should be seen as significant in the context of a general paradigm of sustainable development. The main purpose of the paper is that of identifying the connection between the business ethics, sustainability and the corporate social responsibility in the context of the exigencies of the organizations' sustainable development. The importance of sustainability at an organization level is given by the desire to be competitive in an as much as large horizon, to survive in a more and more fierce market when also considering that sustainable competitiveness takes place while respecting the business ethics, the environment and the society as a whole.*

KEY WORDS: *sustainability, corporate social responsibility, business ethics, sustainable development.*

JEL CLASSIFICATIONS: *M14, M41, M42.*

1. INTRODUCTION

A sustainable organization, in the large sense, is the organization able to manage its actual resources to satisfy its economic needs without depleting them and compromise satisfying the future generations' needs. The organization's sustainability represents an ideal which can be reached with the help of a sustainable development strategy based on three pylons: economic development, social and environmental responsibility. Supplementary studies suggest that the policies and practices of corporate social responsibility improve the performance of the organizations with lucrative purpose. The last two decades are marked by major changes of objectives which need to be reached by organizations, caused by factors such as globalization, population growth, industrialization growth, global warming, radical changes of behaviour in social and environmental policies. The sustainable activity of an

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organization indicates a long lasting existence, and the sustainability of the corporate social responsibility (CSR) is dependent on the organization's sustainability.

Sustainability allows the organization to adopt those decisions which respect the environment and are more friendly to it and the society in its entirety. The organization must implement those sustainable principles which propose an as much as elaborate business plan, with the help of which the organization increases its long-term earnings while the economic benefit not to be the business' first objective. Integrating sustainability within the business strategy is adopted by a growing number of organizations. Sustainability can be seen as a paradigm of thought towards the far future in which social, environmental and economic aspects are balanced towards searching for an improved quality of life. If we were to give an example of sustainable organization, then that organization is the one that respects the business ethics and is based on a healthy environment, capable of offering its citizens food and resources, fresh air and safe, drinkable water.

2. LITERATURE REVIEW

A multitude of traditional organizations follow creating social value by combining the social impact and the sustainability with profitability. Hart and Sharfman (2015) suggest that the organizations can generate sustainable value by utilizing "strategies and practices which contribute towards a more sustainable world while simultaneously determining the shareholders' value". Porter and Kramer (2011) continue to promote the concept of creating value as a way in which organizations could follow their social responsibility objectives. The importance of reaching the objectives of sustainable development, considering change, is the motto of our days, and is given by the organizations' desire to preview the organization's performance on the long-term in a more and more unpredictable world. The organizations must offer more importance to corporate social responsibility to reach their sustainable objectives. The prolonged recession and the pressure on the organizations' budget have obligated the organizations to develop their activities based on strategies and policies to be in concordance with respecting the business ethics and the sustainable development objectives.

The concept of business ethics first started in the sixties, just as the big organizations became more conscious of a society in full development based on consumption, which showed preoccupations regarding the environment, social causes and corporate social responsibility. The increased accent on social problems was a distinctive sign of the decade. The business ethics surpasses only one moral code of good and bad, trying to reconcile what the organizations must do from a legal point of view while maintaining a competitive edge from other businesses.

The interest in business ethics has accelerated in the years of 1980 and 1990, within multinationals as well as within the academic environment. For example, the majority of the important organizations promote their commitment towards non-economic values as titles such as ethical codes and policies of social responsibility. The governments make use of laws and regulations to guide the ethical behaviour regarding beneficial directions. The ethic implicitly regulates domains and details of

the organizational behaviour which is found outside the governmental control. The organizations display the business ethics in multiple ways. An organization that wants to become socially responsible must be, from an economic point a view, competitive through actions and activities that are ethical (Bestrate'n, Pujol, 2005). According to the same authors, the sold goods and/ or the services rendered by the organization for the clients must correspond to their needs, to act in an ethical manner in all cases of decision taking regarding safe and healthy work conditions, while also respecting the environment and their integration within the community (Bestrate'n, Pujol, 2005).

In the age of globalization, the way the organizations respond in an ethical manner to the idea of living in a single world depends. Those who lead a business want a useful framework of ethical thought as well as the concept of corporate social responsibility, concepts which are growing exponentially in Europe nowadays. This is due to the fact that the organizations from different industries see conclusively that the public insists on balancing profits with corporate citizenship. In conformity with *The Economist*, the movement of corporate social responsibility has bloomed in the 1990 decade, continuing in the years 2000 up until now. As of January 2014, when the corporate heads at the time reunited at the World Economic Forum in Davos, Switzerland, they have expressed their belief that the global corporate responsibility and the business ethics are commonplace.

3 RESEARCH METHODOLOGY

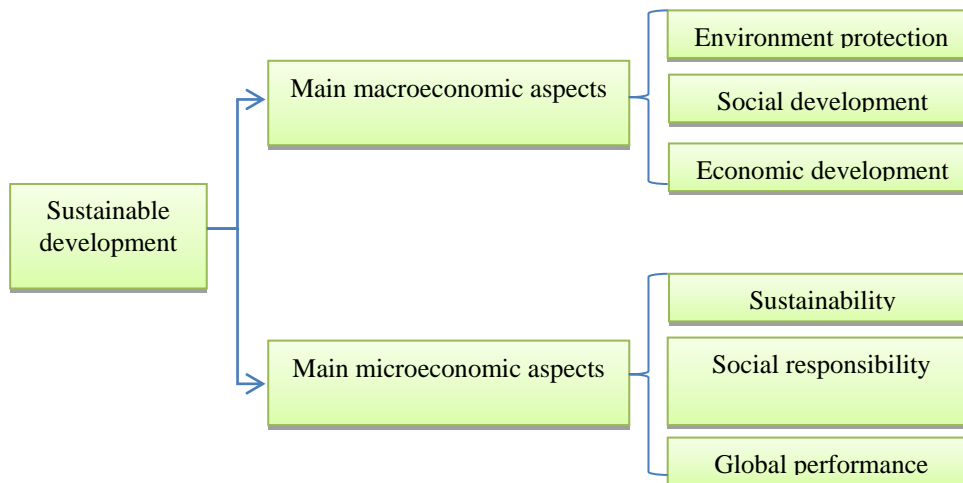
When drafting the paper, the method of resorting to information published on specialty sites and articles published in specialty magazines was used. In order for this paper to be drafted, information regarding sustainable development, business ethics and corporate social responsibility has been collected, structured, analysed and correlated.

4. THE IMPORTANCE AND ROLE OF SUSTAINABILITY AT AN ORGANIZATIONAL LEVEL

The role of sustainability at an organizational level is given by a positive impact on society and the positive effect that the activity's development has on the environment. At an environmental level, the sustainability's role is to prevent using nature as an inexhaustible resource while ensuring the protection and its rational usage. Aspects such as environmental conservation, regenerative energy investments, water savings and supporting sustainable mobility contribute to sustainability on more levels. At a social level, the role of sustainability is to stimulate the development of local communities in which the organization develops its activity, in order to obtain a reasonable quality and an equitable distribution of reciprocal development (Payne, 2006). From the point of view of economic development, the sustainability focuses on equal growth, which generates benefits for all those affected by the development of the activity without ever affecting the environment. The investments and an equal distribution of the economic resources will strengthen other pylons of sustainability for a sustainable development of the organization (Kesaprakorn, 2008). Following the path

of microeconomic aspects, the organizations must manage the relations between them and the different interested parties for the economic prosperity of the organization to be obtained by respecting the environment and improving the social cohesion. For a sustainable development, the organization must apply the following objectives: firstly, reaching economic objectives (by creating profit for all those involved in the business, based on ways of production and sustainable consumption), and secondly, ecological, social and environmental objectives (by preserving and managing resources taking into account the equity and participation of all social groups). In the business environment as well as in the research environment there is a growing trend regarding the interest of the study of the social responsibility's involvements within the organization's global performance.

The sustainable development represents a relatively new concept which has as base three main macroeconomic aspects: environmental protection, social and economic development, plus microeconomic aspects such as sustainability, social responsibility and the organization's global performance, figure 1.



Source: Adaptation and processing after Hart T.A., Sharfman, M, (2015)

Figure 1. Main aspects of sustainable development

Sustainability, as defined by the Global Commission for Environment and Development, represents that development which answers to actual needs without compromising the future generations' needs. The concept of sustainability becomes more and more popular nowadays, because it establishes common tendencies for the spheres of business activities, in all research domains and contemporary development, from an academic point of view as well as a practical one. Academics and practitioners in business from different domains are very interested and preoccupied by aspects tied to sustainability, including the real estate market, the sector of medical assistance, natural resources, energy consumption, superior education institutions, transport and tourism industries, development, architecture and civil engineering, organizational

development, human resource implementation and the employer's branding with perceptions and unique understandings referring to each domain.

At microeconomic level, corporate sustainability is seen as a new paradigm of management which recognises the growth and rentability of organizations, but, at the same time, imposes the societies, other than the developed activities and non-profitable activities, to consider social objectives, especially those related to sustainability problems, such as: environmental protection, ecological integrity, social justice and equity, society and community development justice. In the same spirit, in order to measure and manage corporate sustainability activities (Spaiser et. al, 2016), have recommended the following criteria of sustainable development:

- business ethics;
- local administration and democracy;
- internal and external market of resource consumption balance;
- exploring the local economic potential;
- environmental protection;
- protection and regeneration of the cultural heritage.

By reaching the social performance, an organization can attract and promote investments. The economic, social and environmental factors are critical towards sustainable development. Focusing resources on sustainable development must be an objective for countries under development. If we consider the limited resources and the fact that accomplishing objectives of sustainable development is a process full of inconsistencies and compromises, the strategic policy in countries under development focused on socio-economic development can be a successful policy on the short term to realize sustainable development. With all that in mind, the results of developed countries suggest an inclination towards accomplishing sustainable development, focusing on environmental and social factors.

The recent report (IPCC, 2018) indicates that the impact of global warming should be limited to 1,5 C, which requires a global response, consolidated to climate change threats, sustainable development and poverty eradication efforts. If we consider the urgent response to these challenges, one should continue following the sustainable agenda of focusing on socio-economic development on the short-term by the organizations to create a bigger impact on their sustainable development, considering their limited resources and the structural constraints.

These results are in conformity with the literature which visualizes the objectives of sustainable development as a set of interconnected policies with compromises and synergies (Spaiser et al., 2016; Swain et.al., 2020). Maintaining the impulse on the agenda of short-term sustainable development objectives should not involve ignoring the environment. On the contrary, the synergies, compromises and interconnections between the sustainable development objectives can be better used in accomplishing sustainable development, focusing on economic and social factors from under-development countries. The sustainable development is a premise of the corporate social responsibility to changing the way of thinking regarding the importance of the environment for a social wellbeing growth. The corporate social responsibility, out of the desire to remedy the negative effects, appeared as a result of excessive development and globalization which prevents sustainable development. We must

understand that, as long as the organizations put their individual interests first, then the social justice has a difficult task. Judging by this idea, the process of sustainable development included the necessity of responsibility of developed activities by organizations at a micro as well as macroeconomic level.

The social responsibility of the organization supposes a presumptive social duty the organization must have regarding the stakeholders in developing their activity. The response to this general need is manifested by stakeholders which should benefit from introducing these sustainable development platforms and from the growth of a social wellbeing of society as well as from an important diminishing of the negative social effects of any nature. We could enumerate the ideas of Guillaumont, cited by Pohoăț in *The Sustainable Development Theory: A Critical Approach* (2020) which refer to a growth that needs to be accomplished as being a cumulation of changes of mental thinking and social behaviour which can make a development of the real global product, which can change the realizations of each organization in a generalized social progress. Because this concept was conceived differently in the world of business development, (Griffin, 2013) has highlighted three types of approaches presented in table 1.

Table 1. Types of sustainable development approaches

Types of sustainable development approaches	Definition
Strong sustainable development	A radical approach of environmentalists which involves high standards of environmental protection, which considers the individual's wellbeing, should not be based on environmental sacrifice. The supporters of this type of sustainable development consider that the capitalist economic system is not compatible with the strong sustainability.
Weak sustainable development	It is represented by free global markets, capitalism, where privatisation, technological innovations and the laws of request and offer are seen as the key for resolving environmental problems.
Intermediary sustainable development	These types of approaches are mainly determined by the measure in which they intent on intervening within the market economy regulation, by affecting wealth redistribution, social cohesion, biodiversity prioritization, energy conservation, "green" consumerism.

Source: Adaptation and processing after Griffin L. (2013. pp.9-11)

5. BUSINESS ETHICS AND SOCIAL RESPONSIBILITY

The business ethics, known as corporate ethics, is a form of applied ethics or professional ethics, which examines the ethical principles and the moral or ethical problems that could appear in a business environment. The business ethics also represents the study of policies and adequate business practices regarding potentially

controversial subjects, including corporate governance, privileged commerce, bribing, discrimination, corporate social responsibility and fiduciary responsibilities. The ethics therefore becomes a defining business problem, affecting the corporate profits and the credibility, such as personal security and the organization's sustainability, if it is not considered. The law often guides the ethics in business, but other times business ethics offers a base guide the organizations can choose to follow to obtain an equitable treatment. Coming from the idea of the economist and sociologist Armstrong, A. (2020), „competition is the law of the jungle, but cooperation is the law of civilization”, in most businesses and organizations, the organization model is hierarchical. Under capitalism, as we know, the biggest objective is to deal with as much capital as possible, but as it is well known and evident, capital is easier obtained in unethical ways. Therefore, we should not expect that it is normal for a business owner to develop their activity in the interest of its employees, because power and greed always corrupts as history showed in a number of cases and if we consider the fact that most people are workers and not entrepreneurs, then we have a big problem to address in order to improve the lives of the vast majority and to reach the level of a more ethical society.

Often times, business ethics is the point where CSR meets with sustainable development and involves a system of practices and procedures that help towards building consumer trust. Business ethics ensures that there exists a certain base level of trust between organizations and consumers, guaranteeing the latter a correct and equal treatment. Some business ethics are incorporated into the law, such as the minimum wage, restrictions regarding privileged transactions and environmental regulations. On the other hand, business ethics can be influenced by the management's behaviour, with ample effects within the entire organization. The appearance of big corporations with limited relations and sensibility towards the communities where they develop their activity has accelerated the development of formal ethical regimes. Maintaining an ethical status is the business manager's responsibility. Therefore, the ethical behaviour's management is one of the most widespread and complex problems the business organizations are confronted with nowadays.

The corporate social actuality brings into the spotlight the business ethics and the corporate social responsibility. The area of business ethics is strongly related to that of the corporate social responsibility, without actually being identical, becoming notable with time in a globalized society. The connection of the two areas with the interested parties is relevant within the organizational practice, because according to the ISO (International Standardization Organization) 26000:2010 standard, ethical decisions can be integrated within activities of social responsibility.

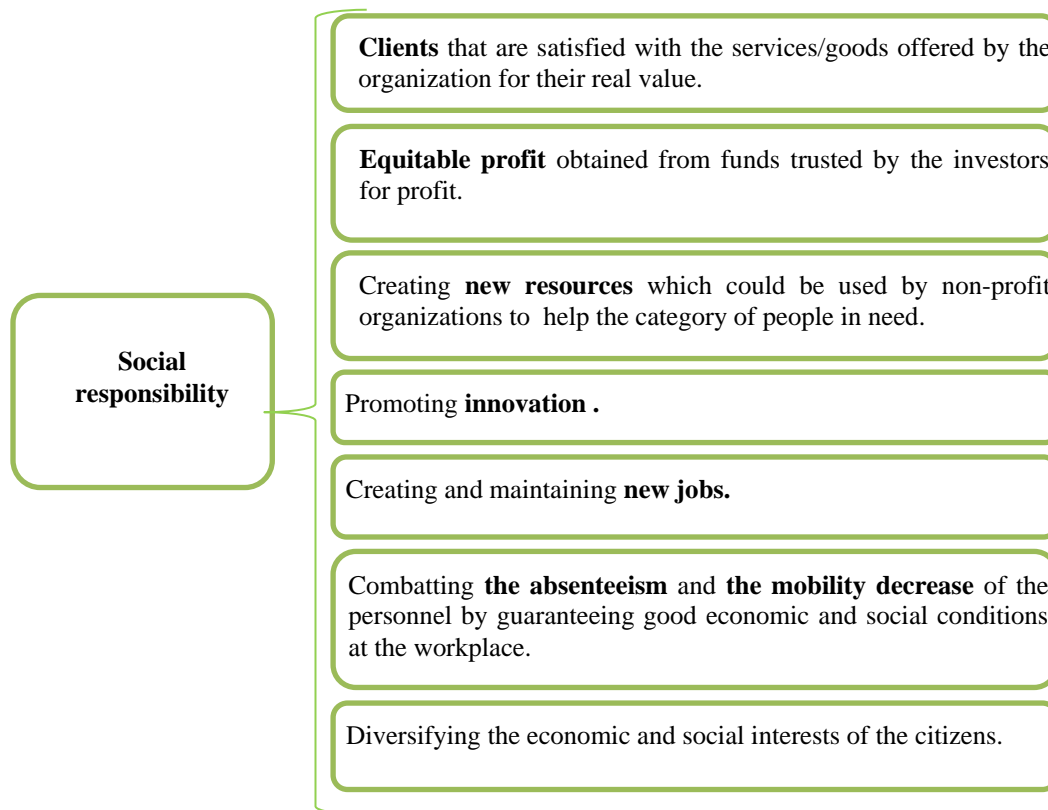
Therefore, one can say that social responsibility is an acceptance of responsibilities for the honest and ethical behaviour towards stakeholders. Implementing ethics in business at an organizational level means adopting an equitable and moral behaviour, guided by the laws of the country the organization develops its activity in. When an organization exceeds the country's borders and develops at an international level it is necessary to revise their ethical behaviour for unexpected situations that could appear. Business ethics could differ from country to country or from an industry branch to another.

Business ethics includes those activities and practices that are expected or forbidden by the society even though most of them cannot be encoded in the law. The ethical responsibilities include the whole domain of norm application, of standards and expectations which reflect a belief in which the employees, consumers, shareholders and the global community to care for and consider to be correct, fair, and in concordance with the respect and the protection of the moral rights of the interested parties. Superimposed on the stakeholders' expectations regarding ethics are the implicit levels of ethical performance suggested by the taking into consideration of the big ethical and moral principles, such as rightness, rights and utilitarianism (Carroll, 2004).

Sustainable development and corporate social responsibility are cases approached together, within the specialty literature, because sustainable development embraces the three pylons: environmental protection, social responsibility and economic development. The cases are also thought of in the situation of globalization which produces different disproportions in matter of wealth, environmental damage and illegal work practices, all these signifying irregularities of the process of development of the economic activity. In these conditions, the corporate social responsibility is seen as that thinking that needs to solve these irregularities to maintain a sustainable development. From the point of view of the World Commission on Environment and Development, this is given by the limitations of the sustainable development action which has two thoughts: strong ones which impose restrictions on nature and the development level called sustainability and soft ones which foresee sustainable development as being some lines and directions seen in a general sense (Herrmann, 2004).

The global business ethics is about the reconciliation of the ethical standards of the country of origin where the organization has its headquarters and the host country where the organization has its other headquarters, as well as identifying norms which would satisfy both. The practice of relativism morale, in which the organization simply adapts to local norms, creates a situation that is often not sustainable because more countries, especially those that are under-development or those that do not have articulate ethical standards which protect the vulnerable interested parties. Kesaprakorn recommends the moral universalism as a principle which would create a moral standard accepted by all cultures.

The moral universalism represents the identification of some ethical standards which would have international support such as the U.N. Global Compact or Global Reporting Initiative. Clarifying of social responsibility strategies took place in the years 2000 when the situation was already implemented, with the objectives clearly identified, based on activities of active management. Being an import element of the corporate social responsibility strategy, the social responsibilities have been a high curiosity subject for other researchers such as Lantos G. P., (2001) which makes a profound delimitation of what these mean for corporate social responsibility (figure 2).



Source: Adaptation and processing after Lantos G.P. (2001)

Figure 2. Forms of social responsibility

6. CONCLUSIONS

The organizations are usually prone to follow the social norm, except when it becomes too inefficient to do so. There is a growing awareness from organizations that a sustainable activity must comply with the ethics norms in business and the approach of the policies and the corporate social responsibility to reconcile with the ethic to do business. The organizations must overcome their dilemma of living in a finite world and the dilemma of behaving as they would be in a world with limitless resources. The trending tendencies seem to focus directly on the activities of corporate social responsibility and, even though the ethics principles are without doubt to be expected, it remains in a not so frequented area by the organizations. It seems to stand out only when explicit breaches of the norm, on a large scale, appear. However, more and more organizations are willing to assume social responsibility through ethical practices, a transparent management and an environmentally friendly development. This desire needs, from the organizations, a formal evaluation of the procedures and the efforts regarding the corporate social responsibility and the social impact. The reason why the organizations voluntarily choose to be involved in RSC actions is mainly related to the ethics referring to achieving the social and environmental responsibilities. Another

reason of involving in CSR actions is represented by the organizations' commitment to contribute to the sustainable economic development, to consolidate the relationships between the employees and to collaborate with the third parties and the local community towards improving the quality of life. These aspects represent a contribution in business as well as in the long-term development of the organization.

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