

TERM CORPORATE RESPONSIBILITY IN CONTEMPORARY CORPORATION

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Abstract: One of the important issues that correlates with the efficient business of the modern corporation is the issue of corporate responsibility. Corporate responsibility is linked to the achievement of corporate objectives and key corporate values. In scientific literature there are various considerations about corporate responsibility. The author in the paper gives an analysis of these considerations and analyzes two important principles for effective business operations of the corporation: HSEC - (Health, Safety, Environment Management, Community Relations) and BCCM (Business, Crisis and Continuity Management). The author will use the following methods: analytical method, descriptor method, and method analysis of content analysis. The author analyzes the need for management to monitor external and internal causes that cause a crisis. Management is obliged to recognize the shape of the threat and to apply a certain kind of strategy. In the concluding observations, the author determines the activities that management should take in order to efficiently operate the modern corporation.

Key words: corporate responsibility, risks, security management, external and internal causes of the crisis

ПОИМ КОРПОРАТИВНА ОДГОВОРНОСТ У САВРЕМЕНОЈ КОРПОРАЦИЈИ

Сажетак: Једно од важних питања која су у корелацији са ефикасним пословањем савремене корпорације је питање корпоративне одговорности. Корпоративна одговорност је повезана са постизањем корпоративних циљева и кључних корпоративних вриједности. У научној литератури постоје различита разматрања о корпоративној одговорности. Аутор у раду даје анализу ових разматрања и анализира два важна принципа за ефикасно пословање корпорације: HSEC - (здравље, безбедност, управљање животном средином (околиш) - управљање заједницом и комуникације) и BCCM (рад, криза и континуирано, континуирано управљање). Аутор ће користити следеће методе: аналитички метод, метод дескриптора и анализу анализе садржаја. Аутор анализира потребу менаџмента да надгледа спољне и унутрашње узроке који изазивају кризу. Руководство је дужно да препозна облик пријетње и да примјењује одређену врсту стратегије. У закључним запажањима аутор одређује активности које руководство треба да предузме како би ефикасно управљала модерним корпорацијама.

Кључне речи: одговорност предузећа, ризици, управљање сигурношћу, екстерни и унутрашњи узроци кризе

INTRODUCTION

According to the guidelines of the European Union, corporate security in corporations is defined as integral security which includes security and security issues, which, in turn, includes information gathering, security assessments and risk assessments, information security, crisis management, fire protection, explosions and accidents, protection of safety and health at work, and more (Ivandić, Karlović & Ostojić, 2011). The analysis of the situation in the Balkan countries shows that a significant part of the current functioning of the corporate

security within the business entities is still connected to matters that in the broadest sense relate to the physical and technical security of persons, property and operations of economic companies, the internal factors that they organize and direct them, as well as the engaged external or internal entities that implement it in practice.

By analyzing the definitions of the term corporate security in scientific literature, the author determines the contents of corporate security: Gerginova (2015) detection of fraud, criminal activities, violations as a threat to the protection of persons and property in the corporation; it is about integrated security as performing a variety of different functions which need to be synchronized, a function of the controlling corporation that manages the coordination of all activities within the business, and which relates to security, continuity and security; the correlation of corporate security with corporate security responsibility; corporate security is a strategic function such as the elimination of all risks and threats that may affect business activities and the achievement of business success; minimizing the risk factors; business operation in times of crisis, i.e. overcoming the crisis and restoring normal operations, corporate security is working on creating plans and implementing measures aimed at: protecting the user of services, protecting employees in the business organization, protecting the property owned by business organizations, protecting the information and the reputation of the business organization against material damage, criminal activities etc.

1. THE NEED FOR CORPORATE RESPONSIBILITY

The corporation as a business entity must be aware of and at an early stage effectively prevent any development of threats that endanger the corporation and its operations. The scientific literature uses the term risk or threat and represents the probability of occurrence of a disturbance in a certain technical-organizational system, the consequences of which are business-economic losses, i.e. the product of the probability of occurrence of the unwanted event and its consequences (economic, environmental and other).

It is therefore necessary for the corporation's management to undertake measures and activities aimed at preventive action aimed at the elimination of all risks and endangering factors that can affect the business activities and achieve business success of the corporation; Inculcation of the most dangerous acts; and Business operation in times of crisis, as well as overcoming the crisis and re-normal operation.

When talking about the corporation as a business entity, corporate responsibility is also an important issue. Corporate responsibility is related to the effective business operations of the corporation, but also to the achievement of the goals of the corporation and the key values of the corporation (increasing productivity and fostering competitiveness, reducing security risks to the smallest possible extent, and preparing measures that are taken if incidents, hazards and damages occur; investing a business organization in security systems should be treated as an increase in the overall value of that organization, which aims to increase productivity and the continuity of business processes; corporate security must be involved in the processes of introducing new technologies in order to predict the security risks, but also to propose measures that minimize the risks (corporate security, besides a technical issue, is also a strategic issue) (Bakreski, Trivan & Mitrevski, 2012).

As key values of the corporation, we can determine: The reputation of the company on the market, its corporate image (reputation), increasing morale and ethics among employees, but also motivating employees; strategic development plans; Competition analysis, etc.

For the purpose of efficient realization of the stated values, long-term work and provision of quality services, as well as constant presence of the corporation on the market are required.

The corporate image of the company, as well as its reputation on the market, has a decisive influence on the survival and development of the corporation. One of the most important activities, when it comes to building and preserving the corporate image, is, of course, the assessment of the quality of the products that participate in individual manifestations.

In scientific literature there are authors who say that corporations as business entities with a better reputation have a competitive advantage over companies with less or less good reputations; that a better reputation brings profits, protects the corporation during a crisis and prevents its involvement in political disputes in society.

Thus, according to E. Freeman and D. Gilbert (1988), the basic idea of corporate social responsibility is simple - companies are social identities, therefore they need to participate in current community issues, to seriously understand their commitments to society and to endeavor to realize them.

According to Nicole Deitelhoff and Klaus Woolf (2010) corporate security is focused on corporate security responsibility, which focuses on the role of private business in the conflict zones. It provides an image of the types of contributions to peace and security by transnational corporation define corporate security as a strategic function of the company, which aims at achieving the safety of the business success of the corporation, which means: eliminating all risks and threats that may affect business activities and the achievement of business success; minimizing the risk factors; business operation in conditions of crisis, ie overcoming the crisis and re-establishing the abnormal operation (Ivandic, Karlovic & Ostojic, 2011).

Sandra Duhe (2009) explored in this respect a special aspect from which one can consider the relationship between the reputation of the company and corporate social responsibility. Namely, social responsibility, good governance and stable financial corporations cost the basic attribute of reputation, which, according to this author's study, is associated with good financial performance.

In contrast, some critics of corporate social responsibility, such as Robert Reich, believe that beyond the corporate social responsibility policy, in particular the public statements that companies boast of themselves, hiding the insistence, the strategies of some corporations to present themselves as good and successful, and with herself to avoid criticism on her account.

He points to moves such as awards awarded by corporations and other business entities on their own, with congratulations on the achievement of some kind of corporate social responsibility. He points also to the awards awarded by corporations and other business entities on their own, with congratulations on the realization of some kind of corporate social responsibility.

In this regard, Lan Ni and Robert Heath (2010) point out the reputation of the company, which is a central notion in discussions about corporate social responsibility and in defining best practices in the field, but also as a "double-edged sword". In this regard, they ask the following question: "Can a good reputation hide the true state of the company that, after disclosure, the relevant interest groups can lead to the conclusion that either the corporation or its management does not meet the most important standards of corporate social responsibility, as assumed"?

2. HSEC – (Health, Safety, Environment Management, Community Relations) and BCCM (Business, Crisis and Continuity Management) - IMPORTANT PRINCIPLES FOR EFFECTIVE BUSINESS OPERATIONS OF THE MODERN CORPORATION

The work of modern corporations determines three elements that simultaneously exist and are interdependent: opportunities, vulnerabilities and dependencies.

In today's open market competition, each business entity has the opportunity for business success. At the same time, that entity is vulnerable regardless of whether the dangers to which it is exposed is a result of fierce market competition or arise from general uncertainty. Corporate managers today in modern global conditions need and understand the threats that their company faces.

If they want to work successfully in modern terms, corporations must anticipate future events and threats, and top management is obliged to define primary business responses to all challenges. In addition, the operation of today's corporations cannot be observed in isolation, but it is related and depends on a series of circumstances and events conditioned by the globalization trends in the world.

Corporations are obliged to constantly monitor external and internal causes that can lead to a crisis: External causes occur in the company and do not have a significant impact (general market changes, changes in industry, global economic crisis, political changes, legislative changes, natural disasters). Internal causes are within the same corporation (inadequate and unusual management, incompetence, immoral leadership and underestimation of public opinion, unrealistic goals and requirements of trade unions, inefficient communication system, weak organizational culture, dissatisfaction and incompetence of employees, absence of control employees, inadequate work organization and poor job relations (Bakreski, Trivan & Mitrevski, 2012).

For effective business operations of the corporation, two principles are important:

HSEC – (Health, Safety, Environment Management, Community Relations) and BCCM (Business, Crisis and Continuity Management).

The key components of the HSEC (principle) are:

- Health, which means promotion and improvement of the quality of the health of the employees in the companies;

- Reliability, which means ensuring the conditions for workplace safety, establishing safety values and ensuring the working environment for safe and secure work of the employees;
- Environment, which means promoting efficient use of business resources by reducing the risk of environmental pollution and conserving biodiversity;
- Social community, which includes respect for ethical principles, contribution to economic prosperity and sustainable development of the social community in the environment and respect for human rights.

The next principle of functioning of the modern corporation is the BCCM (Business, Crisis and Continuity Management) principle - work, crisis and continuous management.

The BCCM principle involves securing the work of the corporation under normal conditions, in conditions of crisis, emergency situations and accidents, as well as ensuring the continuity of operations after the crisis and emergency situations. In order to secure the work of a business corporation, according to this principle, it is necessary to act proactively and reactive.

Proactively operates in normal operating conditions, in which companies operate in the course of their existence. In these circumstances, the management of security activities is mainly performed according to a strictly prescribed risk management methodology (Risk Management). Risk is a potential measure of an unfavorable outcome of a particular event. It is a combination of the probability of events and their consequences. According to classical American economist Frank Knight, the difference between risk and uncertainty is as follows: "If you do not know for certain what will happen, but you assume the probability, that's a risk. However, if you do not assume the probability, then it is uncertainty".

Reactive action is applicable in crisis and emergency situations in which appropriate procedural activities are undertaken. All reactive procedures are planned and performed in the normal mode of operation, which is an integral part of the proactive action.

For sources of security risks associated with business corporations, there are various scientific definitions and national standards that apply in individual countries. The Australian Standards Association of Common Risk for Corporate Security considers: commercial and legal relations between companies and other external persons (purchasers, consumers and others, consumers in the standard coalition, as well as in the network of cooperation and technology; economic circumstances that may be present in the corporation on a national and international level, that is factors influencing these circumstances, the behavior of the employees in the company and the persons in its environment, the natural phenomena and events, political circumstances, including changes in laws and factors affecting other sources of risk, technological and technical issues and problems, the actions of managers and other individuals in the company.

According to Alfred Krummenacher (1981) corporate crises have the following generic dimensions: they represent a milestone in the development of the following events and activities: lead to situations where immediate action is needed; pose a threat to corporate goals and values; there are significant consequences for the future; arise from the trajectory of events that result in new conditions, creation of uncertainty in the assessment of the situation

and in the achievement of the necessary development of the alternatives, reduce control over events and their consequences, increase tension, stress and fear; make available information insufficient, time pressure increases; the relationship between the persons involved in the corporation changes.

3. TYPES OF STRATEGIES AS A RESPONSE OF A CRISIS

The corporation's management is obliged to perceive threats to the reputation of the corporation and assess threats in a process consisting of two phases:

In the first phase, the corporation's management is obliged to recognize the forms of endangerment, or the type of crisis.

While the second phase of the threat assessment process on the reputation of the corporation involves determining a strategy in response to the crisis and is aimed at the public. With the strategies, the responsible persons in the companies react after the crisis, and in order to protect the reputation of the corporation as a business entity.

These strategies differ according to the level of responsibility for the crisis that is accepted in the corporation, as well as the interest in the consequences. Thus, non-recognition strategies are based on a claim that there is no risk, or an attempt to prove that the corporation has no responsibility for the crisis.

The reduction strategy seeks to minimize the company's responsibility and / or the severity of the crisis. The restructuring strategy offers a fee and / or apology to the corporation due to the crisis.

Strengthening strategies emerge as additional and include statements about the company's successful operations during the crisis and self-pleading of the subjects that have been affected by it (Heath L. Robert, Coombs W. Timothy, 2006).

In order for business strategies to meet their core corporate goals, it is necessary to identify, prevent or minimize all the factors that threaten the fulfillment of those goals. This process involves identifying, analyzing, evaluating and processing security threats (risks) and determining the degree of permissible vulnerability to priority resources, infrastructure and property services so that companies can successfully implement their business strategies. In determining the context for managing security risks, it is necessary to define the relationship between the business entity and the environment, identifying the advantages, disadvantages, opportunities and threats to the company. This context includes financial, operational, competitive, political (public perception / image), social, cultural and legal aspects of the function of the corporation. In this process, it is important to define the environment in the right way because it is a framework for the whole process, so that the future steps can be meaningful and meaningful (Ivandić, Karlović & Ostojić, 2011).

In the end we can conclude that the issue of corporate responsibility has been studied by many authors in scientific literature. This issue contributes to the efficient business of the modern corporation. Management also has the responsibility to monitor the risks and threats that may jeopardize the business of the corporation. In this direction management needs to undertake the following activities:

-acquiring knowledge that corresponds with modern security situations and provides continuity in the business of the corporation; continuous analysis of the causes and forms of endangering persons, assets and operations of the corporation that should be expected in the future; Assessment of the degree of endangerment of persons performing activities in the corporation related to the protection of its vital values. In today's open market competition, each business entity has the opportunity for business success. At the same time, that entity is vulnerable regardless of whether the dangers to which it is exposed is due to fierce market competition or arise from general uncertainty. Corporations, if they want to work successfully in modern conditions, must anticipate future events and threats, and top management is obliged to define primary business responses to all challenges. In addition, the operation of today's corporations cannot be observed in isolation, but it is related and depends on a number of circumstances and events.

-Precise the competencies and powers of the people working in the company works on protecting its vital values (Reputation of the company on the market, its corporate image (reputation), morale and motivation of employees, Strategic development plans, Competition analysis), and determining the state of expertise and motivation of persons working in the company;

Organization and realization of physical and technical security in all buildings that belong to the company;

-Harmonization of the normative acts in all segments of security, with the national regulations and the standards of the European Union.

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