СЕКЦІЯ 4
МЕНЕДЖМЕНТ, МАРКЕТИНГ І ЛОГІСТИКА

CSR AND RESILIENCE IN THE TURBULENT TIMES

PATRIZIA GAZZOLA, Associated Professor
Department of Economics, Insubria University
Via Montegeneroso 71, Varese, Italy
patrizia.gazzola@uninsubria.it

Corporate Social Responsibility (CSR) is fundamental to the success of business, particularly during turbulent times. CSR explores the way of building resilience in the organization and turbulence can be mitigated with the help of CSR.

In turbulent times the companies have limited resources and they have to prioritise. Each day business managers decide what is important and what is no longer important to their businesses to achieve goals. Companies are considering the consequences of their activities to identify new business opportunities and achieve competitive advantages that can differentiate them in the business sector. Businesses should respond to issues beyond the mere economic, technical and legal requirements and face the dilemma of economic and social aspects that are in conflict; considering that social aspects somethimes affect or go against the economic aspects. CSR can be implemented in the coportate strategy to approach these issues. The concept of CSR regards the business contribution to sustainable development by meeting the needs of various stakeholders. CSR has become one of the topics covered more often than before in the agendas of the world economic and social forums.

The main barrier that CSR has to fight with is the fact that some corporate decisions are focused on the needs of shareholders and fail to consider the impact of their decisions on stakeholders. This typical approach will carry out important economic consequences and even worst, the damage of the company's reputation. If a company remains at this stage it may increase its risk exposure.

The main goals of an organization come from the ultimate purpose of the participation in the development of people forming the organization community:

1. satisfaction of economic (salaries, etc.) and non-economic (conditions of individual development) needs of the workers involved in the development of the

organizations;

2. meeting expectations of shareholders, especially economic;

3. active participation in the economic and social development of the community in which the organization operates.

Few years ago, it was difficult to obtain information about the social involvement of an organization in the community because companies only communicated when they were involved in problems or difficult situations. Now there is a much greater opportunity for stakeholders to hear alternative views from independent published media and social media. The information is very fast thanks to social networks like Facebook, Twiter, etc. Within 24 hours news can go all over the word. People react more strongly to negative than to positive information. There is also asymmetry in trust – unfavourable events decrease trust far more than favourable events increase it. Even judgements about objects with good and bad characteristics are more heavily influenced by negative data.

A corporate scandal can be considered as a set of questionable, unethical, and/or illegal actions that a person or persons within a corporation engage in. This often becomes a wide public incident event which may lead to a damage, disaster or loss. A corporate scandal can make a business to lose millions of dollars, even to mitigate its impacts and correct what was wrong, or moreover, to advocate and dismiss actions against. Furthermore, the impact that a scandal produces goes beyond sales reduction; corporate campaigns can affect the stock market value exchange, social responsible investor will cut its investment in companies which are involved in practices considered as "unethical". The consequences could be diferent: company's reputation is declining and all stakeholders will take action over irresponsible companies.

We consider a reputation as a company's image or the image that it projects in the society where it operates, clients' perceptions, the way how employees keep their commitments as well as how a company approaches cultural values. Current managers should realize the power that stakeholders have, especially the power of social networks, campaigns and boycotts. Resilience management is the ability to manage change in which the real value of resilience lies for an organisation. Resilience is embedded in the eld of positive psychology and positive organizational behavior. It stands for the ability to recover or bounce back quickly from disruptions in functioning. Resilience is a "developable capacity". As a result, building resilience within the organization can contribute much to supporting an organization's sustainability. Resilience is the key for an organisation in today's turbulent times and CSR is fundamental to its achieving.