LEADING THE SOCIAL BUSINESS

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Abstract

The present circumstances, globalization, development of informational technology, free movement of resources, challenge the managers and leaders to properly communicate and motivate the specific decisions and actions. The wider range of stakeholders is more interested in the manner that an organization's management understands their particular needs and interests and, especially, how they are addressed.

As the leader should have a symbolic role for the decisions, he is also held responsible by organizations concrete performances. He has to better understand the correlations between the economic and social sides of a business, without allowing a possible threat to the change efforts for adapting to a tougher environment.

1. A world of economic and social challenges

We live a period of higher interdependencies among different fields of economic and social activities. Profit and social matters are not perceived anymore as being fundamentally opposed. There is an increasing awareness that social issues are important for any business and for the progress of the society.

Leaders make for an efficient economy. They promote ethics as being good, considering that ethics and profit should go together in the long run. The leaders are interested in what is happening with their business, but also in what can be done to protect the society (Collins, J., Porras, J., 2006). An ethically responsible organization is one where all the stakeholders are paid careful attention and their needs are researched and met.

It's important to be able to develop a culture for caring for the people and for the good of society as a whole.

Due to the larger number of companies and other kind of organizations, the leaders start to take more and more into consideration the balance about business economics and social

aspects. The integration of corporate social responsibility within the companies messages, regardless of the fact that we talk about corporate entities or SME's show exactly the type of transformations that we assist to.

It's not surprising that leaders have a considerable influence on the economy for creating and developing new business paradigms that emphasis the economic dimension of the companies (Fullan, M., 2001), but with a strong social concern. In this respect we can remind that management specialists expanded the way of approaching the company's management system, dealing now with five subsystems instead of four (Nicolescu, O., Verboncu, I., 2008), as it follows: methodological subsystem, decisional subsystem, informational subsystem, organizational subsystem and the new one, the human resources subsystem.

Corporate social responsibility (CSR) becomes a component of the nature to assure a sustainable development of the companies but also able to contribute to the development of a certain region, providing tools for supporting the economic and social activities. In fact, competitiveness becomes a fundamental principle of globalization that affects all the activities (Brătianu, C., 2002).

The government has an important responsibility by promoting the laws that encourage the organizations to be more social awareness, to create a framework that foster cooperation among educational institutions, companies and NGO's.

Of course, that not only the government or the laws can always resolve certain key problems of the society and business, but it's required a more integrated approach with a higher cooperation between the public and private organizations (Zecheru, V., Năstase, M., 2005). Ethical behavior allows the quality of life to increase dramatically (Ionescu, Gh., 2001) and it's practically, the responsibility of each of us to contribute to this new paradigms. An ethically approach will be a fundamental direction for the knowledge based economy and can do wonders in the creating wealth for society.

The convergence of a series of contemporary forces as the globalization of markets (Burduş, E., 2006), the increasing rates of competitive pressure, and the flattening of organizational structures, has provided new opportunities and threats for leaders and organizations.

The integration of CSR specific instruments proves to be a challenging task for those who are in charge with companies performances. Are the specific activities for this field only a source of expenses? Or, it's just a normal way for taking into consideration the needs of an important stakeholder?

All over the world CSR and ethics virtually become an efficient way for business to become an accepted member of a certain community, with direct and indirect benefits for all the involved parts.

The higher participation of the employees to the company's activities tends, in time, to the diminishing of the distinction between leadership and management, as the organizations must have a smooth functioning.

Such a dynamic context imposes a wide range of approaches and channels that could promote and support the CSR by organizations managers and the implementation of the best practices that are met all over the world. We talk especially about qualitative approaches that are able to make the difference in comparison with the previous periods. Perhaps, this is the reason for which some specialists associate the ideas of quality with that of entropy (Brătianu, C., 2002).

In this respect, as business dynamics and contexts change, the leaders must adapt themselves fundamentally (Collins, J., Porras, J., 2006) in order to maintain an effective integration of the leadership and management roles, to get best value of the resources that are available both internally and externally.

At corporate level it's necessary to develop some form of equilibrium between the expectations held of them strong direction coexisting with unit-level autonomy and long-term strategic thinking coexisting with a measure of tactical and operational flexibility.

The knowledge based leaders support creativity and freedom of action among subordinates, while providing more autonomy and responsibility. These are ways to increase the participation of employees to the decision making process and to develop their commitment for the organizational objectives.

It's a balance between centrality and participative approach, a way to assure the best use of organization's capabilities. Leaders even pay attention to their different structures and particularities, they don't have to be rigid in strategy implementation, based on single pattern, but they will ask for a differentiated application, depending on their action area, served market, community needs and so on.

Change management is, for sure a difficult balancing act as it requires companies to combine both incremental and revolutionary change. The ultimate goal is to assure that the objectives are fulfilled, based on what can be denominated as dynamic stability, achieving a balance between the need for stability and that for change (Burduş, E., 2006).

The integration of CSR in strategies and policies can be stated and followed in an explicit manner that can contribute to the achievement of specific objectives within the field while avoiding the related perils of organizational pessimism and burnout.

2. Integrating economic and social dimensions of organizations

Beyond the elements of formal character that try to establish in a centralized manner a certain attitude and behavior for organization human resources, the organizational ethics creates and develops itself some behavior patterns that can be or not in congruence with the official versions.

For many times, as the most part of elements that are part of organizational culture (Năstase, M., 2004), the ethics is intangible, unwritten elements, but with a powerful force for influencing company's staff. One of the main factors used for choosing the strategy, is considered to be the organizational ethics that creates a specific way of perception and behavior.

Corporate social responsibility becomes an important item in the business world and undoubtedly one of the challenges for the future (Nicolescu, O., Verboncu, I., 2008). Yet, for many organizations it is still a relatively unknown subject as the business managers have still different definitions to describe corporate social responsibility.

For this reason there are a number of issues we must be clarified:

• How does the organization research and pay attention to the employees, the clients, the suppliers and the community in its daily business activities;

• How are the needs of stakeholders handled?

• To what extent the organizations leaders promote specific activities oriented toward continuous improvement of stakeholders' life?

• Is there any values code that is official?

• Do the managers promote an integrated vision of economic and social issues inside and outside organization?

We could refer here to the case of Sweden, in terms of CSR. The Swedish government has a clear policy for promoting business-responsible behavior within *State-owned companies.* Practically, the organizations are asked through a questionnaire to report on their work related to the implementation of the principles underpinning the Swedish Partnership for Global Responsibility.

More than this, the *Swedish Consumer Agency (SCA)* promotes awareness among consumers and voluntary organizations on CSR through training materials and the organization of round tables with stakeholders. These formal and even informal meetings could include representatives from producing countries, members of companies, different professional associations a.s.o.

In fact, it also published a survey about sustainable consumption in a global perspective entitled '*Consumption and ethics*' that included proposals for future government consumer policy in this field.

CSR strategic approach will be facilitated by the international know-how transfer, Romanian entrepreneurs, managers and specialists having the opportunity to take advantage of the expertise of their EU counterparts who are in more advanced stages for applying its specific mechanisms. We present further few factors that will have a major impact over the development and application of CSR within the organizations.

Top management has the possibility to influence, through its authority, to make decisions that can effectively affect any employee. This gives it the power to significantly influence the company's culture. The impact is even larger if he is also the owner of the business.

Leadership and business culture are interdependent. They need each other. The creator of a business develops besides a range of activities and products, an working culture that reflect its image (Zecheru, V., Năstase, M., 2005), its belief about what it has to happen in that company in order to survive and to enjoy of success.

Starting from the initial idea, he takes other persons that share the vision. The time passing, the group becomes larger and larger, it takes a process of organizational learning and they appear the cultural elements based on founder's vision. Leaders are real models (Năstase, M., 2007) for the people from the company and for those that have contact with that organization. A special role for the founder and its followers is represented by the need for setting an institutional goal and providing specific meaning to the activities of their staff.

A sound integration of this workforce could prove an important source of opportunities for the companies, taking advantage of this diversity (Ionescu, Gh., 2001). However, if not properly managed we could face some tensions and even conflicts because of cultural clash. The managers' role is to focus their competences and energies towards organization mission and objectives achievement and to keep the conflict at a level that could be positive for the companies.

Employees with different needs, different expectations will create a range of pressures within organization that have to be correlated, harmonized and directed in constructive ways for organizations. At the same time, the employees are part of local community where they could be very good company's representatives, meeting the community needs.

It is necessary in this context for managers to develop abilities, competences that are specific to managing multicultural environment that could enhance the promotion of cultural diversity and getting the synergy effect.

The economic environment is a factor with strong impact over the building and evolution of organization culture. The favorable conditions reflected in a large number of clients, their purchasing power and the access to resources under positive conditions all of them support the development process of a healthy and competitive organizational culture.

The way of thinking, decision and action take a variety of forms that reflect the history, but also the recent evolution of different communities' components. These models represent a real cultural heritage that reflects the particular conditions of that business context. National and organizational cultures count as some of the most important factors when we consider the interaction of an organization with different business partners and local community.

Change resistance is a reality in all the organizations and entities where changes, with higher or lower amplitude, are taking place. The perception of change resistance is defined as an issue that provides dysfunctions and supplementary consumption of organizational resources in order to realize the change on established coordinates.

However, many times, change resistance can be an item that contributes to the success of change by forcing the change promoters to focus more on the elements that are implied by the organizational change. Moreover, many practitioners from the managerial field of activity think that is better to deal with a reasonable change resistance than with a general state of apathy.

Local community becomes a more and more important partner for companies also as result of its increasing interest versus activities transparency, morality degree, the effects that some companies have over the jobs occupancy, environment protection i.e.

Development of organizational ethics and CSR concepts (Năstase, M., 2007) has been favored by major reconsideration of the human resources role to the organization evolution. As the organizational culture is considered to be the invisible force that is situated behind the easily noticed and tangible things from a company, the CSR brings social energy that determinate people to act in a manner that is going to balance the economic and social issues of the modern organizations.

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