Market Orientation Factors in Sustainable Development and Corporate Social Responsibility

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ABSTRACT
This study presents a role of market orientation in corporate social responsibility concept. A growing influence of consumers on marketing and production activity of companies compatible with assumptions of this concept was described. It became possible due to the development of the computerization processes in the world, forming of the network of mobile phones and the Internet. The role of the state and international organizations which have a lot of instruments, so as financial and organizational statutory instruments, being able to influence companies, so that they conduct the productive activity according to this concept. Analysis of the market operations of companies showed that current ways of operating the company, called orientations, that is production, product, sale and market are not fully reflecting their relations with buyers and the market. So, a new orientation which was called the orientation of the market social responsibility, was formulated in the study. In the opinion of the author this orientation portrays production and market behaviors of companies in the framework of the concept of sustainable development as fully as possible.

Key words: Market orientation, corporate social responsibility, sustainable development

INTRODUCTION
The notion of a "Business case" for corporate sustainability has increasingly been used by the environmental organizations, consultancies, corporate sectors and other organizations, to seek justification for sustainability strategies within organizations. For years, Corporate Social Responsibility (CSR) has been a subject of intense debate among practitioners and scholars. Discussions have generally focused on the role of business in society and the nature of a firm's social responsibilities (Galbreath, 2009). CSR may be defined in many ways but the most common is the definition of Carroll, who stated that A social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point of time (Carroll, 1979). CSR has, over the years, piqued the attention of staff in multinational companies, consultants, consumers, government and academia (Luning, 2012; Putrevu et al., 2012). Additionally, it was also defined as one of the key concepts in the academic study of business and society relations (Porter and Kramer, 2006; Schwab, 2008; Windsor, 2001). What is more, CSR was taught as an academic discipline at global business and management schools as a way to incorporate sustainable values into businesses for societal good.

Additionally, according to Green Paper ABeing socially responsible means not only fulfilling legal expectations but also going beyond compliance and investing “more” into human capital, the
environment and the relations with stakeholders. The experience with investment in environmentally responsible technologies and business practice suggests that going beyond legal compliance can contribute to a company's competitiveness. Going beyond legal obligations in the social area, for example, training, working conditions, management-employee relations, can also have a direct impact on productivity. It opens a way of managing change and of reconciling social development with improved competitiveness. Corporate social responsibility should nevertheless not be seen as a substitute to regulation or legislation concerning social rights or environmental standards, including the development of new appropriate legislation. In countries where such regulations do not exist, efforts should focus on putting the proper regulatory or legislative framework in place in order to define a level playing field on the basis of which socially responsible practices can be developed (European Commission, 2001).

Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. As issues of sustainable development become more important, the question of how the business sector addresses them is also becoming an element of CSR (Herbus and Slusarczyk, 2012; Hohnen and Potts, 2007).

It is clear that every company has its own moral and ethical responsibility (corporate social responsibility) in the welfare of employees while also responsibility in order to conserve the environment, so it does not cause serious impact to the environment survival and development. In fact, that not all companies carry out the duties and obligations as the logical consequences of company operations. Eventually, many social and environmental problems caused by the operating companies that deny the meaning of this social responsibility (Tutik, 2013).

Well implemented and strongly enforced CRS policy is key to sustainable development. It takes into account economic, social and environmental concerns, what is more, it also protects the interests of all stakeholders. Socially responsible managers should make business decisions with consideration of a: “Wider range of constituents than stakeholders and they should consider the implications of their actions on employees, consumers, supplier, community and the environment” (Williams, 2002). Being socially responsible requires a constant dialogue between corporate decision-makers and the company’s various stakeholders. According to goals of CSR it should result in: “Respect and care for the community of life, improvement in the quality of human life, change in personal attitudes and practices and empowerment of communities to care for their own environments” (Grabara, 2013; Herrmann, 2004).

Building a strong brand by company requires a good management of brand reputation. Social responsibility of business can be treated as a key factor in evoking a positive brand reputation. Both the product itself and brand related actions and communications define brand reputation in the consumers’ point of view, thus influencing perceived corporate social responsibility (Kromm et al., 2000).

Approach of the sustainable development requires a rational management of natural resources that is mastering the environment without having damage into it. Thus, companies both domestic and foreign investment are not justified simply only looking for profit at the other interest but shall obey and bend with the provisions of CSR as a legal obligation in running the company. A shared commitment to create sustainable development and an investment climate for companies to realize the welfare of society can be achieved through the implementation of CSR. CSR in the context of the company should be understood as an instrument to reduce unethical business practices (Tutik, 2013).
Many do not exactly know what does it really mean to be socially responsible or what the idea of sustainable development is. Standard and the most often cited definition of sustainable development defines it as “ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED., 1987). So, companies, organizations and governments should perform their activities taking into account interest of other generations and environment, especially by trying to avoid nonrenewable resources or reducing energy consumption.

Other definition says that it is “a sequence of changes in which, the use of resources, the structure of investments, orientation of technological progress and institutional structures can be carried out in such a way, that there will be no contradiction between the future and present needs” (Sztumski, 2006).

In this concept it is also essential to understand that some kind of “investment in environment” can bring huge benefits. Customers are more aware than earlier and they more often take into account not only quality of the products or services but also the way how they were made, the company’s approach and even the way company treats its employees. Those two concepts, sustainable development and corporate social responsibility which are combine in some way, give companies new opportunities but also create some limitations and roles which sometimes are not easy to respect.

On the other hand, it is important to know that a strategically-based marketing view of sustainability distinguishes it from corporate social responsibility. Specifically, a primary difference between corporate social responsibility and sustainability is the notion that market-focused sustainability can be a strategic resource (Modrak and Dima, 2010; Barney, 1991) that leads to competitive advantage for the organization and, ultimately, to superior performance (Ketchen et al., 2007). Typical frameworks of CSR (e.g., triple bottom line) do not involve customers (and some other primary and secondary stakeholders) and as such, cannot be directly (or effectively) linked to an organization's competitive advantage. Instead, achieving good CSR is often a common denominator or sometimes lowest bar that many organizations need to achieve before customers start being interested in their products.

While some see social responsibility initiatives “as an expression of corporate strategy, corporate identity, market power or dependency of some stakeholders, the challenge for management becomes more serious in terms of understanding the real needs of stakeholders and the way in which CSR programs may affect different audiences” (Anghel et al., 2011). It seems to be easy to implement the CRS strategies, because nowadays, organizations have at their disposal a number of initiatives which are linked to a number of implementation mechanisms. On the other hand, there are also organizations that label themselves, as corporate social reporters but do not behave in a responsible way concerning sustainability. As it was noticed by researchers, organizations often have good intentions in sustainability but they cannot transform those intentions into actions and results (Lungu et al., 2011).

The next important factor when analyzing corporate social responsibility is market orientation. It is an intriguing concept for many carries the pledge of superior company performance through the satisfaction of customer’s needs. Felton described it as: “a way of thinking in doing business that is based on the integration and coordination of all marketing activities which, in turn, will integrate activities with the rest of the company in an effort to maximize long term profitability” (Felton, 1959).

Corporate social responsibility in one of ten most central to the effectiveness of market orientation. Activities of CRS are important because market orientation perspective primary focus
on a firm’s willingness and ability to serve its stakeholders. This relation can strengthen the market orientation performance link (Brik et al., 2010). For decades, many authors write about this phenomenon. Vogel (2005) examined the business environment in which firms are expected to pursue CRS (Vogel, 2005). Wei and Lau (2008) focused on the association between market orientation and performance. In some studies, market orientation is treated as a single cohesive strategy (Theoharakis and Hooley, 2008), other studies focus on the association between market orientation, CRS and firm performance in the context of emerging economies, analyzing this cases mostly in developed countries (Rettab et al., 2009).

Market orientation is called a business culture that produces outstanding performance through its commitment to creating superior value for customers. According to researchers the values and beliefs implicit in this culture encourage: “Continuous cross-functional learning about customers’ expressed and latent needs and about and strategies and cross-functionally coordinated action to create and exploit the learning” (Slater and Narver, 2000).

Market orientation is an important aspect of organizational culture and it is believed to have far-reaching effects on the company. Organizational culture in the other words is the marketing concept. It includes set of beliefs and values, according to them customers should be located in the center of the company’s thinking about strategy and orientation (Heiens, 2000).

The purpose of this study is to show that in the concept of sustainable development, more and more essential in the politics and the economy, behaviors of companies, buyers and potential buyers are changing which are to be determined as the market orientation of social responsibility.

REASONS AND ORIGIN OF THE CONCEPT OF SUSTAINABLE DEVELOPMENT

The financial world-wide crisis which started in the half of year 2008 negatively affected the development of the world economy and despite six years passed since its beginning it did not come back to the pace of the development before the crisis (Brzezinski, 2010).

It became visible that the crisis had exerted on companies new modus operandi and forced politicians for gaining of new concepts of realizing the economic policy in more and more globalised world. Economic slowing down of the world also forced on enterprises the need of making revisions, both production and market. In these conditions a concept of sustainable development gain more and more great significance which for more and larger number of companies became the base of the change of behaviors, both in the system of organizing the manufacturing process and in applying marketing principles.

In the global economy of the 21st century consumers are increasingly making their preferences resemble. Above all, an international tourism, the development of mobile phones networks, the Internet, mass-media (the TV and the radio) and global concerns, so like e.g., Wal-Mart, Sears, Carefour, Tesco, Ikea, Unilever, Lorean and other affect their forming. The marketing operations of these companies has a direct effect for consumers behaviors. In other words, marketing campaigns influence not only purchase decisions but also in the huge rank the quality of the consumption and a lifestyle.

From the other side an influence of consumers on marketing and production activity of companies is more and more visible. It became possible along with the development of processes of the computerization worldwide, the formation of mobile phones networks and the Internet. At present, customers worldwide practically instantly learns about the product which they are interested in. Opinions of other customers by giving goods or services can also be reachable.

Currently in a large degree than at any time in history, attitudes of consumers are shaping global policy actions which they are putting forward as the only concept of sustainable development safe for the development of the world.
Approval of the concept of sustainable development systematically grows, particularly in a few last years, when financial crisis which started in year 2008 with a crash on the Stock Exchange on Wall Street in New York, revealed a lot of weakness of the world economic-financial system. In its entirety a growing imbalance in the arrangement of powers between market participants on individual continents appeared. So, since few years an awareness of the need to move modes or in other words mechanisms of the development of the world economy to more even-tempered paths grows. Global policy actions, promoting the thesis for needs to carry out the concept of sustainable development, have an intense influence on behaviors of consumers.

It should be noticed that after the Second World War the greatest economic development and the progress of civilization in the history of humankind happened. In the last several dozen years also English language became widespread in the world to the unprecedented scale. Thanks for that information about products passed by the Internet and mobile phones network and mass media are instantly reaching consumers worldwide. In such a way not only an advertisement of the producer about the product but also opinion of consumers on companies and her products, is being disseminated extremely quickly.

Having definite so positive as well as negative information about the product or the service offered by the company, consumers can popularize it worldwide. In such a way it is possible to disseminate both good opinion about the product as well as to begin its boycott.

Therefore, producers of market or service products must realize and be aware that peculiarly in final years the consumer is not an autonomous individual and is not secluded in expressing his opinion. At present every buyer of goods or service can broadcast, practically without no costs or other consequences, one’s remarks in it also negative opinions about a given product, i.e., through the Internet or mobile phone. This opinion can quickly reach an unlimited number of potential consumer encouraging them to the purchase of scarifying the decision making about the purchase.

According to examinations conducted by the American company Weber Shandwick in the year 2001 on the group of 8000 consumers, 80% of them, having higher education and high incomes, considered the rebranding, if company, for which the brand was described on the Internet or other media, negatively referred to the concept of sustainable development. In Europe with this client group 75% them was in Germany, 66% in Great Britain and 42% in Italy. This data show the more and more visible tendency which develops on firm markets of high-developed states.

It should be noticed at this point that products available on markets of individual states differ from themselves in quality, level of technology, innovation, production costs etc. In the available literature it is hard to find information clarifying the issue, whether if the given mark does not have a visible technological advantage over products of the competition, consumers will be changing the brand to the one which confirms that it acts according to the concept of sustainable development but does not have high technique and technology at its disposal. Conducting such examinations would be in every respect valuable in formulating marketing strategies and companies approach to the concept of sustainable development.

**ROLE OF THE STATE IN THE REALIZATION OF THE CONCEPT OF SUSTAINABLE DEVELOPMENT**

Sustainable development thus requires the participation of diverse stakeholders and perspectives, with the idea of reconciling different and sometimes opposing values and goals toward a new synthesis and subsequent coordination of mutual action to achieve multiple values
Fig. 1: Most important issues of sustainable development, (Sztumski, 2006). (The idea of sustainable development and possibility of its realization). Problemy Ekorozwoju, 1(2): 73-76, (In Polish)

simultaneously and even synergistically (Robert et al., 2005). Figure 1 presents the most important issues of sustainable development in order to make it easier to understand the role of state in realizing some of them.

One of the main goals of the idea of sustainable development is to introduce an integrated governance which pays special attention to corporate merger of environment sustainability, socio-economic, spatial and institutional and political. It involves field of management but also politics. Its success is also dependent on many factors. One of the most important is state and its approach to this concept.

The state plays a huge role in the realization of the concept of sustainable development. It should be emphasized that the European Union is the region of the world at the most employed in the realization of this concept. In year 2000 on the Summit of the Union in Lisbon the European Council accepted the 10-year social-economic program under the name the Lisbon Strategy, in which the purpose and the strategy of action called the Lisbon process were formulated. It assumed making from the Union the most competing, dynamic, based on the knowledge economy of the world, gifted for the full implementation of the strategy of the sustainable development.

The United Nations as well as associated agencies worried about sustainable development separately for some decades before appointing the World Commission on Environment and Development (WCED., 1987) to address them jointly. The Commission’s conclusion was that the ecological and social failures had common causes and demanded a common response. Its final report, Our common future (WCED., 1987), initiated a flood of interest in, debate about and experimentation with sustainable development which was renewed after the publication and subsequent adoption of Agenda 21, the Rio Declaration on Environment and Development and the Statement of principles for the Sustainable Management of Forests by more than 178 governments at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro, Brazil, in June 1992. Over the more than two decades since publication of Our common future, the idea of sustainable development has been widely, if ambiguously, embraced by a great variety of institutions around the world. There has been much dispute about the meaning and implications of the concept and much criticism of the actual behaviour of bodies that have claimed devotion to it. Gradually, however, some basics have become clear (Kemp et al., 2005).
In the year 2001 on the basis of the strategy mentioned above the European Commission introduced the document called Green Paper on Corporate Social Responsibility for public discussion devoted to the responsibility of the business in the realization of sustainable development. After very broad consultations the Commission in year 2002 introduced the strategy of disseminating and the completion of best practices of the responsible business in the European Union which after consultations was accepted under the name White Paper: Communication on CSR. This document was being addressed to all Member States of the EU, European institutions, non-governmental organizations and the business worlds.

In year 2005 CSR Europe conducted the campaign called the European Campaign for the responsible business 2005. Its target was the popularization of the idea of the responsibility of business in the implementation of the strategy of the sustainable development, promoting best practices and conducting the environmental education.

A fact that the issue of the sustainable development were entered into the Constitution of the Republic of Poland is worth to be specially underlined. Article 5 states that the Republic of Poland guards the independence and the inviolability of its territory, provides freedom and human and citizen rights as well as the safety of citizens, guards the national legacy as well as ensures the environmental protection being guided by the principle of the sustainable development.

It is necessary to emphasize that the fact of putting the entry “principle of the sustainable development” in the Polish constitution is unique worldwide, at least it is necessary to admit, that in this legal document of high rank “principle” refers only to the environmental protection.

From examinations conducted in Poland by the American Chamber of Commerce results that 45% of companies which are members of this Chamber, has in his structure at least one worker responsible for conducting CSR projects. However, only 22% of membership companies of the Chamber has a clearly defined CSR strategy. Over the half of companies carrying the CSR program out combine these activities with marketing department and only 17% are being carried out by management Boards of companies. It is worth to mention that CSR should be one of elements of the business strategy of the company, i.e., a deliberate action directed at solving essential problems of the modern world.

In Poland CSR programs are being firstly started to implement by international concerns acting in our country. At present, Polish companies show more and more great interest in these programs, particularly the ones which are passing through the privatization process, e.g., in the heavy industry and in the energetic. They regard CSR as the important tool in creating their value, helping to get the competitive position on the market. It is worth to be mentioned that the scope of the term CSR is expanding and slowly become a part of the identity for more and more companies.

In Poland, what is easy to notice, foreign companies in the popular view are treated still as “strange” and are not enjoying such a great confidence as national companies, irrespective of the fact that the majority of them act according to the principles of the sustainable development. Therefore, global concerns operating on the Polish market must include in their marketing strategies i.a. the cooperation with local communities, e.g., in the sphere of environmental protection. It much warms the image of these companies and changes an attitude of buyers of their goods or potential buyers to them.

Functioning according to assumptions of the sustainable development and the social responsibility is not only posing an organizational challenge for every company, because it requires coordinated effort and expenses. Irrespective of these challenges more and more enterprises not
only in Poland and other countries of the European Union but in the more and greater scope worldwide also start acting according to the concept of sustainable development. It is important that more and more generally accepted view rules that the environmental protection in some regions of the world become a very urgent issue and consumers are more and more conscious of the need to realize the sustainable development strategy.

The range of policy instruments which government use to promote goals related to CSR is wide and reflects policy approaches and socio-economic circumstances. In the broader sense of CRS, the entire body of social and environmental legislation in any country can be seen as an expression of public sectors engagement with CRS. Other important parts of the ‘enabling environment’ for CSR are other areas of legislation including competition policy, rights of access to information and public participation in decision making, basic investment and enterprise frameworks (Huge and Waas, 2011).

What may be interesting, while, it seems that much of the responsibility for advancing sustainability in the state may appear to fall on the private sector, Peck and Gibson (2000) make some important observations about the role of government in this process: Anticipating rising world demand for sustainable products, services, and systems is also an obligation and opportunity for governments. Indeed, there is a crucial role for governments in facilitating the transition to an economy that is much more efficient, much more fair, much and less damaging. Governments that lead will be in a stronger position to set the agenda and establish advanced positions for their industries and their citizens. Countries that lag behind will inevitably face increasing competitive disadvantage and lost opportunity (Peck and Gibson, 2000).

Support for this proposition is provided by Kromm et al. (2000) a study by the Institute for Southern Studies. This study finds that the American states with the best environmental records also offer the best job opportunities and the most favorable climate suitable for long-term economic development. A very similar relationship can be observed between the worst environmental performers and the lowest ranked states for economic performance (Kromm et al., 2000). So, the government has a responsibility and a possibility to take on a leadership role, creating a more suitable habitat in which sustainable companies and organizations can thrive.

Governments at every level and in all regions of the world are beginning to recognize the importance of addressing the challenge of sustainability. Increasingly the language of sustainability is emerging in public policy discussions. Coming to grips with the challenges and opportunities of sustainability is an imperative that goes beyond domestic agendas. No country can be an island of sustainability in a sea of unsustainability. Equally, no single government, or any other organization, can easily create economic, environmental and social value through policy changes or innovative practices if global drivers and reward systems are working in the opposite direction. The global context must be factored into the domestic policy agenda (Bell, 2002).

MARKET ORIENTATION OF THE SOCIAL RESPONSIBILITY

Conducted analysis of the market activity of companies in the reality of contemporary world in more and more globalised economy showed that current orientations of functioning of companies are not fully giving back their present relations with buyers and the market. So modifying and enriching the market orientation by taking into account more and more sophisticated associations and relations: consumer-company-state- international organizations, extra governmental and their influence on behaviors of buyers and potential buyers of goods and services became essential. So, it is shows in Fig. 2.
Fig. 2: Market orientation of the social responsibility

In the market orientation the company directs its remark to buyers and competitors. The market success of the company is being achieved by understanding the expectations of buyers and satisfying them in a fuller way than competitors will carry it out. In the modified sense of orientation called the market orientation of social responsibility, the company directs, similarly as in the market orientation, its attention to buyers and competitors but what is most important carries all production and marketing actions on the base of the concept of sustainable development. At present, this concept is the most well-known and accepted not only by the world of politics but also economies, the world community and more and more large number of companies.

Therefore, in the more and larger group of companies marketing programmes are being carried out after conducting market analysis of customers’ needs. At this stage of creating this plan, a state interference is important which supports the company realizing the concept of sustainable development. The role of the state is being brought not only for building the legal-organizational framework of functioning of the company in the framework of this concept but also supports them financially, e.g., funding the production with using by the company the green energy, recyclable waste or entering savings in the power and materials consumption.

International and extra governmental of non-profit type organizations, environmental associations, e.g., Greenpeace and Internet users are also exerting more and more large impact on the company. There is no doubt that it has more and larger impact both to the manufacturing process and to the program and the marketing functioning of the company. Through their activity these organizations are co-shaping buyers’ views and thereby are creating their relationship, both to companies as well as goods and services offered by them.

It should be marked that in the process of formation and realization of the marketing programme by the company, a process of co-forming of behaviors of customers and companies in the framework of the concept of sustainable development are taking place.
This mutual co-forming of the company and the consumer has proactive character. As a result of its consumers are aware of the nature of this concept and its meaning in the manufacturing process and in creating the marketing programme. As a result of its consumers are taking the conscious decision of purchasing good or service from the company.

Buyers and potential buyers are also getting knowledge about the concept of sustainable development from alternative sources, i.e., media, social, professional and international organizations which are promoting this concept as essential for safe existence of current and future generations (Pietrasinski, 2011).

In the process of the forming of customers’ behaviors mobile phones and the Internet network are playing more and more greater role. Users of the Internet global network are more and more integrated with themselves and are able to influence more and more effectively, both on the political and economic situation at the macro level, as well as on the productive and promotional activity of individual companies. In a very short time they are able to promote a given company and its products or to plunge them with negative opinions being put in the Internet.

At the end of the last century Internet users initiated the process of influencing the direct activity of the company by financing the completion of the specific project of the company. The role of Internet users consists in doing payments of fixed sums of money for the project which they will regard interesting. The owner of the project, as part of the return of made investments, proposes paying Internet users shares in the profits from the fulfilled plan or products made from this plan. It is possible to assume that this form of influencing companies and its scope of production well-known as Crowd funding will be developing dynamically in the coming years.

CONCLUSION

The concept of sustainable development plays more and more greater role in the world economy. For many companies is becomes patterns of production and market behavior. As real-world experience has shown, however, achieving agreement on sustainability values, goals and actions are often painful and difficult work, because different stakeholder values are forced to the surface, compared and contrasted, criticized and debated. In some cases, individual stakeholders find this process too difficult or too threatening to their own values and either reject the process entirely to pursue their own goals or critique it ideologically with out engaging in the hard work of negotiation and compromise. Critique is for sure a vital part of the conscious evolution of the concept of sustainable development, because this concept represents diverse local to global efforts to imagine and enact a positive vision of the world in which basic human needs are met without irrevocably degrading or destroying the natural systems on which we all depend.

Functioning of companies determined as orientations: Production, product, sale and market, do not include all aspects of behaviors compatible with the concept of sustainable development. But from orientations mentioned above only a market orientation, turning attention to buyers, as well as competitors, became a base of appointing marketing as a specified way of thinking and the functioning of companies on the market. At present, a need of developing the market orientation and formulating new, modified concept arose which was defined in the present article as the orientation of market social responsibility.

According to this orientation the company also turns its attention to buyers and competitors, however, carries all production and marketing action according to the concept of sustainable development.

Thereby the orientation of the market social responsibility, besides the production, product, sale and market orientation is a next essential modus operandi of companies.
In the assessment of the author this orientation shows the way of keeping companies in the global economy as fully as possible, in which the concept of sustainable development plays more and more greater role.

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