



Economic Dimension of Corporate Social Responsibility: A Cooperative Perspective

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ABSTRACT

This article describes how non-profit entities, specifically cooperatives, respond fully to the demands contained in the economic dimension of Corporate Social Responsibility, because although they do not operate in search of profits or economic benefits, they have managed to enhance the value of their entities through good economic practices and at the same time have managed to enhance their names, generate trust, loyalty and credibility among their internal and external agents, factors that end up translating into the generation of corporate value; a successful result that has been achieved mainly by promoting the economic development of the region. The described theme is executed through a non-experimental quantitative study of descriptive transversal type.

Keywords: Corporate Social Responsibility, Cooperatives, Economy.

1. Introduction

Currently, worldwide, the idea is gaining strength that companies should take responsibility for the consequences they produce on society, the economy and the environment, establishing management plans that generate economic, social and sustainable development for the benefit of their stakeholders. It is under this perspective that CSR is mainly based on Corporate Social Responsibility, as a strategy on which companies are expected to look beyond their profits and business, and activate within themselves that social and human sense aware of the reality of their environment.

Within the pillars or dimensions that make up CSR, there is the economic one, which according to (Valencia Velásquez, 2018) It allows organizations to invest in terms of acquiring resources to be able to create benefits and be highly competitive, establishing well-being with the groups it interacts with.

Following this approach, in which the focus is on the profitability of companies, it is worth asking how the economic pillar of CSR can be applied to non-profit organizations, which, being solidarity-based, do not owe anything to society and therefore the precepts of Corporate Social Responsibility do not apply to them? For the purposes of this article, specific emphasis is placed on cooperatives, organizations that are not after the profit of a fiscal period, but after the welfare of their community and their associates, and therefore these should be pioneers in implementing practices that consolidate their responsibility to society, without excluding any of its dimensions; therefore this research article aims to describe the practices of economic responsibility in the framework of CSR implemented by cooperatives (solidarity entities) geographically delimited to the municipality of Ocaña Norte de Santander.

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2. Theoretical Framework

2.1. Cooperatives and their high commitment to Corporate Social Responsibility.

Cooperatives are entities formed by a group of people who, upon identifying a certain need, decide to join together to work for their common social interests. In the case of Colombian legislation, these types of companies are classified within the solidarity sector of the country's economy, since they are based on and operate under an economic figure whose purpose is to promote human, social and community development, but not the capital of the organization, and operate as non-profit entities.

Cooperative entities are organizations formed to satisfy the economic, social and cultural needs and desires of their members, generating development, improving the standard of living, and establishing the values of support, responsibility, democracy, transparency and equity. (Rodríguez Espinosa, 2008)

All these values, principles and virtues that stand out under the figure of cooperativism are understood to be directly related to the interests pursued by Corporate Social Responsibility, so by the mere fact that certain people decide to associate to create a company as a cooperative and fully comply with what this model demands, they are already being socially responsible by giving priority to social needs over monetary needs.

It is clear that in order to be socially responsible and at the same time manage to keep a company standing in a competitive market, it is necessary to consider harmonic leadership as a consequence of a managerial improvement that is supported by the contributions of the theories that precede it, becoming a holistic tactic with a shared vision of the elements that aligned leadership through time, and involves principles such as teamwork, ethics, social responsibility and the holistic current. (González-Castro, Manzano-Durán, & Torres-Zamudio, 2021)

We must not lose sight of the fact that all companies regardless of the economic sector to which they belong are primarily subject to the achievement of their purposes and to obtain it is necessary to draw hybrid tactics for the company to be effective. (Rodríguez-Téllez & Pacheco-Sánchez, 2019)

It is clear that all these actions taken by an organization revolve around strategic decision making, which determines what will be done and what will not be done, therefore it is up to the leaders of the organizations to create awareness among their parties of the responsibility and the role they must assume, and where efforts should be directed.

Taking into account the above, it is important to highlight that the interest and degree of commitment of cooperatives to be socially responsible may be high, but if this is not accompanied by an intelligent strategic direction, it may diminish the efficiency and effectiveness of both the company's social purpose and the cause that makes them responsible.

2.2. Economic Social Responsibility

The economic pillar of Corporate Social Responsibility can be sized from two perspectives, from the responsibility that an organization has with the economy of its environment of which (Sajardo Moreno & Serra Yoldi, 2009), consider that it is given through the contributions of the business sector towards the social economy sector that are still small, but varied (contributions in kind, financial donations, sponsorship, corporate volunteering, among others); But this pillar can also be understood as the responsibility that the organization has towards itself and the activity it carries out, regulating its economy and ensuring the generation of funds for its own sustainability and survival.

Social economic responsibility has become a necessity in today's world, as economic issues are becoming increasingly important.

In organizations where Social Responsibility is included in their strategic planning, profitability increases, and there is an effective complementary ratio between Social Responsibility and profit levels in the medium term. (Aguilera Castro & Puerto Becerra, 2012)

The benefit obtained by being socially responsible is directly associated with the generation of corporate value, since the activities developed generate loyalty towards the company on the part of the community, creating bonds of loyalty and trust, maximizing its value by attracting the attention of both internal and external agents.

For its part, the characterization of stakeholders with the CSR of a company becomes an essential element to demonstrate the existence of value in such relationships. Organizations that develop activities of a financial nature must pay special attention to the maintenance of relationships with the groups they interact with and the fulfillment of their expectations. (Bayona Soto, Navarro Claro, & Suarez Castrillón, 2017)

3. Methodology

The present study qualifies as a non-experimental quantitative descriptive cross-sectional study, within the framework of a research that aims to delve into the economic pillar that promulgates Corporate Social Responsibility from cooperativism.

The research has a geographical delimitation in the municipality of Ocaña Norte de Santander, in which a population of 7 cooperatives was determined, data rescued based on the entities of this type that report information to the Superintendencia of Solidarity Economy. (Superintendencia de Economía Solidaria, 2022).

Considering that the population is considerably reduced, there is no need to determine a sample, therefore the research will be applied to the general population.

The study will have 3 phases, which are:

Determination of the survey as a data collection instrument.

Fieldwork data collection.

Analysis and processing of the data collected through graphs that provide a greater synthesis of the information obtained, accompanied by their respective description.

4. Results

In order to determine the Economic Social Responsibility practices, it was necessary to carry out a process of characterization of the same, and to achieve this it was taken as a reference the practices contemplated in the booklet of Corporate Social Responsibility: Good Practices and Recommendations, of DESUR, and also those described by the ISO 26000 standard, having them, we proceeded to a consolidation of the same in order to capture them in the data collection instrument in a concise and concrete form to give greater precision and simplicity to the application of the instrument and in turn for the analysis of the information to arise more efficiently.

However, the consolidation of the economic practices on which it was agreed to conduct the study, and the response of the cooperatives as to whether or not they are effectively implemented within their organizations, are detailed in Figure 1 below.

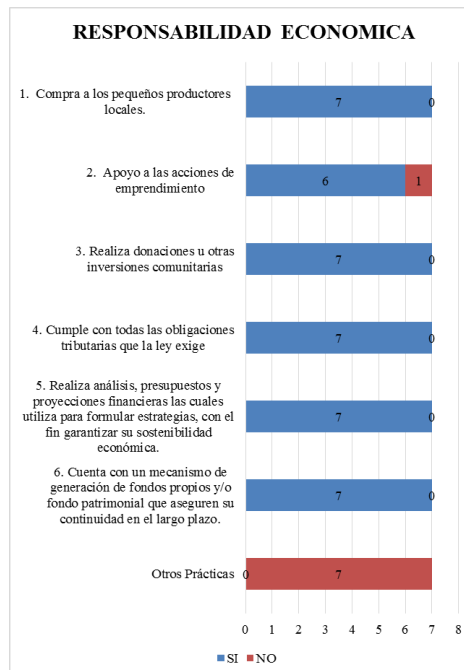


Figure 1. Implementation of CSR Practices, Economic Dimension

Note: Specification of CSR practices Economic dimension applied to cooperatives in Ocaña.

The results of the research show that cooperatives do indeed carry out the economic practices described above, which stimulate and promote the social economy.

The practices with a focus on agents external to the organization are:

When purchasing from small local producers, the cooperatives investigated state that they implement practices of this type by supporting small markets to provide inputs and other elements or services necessary for the development of their operations as a sign of their social economic commitment.

The practice of supporting entrepreneurship actions is supported by 6 of the 7 cooperatives analyzed, in which educational projects are presented to promote entrepreneurship among young people, some of them state that they support mothers who are heads of households by financing small projects and others state that they comply with this practice through donations to national entrepreneurship funds.

Donations and investments in the community are made by the cooperatives in numerous ways, including educational, social, environmental, infrastructure and housing.

In addition, the study included three other practices whose application is internal and of which the entire population analyzed stated that they are fully complied with:

Those related to compliance with tax obligations.

To be responsible with their own economic sustainability, which is possible thanks to a correct financial planning, in which good organizational management is a key element.

The strengthening of the economic activity as a mechanism for the formation of equity as the main source of income, under which not only the survival of the company but also its continuity can be ensured.

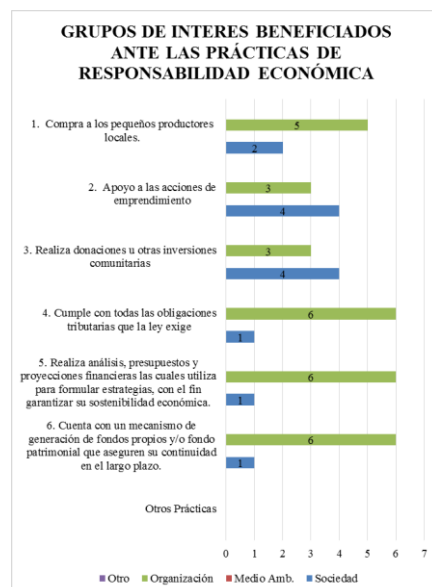


Figure 2. Stakeholders benefiting from good economic practices.

Note: Specification of stakeholders benefiting from CSR practices Economic Dimension

It is notorious that in consideration of the cooperatives the main beneficiary of the practices of responsibility with economic approach is the organization itself and this has a strong reason and is that in the actions that are carried out directly on external agents the community is benefited by strengthening their businesses, making donations and supporting their entrepreneurial actions; but in turn the organization itself benefits because all these activities make the company increase its social value, creating a fraternal and loyal bond with its community which is notorious in its perspective of corporate image and generates a competitive market advantage.

On the other hand, internally executed economic responsibility practices clearly bring benefits that ensure that the entity is valued, has financial stability and guarantees its continuity.

5. Conclusions

With the research developed in this article, it was possible to establish the degree of compliance that the cooperatives of the municipality of Ocaña have with respect to the economic dimension of Corporate Social Responsibility, which is high and generates an undeniable positive effect on the municipality and the region, since it promotes the promotion of the economy.

The actions carried out by the cooperatives to materialize their economic commitment to themselves and to society cover activities that include the acquisition of goods and services from local agents, support for entrepreneurial actions, donations, compliance with tax obligations, ensuring financial sustainability and the implementation of actions that guarantee their continuity.

CSR - Corporate Social Responsibility - has been catalogued as a key factor for both social development and organizational competitiveness, because it is clear that when it is implemented the community receives benefits. However, if emphasis is placed on the economic dimension of CSR, it is possible to find that it also generates advantages for the organization itself, achieving notable improvements in the corporate image because this type of action gives the organization greater social acceptance and recognition, variables that help the organization to maximize its value.

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