

# SOCIAL RESPONSIBILITY IN THE PUBLIC SECTOR – OPPORTUNITIES AND PROSPECTS

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**Abstract:** Social responsibility issues are of growing importance and top priority. Among the leading prerequisites for this are globalization, the role of knowledge, the role of information, cultural dialogue, the growing importance of social factors in governance, the role of public institutions, etc. Due to these considerations, the article presents a theoretical and empirical study of topical, controversial issues concerning the modern management concept of „social responsibility“ on the example of public institutions. Topics on the definitional definition of social responsibility are highlighted, and claims are proven through content analysis and a pilot empirical study on the aspects of its application in the public sector of the Republic of Bulgaria. In this regard, the aim of this publication is to justify the new role, opportunities and perspectives of the concept of social responsibility, as well as to explore aspects of its application on the example of public institutions in our country, in order to make their management more effective and prosperous.

**Keywords:** social responsibility; social management; public sector.

## **Introduction**

Issues related to social responsibility have a growing importance and priority among modern public and business organizations. The reasons, analyzed in a narrow research perspective, are of social and technological nature. The social premises emphasize the changes in people's lives as a result of the formation and implementation of social responsibility. The managerial concept is finding increasing application in the identification and satisfaction of the social and economic needs of people within and outside the organization. The accumulation of a critical body of research on the role of social factors in management has determined the technological reasons that correspond more to the management methods, mechanisms and models so necessary to achieve the desired parameters in the development of organizations, economies and societies. Alongside this is the growing role of soft skills as a factor of improvement of the social approach (Mednikarov, Lutzkanova & Chesnokova 2022), the spread of modern globalization culture in reality (Karadencheva 2022), and the importance of new knowledge and innovation as a factor in social development (Kalinova 2023).

### **Social responsibility – questions, opportunities and perspectives**

From a theoretical and methodological point of view, the origin of the term “social responsibility” is not clearly defined. On the one hand, social responsibility has its origin in the examples of prominent “socially enlightened leaders” of the nineteenth and twentieth centuries. The initiative, from another research standpoint, can be originally traced back to the American corporate scandals of the early 1970s (Ladd 1970). The more contemporary debate on the subject began with the appearance of an article by Nobel laureate M. Friedman in 1970. In it, he explicitly denied the idea that any given corporation should concern itself with things that do not go to the heart of its core mission, namely, increasing shareholder value or profits (Friedman 1970). Although Friedman's theory has substantial merit from the standpoint of its time, contemporary discussions advance the idea that social responsibility is a management technology with a contribution to the social development and prosperity of economies and societies (Kalinov 2017).

To prove the relevance of the concept of “social responsibility” in our contemporary times, the results of an author study conducted in 2022 (content analysis) are presented in the table below. As outlined there, social responsibility is a particularly popular topic, with the expression ‘social responsibility’ appearing a comparable number of times to ‘profit’, for example. This fact confirms the im-

portance of the topic, as well as the existing gap in the understanding and content of the concept, from the time of the concept's inception to the present day.

**Table 1.** Frequency of occurrence of the term “social responsibility” and other terms on the Internet – content analysis – 2022

<i>Subject</i>	<i>Results on the Internet (millions)</i>
Corporate civil society	1.23
Corporate sustainability	1.94
Ethical enterprise	2.73
Social responsibility	7.18
Corporate and Profit	10.4

Research on the topic of “social responsibility” indicates that the understanding of its essential nature is not clearly defined. The concept encompasses a number of interlinked aspects, both strategic and operational, including: environmental protection, sustainable development, sustainable growth, economic indicators, sponsorship and philanthropy, quality control, work environment, health, security, stakeholders, etc. aspects.

In recent past decades, the concept of social responsibility has evolved both theoretically and in practice, both quantitatively and substantively. Thus, since the 1980s, the concept of social responsibility has become an integral and important part of not only business but also public and voluntary sector research. In our contemporary times, social responsibility has different meanings in different parts of the world. In some countries, such as France and the UK for example, social responsibility is the treatment of employees and human resource issues. In the US companies believe that they should first make a profit and then some of that profit can be used for a good social cause. *For the purpose of this study, social responsibility should be understood as a management technology with a key role for the private, public and voluntary sectors, in contributing to their sustainable developments, innovative capacity and competitive performance.*

As a result of the above statement, it is indicative that the concept of “social responsibility” encompasses many different, even divergent, interpretations. This understanding has also been proven through empirical studies conducted in our country and abroad. For example, an EU study in 2020 showed that 42% of the heads of 18 public bodies surveyed identified the assumption of social responsibility as important in strategic decision-making. Another 42% believe that the concept is an important factor, but is only one among many others that play a

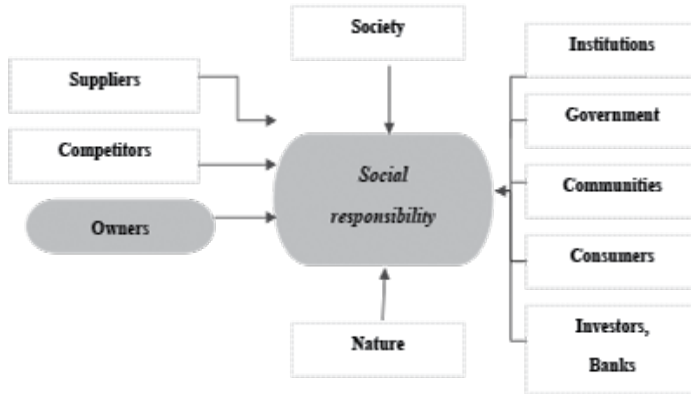
role in important management decisions. Only two per cent of respondents found that social responsibility is an unimportant indicator for the development of EU public institutions (Mazurkewich 2021).

In a survey in 2021 with a focus group of managers of non-profit organizations in the city of Varna, we sought an answer to the question: “Are you familiar with the concept of social responsibility and is it important to you?”. According to the analysis of the results, not a small percentage – 27%, of the respondents admitted that they are not aware of what social responsibility is and how the concept is related to environmental protection. However, 80% of the respondents considered the topic to be of great importance for society and social development. According to the results, 60% of the government is involved in charity in one way or another. Most often, executives in the nonprofit or so-called civic sector cite their philanthropic sentiments and moral choices as the main reason for making donations – 65%. The opportunity to improve the organization’s reputation among the public came in second among motives for giving – 33%. According to our survey, the prevailing opinion in Bulgaria is that philanthropy brings both benefits and challenges. The most frequently mentioned problems are that donor activity leads to an escalation of tax audits, or new “solicitors”, while no direct benefits from improved public image are reported. The executives interviewed also believe that our country lacks economic mechanisms to push companies towards philanthropy, with “bonuses from activity” mainly linked to consumer approval, especially from employees (Narleva 2011).

The empirical studies presented in this paper raise debatable questions such as who are the stakeholders of social responsibility in our country and around the world. The answer, following the example of classical economics, determines the extreme importance of stakeholders (Kanev 2017). However, according to the modern concept of stakeholders, institutions - public and private - are committed to all parties that are affected by the functioning, growth and development of these institutions in one way or another: local communities, society at large, the banking sector, the government, etc. (Fig. 1).

Without a doubt, it is difficult to provide all the answers to the discussions on social responsibility, its manifestations, effects, multiple stakeholders, etc. Our aim is empirically focused on the role, possibilities and perspectives of the concept, as well as to explore aspects of its application on the example of public institutions in our country. This focus is the subject of a pilot study involving 20 public institutions in the Northeast planning region of the Republic of Bulgaria. The study was conducted over the period 2021 – 2022 and includes two research

panels. The first panel is to identify the parameters of the organizational institutional environment that shape and develop the concept of social responsibility in the public sector; the second panel aims to identify mechanisms to stimulate socially responsible practices of institutions.



**Figure 1.** Stakeholders in the concept of social responsibility

One of the survey’s primary tasks is to identify managers’ attitudes towards social responsibility. The results of the survey indicate that there are positive managerial orientations towards the formation and development of socially responsible initiatives (Table 2). More precise indicators of the manifestation of the concept of social responsibility are provided by the following sections of the study. The results prove that 75 per cent of public sector managers have a working system of rules and measures to stimulate and develop socially responsible practices, 45% of them take systematic care in this direction, i.e. plan, organize, manage and control the process of formation and development of social responsibility.

**Table 2.** Attitudes towards social responsibility in the public sector

		<i>Variable</i>	<i>Percentage</i>	<i>Valid ratio</i>	<i>Cumulative ratio</i>
Valid cases	Yes	19	95,0	100,0	100,0
Missing cases		1	5,0		

**Table 3.** Incentives for social responsibility in the public sector

	<i>Variable</i>	<i>Percentage</i>	<i>Valid ratio</i>	<i>Cumulative ratio</i>
Valid cases	Yes	9	45,0	52,9
	No	1	5,0	58,8
	I cannot judge	7	35,0	100,0
	Total	17	85,0	100,0
Missing cases	Total	3	15,0	
Total		20	100,0	

Subsequent sections of the study illustrate specific initiatives undertaken by public institutions to shape and implement the concept of social responsibility. According to the results, only 20% of respondents are willing to create a team responsible for social initiatives. This fact is indicative of the evaluation and “importance” of teamwork in the surveyed public entities.

As a result of the conducted empirical research, it is proved, first of all, how the government officials share their willingness to invest far more resources for the formation and development of socially responsible practices, i.e. for training, motivation, coaching, career development, etc. (Table 4.). According to the environmental conditions, they also consider the lack of sufficient financial resources as the main reason for not investing in this direction as a priority. Next, the managers identify the many other problems accompanying the functioning and sustainable development of the public sector in our country. Among the most important causes or aggravating factors, managers identify “deteriorated parameters of the organizational environment” and “poor communications between functional specialists”.

**Table 4.** Social responsibility training in the public sector

<i>Training of employees and managers in social creativity</i>	<i>Variable</i>	<i>Percentage</i>	<i>Valid ratio</i>	<i>Cumulative ratio</i>
	Yes	8	40,0	61,5
	Rather yes	2	10,0	76,9
	Rather no	2	10,0	92,3
	No	1	5,0	100,0
	Total	13	65,0	100,0
	Missing cases	7	35,0	
Total		20	100,0	

## Summary

In conclusion, the topic of social responsibility has a long historical legacy in addition to its current presence. The study of historical concepts as well as the development of more contemporary conceptions of social responsibility makes it possible to trace both the genesis and the evolution of the idea; to “illuminate” additional subjects and outlooks. Social responsibility as a current management concept provides new opportunities for debate on ‘open questions’ related to socially responsible public and private organizations of today and to ‘ethical’ social actions and relations.

Empirically, the study has identified parameters of the organizational institutional environment that shape and develop the concept of social responsibility in the public sector, as well as some specific mechanisms for stimulating socially responsible practices of institutions. The results confirm the institutions’ working systems of rules and measures to stimulate and develop socially responsible practices, as well as the systematic managerial impacts in this direction. In future time, research on these and other topics will expand its scope of application and focus attention on the national security system as a priority of importance.

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