THE ROLE OF PUBLIC RELATIONS IN PROCESS OF IMPROVEMENT OF CORPORATE SOCIAL RESPONSIBILITY

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Abstract: The main objective of modern business is achievement of business excellence and world-class of products and services. Companies which actively and continuously apply modern management methods and techniques, special in marketing, have significantly better chance to strengthen their competitive capability on global market and to assume stable market position with perspective for further market development. Modern business philosophy implies that organization has to be responsible for its actions and steps and towards all stakeholders in environment. Attaining of business excellence goals of an organization presupposes built corporate social responsibility. In order for domestic companies to become competitive internationally, it is necessary to change the way of thinking and to adopt modern marketing methods and marketing communications, in the field of organizational management.

Key Words: Social responsibility, public relations, organization, quality, business excellence.

1. INTRODUCTION

Achieving competitive abilities in terms of the global market is a very complex process that requires coordination of all business functions in the company and an investment of exceptional financial and marketing efforts. Competitive ability is difficult to gain and easy to lose in terms of global competition offensive, [1]. When we talk about concrete aspects that affect performance, at an international level, in particular stand out:

- Productivity
- Quality and
- Innovation. [2].

The battle for competitive advantage is primarily a struggle for business productivity. Productivity represents the ultimate factor in improving the business of modern organizations. All national economies that have achieved significant results in the field of competitiveness in the last two decades that have succeeded thanks to the continuous improvement of business productivity. On the other hand speaking, the success of the company is significantly associated with integrated concept of quality, which enables obtaining a competitive advantage based on improving the productivity of business. Quality becomes the primary development goal, expressed in the form through achieving business excellence and achieving world-class products and services, and improve the quality of business holders are employed in the organization, starting from the top management. Employees are the ones who create the quality of business based on improving the productivity of their knowledge and work. The employees in the modern organization are required to use knowledge and skills in the process of continuous improvement of their own knowledge and skills of the organization itself. Employees must constantly work to improve the productivity of knowledge as a prerequisite for improving the productivity of labor and business organizations. From traditional understanding, asserted linear way of thinking, where all business functions have the same importance, enterprises must turn to proactive thinking, which involves understanding and creating changes, as well as giving importance to those business functions that enable companies to create, maintain and improve the competitive position the global market. Functions that have strategic importance for the company's operations are: research and development, quality and marketing.

The function of research and development is the main engine of growth of business. All companies that are global competitors have a developed research and development function, and innovations are planned. Continuous improvement of business processes is established by the implementation of quality management. Quality is linked to improving productivity and the quality of the positions at the level of executive leadership. Marketing enables the formation of market image and directs the business activity of the company in relation to the perceived needs and expressed demands of consumers. The function of marketing is interactive nature, because it connects not only these three, but all other functions in the company in order to achieve a stable market position of the company. On the other hand, marketing creates the preconditions for the
realization of the process of knowledge management. Business conditions in the global economy are changing fundamentally. Today, business organizations have became aware of the fact that they have a major influence on the society. This finding has far-reaching consequences. Implementing the principles of corporate ethics also has a global character. The public interest is the primary interest of the organization, which must be incorporated into the policies of the organization, and the business policy of the organization must be fully implemented in business. Successful business, especially at the international level, implies product differentiation, quality and effective marketing communication. Finally, it should be noted that domestic companies have had problems in the past twenty years with all three of the apron.

2. NEW THINKING ON BUSINESS ORGANIZATION

Modern economics has defined the new competitive circumstances. In the global market appeared new, powerful competitors, who compete with price and quality, lowering the price of products to almost unimaginable limits. Competitive relations are now very complex. For the last twenty years the competitive relationships have become more complex - the number of competitors in the global market has increased, competition is transferred from the level of the product to the level of innovation, competition takes place between large and small and medium enterprises, etc. In the global marketplace have appeared new competitors, primarily from newly industrialized countries. Companies from the newly industrialized countries are becoming competitors to companies from developed countries. The new competitive conditions defined for the increasing role of companies from newly industrialized countries in the global market require a redefinition of marketing strategies aimed at the global market. New economic conditions require new approaches in the study of organizational management, as well as new approaches to business practice. According to Kotler [3], the global economy is characterized by the appearance of hyper competition. Hyper competition happens when technology and service offers are so much new that the standards and rules are rapidly causing competitive advances that are impossible to stop. It is characterized by intense competition and rapid shifts in which competitors must quickly build new advantages and use them to surpass rivals. Competitiveness is the ability of companies to compete with other companies - competitors in the market, [2]. Competitive advantage represents particular position of business organizations when their offer is perceived by consumers as providing higher value relative to competitors. Author Porter believes that competitive advantage essentially arises from the value that the company is able to create for their customers, which exceeds the cost of its creation. Value is what buyers are willing to pay, and exceptional value derives from offer of lower prices than competition for an equal benefit, or unique benefits that largely neutralize the higher prices.

In addition, Porter believes that the five forces define the shape of the strategy, namely:
1. Rivalry among existing competitors,
2. Threat of entry of new competitors into the market,
3. The growing importance and strength of the customers,
4. Risk of substitution trendsetting products and services,
5. Bargaining power of suppliers, [4].

Integrated quality concept is one of the most important factors to achieve a stable market position in modern business. The concept of quality management is primarily a market concept, which is based on the improvement of all business activities, ranging from market research, product development and production, logistics, marketing communications and evaluation of effects of business.

According to the Basic and Djordjevic [5], it is particularly important that the organizational structure to be propulsive for information on a hierarchical vertical, and at horizontal level. Modern organization requires a productive project teams, where there is no leader - each team member must possess leadership qualities and entrepreneurial skills. Strong leadership from personalities of the twentieth century have been replaced by powerful teams of individuals who are willing to work through team to answer all the challenges of the future. Creativity, innovation and the advancement of knowledge are the basis of successful project teams.

The traditional organization based on establishing strong command lines, focused on the activities enclosure for Information and facing only the production process is outdated. It changes into a new organization that is focused on processes, with direct access to customers, an organization that is propulsive compared to the information that manage leadership teams, based on the multitasking and outsourcing.

Economic behavior of companies includes such behavior which is based on the effective achievement of business goals. This primarily involves the exercise of enterprise, or exercising of maximum business results with a minimum of necessary investments [2].

In the information society, knowledge becomes a basic resource of economic activity. Knowledge is becoming the crucial factor of production. Companies will not be able to compete and be successful unless it is transformed into the organization based on teamwork and with focus on processes. Society of knowledge inevitably has to be the professional organization of the society, and the main task of management is to make knowledge productive.

Author Draker [6] believes that a society of knowledge must contain, at its core, the concept of
the educated person. It will have to be a universal model, precisely because the society of knowledge is a society of diverse knowledge and because it is global in nature. In the society of knowledge there is no queen of knowledge. All skills are equally valuable and equally lead to the truth.

In order to achieve market success of the company it is necessary to possess competitive advantage in the form of lower costs and product differentiation, with a long-term strategy of providing products and services of high quality with continuous innovation. Companies must invest more significant efforts to meet the requirements, all educated and more informed consumers and users. The task of the modern organization is to improve the skills of their employees because it improves business productivity.

Corporations are becoming more aware of their own intellectual capital - whether they are patents, skills about processes, technology, management skills, marketing and market information, information on competitors, new product concepts, research on customers and suppliers, competitive analytical patents, licenses, rights, ideas to improve processes or procedures - their management will demand constant monitoring. And not only modern organization must create knowledge, it must also add value.

3. MODERN ORGANIZATION AND
SOCIAL RESPONSIBILITY

In order to achieve enterprise operational excellence, we need to continuously improve our business. Improving the business takes on the character of continuous improvement of the quality of operations. In this sense, the basic aspects of the quality of operations are: marketing aspect, business aspect and the social aspect, [7]. Market aspect of improving the quality of operations is related to the satisfaction of consumer needs, suitability for use, market positioning and achieving competitive advantage.

The business aspect of improving the quality of operations is related to improvement of the quality of the internal organization of the economy - increasing efficiency, lowering costs, increasing labor productivity and knowledge, increasing profits.

The social aspect of improving the quality of an organization includes improving the welfare of society by improving the quality of life:

- protection of human health,
- the safety and health of workers,
- the protection and safety of consumers,
- the protection and improvement of the environment,
- conservation of natural resources,
- the safety of all in society,
- operations in compliance with regulations.

The social aspect of quality management combines business and market aspects of quality, enabling the realization of synergy effect in relation to the competitive position of the company. Successful management of the company, which should result in the achievement, maintenance and improvement of competitive position on the market, assumes the implementation of the principle of social responsibility in the organizational structure.

Contemporary business philosophy assumes that the company must be responsible for their actions and deeds towards all stakeholders in the environment - both in the macro environment, but also in the company. In this sense, the company is obliged to meet all the requirements of consumers, associations, partners, employees and shareholders.

New business philosophy is referred to as Total Quality Management - TQM. Total quality management is a business philosophy that is created as a logical and historical answer to the demands of entrepreneurs set by modern society. It is a continuous improvement of the overall business of the organization, which includes the integration of technological, market, economic, organizational and ethical business goals.

This concept includes: meeting the needs of consumers, the development of business quality, employee safety, environmental protection, education of employees and creating a corporate culture of the organization. The ultimate goal of applying the concept of TQM is to improve the quality of life. Seen in this way, the entire system is based on the individual, who must become a "responsible individual", who by their actions contributes to increasing productivity, and therefore the general welfare.

Improvement of corporate social responsibility is closely linked to the development of methods and techniques of marketing, especially marketing communications. Developed marketing communication affects on improving the image of the company, and the social initiative within the scope of corporate social responsibility directly affect the image of the company in public, divided by target segments.

Implementation of the concept of corporate social responsibility in domestic companies should enable the formation of the conditions for successful market performance and the achievement of competitiveness of domestic enterprises. The main driver of these activities has to be knowledge.

4. APPLICATION OF METHODS AND
TECHNIQUES OF PUBLIC
RELATIONS IN FUNCTION OF
IMPROVEMENT OF CORPORATE
SOCIAL RESPONSIBILITY

The largest number of domestic enterprises is not sufficiently competitive in the global market. The situation is similar with companies coming from transition countries. The chronic lack of capital in the countries in transition, lack of new technologies, coupled with poor education level of employees in
companies dominated by domestic capital, result in poor competitive ability.

Companies that are struggling to survive due to lack of financial capital on the markets of the countries in transition do not have the time or financial resources to seriously dedicate themselves to the application of modern management skills. Even those companies that have partially adopted some modern methods and techniques of management, such as quality management system and integrated management system, due to lack of financial resources have problems with further development.

It is considered that drivers of poor quality of business decisions are:

- unrecognized liability,
- unrecognized importance of the problem and the decision-making process,
- ignoring the nature of the business decision-making
- and insufficient awareness of the utility [8].

On the other hand, managers of companies from countries in transition are aware of the need for the application of modern management methods and techniques that are based on knowledge. Domestic leaders are particularly aware of the need for application of quality management systems, as well as other management standards.

The main problems that occur in the process of organizational management in the countries in transition are the following:

- failure to adopt the logic of modern management,
- lack of understanding of the integral approach to the process of managing the organization,
- misconception of marketing,
- inadequate treatment of investments in marketing,
- issues of organizational structure,
- insufficient rate of adoption of new trends, methods and techniques in management.

Domestic enterprises are still in the initial stage of acceptance of modern principles and techniques of management, not all, but only those who have successfully completed the process of transformation [5].

Results of the research that analyzed the possibilities of application of modern methods and techniques of public relations in business organizations in the market of Bosnia and Herzegovina in order to promote corporate social responsibility (completed in 2015 on the territory of BiH, the pattern projected at 50 units - the executive managers of companies), exactly indicate this fact [9].

Analyzed leaders as find that the segment of marketing communication within the marketing mix, especially public relations has a very significant impact on the general public, which includes not only customers, but also the entire environment with all stakeholders. The basic function of public relations is to maintain two-way communication with the environment, and that means not only disclosure and press releases, but also monitor the reaction, or public opinion and thinking primarily of the target population. With joint coordination of all segments of the company are planned joint activities that complement each other and strive towards achieving the goal.

Based on the research of attitudes of experts in public relations (PR) the main obstacles that stand out in the implementation of public relations in local companies are:

1. lack of understanding of the importance of PR by the management - 20%
2. not knowing the difference between marketing and PR - 18%
3. insufficient training of staff - 17%
4. little or insufficient budget for implementation PR - 17%
5. lack of understanding PR importance in society in general - 14%.

The basic elements for business improvement and development of the competitiveness of the company are:

1. knowledge improvement of the management and employees - 33%
2. improvement of the quality of business - 26%
3. The application of modern management methods and techniques - 15%
4. The development and application of information technology - 15%
5. Development and implementation of CSR - 9%.

As the most important incentive for companies accepting CSR stand out in the following order:

1. Tax reliefs in business - 27%
2. Education - 24%
3. The legal regularity - 24%
4. Better business environment - 12%
5. Settling the economic situation – 9%.

Model for improving the marketing of domestic communication companies in the market of Bosnia and Herzegovina based on the application of the concept of public relations, includes the following elements:

1. Meeting the demands of the target public,
2. The main obstacles in the implementation of public relations in local companies,
3. Elements for business improvement and development of competitive position,
4. The most important incentive for companies to acceptance of CSR,
5. Increasing the Business Productivity,
6. Activities of public relations in the function of satisfying the target public and
7. The continuous improvement of business.

As a starting point for defining business goals, companies must take into account the requirements of customers and other target audiences in the region. This means that the initial activities must focus in achieving, maintaining and developing to fulfill the requirements of the target public.

Without satisfying their users the business goals can not be fully realized , which means that management must represent not only the interests of
the company but also the interests of the society in which it operates. Therefore, it is necessary to complete the market analysis to spot the target public and their needs and to plan strategic activities in order to meet their demands and needs.

Domestic companies have to process the internationalization of business based on the application of international experience, international standards and internationally accepted business practices. The application of modern methods and techniques of marketing and marketing communications, where public relations is certainly the most important, we need to create the conditions for enterprises to become more competitive in the market, taking into account the need for corporate social responsibility.

5. CONCLUSION

The management of modern business organization in the global economy requires innovation, flexibility and knowledge. Outdated models of organization management are replaced with new, more modern models, which are adapted to the conditions of the modern market. The essence of the struggle for competitiveness lies in the acceptance of change. Knowledge is a key driver of productivity growth of permanent operations.

Domestic enterprises need to internationalize the business process based on the application of international experience, international standards and internationally accepted business practices. Companies from these countries were essentially organizations with high productivity of labor and standardized product quality, with quality starts with management.

Businesses are a key factor in the development of socially responsible business. Since the concept is by the definition voluntary, the companies need to decide whether to engage in socially responsible activities and choose the way of implementation.

Completed survey showed that public relations is equally important for large, medium and small businesses and are not intended only to build the image and reputation of large companies.

Changes in the minds of business and practice will affect the development of the profession. Consumers and communities will become increasingly important, and this will affect the communication and increasing two-way exchange of information. Exchange of information between the company and the environment, creates a greater connection between the company and the community, which has a direct impact on the development of corporate social responsibility, and further competitive advantage.

The best way for the proper functioning and management of the company is a legal framework that is one of the preconditions for the implementation of CSR in the company's business strategy. Legal regulations and incentives in business should be done following the example of countries that have passed this phase of development.

Public relations should play a significant role in the promotion of responsible business, to the benefit of the company and the community as well. Businesses gain greater community support and also a better competitive position in the market. The benefit of the community is a better environment for living and less socio-economic problems.

The goal of public relations is the identification and harmonization of company goals with the goals of the community in which they operate, which is achieved only through the process of communication. In BiH there is a huge number of social problems, including significantly greater involvement of countries and companies. The state should influence the creation of an environment that will be supportive environment for businesses to operate in a socially acceptable manner. At the same time, raising awareness and knowledge on sustainable development is one of the important factors of social responsibility which should be done starting with the education of children in kindergartens, and education of the whole society.

REFERENCE