

THE IMPORTANCE OF THE CORPORATE SOCIAL RESPONSIBILITY SYSTEM IN THE MANAGEMENT OF SECURITY AND PROTECTION OF ORGANIZATIONS

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Abstract

The Corporate Social Responsibility System is at the heart of the economic prosperity of any organization. But does this system work for itself or is it in close contact with other systems whose joint action contributes to enhancing the security of organizations? And is not the security of the organizations underlying their economic prosperity? The purpose of this publication is to present the sympathy of this system to the Integrated Security Management System at the highest level because its realization by the object management, for the security and protection purposes, is a very long process, difficult for perception by any management, not only in relation to the need to allocate significant financial funds but also because this is a completely different manner of thought which is brought to the level of philosophical category.

Keywords: Security and protection; integrated security management systems; security and protection levels; corporate social responsibility system

INTRODUCTION

In a series of publications (Security Levels of Critical Infrastructure, Stoichev K., (2015), Selection of an Alternative Method for Establishing Security Levels), we presented the Organization Management System through the security prism and its growth in Integrated Security and Management System (ISMS). The bases of the ISMS are the security levels created by different subsystems and their common relationships for increasing the synergy of the system.

The levels of security were identified as these presented at Fig. 1 and Table 1.

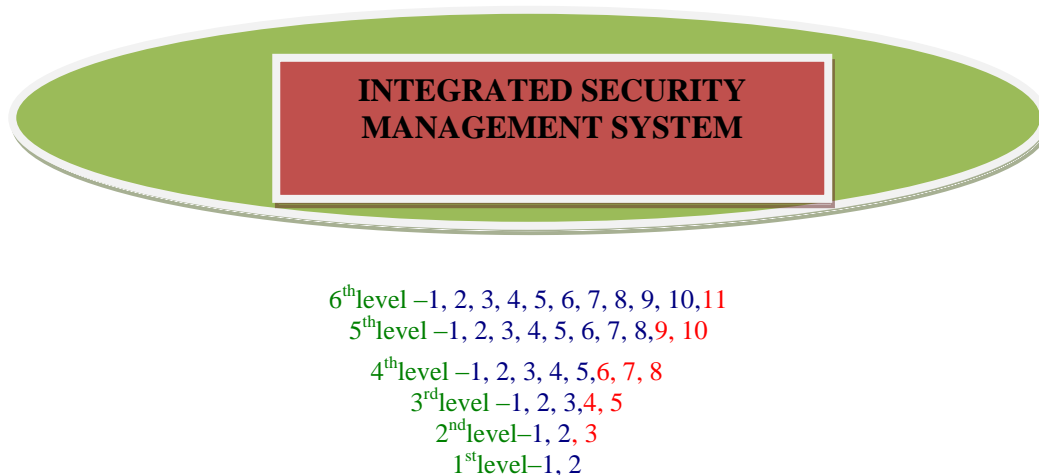


Figure 1. Integrated Security Management System

Table 1: Security levels

LEVEL	LEVEL COMPONENTS
1 st level	1, 10
2 nd level	1, 10, 11
3 rd level	1, 3, 8, 10, 11
4 th level	1, 3, 4, 5, 6, 8, 10, 11
5 th level	1, 3, 4, 5, 6, 7, 8, 9, 10, 11
6 th level	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

“The security that could be achieved by technical facilities is limited and should be supported by adequate management and procedures“ (ISO/IEC 27002:2005).

Following this maxim the content of the security levels could be:

- 1-st level – Risk Assessment (1) and Internal Security (2);
- 2-nd level - Risk Assessment, Internal Security and External Security (3);
- 3-rd level - Risk Assessment, Internal Security, External Security, Quality Assurance (4) and Safety (5);
- 4-th level - Risk Assessment, Internal Security, External Security, Quality Assurance, Safety, Information Security (6), Human Resources (7) and Financial Security (8);

5-th level - Risk Assessment, Internal Security, External Security, Quality Assurance, Safety, Information Security, Human Resources, Financial Security, Environmental Security (9) and Social Corporate Responsibility (10);

6-th level – All listed above and Business Continuity Management (11).

As we discussed at previous publications, Risk Assessment, Internal and External Security, Quality Assurance, and Information and Financial security are an integral part of security systems, and we will therefore allow not to burden the reader with additional information, which is largely well known to the general public. We presented there the interconnection of the Human Resources Management System and Environmental Security System with the overall security and protection system.

The main goal of this manuscript is to be approved the close relationship of Corporate Social Responsibility System of ISMS, as the next subsystem which is an imminent part of the fifth security level of that system.

CORPORATE SOCIAL RESPONSIBILITY SYSTEM

The globalization offers many opportunities to the business organizations but also presents a number of new sources of uncertainty and risks (and most of all including in relation to security and protection, not only from the viewpoint of business parameters) (Deanne Julius, 1997). The last said could be examined from several points of view. The economists frequently define it as an approach to a more complete integration of the world market. The political analysts consider it a transition from the conventional state sovereignty to a more complex system of “multilayer” management in which the non-state subjects more and more accumulate power in the formation of the world order (John Gerard Ruggie (10 December 2004)). The business schools usually think about it as world without borders for the corporate operations (Kenichi Ohmae (1999)). At the base of each one of these viewpoints is the concept that the globalization is actuated by the private and not by the public sector, by companies and not by governments (although precisely by their actions the governments reduced the barriers of any nature).

But about the globalization nature speak first of all the business indices. The last said prove that the level of uncertainty for the corporate leaders has increased and this is to a large degree due to (Deanne Julius, 1997):

- The multinational companies (large part of which are national, regional and international critical infrastructures);and
- The dynamic rates of change of the technologies, connections and information flows as a result of the globalization.

As a result of the greater interdependences and hidden vulnerabilities which now faces the business, more ambiguities appear in relation to decision making in the organizations. Just the network oriented connection between the interested parties all over the world (engaged with certain business relations) creates completely new organizational business models and requires innovative risk management forms.

These natural changes in the business medium and there from organization management models resulted in significant changes in the interrelations between the participants in the market: various professional societies, employees, regulation agencies, politicians, suppliers, the nongovernmental organizations (that are exceptionally actively and negatively disposed towards the activity of the most critical infrastructures) and even the media. As a result of this change the so called “social risk” comes to the foreground and at growing rates becomes one of the basic problems for the multinational companies.

From the view point of the business organization the social risks programs as well as all other risks emerge when our own behavior or the actions of other factors in the respective work medium create vulnerabilities.

The social risks management strategies could be exceptionally complex considering that in the last said multitude of conditions, trends and variables have to be included and balanced in the frames of the organization. The social risks nature itself puts the management teams in front of serious challenges. In this connection, the quickly developing and exceptionally sophisticated in its character social risk field recently is supported by the corporate social responsibility (CSR) programs that are an excellent mechanism for managing the challenges in the frames of the respective business organization.

The CSR programs are necessary component of the risk management for the multinational companies because they create the frame and principles for participation of the interested parties in their activity, they can give large variety of knowledge, in relation to newly emerging and topical social problems, in support of the **corporate security program** and in the long run will serve as countermeasure to the social risks.

In this chapter different aspects of risks assessment and management have been considered. Here we shall make an attempt the social risk to be projected on the background of this subject matter and examined through the prism of its basic characteristics.

But first and foremost, the risk emerges when there is vulnerability in the frames of the organization operative environment/system in absence of effective control and counteraction measures (i.e., absence of risk management).

In order to reduce the risks the organizations create systems of their management (In the case the suggestion in this development should be considered that the risk assessment is a

process integrated in all management subsystems and is not independent system). In their base these systems aim not only to manage the market uncertainty but also the threats of terrorist acts and/or natural calamities. Their main purpose is to create controls and counteraction measures which to shorten the recovery time and to reduce or eliminate the disturbance of the organization activity or the losses, as a consequence of undesired event and in this way to reduce its effect on the business.

The organizations are very well acquainted with the three basic risk categories – economic, technological and political (environmental risks as well as the risks of potential terrorist attacks are part of these basic types of risks). These risks are routine modeled and managed by the multinational companies.

The economic risks concern the processes related to the aspiration of profits increase, maintenance of economic growth and protection of the investments and stocks value against the market fluctuations.

The technological risks comprise management of the threats for the automated and first of all for the information systems, the rapid development of the new technologic sectors (for instance 3D designing and modeling), which are of completely changed production cycles or connected with the use of new energy sources and the expenses.

The political risks are also strategic problem for the organizations, particularly for those that operate at the international arena or at regional level (Europe from long ago cannot be considered an international market but a national/regional market), for example in the frames of European Union.

In a word, all the remaining risks, such as for example the risks related to observing the environmental protection standards and the risks of potential terrorist attacks, are part of these basic types of risks or a combination of them. But this is not true with respect to newly emerging risks which are closely connected with the new work medium and the network operations of the organizations (related to the basic characteristic of the globalized society – interrelation of the actions and function of the organizations in different points of the world), i.e., social risks. They are particularly expressed, but do not limit to, in relation to the human rights protection, production quota and stable development of the organization, economy and society as a whole.

The appearance of social risks could have broad consequences for different business aspects (from the global operations, through supply, security, including to public relations). Every one of the interested parties, in relation to the organization activity, could be source of social risk for the different organizational units in an organization. Thus for instance, the investors could seriously affect the policy of the corresponding organization, the clients could wish changes in the organization environmental policies, the employees could raise the

question of outsourcing abroad which affects their job positions, the suppliers could wish covering of their insurances by the organization, etc.

All these factor indicate that every area of the risk management – social, technological, economic and/or political transforms in equivalent of strategic value for the multinational organizations and consequently it should be included in the basic strategy for development of the whole organization and becomes a model of the strategic risk management.

In the same time the ever growing complexity of the international business interrelationships means that it is very possible the risks on world scale to be of several categories simultaneously (for example, certain social risk may have political or economic consequences), so they have to be considered from different viewpoints simultaneously.

But what is the corporate social responsibility in EC? According to the available definition of the European commission the corporate social responsibility is “term which designates the integration on the part of the enterprises, on voluntary basis, of the social and environmental aspects in their economic operations and in their interaction with the respective interested parties“ (COM (2001) 366). The term is transposed in our Corporate social responsibility strategy, too (Strategy for corporate social responsibility 2009 – 2013, Sofia, 2009).

For the associations that aim at formal approach to CSR, particularly large associations (and particularly these of the critical infrastructure) there are confirmed with time requirements in the form of internationally recognized principles and instruction, more concretely the recently actualized Directions of the Organization for economic collaboration and development of multinational enterprises, the ten principles of the United Nations Global agreement, the international standard ISO 26000 with directions concerning the social responsibility, the Tripartite declaration of the International labor organization about the principles concerning the multinational enterprises and social policy and the UN Guiding principles about the business and human right. This set of internationally approved principles and directions presents a general CSR frame which is in progress. The European policy of encouraging CSR is completely agreed with this frame (Message from the Commission to the European Parliament, to the Council, to the European economic and social committee and to Committee of regions, renovated Strategy of EC for the period 2011—2014).

But no matter how much we aspire to find connection between the corporate social responsibility and the social security with the critical infrastructure security(for the social security related to the pension system, health care and education connection, even indirect, was not found) and protection we will not be able. However, this is a categorical omission and in the following lines we shall try to prove it.

First of all, people's activity in spite of their working sphere, is connected with certain motivation system (I.e, the degree of wish and choice necessary for certain person in order to be engaged with one or other behavior). And the corporate social responsibility is closely related to the **motivation** of the personnel and particularly of the employees responsible for the organization security and protection. The last said has many dimensions and is issue of estimation on the part of each management in what way to use this motor of the human, professional development of their personnel in the considered field. And precisely motivation is one of the connecting sectors between the different subsystems of the organization management system (CSR, human resources management, environmental protection, etc.).

Which can be the minimum obligatory components of the instruments for achievement of maximal motivation levels of personal behavior and action on the part of the security and protection functionaries?

The environmental protection that is at the base of CSR has to become manner of thought and action for all engaged in the critical infrastructure object security and protection. In order to be convinced in this, they should clearly realize that not permitting disturbance of the object activity by vicious actions contributes to the environmental protection and thus defend not only their health and life but also that of their friends and relatives (we all know that the activity of the dominant part of the critical infrastructures is connected with critical productions, the attack against which could lead to serious effects on the environment at tens and hundreds of kilometers from the zone of object functioning). And most of all, this is basic mark for a strong and stable in time system of values which is a guarantee for good fulfilment of the functional duties on the part of these employees that is in the base of ISMS effectiveness.

Labor safety is not connected solely and only with the safety management system. This subject matter is inextricably bound with environmental protection as well as with the psychic health and skills to handle weapon on the part of the personnel. At first glance, incompatible concepts and functional fields but the cases are numerous when incidents occur at the working place (and not only) due to unstable psyche of people acquired certain power over the others (what the case is with the rights of the security employees) and/or their incompetence to manage safely the entrusted weapon. The prevention of such problems could be achieved in many ways but first of all by using different stimuli (motivation tools), such as differentiated and higher remuneration, rendering the due importance to the profession "security and protection functionary", etc.

And here we come to the human resources management. The creation of clear, traceable and resources provided policy of career development for these functionaries should become irreversible engagement of the management at all levels that will guarantee strong and

stable social environment in the organization. I.e., satisfying the expectations of the personnel in the considered field is precondition for success in ISMS building, exploitation and maintenance.

The guarantee and ensurance of various in type and size social acquisitions will considerably contribute to high motivation levels of the employees in the considered field. The Cantor Fitzgerald case is a clear proof for this (ECP – 601: Effective Business Continuity Management, Institute for Business Continuity Training, US).

All this to a large extent could reduce the vulnerabilities of certain organization which could be caused by or depend on the built environment or the corporate social responsibility system. So, the vulnerability and the threat of any kind of risk could be reduced by acquiring knowledge about the social expectations by means of the better social environment and interrelations with all interested parties in the respective organization, better understanding of the international standards or regulation requirements which a company has to observe and the more reasonable resources distribution. When all these different dimensions are combined, the social risks can be better managed.

CONCLUSION

The corporate social responsibility is a subsystem which at first glance is incompatible with the requirements for ISMS creation. There are no written proofs of its involvement in the security and protection. But this is only at first glance. The connecting sector between it and the remaining ISMS subsystems, and first of all with the human resources management subsystem, is motivation. And it is spoken of the motivation not only for the so called „guards“ (we put this in quotes because we cannot speak of guards, it is quite simplified and there is no such term in English language) but with respect to all the remaining employees and workers, from the view point of their engagement to security and protection. We cannot wish someone to fulfil certain functions without compensation, still more if this someone considers these functions forced duties. The motivation instruments by which we could achieve involvement of the corporate social responsibility to resolving the security and protection problems are many in number and different in content (presented in the respective section). They should consider the specific features of the concrete critical infrastructure but the main conclusion is that it is necessary to include this subject matter in the security levels. And it is proposed the last said to be a component of ISMS at the highest level because its realization by the object management, for the security and protection purposes, is a very long process, difficult for perception by any management, not only in relation to the need to allocate significant financial funds but also because this is a completely different manner of thought which is brought to the level of philosophical category. However, its mastering means that we have realized the necessity of

building all the remaining, preceding this subsystem, components of the security and protection levels. And this is not a groundless statement because in most of the cases everything is reduced to financial resource. And if we have the possibility and predisposition to do what the management of Cantor Fitzgerald has done we can say with great degree of conviction that this management will do everything necessary to build also all the remaining components of the security and protection levels and from there a complete and integrated system for that.

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