

## SOCIALLY RESPONSIBLE BUSINESS AND COMPETITIVENESS IN SERBIA – ATTITUDES OF STUDENTS

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### Abstract

In this paper the authors attempt to point out the importance of corporate social responsibility (CSR) and its implementation in contemporary business. Also, the authors deal with competitiveness of enterprises, as well as activities that promote CSR in Serbia. Special significance is given to the review and analysis of research results of Serbian students' (young population) attitudes on CSR and competitiveness. Throughout a three-year period the research has included 1,990 of examinees. Most of the surveyed examinees were the students from four universities and business schools directed towards business and management. The research has been conducted with the structured questionnaire. Among the other facts, the research has shown that a great number of examinees were not informed of CSR. Students experience the Serbian economy as uncompetitive and have identified several factors that are responsible for the lack in development of competitiveness.

*Keywords:* Corporate social responsibility; competitiveness; education; students; Serbia.

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## Introduction

### *Introducing CSR*

Corporate Social Responsibility (CSR) was introduced in the 1970's, but different forms of this concept date back to the end of 19th century. Due to technological and social changes in the world, there has been a changing awareness about what really CSR is. At the beginning the focus of the company in the field of CSR involved only certain philanthropic activities, i.e., donating charity funds. Labor and ethical business practices were the terms in use for more than a century. However, the issues related to human rights, environmental protection, consumer protection and fight against corruption have emerged in the later period as a result of changes in the market. Many respected scholars in the field of management and economics, such as Adam Smith, Peter Drucker, Philip Kotler etc., emphasized that enterprises had to be responsible in their own actions, and hence to spread the awareness of more responsible business operations in practice. (Bogetić, Đorđević, & Čoćkalo, 2013)

In the early writings CSR was used more often as social responsibility than as CSR; they alluded to businesses' responsibility to make a profit, obey the law, and "go beyond" these activities rather than to embrace a full range of responsibilities of business to society. Bowen (1953, p. 6) wrote an initial definition of the social responsibilities of businessmen: "It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society". Johnson (1971, p. 50) compared CSR with "conventional wisdom," which he defined as "A socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation". Steiner (1971, p. 157) extended the meaning and circumstances under which CSR might be interpreted and applied; for instance, he discussed specific spheres in which CSR might be applied and presented models for determining the social responsibilities of business. Backman (1975, p. 2) gave contextual meaning of social responsibility like social accounting, social indicators and the social audit and defined social responsibility like this: "Social responsibility usually refers to the objectives or motives that should be given weight by business in addition to those dealing with economic performance (e.g., profits)". Sethi (1975, p. 70) discussed "dimensions of corporate social performance," and in the process made distinction between corporate behaviors that might be called "social obligation," "social responsibility," and "social responsiveness." - social obligation is corporate behavior "in response to market forces or legal constraints". In the eighties stakeholders were involved in the definition of CSR for the first time. Jones (1980, p. 37) defined CSR as "the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract." Dalton and Cosier (1982, p. 27) created a model describing a 2x2 matrix, with "illegal" and "legal" on one axis and "irresponsible" and "responsible" on the other axis. Then, they emphasized that there were "four faces" of social responsibility presented by

four cells. They also concluded that “legal-responsible” cell was the appropriate CSR strategy which companies should follow. Drucker (1984, p. 62) observed social responsibilities as business opportunities - “...‘social responsibility’ of business is to ... turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth”. Epstein (1987) first defined corporate social responsiveness and business ethics and then unified these two notions and called them “corporate social policy process”. During the 1990s, one of the earliest and major contributions to the treatment of CSR came from Wood (1991) who reformulated three principles of CSR: first, she stated the principle of CSR that Carroll’s (1981) took four domains (economic, legal, ethical, and discretionary) and identified how they were related to: (1) CSR principles of social legitimacy (institutional level), public responsibility (organizational level) and managerial discretion (individual level); (2) Identified the processes of corporate social responsiveness and highlighted such processes as environmental assessment, stakeholder management, and issues management; (3) Took “social issues” (Wartick & Cochran, 1985) category and reorganized it under a new topic of "concern-outcomes" of corporate behavior.

The global nature of environmental issues and health, recognition of responsibility around the world in the fight against poverty, the growing financial and economic independence, and more widespread value chains represent the relevant issues for an organization and by far exceed the scope of the specific areas in which an organization operates.

Recently, CSR initiatives have used different nomenclatures, classifications and definitions which can be grouped in several dimensions: (1) Vision, including the organizational conceptual development, governance, ethical codes, values and reputation (Humble, Jackson, & Thomson, 1994; Pruzan, 2001; Carter, Simkins, & Simpson, 2003; Belak and Milfelner, 2011); (2) Company’s relations with the community – collaborations and partnerships with stakeholders, philanthropy and action (Gray, 1996; Freeman, 1999; Hess, Rogovsky, & Dunfee, 2002); (3) Workplace, labor practices and human rights (Sum & Ngai, 2005); (4) Corporate transparency, reporting and communication (G4 Sustainability) and (5) Marketplace – research and development, pricing, fair competition, marketing and investment (Whetten, Rands, & Godfrey, 2001; Fan, 2005; Schnietz & Epstein, 2005; Consumers International).

It is important for the organizations to deal with social responsibility, regardless of social or economic circumstances. Instruments such as the Declaration on Environment and Development in Rio, Declaration on Sustainable Development in Johannesburg Summit, the Millennium Declaration and the ILO fundamental principles and rights related to labor, emphasize this need (Global Compact; ILO Declaration; OECD Guidelines; SMART). The European Commission, in 2010, defined CSR as "a concept, which integrates into the enterprise the concern for society and the environment in their business activities and their interaction with their stakeholders on a voluntary basis" (Milosavljević, 2012).

### ***CSR and competitiveness - The nature of the relationship***

Almost the main management question in this matter is: whether implementing CSR affects firm competitiveness, (Chand & Fraser, 2006; Haigh & Jones, 2006; Porter & Kramer, 2006). Many authors (Porter & Van Der Linde, 1995; Bansal & Roth, 2000; Hess et al., 2002; Haigh & Jones, 2006) have suggested that competitiveness is one of the primary drivers for adopting a CSR concept, though the nature of relationship between CSR and competitiveness continues to be unclear (Harrison & Freeman, 1999; Porter & Kramer, 2006). On this way, according to Vilanova, Lozano and Arenas (2008), the CSR – competitiveness connection is made of three management processes: “(a) strategy, (b) stakeholder management and (3) accountability”. Further, according to these authors, adoption of a CSR strategy effects on “identity and branding, which has a direct impact on competitiveness as it forces sustainable development in corporate vision through corporate strategy, improves the understanding of the complexity of the competitive environment and strengthens relationships with key stakeholders through stakeholder management, and improves the transparency of the organization through accountability management processes” (Vilanova et al., 2008).

### ***Institutions of higher education introducing CSR towards competitiveness***

Success of CSR in the future depends on the attitudes of the next generations. They will create the relations between business and society, be it as a common citizen, a consumer or a manager. It seems that the young generations are considered to be more open to social and environmental issues, promising thus a more optimistic future for CSR. Position of institutions of higher education in society is unique – they are important places of knowledge production, perpetuation and dissemination. In addition to these conventional associations of universities and knowledge, higher education institutions have unique potential to encourage synthesis and integration of different types of knowledge and to enhance the application of knowledge to social change. Many different perspectives and expectations on the role, value and potential of the university in the society translated into many different perceptions of opportunities for the university as a change mediator. The number of study programs in business schools that have integrated optional courses in CSR or specialized programs is indeed increasing, (Matten & Moon, 2004).

The CSR courses that the present managers or future managers attended did not bring them to lead a responsible social behavior in their firms – a generalization of good practices in this field research is missing. The global crisis, according to Kletz (2009), brings the paradox: “managers – knowing the importance of a socially responsible behavior, knowing how to behave in a socially responsible way, and gladly highlighting its importance – have in fact turned their back to it.” McWilliams & Siegel (2001) indicate to a determinable ‘ideal’ level of CSR, which managers can predict using cost-benefit analysis. Responsibility is no longer exclusive in the domain of moral value, and it is legitimate to give it up when the price is too high, in terms of company’s competitiveness – when responsibility becomes too expensive, (Kletz, 2009).



The significant number of studies deals with the question whether business schools are no more than brainwashing institutions educating their graduates only in relatively narrow shareholder value ideology. Others have concluded that there is an “intellectual bias against business ethics” in business schools and that teaching and research in business ethics and similarly oriented areas, (Hosmer, 1999). While the majority of studies have focused on North American schools and a good number on related subjects such as marketing and ethics (Shannon & Berl, 1997), sustainability-profitability (Wheeler, Horvath, & Victor, 2001), only limited attention has been directed at the topic from a European perspective (Matten & Moon, 2004). The Western Balkan countries have not been an area of significant research in the field of CSR, especially topics related to education – CSR – competitiveness. This paper reports on the findings of a survey dealing with attitudes of students related to CSR and competitiveness of the Serbian economy and promotion of these terms.

## CSR and competitiveness in Serbia

### *Implementation of CSR in Serbia*

In order to better promote the concept of CSR, the Fund for an Open Society, SMart Kolektiv and Chamber of Commerce and Industry of Serbia launched, nearly ten years ago, a project called "SMART: Responsible Business Initiative – RBI", with purpose to promote and institutionalize the concept of social Responsibility in Serbia. From that time to the present, a lot has been done in this area, and on its further promotion in the Serbian market. Since then, the main promoters of CSR in the Serbian market are the Balkan Community Initiatives Fund (BCIF), SMart Collective and Chamber of Commerce and Industry of Serbia.

The Balkan Community Initiatives Fund (BCIF), in cooperation with USAID and several other national and international organizations launched in 2007 Virtus award with the aim of further popularization of CSR in the Serbian market. Virtus Award is conferred to the present six times in a row, where winners were foreign companies, public and state-owned enterprises, small and medium enterprises, media companies, corporate funds and foundations. If we analyze the structure of the business award winners for period of 2007-2012., we will come up to the conclusion that most awards went to the financial sector and banks (11 in total). These data are not surprising, because as we mentioned in the list of FT 500 DOP is mostly applied by enterprises in this sector. Serbian financial institutions which conduct concept of CSR in its operations are: the National Bank of Serbia, Erste Bank, Societe Generale, Banca Intesa, EFG Eurobank. When talking about financial institutions we must mention the impact of the National Bank of Serbia in promoting the Global Compact in Serbia, as well as banks such as EFG Eurobank, Piraeus Bank, Societe Generale Bank and Credite Agricole-Meridian Bank, which were the first access to the initiative of the United Nations. After banking, the most first prizes were given to the media, especially e-media: B92 and RTS.

The media - which include television, newspaper and now Internet - are the most distinctive information channels that reach and influence the general public. As such, they play a central role in ensuring that CSR is put in the public spotlight. That is

why the CSR promoters must work to reach out the major media journalists who are dealing with this area, talk with them, as well as with business leaders who are the leaders in this field and make the social responsibility of the company to become a question that will make economists and politicians and movie stars to think about. Media play two distinct roles in this debate. The traditional media are seen only in the role of someone who is spreading the information. However, the increasing prominence of multinational media group draws attention to what is going on behind the scenes. (Tench, Bowd, & Jones, 1996; CSR and Media)

Chamber of Commerce and Industry of Serbia (Corporate Social Responsibility) in 2007 for the first time began to award prizes for CSR, and since 2008, the prize has been awarded every two years. Unlike other awards in this field, its role is to try to treat equally various business segments. The questionnaire, which is the basis for the methodology covers five areas of CSR including: employees, environment, market, property and communities. Companies that want to compete for the prize as Chamber of Commerce and Industry of Serbia CSR can be nominated in two categories: large enterprises and SMEs. The winners of the first prize were: Tigar from Pirot (large enterprises category) and a company Biovoda from Bujanovac (SME category) declared as the most responsible companies in Serbia in 2007. In the category of large companies, the reward in the next two years was given to Metalac Gornji Milanovac, Eurobank EFG, while in the SME category the award went to the Footwear Pavle and the Sunce Marinkovic. The Sunce Marinkovic Enterprise in 2011 received also Virtus award (Virtus Award Winners), indicating that the jury members through these two awards praised the efforts made by this company in promoting energy efficiency and involvement in solving community problems among its employees and partners.

The state adopted the Strategy for the development and promotion of CSR in Serbia from 2010 to 2015 (Serbian Government, 2011; 2012), suggesting the fact that the Government in this way wants to determine the situation in this area. However, despite these strategies and translated standards ISO 26000:2011, the concept of CSR has not yet been adequately developed as one would wish. Serbian companies still do not understand the wide range of activities offered by the concept of CSR, and are concerned mostly about casual philanthropy and volunteering activities, (Ivanović-Đukić, 2011). Serbian managers, unfortunately, as part of its business philosophy, insufficiently implemented principles of CSR, which significantly affects the competitiveness of Serbian firms, in the domestic and international markets (Bogetić et al., 2013). The reason for this attitude towards CSR lies in the fact that the market has insufficiently developed consciousness and strength to punish any company that does not want to be socially responsible, (Milosavljević, 2012). This penalty represents a loss for the company as end user, and thus for the market. However, it must be noted that there are companies which have been working on the development of CSR in their businesses, and they are leaders in their respective industries, such as eg.: Telekom Serbia, Erste Bank, Commercial Bank, Holcim, Delta Holding and other companies which in this way try to be a good partner with the local community and society in which they operate, (Corporate social responsibility – how...).

Local organizations have started lately, as a way of promoting their activities, to use social networks, primarily Facebook and Twitter. The reason for such

commitment of companies towards social networks can be found in the fact that there has been an increase in the use of social networks, especially among the younger population, and that this kind of promotion for their products and services cost significantly less. Companies have also started using social networks for representing their own social activities, and thus attracting the target market – young population.

### *Competitiveness of Serbian economy*

The companies coming from transitional countries in general, and Serbia among them, have problems with quality of their business and production productivity. Inheritance of inefficiently productive systems and recession, common to all countries in transition, influence these companies and may be blamed for their insufficient competitive capacity. Serbian companies have been uncompetitive on international market for a long period. Low productivity and insufficient investment in achieving business quality are the main reasons for poor competitiveness of Serbian companies. This insufficient competitive ability has become more visible upon appearing of the world economic crisis. (Đorđević, Čočkalović, Sajfert, & Klarin, 2012).

According to the list of World Economic Forum for 2013-14, Serbia took 101st place out of 148 analyzed countries. Since Serbia took 95th place in 2012-13 and 96<sup>th</sup> in 2010 it is obvious that there is no progress in competitiveness. It is interesting that Serbia found itself between Algeria (100<sup>th</sup> place) and Guyana (102<sup>nd</sup> place). Table 1 shows the ranking of ex-Yugoslav countries in the last five years, according to WEF.

Considering the countries from near surroundings, Hungary takes 63rd place, Bulgaria 57<sup>th</sup>, Romania 76<sup>th</sup>, Albania 95<sup>th</sup> place. It is obvious that the effects of the World economic crisis have influenced the fall of competitiveness in all countries from the region. Taking into account the fact that Bosnia and Herzegovina improved its position on the list we can conclude that Serbian economy is the most uncompetitive in the region of West Balkans as well as in South East Europe.

Table 1.

*Ranking of West Balkan countries according to competitiveness in the period 2008-2013*

Country	Place in 2008	Place in 2009	Place in 2010	Place in 2011	Place in 2012	Place in 2013
Slovenia	42	37	45	57	56	62
Montenegro	65	62	48	60	72	67
Croatia	61	72	77	76	81	75
Macedonia	89	84	79	79	80	80
Serbia	85	93	96	95	95	101
B and H	108	109	102	100	88	87

Source: The Global Competitiveness Report. (2008-2013).

According to the Networked Readiness Index (2013) for 2013, which covered 144 countries, the country with the lowest value of this index has also the lowest

position in the ranking. According to this ranking as well, the following countries are placed on the last positions: Macedonia (67<sup>th</sup> position), Bosnia and Herzegovina (78<sup>th</sup> position), Albania (83<sup>rd</sup> position) and Serbia (87<sup>th</sup> position). It is vital to pay attention to the fact that according to this index, Montenegro with 48<sup>th</sup> position and Turkey 45<sup>th</sup> position, were placed (for example) before Poland (49<sup>th</sup> position). Croatia had the 51<sup>st</sup> position.

According to the business conditions list made by Forbes journal, Serbia takes 93<sup>rd</sup> position out of 141 countries and the fall comparing to the last year is significant (90<sup>th</sup> place) – Table 2.

Table 2.

*Position of Serbia according to individual criteria defining business conditions*

Criteria	Rank
Monetary freedom	123
Innovations	122
Property Rights	110
Tax burden	113
Trade freedom	80↑
Technology	57
Corruption	77
Investor protection	68
Personal freedom	44
Red Tape	37↑

Note: ↑=increased compared to the previous period  
Source: The best countries for business. (October 2012)

Old technology, poor quality, unattractive packaging and high prices are the main reasons for lack of competitiveness of Serbian products. Least competitive is manufacturing industry, metal industry and electronics, in which for years there has been no technological reconstruction. Business people think that it is necessary to make customs and tax exemptions, reduction of administrative levies as well as prices for electrical energy, gas and fuels in order to increase competitiveness. It is also necessary to raise the level of technological facilities because the average age of machines in Serbia is 30 years. Comparing to the region it is a delay of 12 years. (Đorđević, Čočkaló, & Bogetić, 2011).

### Research Methodology

CSR as a concept enables the company to be competitive at the market. The imperative for any business enterprise is to achieve business excellence, and its three pillars are: meeting the demands of users, improving business productivity and CSR. The first two steps result in a profit, but without the social responsibility of business there is no excellence of the companies.



The essence of the struggle for competitiveness lies in the acceptance of change. Companies from countries in transition are facing huge problems, where the dominant issues are related to the advancement of knowledge and the organization. Serbian companies are insufficiently competitive and global economic crisis has only highlighted this fact further.

The research results which dealt with the analysis of attitudes of students related to their involvement in entrepreneurial process as well as with their comprehension about success of business practice in Serbian companies, represented opinions of future experts and executives (Ćoćkalo, Đorđević, Bogetić, Bešić, & Gligorović, 2013). The research in this form was being carried out for three years in a row (2010-2012) on the territory of Republic of Serbia in 16 towns and municipalities during November and December. The survey was carried out by questionnaire. The population was built of students from four universities and business schools. It included totally 1990 students directed towards business and management. The average age of examinees was about 22 years. About 38% men and 62% women participated in the sample. The research from 2012 was the most extensive and it involved 755 students.

A part of the mentioned research was related to CSR towards competitiveness of national economy. Since the CSR is not particularly part of the curricula in Serbia, here we were interested to find out, first of all, whether the students theoretically and practically (through positive examples of business practices) were familiar with the concept of CSR and how they came to these findings. Next, we wanted to see how respondents perceived competitiveness - whether they perceive "the link" between CSR and competitiveness of enterprises. Based on the model which Vilanova et al. (2008) give we have selected certain elements that could affect development of competitiveness of enterprises in Serbia (Đorđević, Bogetić, & Ćoćkalo, 2010; Ćoćkalo, Đorđević, Sajfert, & Bogetić, 2011; Ćoćkalo, Bešić, Đorđević, & Bogetić, 2012); CSR was one of them. This was supposed to be another "check point" of the original idea. Based on the situation described above, we expected poor results but we also expected a positive trend from the first to the later years in which the research was undertaken. Finally, we wanted to establish a system of recommendations for promotion of CSR and development concept of competitiveness among the young, especially the student population. We set up the specific hypothesis referring to this study:

Students in Serbia cannot be actively involved in development of CSR and competitiveness because of the lack of knowledge, but significant positive trends on this issue can be expected.

During the checking phase of statistically relevant differences in the answers provided by students Chi-square ( $X^2$ ) test was used, or Cramér's  $V$ , coefficient of association at determination of two variables' strength. Strength of association between two variables (or Cramér's  $V$ ) varies from 0 (no association between the variables) to 1 (complete association) and can reach 1 only when the two variables are equal to each other. The level of significance was adopted in relation to frequency of answering  $p < .05$ . If the Chi-square test was not significant, and  $p$ -level greater than .05, significant differences are random and frequency response to a specific

question is treated as equal. Since the data analysis considered two categorical variables (1. the years in which the survey was conducted and 2. answers to a questions), contingency tables (two-way tables) are employed. A two-way tables present categorical data by counting the number of observations that fall into each group for two mentioned variables respectively, the first divided into rows and the second divided into columns.

### Research results and discussion on attitudes of students towards CSR and competitiveness

Preliminary results of this study are presented in May 2013 (Bogetić et al. 2013), by the same authors like in this paper. From the Table 3 is clear that the students still misunderstand CSR concept in great extent. . Although the percentage of students who are introduced to the term CSR increases each year, it is still not sufficient. Data for 2012 show improvement but it's still not enough. The data are worrying because these students will work in the future and make business decisions which, unfortunately, will not be based on the principles of CSR.

Table 3.

Answers to the question "Have you been faced with the term CSR?"

	Year								
	2010			2011			2012		
	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)
Yes	164	28.3	23.2	207	31.7	29.3	336	44.6	47.5
No	416	71.7	32.6	445	68.3	34.8	417	55.4	32.6
Chi-square test: $X^2 = 44.511$ ; $df = 2$ ; $p = .000^*$ ; $V = .150$ ; $p = .000$									
Source: Author's results									

Table 4 presents the ways in which students are being introduced to the concept of CSR. In the last four years there has been a growth in introducing students to CSR through textbooks which indicates the influence of educational institutions in promotion of this concept. We can also see the important role of media and the Internet on introducing students to CSR, which represents a good way for more intensive promotion of CSR. This especially applies to the Internet, as the young population represents their biggest customer.

According to respondents, with regard to activities in the field of CSR, in Serbian companies, the most notable is promotion of social activities (24.41% in 2012, 26.32% in 2011, 26.76% in 2010), while on the second place is responsible business practice (Table 5). The examples of some social campaigns, led by some media, have confirmed the position of this study according to which local companies pay great attention to promoting social objectives.

Table 4.

Answers to the question “How did you hear about the term CSR?”

	Year								
	2010			2011			2012		
	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)
Media	126	45.0	35.7	100	36.2	28.3	127	37.0	36.0
Textbooks	62	22.1	24.9	105	38.0	42.2	82	23.9	32.9
Professional literature	25	8.9	38.5	22	8.0	33.8	18	5.2	27.7
Internet	67	23.9	24.4	73	26.4	26.5	135	39.4	49.1
Other	21	7.5	52.5	12	4.3	30.0	7	2.0	17.5

Chi-square test:  $X^2 = 61.932$ ;  $df = 10$ ;  $p = .000^*$   
 Source: Author's results

Table 5.

Usual activities in Serbian companies related to CSR (in %)

	2010	2011	2012
Promoting social objectives	26.76	26.32	24.41
Marketing associated with social goals	18.66	17.84	-
Responsible business practices	19.54	19.01	-
Social marketing	18.66	-	18.07
Voluntary work for the community	-	-	17.93

Source: Author's results

The question “Can you think of a company that operates on domestic market which can be characterized as a socially responsible organization?” confirms that previously mentioned activities are not satisfactory: most respondents (87.5%) opt for NO (2010 - 86.7%, 2011 - 83.9%, and 2012 - 91.3%) -  $X^2(1, N = 1988) = 1119.751, p = .000, V = .094, p = .000$ . Further, in accordance to the general lack of knowledge of students on CSR and the previously stated answers to the question of CSR in Serbian companies, we analyzed the answer on the following question: “In your opinion, is there a correlation between competitiveness and social responsibility?”. The largest number of respondents opt for „No“ – the results for all three years of research are given in Table 6.

The respondents see competitive ability of Serbian enterprises at a very low level ( $X^2(3, N = 1988) = 1392.958, p = .000$ ). 47.5% of respondents believe that competitiveness of Serbian enterprises do not satisfy the requirements set by international environment, 44.2% of them believe that competitiveness of domestic enterprises partially meets the requirements set by international environment, while only 5.4% of respondents said that domestic enterprises meet these requirements. Necessary elements for development of competitiveness of Serbian enterprises, according to the respondents, are given in Table 7.

Table 6.

Answers to the question “In your opinion, is there a correlation between competitiveness and social responsibility?”

	Year								
	2010			2011			2012		
	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)
Yes	164	28.3	23.2	207	31.7	29.3	336	44.6	47.5
No	416	71.7	32.6	445	68.3	34.8	417	55.4	32.6
Chi-square test: $X^2 = 33.169$ ; $df = 2$ ; $p = .000^*$ ; $V = .114^{**}$ ; $p = .000$									
Source: Author's results									

Table 7.

The necessary elements for development of competitiveness of Serbian enterprises

	Year								
	2010			2011			2012		
	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)	Frequ.	Column frequ. (%)	Row frequ. (%)
Modern methods and techniques of management	236	41.5	27.6	292	44.8	34.1	328	43.5	38.3
Investment in the development of national brands	236	41.5	34.1	222	34.0	32.0	235	31.2	33.9
Standardization of business quality	238	41.8	25.4	344	52.8	36.7	356	47.2	38.0
Creating of strategic alliances	108	19.0	24.8	208	31.9	47.7	120	15.9	27.5
Purchase of modern technological solutions and equipment	180	31.6	27.5	255	39.1	39.0	219	29.0	33.5
Building of CSR	94	16.5	24.4	74	11.3	19.2	217	28.8	56.4
Investments in social marketing**	119	20.9	26.9	145	22.2	32.8	178	23.6	40.3
Continuous improvement of management and employees	113	19.9	27.6	137	21.0	33.4	160	21.2	39.0



knowledge									
Development of relationship marketing**	58	10.2	28.7	52	8.0	25.7	92	12.2	45.5
Other	0	.0	.0	1	.2	33.3	2	.3	66.7
Chi-square test: $X^2 = 61.932$ ; $df = 10$ ; $p = .000^*$									
** In terms of building image and reputation.									
Source: Author's results.									

## Conclusions

Higher education in Serbia tends to follow global trends, but the theme of this work, although obviously important, still stays mainly outside the academic programs of high schools and colleges, since only a few faculties included CSR as an optional subject in their study programs. Students are poorly informed on this subject, and mainly from sources that are not relevant for educational work, where the most recognizable is Internet, which also indicates the absence of this topic in the textbooks and technical literature as well as in the study programs. There is a significant statistical difference in the surveys conducted during several years regarding the issue of knowledge that students have about CSR with a visible upward trend in the recognition and adoption of the CSR term. Poor representation of this matter in theory, as well as insufficient activity of the Serbian economy in the field of CSR, inevitably results in complete lack of information of the surveyed respondents about CSR. There is, however, noticeable trend of positive change on this issue, and domestic economy recognizes the benefits of CSR, and thus shows the need to create personnel that will be capable to integrate CSR into corporate business.

However, the student population is not uninformed, and they are experiencing Serbian economy as completely uncompetitive in the international environment. Taking all this into account and considering that the relationship of CSR and competitiveness is still unclear, although there are clear facts that indicate the direction for the researches in this field, it is not surprisingly, that there is relatively small, but statistically significant increase in the ability of students to recognize the relationship of CSR and competitiveness, as well as other elements that may affect the competitiveness.

Students in Serbia do not have enough knowledge to be actively involved in the development of CSR and competitiveness, but there are obvious and positive trends regarding this issue.

Therefore the solution is to promote the comprehensive concept of operations among young generations that has to cover several levels as follows:



- The necessity of creating a program for introducing young people to the importance and benefits of implementation of CSR and its role in improving competitiveness.

- The cooperation of several institutions that deal with young people and the economy, such as the Ministry of Education and Teacher Training, Ministry of Economy and Regional Development, the National Employment Service, the National Agency for Regional Development, the Chamber of Commerce and Industry of Serbia, universities and colleges, associations, etc. with purpose of promoting CSR.

- Significant inclusion of CSR in business study programs.

- Stronger local media promotion of socially responsible companies, as well as awards for CSR, such as: Virtus awards and awards of Chamber of Commerce and Industry of Serbia.

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# СОЦИАЛЬНО ОТВЕТСТВЕННЫЙ БИЗНЕС И КОНКУРЕНТОСПОСОБНОСТЬ В СЕРБИИ – ОТНОШЕНИЕ СТУДЕНТОВ

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**Аннотация.** В данной работе авторы попытались указать на важность корпоративной социальной ответственности (КСО) и ее осуществления в современном бизнесе. Кроме того, авторы обращают внимание на конкурентоспособность предприятий, а также деятельность, которая способствует КСО в Сербии. Особое значение уделяется рассмотрению и анализу результатов исследований студентов Сербии (молодого населения) по отношению к КСО и конкурентоспособности. На протяжении периода трехлетнего исследования объём выборки составил 1990 испытуемых. Большинство опрошенных испытуемых были студентами из четырех университетов и бизнес-школ, ориентированными на бизнес и управление. Исследование было проведено по структурированной анкете. В числе прочих фактов исследования показано, что значительное количество экзаменуемых не были проинформированы о КСО. Студенческие познания сербской экономики определили её как неконкурентоспособную и позволили выделить несколько факторов, которые ответственны за недостаток развития конкурентоспособности.

**Ключевые слова:** корпоративная социальная ответственность; конкурентоспособность; образование; студенты; Сербия.