

## Valences of Corporate Social Responsibility in Air Transport in Romania

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### Abstract

This concept is also being implemented in our country, with a predilection in recent years, especially following the growth rate in the field of air transport. Social equity refers to actions such as: promoting equal rights, diversity and non-discrimination; ensuring decent working conditions, ensuring health and safety conditions, fostering continuous learning for adaptability to the labor market, recognizing the performance of employees and practitioners, respecting private life and protecting personal data, stimulating the participatory culture, active citizenship and volunteering, respecting cultural values and promoting intercultural dialogue, respecting and promoting human rights. Over the next 20 years, annual passenger traffic is expected to increase further of 68% compared to the year 2000, which implies the development and growth of the number and capacities of operation of air terminals, first of all, modification of flight surveillance technologies and, of course, modernization of aircraft and increase of environmental protection requirements (limitation of noise levels, polluting emissions, etc.) With the evolution of this transport segment, elements such as social equity, transparency, ethical behavior, as well as economic efficiency, have become more important in the stages of designing marketing strategies, quality analyzes, and financial reporting. Through this article, we have tracked how passengers have come to notice the policies aimed at increasing the quality of the services offered, both in the pre- and post-flight stages, as well as during the actual journey. These changes were analyzed through a passenger satisfaction questionnaire, conducted at the country's most significant cross-border air point, Otopeni.

**Keywords:** CSR, aviation, air traffic, Romanian air transport.

**JEL classification:** M31

### 1. Introduction

The actions in the field of CSR were implemented in the air transport services because the expansion they achieved had a real impact on the environment, people, and social actions. Air transport has created a revolution in the transportation industry, involving huge people and resources.

## 2. The evolution of CSR in the chronological aspect

The most important principles underlying the concept of social equity are: promoting equal rights, diversity, and non-discrimination, offering satisfactory working conditions, developing health and safety conditions, encouraging continuous improvement in order to increase the performance in the labor market, recognizing the performance of employees and to practitioners, respecting and promoting human rights. At the global level, there is no unanimously accepted definition of this concept, and there are only several approaches and interpretations, meant to contribute to the sustainable development of the economic phenomenon.

Sliding under the aspect of the historical landmark the concept of "corporate social responsibility" becomes popular in the twentieth century, even though in the specialty literature the first references to the idea of corporate social responsibility were made from the years 1930 - 1940. After the second world conflagration, in the early 1950s, Howart Bowen wrote for the first time about the social responsibilities of businesspeople, claiming that "business people have an obligation to follow those policies, to make those decisions or to follow those lines of action that are to be desired regarding the goals and values of our society". This is considered the first reminder in which the concept of "social responsibility of businessmen" was defined. (Bowen, 1953).

Two decades later, in 1979, Archie B. Carroll, manages to formulate another definition of the concept, supporting the idea that the corporation is the element that underlies the economic system, and the entities have as main objective the profit from the sale of the goods. And services. He defines the concept as follows: "Corporate social responsibility includes all the economic, legal, ethical and discretionary-philanthropic expectations that the company has from the organization at one point" (Carroll, 1979, p. 500).

Following the establishment of common standards in all Member States, in the 2000s, the European Commission develops its conception of corporate social equity, condemning that this is represented by all the actions taken by the companies, except for the contractual and legislative obligations towards the whole society and to the environment. After 11 years, the concept is redefined in 2011, which simplifies the definition, reducing it to "the responsibility that companies have for the impact of their activity on society" (European Commission, 2011, p. 6). At the same time, this decision-making entity of the European Union believes that by creating legislative norms related to this phenomenon, all companies could win, thus forming a favorable environment for all those who carry out actions in the sphere of social responsibility.

At the global level, we notice an increase in the companies' investments in corporate social responsibility actions, investing annually amounts of billions of dollars. By redirecting increasing amounts to donations in money, marketing related to various causes, volunteering programs, entities acts on the premise that CSR is not the best solution, but also the most inspired (Lee et al. 2013).

Social responsibility is the method by which the principles of social development are applied, as well as good governance in managing the entity and in its sustainable development. The essential principles of social responsibility are social equity, economic efficiency, environmental balance, transparency, ethical behavior, stakeholder involvement.

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### **3. CRM presence in air transport services**

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These actions will undoubtedly contribute to the formation of the general principle of sustainable development, managing to form new opinions on the situation at the global level, and raising the standard of living.

With several prominent representatives in the world history of aviation, Romania has not always been able to be in the top of the countries offering the highest quality modern air transport services. The evolution of this field has been slow, mainly due to low investments. For 45 years, between 1945-1990, in Romania, an own air system was used, used for domestic and international circuits. After the 1989 Revolution, due to financial-economic difficulties and political changes, no new airports were built and the existing ones did not benefit from extensive modernization work.

Romania currently has 16 international airports, ensuring optimum operating conditions for no less than 30 airlines. From the point of view of geographical positioning, they are located near the big cities of the country: Bucharest Otopeni (Henri Coandă), Băneasa (Traian Vuia), Cluj (Avram Iancu), Timișoara (Traian Vuia), Târgu Mureș (Transylvania), Constanța (Mihail Kogălniceanu), Iași, Oradea, Sibiu, Bacău, Arad, Craiova, Baia Mare, Satu Mare, Suceava, Tulcea.

Through the 16 airports in Romania, in 2018, 21.8 million passengers were transported, more than 7 percent more than in the previous year.

The country's most massive air gate is Henri Coanda International Airport, which facilitated the transport of over 13.8 million people in 2018. On the other positions in the top 3 are Avram Iancu International Airport from Cluj-Napoca and Traian Vuia International Airport from Timisoara with 2.7 million passengers and 1.5 million passengers respectively.

Henri Coandă Airport in Bucharest is one of the largest and most modern airports in Eastern Europe, is located 16.5 kilometers north of the center of the capital, and having a total area of 605 ha. It registered an increase in the total number of passengers by almost one million passengers, from 12.84 million in 2017 to 13.82 million in 2018. In this context, the country's most massive air gate has 68% of the total passenger flow in Romania passed.

To maintain operating standards and to cope with traffic, the airport has modernized its main landing-take-off runway, expanded platform no. 1 with 15,000 sqm, with four new parking positions being created for aircraft. The construction of a new terminal with 25 gates of loading gates as planned. The total value of this project is approximately 1 billion euros.

Analyzing from the point of view of the airlines present at the Otopeni Airport, at this moment there are over 30, from all corners of the world (<http://www.bucharestairports.ro/en/pasageri/companii-aiene>). One of the most important operators, and the only one with state capital among them is Tarom. This is the oldest airline in our country, its bases being set before the First World War.

CSR (Corporate Social Responsibility) is a concept that refers to the contribution that companies must make to the development process of modern society.

The air transport industry plays an essential role in the tourism industry. This has led to the acceleration of the implementation of actions and practices dictated by corporate social responsibility. The airline industry can cause direct environmental effects through its activities. Following the forecasts of the last years, we observe how the airlines design their policies following the ecological problems to the detriment of the economic and social implications (Cole et al. 2013).

To set up a unique evaluation system, the CSR issues specific to the airline industry have been evaluated using sustainable development indices or rating systems including FTSE KLD 400, Social index, FTSE4GOOD GLOBAL INDEX (Zhao et al. 2012). The most crucial index highlighting sustainability is DJSI, which, according to a Rate, the Raters survey showed the highest credibility of 16 qualifications (Chen et al. 2012). The DJSI questionnaire can be used in several areas of activity, but it is best suited to the airline industry, in which specific issues are addressed such as fleet management, reliability, efficiency, fuel and not least (SAM Sustainability Yearbook, 2019 ).

To ensure a fair representation of the entities that provide air transport services, in 1945 IATA, the global commercial association of airlines, was born. Currently, it represents 290 airlines, which means 82% of the total air traffic operators. IATA is the organization that supports aviation fields helping to design industry policies and solving critical aviation issues (Iata, 2019). IATA has iterated several matters of sustainability in aviation, reaching segments such as safety, environmental changes, aircraft noise, and air quality. Another major organization in the aviation industry is ICAO. It is part of the UN's specialized organizations and operates with 191 states that have acceded to the convention, as well as with industry and world aviation. It works with the 191 signatory states of the agreement, as well as with industry and world aviation. ICAO 2013 environmental report also mentioned aircraft noise, local and global air quality emissions

The current trends of the market have favored the increase of the level of exposure of customers to CSR. The prominent players in the civil air transport field appreciated this interaction, taking advantage of this opportunity to donate kilometers traveled in a certain period to a charity. Large US companies such as North West have developed a list of AirCare's partners from which a passenger can choose. US Airways is promoting the Make-a-Wish Foundation as its national charity for donating miles (miles) (usairways.com, 2005).

Another way passengers can donate is by adopting a particular local school where Hawaiian Air adds 10%. Or, the passenger can select a teacher, and he uses it miles to fly himself or with students (United Nation, 2018).

Social marketing is a CSR program whereby the company aims to change a behavior classified as unfavorable or to convince the public, or in the case of airline companies, the passengers, to adopt an action with the most positive influences. Such programs are based on tactics that aim to increase the degree of information or education, with a keen eye for changing behaviors. Most of the times, the practices that a transport service provider is following have serious problems. One of the most often noted aspects is that people's reluctance to change. In this case, to justify a social marketing campaign, the problem must have a high degree of stringency, and its implementation will eliminate several significant risks.

In the air transport services in Romania, but also at the global level, problems are encountered, such as:

- Threats that could endanger the life or safety of passengers (eg, flight safety, accident prevention, etc.)
- Health (eg, problems caused by the effect of radiation on the body)

- Environment (eg, use of highly polluting fuels in air pollution, in-kind discharges of household waste, etc.)
- Involvement in various civic actions (e.g., volunteering, participation in blood donation actions, etc.).

With a figure of almost 3 million passengers in 2018 (Tarom, 2019), the only company with state capital in Romania, since 2013 the implementation of policies in the field of corporate social responsibility has begun. The most crucial measure of this kind was to change the fuel used for the aircraft in its fleet. It promised that by 2020, it would achieve fuel efficiency of 1.5 - 2%, as well as making the carbon-neutral growth of 2020 (Tarom, 2013). At present, as a complementary measure in 2018, a series of new rules have been implemented aimed at waste management, the efficient use of natural resources, the involvement of employees in various awareness programs, as well as their involvement in measures aimed at protecting the environment.

The airline industry plays an essential role in the segment of transport and tourism, respectively, which by its actions can create adverse effects, such as air pollutants, contributing to climate change, noise, and others — Economic and social problems. The premises of the European Commission show that by 2020, the level of emissions will be 70% higher than the level recorded in 2005 (European Commission. 2019). At the same time, ICAO forecasts that by 2050, the growth may reach between 300-700% compared to the current one.

#### 4. Methodology Research

Within the article was conducted pilot research within a sample of 124 people. The purpose of the study was to identify the extent to which the CRM measures implemented by the airline companies in Romania are visible and have impacted on the users of air transport services.

In this questionnaire, a package of 20 questions was prepared, to which 124 people answered. The questionnaire was conducted in the form of a survey within the Otopeni International Airport in Romania. The respondents were selected from the people who were leaving or returning from Bucharest. The results obtained were centralized and transposed in the form of easy-to-interpret graphs.

1. At what level do you consider that the security actions carried out before boarding aircraft are located?

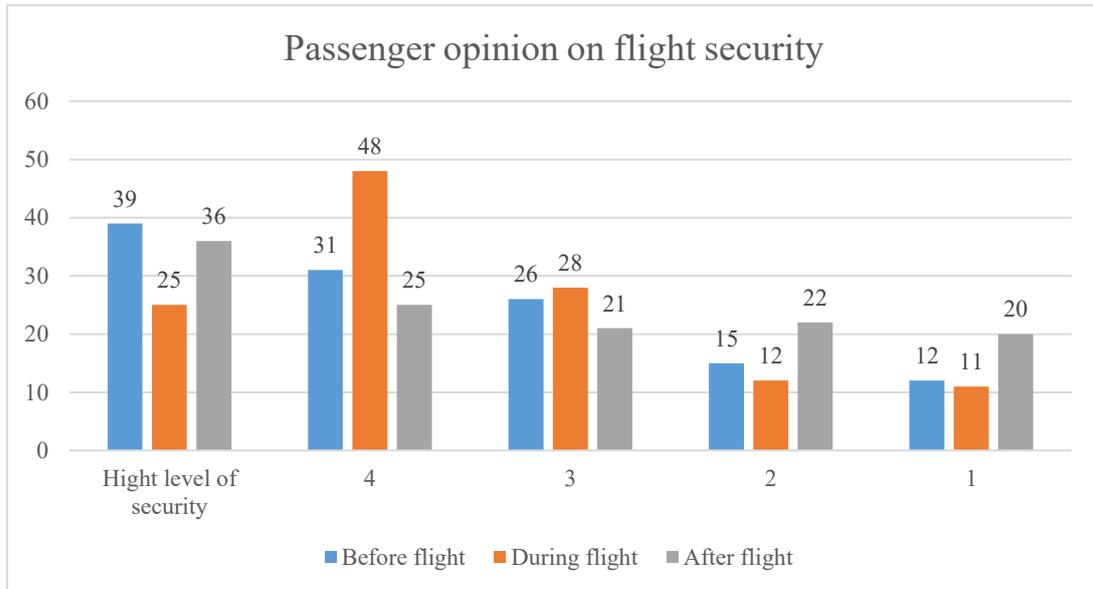
Very high level of security	High level of security	So and so	Low level of security	A deficient level of security
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2. At what level do you consider that the security actions carried out during the flight are located?

Very high level of security	High level of security	So and so	Low level of security	A deficient level of security
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3. At what level do you consider the security actions carried out after landing?

Very high level of security	High level of security	So and so	Low level of security	A deficient level of security
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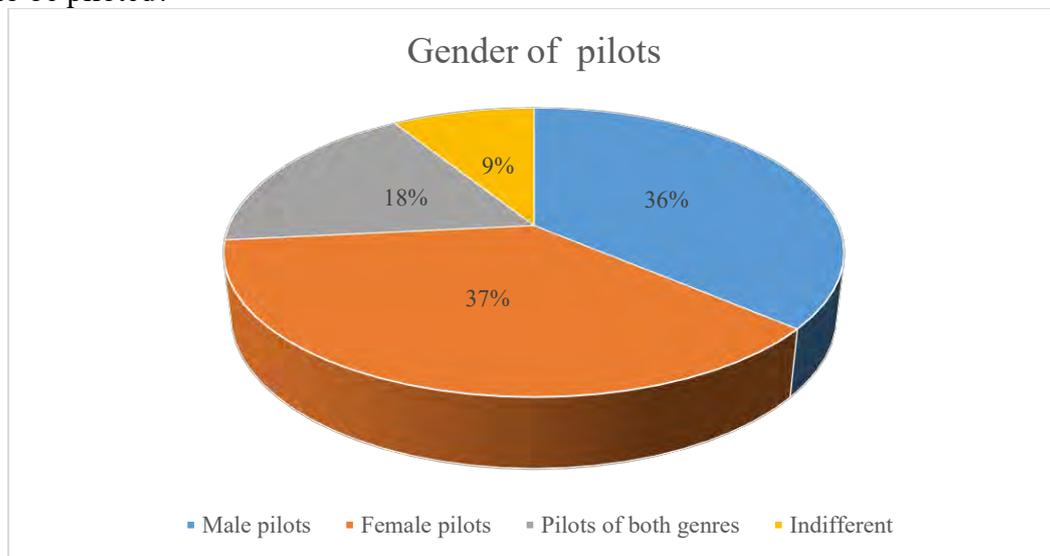


**Figure 1. Passenger opinion on flight security**

Source: Made by the author during the research

The passengers interviewed thought that the security measures taken before the flight are the most important. After-flight security checks were considered the least eloquent, obtaining a percentage of less than 10 percent.

Another question was, "Which formula do you prefer for the aircraft you are traveling with to be piloted?"

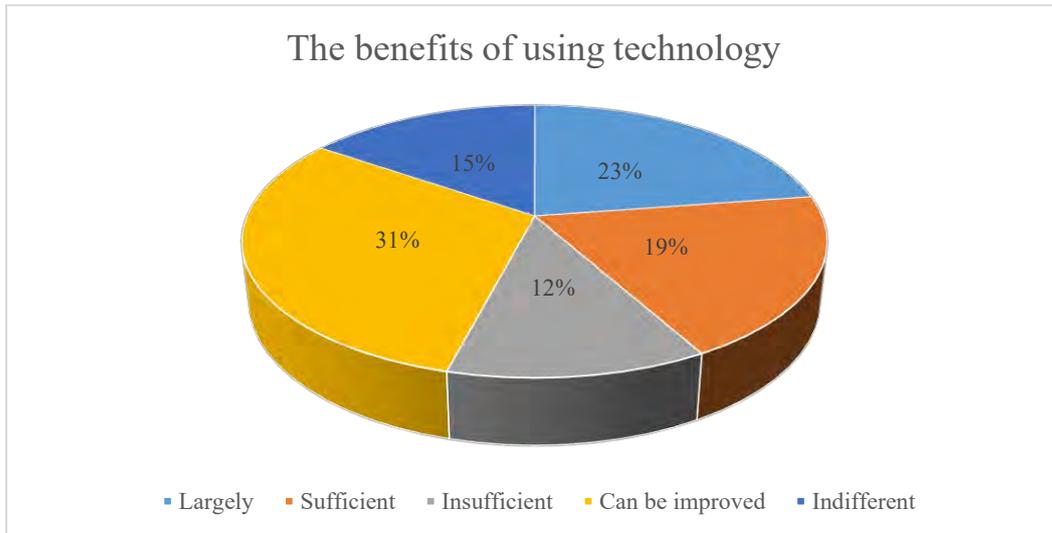


**Figure .2 Gender of pilots**

Source: Made by the author during the research

Issues related to gender inequities have been widely debated, including in this area. Due to the difference of only 1% of those who opted for the teams consisting of a pilot and a second pilot comprised of men and women respectively, a generally valid opinion cannot be drawn. The 9 percent of those who answered that the pilots' crew is indifferent is in the last place in the survey.

In the same order of ideas the following question, "To what extent do you think that the new technological opportunities have helped to improve air transport services (electronic tickets, online check-in, mobile applications)?"

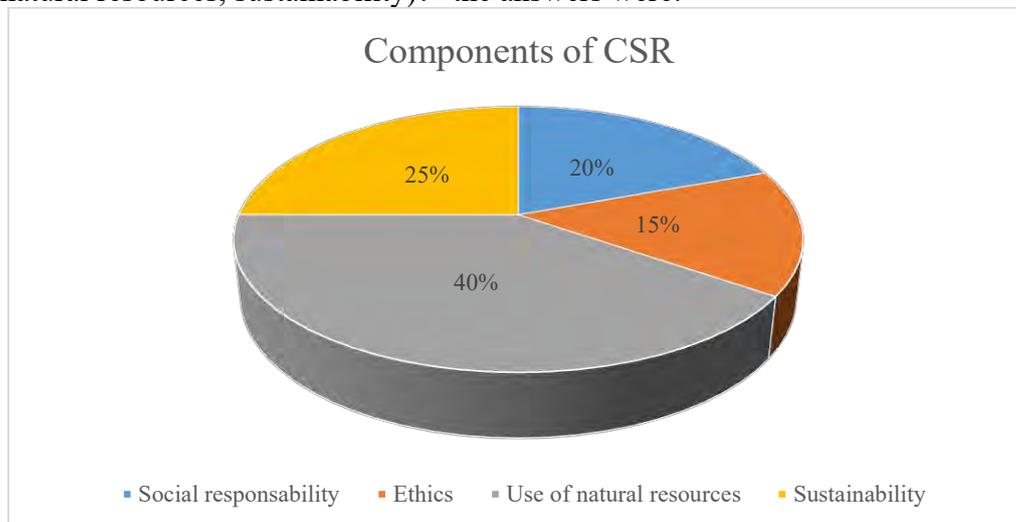


**Figure 3. The benefits of using technology**

Source: Made by the author during the research

Although all the entities in the field widely used the new rapid methods of boarding, the interviewed staff considered that these facilities could be the improvements (31%). With almost 15% fewer answers were found by those who felt that the usefulness of the new technologies does not help them, being them regardless.

On the question about “ To what extent do you consider the components within the field of CSR important, which the airline companies must implement (social responsibility, ethics, use of natural resources, sustainability)?” the answers were:

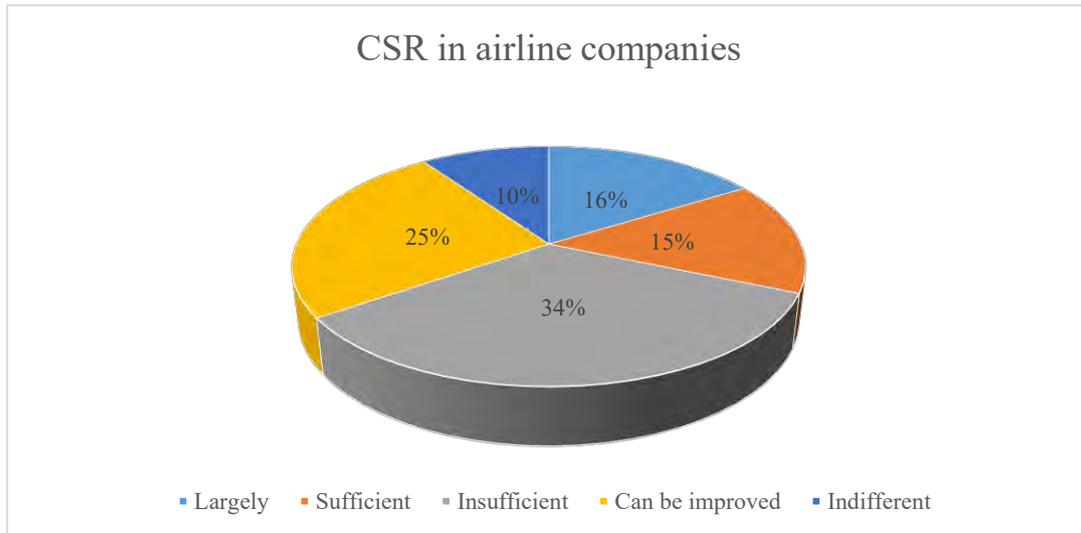


**Figure 4. Components of CSR**

Source: Made by the author during the research

The use of natural resources, with 40% of the answers, was considered an essential part of the vital components of CSR. The ethical issues in the actions of the airline companies were considered less critical, obtaining only 15%.

“To what extent do you consider that the CSR measures implemented by the airline companies in Romania are felt by the passengers (social responsibility, ethics, use of natural resources, sustainability)?”



**Figure 5. CSR in companies**

Source: Made by the author during the research

Although in recent years, the actions regarding CSR actions have increased in Romania, 34% of the respondents were not aware of them, considering that there is a piece of small scale information. Only 10% of respondents said that such actions are indifferent to them and they did not notice them.

“Are you willing to donate the benefits of loyal client status to support humanitarian actions?”



**Figure 6. The level of involvement in social actions**

Source: Made by the author during the research

Following the question regarding the availability to get involved in social actions organized by the airlines, 37% of the respondents expressed their agreement to be involved in such events. This percentage is about two times higher than the people who disagreed with a type of deed.

### Conclusions

The airline industry plays an essential role in the segment of transport and tourism, respectively, which by its actions can create adverse effects, such as air pollutants, contributing to climate change, noise and others — economic and social problems. The premises of the European Commission show that by 2020, the level of emissions will be 70% higher than the level recorded in 2005 (European Commission. 2019). At the same time, ICAO forecasts that by 2050, the growth may reach between 300-700% compared to the current one.

This questionnaire aimed to highlight the opinion of passengers on the corporate social actions, their impact, as well as the changes that a current passenger from an airline has. Most of the interviewees did not report that they fully understand the new CSR policies of the transport companies, considering them, of course, in today's society. Actions on environmental protection, efficient use of natural resources and sustainable development have proven to be the essential benchmarks behind which clients guide their choices, as with other industries.

The interview of the passengers took place at the Otopeni International Airport, in Bucharest, and the interviewed persons left or returned to the country. They traveled with various airlines, both from the airlines and low-cost airlines.

### Acknowledgments

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