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## **Being Socially Responsible by Managing Technology and Innovation**

**Ayşe GÖKÇEN<sup>1</sup> & Murat KOÇ<sup>2</sup> & Mustafa Fedai ÇAVUŞ<sup>3</sup>**

**Abstract:** Based on the literature review and the theory based view of the resources, this study aims to research the relationship between social responsibility and management of technology and innovation. Today, the origins of businesses are shaped and directed by technology and its practices. In today's ever-changing business world, making a change is a risky process and the innovation is a driving force for the organizations to be able to compete. In order to be socially responsible and get a competitive advantage, businesses should correspond to the change and be able to manage technology. The greatest source of references was the management literature which followed by the topics of innovation, technology and their management, social and corporate responsibility (CSR) with their benefits.

**Keywords:** Innovation, Technology, Social Responsibility, and Corporate Social Responsibility (CSR).

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### **Teknoloji ve Yenilik Yönetiminde Sosyal Sorumluluk**

**Özet:** Bu çalışma, literatür taraması ve teori temelli kaynaklara dayanarak teknoloji ve yenilik yönetimi ile sosyal sorumluluk arasındaki ilişkiyi araştırmayı hedeflemektedir. Günümüzde, işletmelerin ortaya çıkışı teknoloji ve uygulamaları ile direkt olarak şekillenmekte ve yönlendirilmektedir. Günümüzün sürekli değişen iş dünyasında, değişiklik yapmak riskli bir süreçtir ve yenilik, kuruluşların rekabet edebilmeleri için itici bir güçtür. Sosyal (açıdan) sorumlu olabilmek ve rekabet avantajı elde etmek için, işletmelerin değişime açık ve teknolojiyi yönetebiliyor olmaları gerekir. Referansların büyük bir bölümü yenilik, teknoloji ve bunların yönetimi, sosyal ve kurumsal sorumluluk (CSR) ile bunların yararlarıyla ilgili konuları ele alan literatür olmuştur.

**Anahtar kelimeler:** Yenilik, Teknoloji, Sosyal Sorumluluk, Kurumsal Sosyal Sorumluluk (CSR)

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## **1. INTRODUCTION**

Managing technology and innovation are of vital importance as a major focus on both businesses and society. In today's business environment, in the scope of technology and innovation, and social responsibility should be embraced by executives. New innovations in technology may guide to changes in business and society, even if they are unexpected changes. As White and Bruton (2011) emphasize that social responsibility necessitate to firms to adopt positive behavioural norms to be able to notice the on-going impact of their activities on all members of the society. Technology and innovation help creating value for businesses.

The field which underlined the corporate and social responsibility topics are not driven by not only experimental practices, but also by business, social and political areas (Lockett, Moon, & Visser, 2006).

This paper is structured firstly, social responsibility and its main lines, technology, innovation and their management in a strategic process. Secondly, it deals the relationship between social responsibility and management of technology and innovation available within the structure of literary compilation in the back of introduction section under the light of theory based researches. Finally, conclusions and discussions are given after the theoretical information mentioned before.

Innovatory and socially responsible organizations have a dynamic structure that interacts with internal and external environment. Making an innovation and managing technology cannot always be possible and they have specific complicated structures and as Barker (2001) said that, the results of innovation are not able to foresee like a future.

It was purposed in this study to examine the relationship between social responsibility and management of technology and innovation. Depending on this, it was intend to evaluate the influence of managing technology and innovation upon social responsibility.

## **2. SOCIAL AND CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Social responsibility, which requires a responsibility for the future and environment, can be defined as a relationship between an organization and the local society. It influences the firms' activities to be competitive with other organizations in the same market. Having socially responsible actions provide an edge to be competitive among competitors and bring a reputation which is the most valuable wealth of companies.

Corporate Social Responsibility (CSR) is an idea located behind corporate social performance to response to social pressures (Cochran, 2007). The environment is an important factor which positively or negatively

influences the firms in competition. Werther and Chandler (2005) mention that CSR is a term about combining common sense policies into corporate strategy, organizational culture, and business decisions based on the stakeholders and customers' needs. Creating new strategies are also related to the corporate social responsibility of the firms to be more successful in their unsteady environment.

The term identifies the meaning of voluntary concerns in business activities to achieve social and environmental benefits (Davis, 1973). As mentioned in a book written by Crowther and Guler (2008) that there are three basic principles that contain all activities in corporate social responsibility, such as; sustainability, accountability, transparency.

Sustainability is a concept associated with today's actions for the future life. The word "liveable" is often heard when sustainability was put into words. The term is also used to improve the quality of long-term maintenance of human life. Corporate social responsibility shapes sustainable competitive advantages for the companies.

Accountability is related to responsibility which defines the actions influences the internal and external members of environment. This concept also implies the prominence of the organizations as a part of the society.

Transparency as a meaning of clearness implies a way to see others' actions performed. It can be seen as a step "to be a part of the process of recognition of responsibility" Crowther, et al. (2008:16) for the external actions of an organization.

Certain actions taken by different firms in today's competitive World affect the influence and reputation of the companies' upon the external environment. Corporate social responsibility should be considered together with corporate behaviour which affects the company's success by considering the relationship between company and its interests. Firms and their activities are evaluated in terms of social benefits which result from corporate actions. Corporate social responsibility should be generated into the organizations' strategies. As Crowther, et al. (2008) emphasized that when businesses act socially responsibly to make decisions in its strategy then they will be more sustainable in their future. Friedman (1970) also emphasized that the social and corporate responsibility will help businesses to enhance their profits by guiding them.

### **3. EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY**

The phrase *Corporate Social Responsibility* briefly (CSR) was made sense in 1953 with the book of Bowen named "Social Responsibility of Businessmen", which posed the question "what responsibilities to society

can business people be reasonably expected to assume?”. The definition of corporate social responsibility was expanded in the 1960s, and suggested to include the meaning of being accountable for the society (Alley, 1996).

Porter and Kramer (2002) suggest that companies should make use of the association between social and economic needs, rather than make an effort to minimize that. As Cochran (2007) put forward that the focus of the topic got changed in the 1970s from corporate social responsibility to corporate social responsiveness. Companies' goals will certainly be more influential when they address and focus on the social needs.

Throughout the 70s and 80s discussions of the concept of CSR grew, but the first company publishing an actual social report was Ben and Jerry's (an American ice cream company, founded in 1978) in 1989, and the first major company was Shell (multinational oil and gas company, founded in 1907) in 1998 (Alley, 1996); the Body Shop, and Health Valley companies can be counted to confirm the importance of CSR in marketing (McWilliams and Siegel, 2000). In the most general sense, the term “corporate social responsibility” represents the meaning of firm efforts which are done on a voluntary basis (Sprinkle and Maines, 2010).

Neville Isdell, the former chairman and CEO of the Coca-Cola Company, has showed an approach to find an answer to the question of how companies can connect with society and social problems while ensuring sustainable and profitable growth in the twenty-first century. Over the past 20 years, corporate social responsibility (CSR) policies were changed in multinational companies (MNCs) with an important decision. Companies have begun thinking CSR in a strategic way, and adapting corporate social projects with their business models and goals to improve their companies' competitive advantage (Runde, 2011).

#### **4. INNOVATION, TECHNOLOGY, AND THEIR MANAGEMENT**

Innovation refers to both the process and the result which is an output of this process. Innovatory business/organization is an organization which performed an innovation during the examination process. Gokcek (2007) emphasizes that the organization which gains a competitive advantage is named as innovatory organization.

Businesses should renew themselves to survive in free competition market. In this sense, organizations should pay an attention to the risks and advantages in an innovation process as well. For this reason, successful organizational structures are needed as Demirci (2007) said before.

Innovation can be categorized in two ways as process and product innovations (White, et al., 2011). *Process innovation* can be considered as a

control mechanisms for the product innovation. The goal of process innovation is enhancing the activism and efficiencies of the firms. On the other hand, *product innovation* is related to the development of new products by using new materials. As McWilliams, et al. (2000:605) emphasized that "...some consumers want the goods they purchase to have certain socially responsible attributes (product innovation), while some also value knowing that the goods they purchase are produced in a socially responsible manner (process innovation)".

Intangible assets of the firms (for example; reputation, value, social prestige) play an important role to lead the way to innovation and they are more likely to be valuable and precious to reproduce than tangible ones (Nogareda and Ziegler, 2006). All types of innovations in an organization necessitate the implementation of new management techniques which are significantly changed organizational structures and orientations. As Elster (1983) said that to influence technological innovations, firm-internal characteristics such as strategy, structure, and core capabilities play an important role in general.

Encouraging creativity which requires different thinking is a fundamental point to managing innovation. New ideas and information cause organizations to make something new (Durna, 2002). As mentioned above, innovation refers to the process and it can be said that managing innovation refers to managing this innovation process. White, et al. (2011) argue that innovation management can be defined as a process which includes developing an environment of organizational discovery and it is about implementation. In this sense, top management has a main position to authorize individuals in an organization to go into action on new concepts and take a risk. Innovative organizations support workers to develop the new thoughts (Durna, 2002).

No one can deny that technological improvements can also force businesses to innovate. A company, not wanting to lose competitive power, should improve its current technological structures to be innovative in competitive environment. Technology refers to the meaning of the process by which innovations are used to perform work. White, et al. (2011) emphasize that the outcome of technology changes and desired outcomes are delivered by technology.

As a conclusion, while technology is required to manage innovation, it is true that technology management does not necessitate innovation. Based on the above-mentioned and often-cited definitions, it can be said that management of technology encloses the management of innovation.

Technology management can be considered as a support element of innovation management.

On the other hand, technology works in an environment in which innovative conditions are encouraged. Innovatory organizations evaluate the most of technological opportunities besides being sensitive to the change in their environment.

#### **5. BUILDING SUCCESS WITH TECHNOLOGY AND INNOVATION**

Technology gives a chance to use a better implementation of the strategy and as Badawy (1998) emphasized that technology identifies the strategic and functional abilities of businesses. On the other hand, new technologies are used in a new production system and this means that new production system is a result of innovation. White, et al. (2011) said that many enterprises search for new technology capabilities to protect their competitive position.

Good understanding of human resource issues such as selective staffing system, reward system, training and development system etc. are needed to push managers through new technology for their firms (Verburg, Ortt and Dicke, 2006). Environmental product innovation which has an important and positive influence on waste disposal can be count as a factor to be successful in today's ever-changing and competitive World.

“A central part of the management of technology and innovation is determining what projects to fund, when to fund them, and how to fund them” White, et al. (2011:45). Technology and innovation bring along success and competitive edge to the firms and also provide value. Controlling the process and outcomes to be successful among the competitors can be provided by managing technology and innovation.

#### **6. SOCIAL RESPONSIBILITY AND MANAGEMENT OF TECHNOLOGY AND INNOVATION**

Social responsibility is important to improve the relationships between related regulations and organizations. By the way, improved image and strategies of the firms can be gained by behaving socially responsible. As Crowther, et al., (2008) emphasized that general improved relationship with stakeholders and better community relationships are also provided by social responsibility.

In addition, it should not be forgotten that “consumer expectations are related to corporate social responsibility” (Becker-Olsen, Cudmore, & Hill, 2006:52). Socially responsible actions of the organizations provide company

to get confidence of the customers. Customer satisfaction will follow this confidence. There is a great example for this in Business Wire (2006) as follows; Starbucks and its top management in company with chairman Howard Schultz try to find different ways to surprise people/customer by offering new and special products and services with high quality and the use of developing technology. It should be kept in mind that covering the expectations depends on working with eager and devoted employees to attain a goal.

Werther, et al., (2005) stated in their paper that for making strategic decisions and re-crafting the businesses, social responsibility should be introduced and thought starting from top management to down. Social and corporate responsibility can be considered as a tool for the firms to manage stakeholder expectations besides customers'. Last but not least, being socially responsible will help businesses and their leaders to demonstrate their unique responsibility to not only internal but also external environment.

On the other hand, governments and media also have an important role to socially be responsible. Cochran (2007) puts forward that strong government relations and pressures with positive media relations can help businesses to be responsible for the society.

Gradually, the importance of social responsibility was understood, and as (Cochran, 2007) said as an example that some MBA programs have begun to concentrate on the topic of social responsibility by offering a certificate program for graduate students.

## **7. CONCLUSION**

In conclusion, new technology knowledge and innovations should be implemented for products on the market or competitive advantages and they should always be new for the firm itself. It is true to say that technological environmental innovations could have a significantly positive influence on environmental management and corporate social responsibility as well.

Verburg, et al. (2006) put emphasis on this topic and emphasized that many companies, governments and universities actively play a role to illuminate people with new ideas about innovations to set up their own businesses. "Good technology management is a key factor in bringing great ideas to the market" (p. 9) and the various insights of the management of technology discipline benefits entrepreneurs to consult themselves for actualizing their ideas.

In order to engage in socially responsible efforts, there are different reasons for the firms such as; being socially responsible help organizations to motivate their workers. On the other hand, it is true to say that customers



choose the companies which concerned to the environment and environmental facts in their purchase decision process. Murray, (2007) said that employee motivation is a key factor for the corporate responsibility. As Sprinkle, et al. (2010) indicated that focusing on environmental attention can lead companies to reduce the production costs.

Connecting with corporate social responsibility and management of technology and innovation may allow companies to manage risks associated with external sources and support firms in decision making process. By the way, innovative activities may enable firms a chance to develop their productivity. As mentioned before, customers play an important role to force the firms for being socially responsible by purchasing environment-friendly goods and services. They prefer to use socially responsible firms.

In this case; customers, consumers, financial institutions, shareholders, government etc. show an effective and compulsive manner to the firms for being environmental, social, and voluntary responsible (Sprinkle, et al. 2010; McWilliams, et al. 2000). Corporate social responsibility also is important to generate a socially responsible corporate image and reputation (McWilliams, et al. 2000).

As a conclusion, it is the fact that, companies or corporations should understand the internal and external factors influencing their activities and all that factors should also be understood in economic, politic, and social fields to comprehend the meaning and importance of innovation, technology, and social responsibility. Cochran (2007) also emphasizes in his paper that it does not mean that companies which engage in the activities for social responsibility will not always be successful unless these activities connect with technology and innovation.

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