



Emerging Market Queries in Finance and Business

Corporate Governance like a Symphony Orchestra

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Abstract

The corporate governance and the music industry are current and important topics nowadays. So, we try to make a link between two of them. First of all, we can refer to the corporate governance at music industry level and second we can go deeper and talk about corporate governance like a symphony orchestra, metaphorically speaking. We can compare the corporate governance with a symphony orchestra, because we can say that the members of the board are really musicians/artists, which try to strike a tone. The research conducted spotlights that corporate governance should be more proactive and be understood vital like water and fire, like a basic need from Maslow's pyramid. For this must be a good education in this regard and also should not be seen like a trend, should be seen like a lifestyle, like a long term strategy, with tangible or intangible benefits for all stakeholders, both on short and long term. The results of our study led to the confirmation of the hypotheses stated at the beginning of the research.

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1. The Literature review

Corporate governance, corporate social responsibility and sustainability are intercorellated. Social responsibility is the newest of the three dimensions. Many organizations are becoming increasingly active in social aspects, becoming more accountable: Responsibility towards Customers and Suppliers treating

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customers and suppliers with responsibility is one of the business key factors with positive influence on the company's profits. These responsibilities may include such issues as high quality products or services, post service; prompt attention to queries and complaints; adequate supply of products or services; advertising and trading Responsibility towards Employees these aspects are included in terms and conditions of the formal contract of employment, but organizations must come up with wider expectations that today's employees have for the quality of their working life, which could include: safe, welfare, equal opportunities for all its employees, regardless of gender, age, race, or religion etc Responsibility towards the Community is interconnected with the stability, and prosperity of the communities.

General sustainability criteria are divided into three major categories: economic, social and environmental (ecological), each with several overtones: International organizations like European Commission, OECD, International Labour Organization, United Nations Commission on Human Rights ensure that aspects like economic, social and ecological, maintains its voluntary nature. If we try to compare corporate governance with music we can find some common elements, like:

Talent: in both cases should exist this question before starting them: Are you deeply passionate? Do you want to be the best in what are you doing?

Audience: here we refer at the users that are interested in them, the stakeholders.

Both sell something: the music, the experience, the knowledge.

Touring: international touring is very important to exchange ideas, experience that brings benefits both on short and long term.

Accountability for communities, for environment.

Social responsibility: here we can refer at their role in education, funding etc.

If we try a comparison from another point of view, we can find another link between two of them, the instruments: if a symphony orchestra deals with musical instruments, the corporate governance uses knowledge like "instruments" when they adopt decisions. Another common element of both of them is the composition: also in a symphony orchestra we have boards of directors, executive directors, music directors, musicians, staff, volunteers, audiences, and community leaders. In both cases it is necessary to think outside the box, and to become a trendsetter; there is a need for fresh ideas, creativity, quality and cooperation.

Both must accommodate and be flexible to nowadays problems to find to reach the best solutions, which earn both revenues and relevance. We can look at something that is obvious and we refer here at the tails those musicians from orchestras still wearing nowadays, being an old tradition when they served in the regal courts and were servants. If we look in hospitality industry sector for example we can observe that waiters or cooks have changed, in most cases, their uniforms. An important aspect is the cooperation, the partnership, which drives to obtain the best results both artistically and economically and bearing in mind this aspect, board members must be more responsible and accountable to function like an example for the others directors, by their passion with which they develop their work.

There is a very fine line between corporate governance and corporate social responsibility. (Jo and Harjoto, 2012). Both are extremely important for an organization and should not be viewed separately. Social responsibility is a necessity, it is an important obligation, both economically and socially and is defined not only from employees, suppliers and customers perspective, but also from the community and its wealth, because it is the direct beneficiary of available resources.

The notion of corporate social responsibility emerged in the United States of America, being introduced by Howard Bowen, in 1953, in his "Social Responsibilities of the businessman."

The literature presents a wide range of definitions (Herrera et al, 2011, Cochran, 2007, Carroll, 1991, Epstein, 1987, Jones, 1980, Frederick, 1960, Davis, 1960, Fitch, 1976, Sethi, 1975):

- Mahon and McGowan (1991) noted the positive effects of social responsibility (pp. 80).
- Kotler and Lee (2005) characterized the social responsibility as the one which contributes to the prosperity of the community (pp. 3);

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