

ACADEMIC TRAINING IN SOCIAL AUDIT – ANALYSIS OF NEEDS, CONDITIONS AND TRENDS

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Introduction

Issues of social responsibility are becoming more and more relevant. They have many followers. Evidence to this fact is that from the start till now (originally Global compact has been started with 20 companies) the Global Compact in Bulgaria brings together more than 140 companies which share the principles of the Global Compact and apply socially responsible practices [1]. Moreover, not only socially responsible organizations are increasing, but "the scope of corporate social responsibility in Bulgaria is expanding" [2]

In Bulgaria, during 2007 only two companies were SA 8000 certified (Georgieva, 2007). But their number is steadily increasing, especially in the construction sector. One reason is that one of the requirements for participation in public procurement is that companies have to show that they are socially responsible. In addition, in relation to the spread of corporate social responsibility in Bulgaria, the Public Procurement Act introduces changes that determine the removal of the employer from a public procurement contract when there are evidence for violations of labor law (Trud i parvo, 2018, p.11).

I think that parallel with the spread of corporate social responsibility has increased the necessity of applying social audit (an independent valuation of the organization's social goals). There are at least 3 arguments for that.

In the first place, some organizations declare in the public domain that they are socially responsible. At this point, it is assumed that the statement is true without the need to conduct a social audit. But to protect stakeholders' interests it is not enough only have a self-assessment of social responsibility, which is subjective. Corporate Social Responsibility has to be assessed by a social auditor who provides an independent assessment of the organization's social goals.

In the second place, some organizations declare in the public domain that they are socially responsible by submitting certificates of social responsibility for which they are certified. These organizations use the services of social auditors.

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In the third place, companies that have declared themselves to be socially responsible are required to do business only with socially responsible companies. In this way the chain of added social responsibility is maintained. How does a client firm convince her that her provider is socially responsible? Typically, a company representative visits the service provider and assesses his social responsibility. The assessment is done by a person who is trained to perform a social audit.

At present, in Bulgaria, there are various recommendations suggesting that experts and/or employees in enterprises should assess the social responsibility of the organization in which they work. However, these proposals miss important details. Firstly: The power of social audit, which is related to the assessment of the organization's social goals, is that it is independent. Can employees be independent? Secondly. Experts on social issues, labor law, human resources are certainly useful, but are they competent to carry out an audit? Do they know the rules, procedures, principles of independent assessment?

Society has to be sure that persons who are carrying out the social audit have professional competences and appropriate education to do this kind of audit.

Therefore, the purpose of this study is to analyze the needs for the development of academic training of social audit, to analyze the current situation and according to the results to present the tendencies. To achieve the goal the following tasks will be accomplished:

- ✓ To analyze the needs for the development of academic education in social audit;
- ✓ To analyze the current state of academic education in social audit;
- ✓ To analyzes the trends in academic education in social audit;
- ✓ To submit conclusions and recommendations.

Methodology of the study

The thesis of the study is that academic education in social audit is fundamental to the practice of employees in the field of control (labor inspection), internal audit, social audit, human resources units, corporate social responsibility consulting firms, sustainable development, rulers, the state.

The first hypothesis of the study is that there is a need for academic training for social audit.

The second hypothesis of the study is that the content of the analyzed academic training of social audit responds to the needs of the practice but there is a need to involve all stakeholders for creating and updating the social audit syllabus.

The methods for collecting information for the purposes of the survey are: document analysis, analysis of internet sources, analysis of scientific research related to social audit.

Scope of the study: The study will be conducted nationally. Only the syllabus for social audit which is taught at UNWE and VUZF will be analyzed.

At present, there is no study of academic education in the field of social audit.

The results obtained from this study could be used in both theory and practice. In theory, the results of the study could also be used to disseminate academic education in the field of social audit and in the other universities. The dissemination of academic education in social audit will provide the business and the state administration employees with the necessary professional competence.

In practice, the results of the study could be used to indicate the necessary competencies of the social auditor (for example, which could be pointed in job specification). The results of the study also present the need for joint syllabus between academics and business to improve academic education in social audit. As a result of the study a framework of the professional competencies of the social auditor is proposed, as well as an idea for a pilot application of the social audit in Bulgaria, outside of the certification of the social audit.

Analysis of the needs for development of academic training for social audit

The results of a study conducted at UNWE in the period 2014-2016 years dedicated to the Study on the Need to conduct Social Auditing and Application of Standards for Social and Environmental Responsibility in the Republic of Bulgaria (Peycheva, Miteva, Harizanova, 2017) show that there is a real need for the development of the academic training for social audit. Arguments for this claim are the results answers from the pilot application of the survey and the answers to three main questions from the survey.

With a pilot application of the survey among 20 people, 100% of the respondents returned questionnaires without answers to the questions related to the nature of social audit and the need for conducting it.

The first conclusion of the pilot study was that there is a need to clarify and publicize the essence and benefits of social audit.

After taking corrective actions and formulating questions in the questionnaire describing the definitions of social audit and its benefits, the results of the survey of individuals showed the following:

To the question, "Do you consider that there is a need to be conducted a social audit in the organizations?" responded 472 people. Some 96% chose the "yes" answer.

To the question "Do you think Bulgaria should create its own social auditors?", responded 477 people. Some 77% them highlighted the "yes" answer.

To the question about the benefits of conducting a social audit 467 individuals responded. Some 22% of respondents said that the benefit would be to distinguish

socially responsible employers from the socially irresponsible working in the "grey" economy, whereas 20% said that the benefit would be to encourage companies to commit to socially responsible behavior, while 17% said the benefits will be related to the strengthening of control.

Regarding to the legal entities (employers) who participated in the survey, the results showed the following:

To the question, "Do you believe that there is a need to conduct a social audit in organizations?" answered 452 employers. Some 84% chose the "yes" answer.

To the question "Does Bulgaria have to create (to prepare, to train) its own social auditors to carry out a social audit? Some 443 employers responded, 66% of which said yes.

To the question of the benefits of conducting a social audit, 433 employers responded. The first three benefits are: Distinguishing socially responsible employers from the socially irresponsible, working in the "grey" economy – 21%; boosting companies for socially responsible behavior – 18%; strengthening control – 13%.

The results presented by the survey as well as data on the spread of corporate social responsibility in Bulgaria show that there is also a need distribution of academic education in social audit.

Analysis of the current state of affairs in the academic education in social audit

The subject "Social Audit" has been present in the syllabus for the master degree of Human Resource Economics with specialization "Human Resources Management" at UNWE since 2012.

The master degree course consists of 60 academic hours of lectures. At present, the main topics in the course are 10. Their content is as follows: Essence and development of the social audit; Models of social audit; Characterization of standards of social responsibility and corporate social responsibility as the objects of social audit; Methodology of social audit. Stages of the social audit process; Identifying stakeholders; Methods of collecting information for conducting a social audit; Non-financial statements; Key elements of the Social Audit Report; Social audit bodies and standards of professional competence of social auditors; Problems and perspectives of social audit.

The topic of the essence and development of the social audit encompasses the following issues: analysis of the development of corporate social responsibility, which creates the necessity and development of a social audit, definitions of social audit, development of the theory and practice of social audit in Bulgaria and worldwide, comparative analysis between financial audit, human resources

audit and social audit, different types of social audit and the basic principles of social audit.

The topic of social audit models includes the essential differences in the application of social audit in Russia, Europe, the United States of America, India.

The theme of social responsibility standards as the object of social audit includes an analysis of corporate social responsibility, the principles of social responsibility of the UN Global Network, standards (SA 8000, AA1000, ISO 26000 and other social responsibility standards). In the topic, a special place is devoted to the "state and trends of corporate social responsibility" (Slavova, 2015, p.113) in Bulgaria.

The theme of the methodology of social audit includes: analyzing the main stages of conducting a social audit and defining the characteristics of the different stages of the social audit process.

The theme for stakeholder identification covers issues such as: analysis of stakeholder definitions, stakeholder types, approaches to identify specific stakeholders, and defining their commitment in the social audit process.

The theme of methods for collecting information on social audit involves an analysis of all the methods used by the social audit to collect information – interview, document verification, observation. In the theme are also analyzed the advantages and disadvantages of each of the methods of collecting information.

The topic of the non-financial statement includes an analysis of the main elements of the non-financial statement.

The theme of the main elements of the Social Audit Report includes an analysis of the different types of audit reports and the rules for their preparation.

The theme of the subject of social audit (social auditors) and standards of professional competences of social auditors includes an analysis of the necessary professional competences and personality characteristics that the social auditor must possess. The main focus of the topic is the analysis of the process of certification of social auditors. In the theme is also included an exemplary framework model for the professional competencies of social auditors. Key competences include: Corporate Social Responsibility, Corporate Culture, Ethics, Green Economy, Training and Development, Internal Audit, Remuneration, Safety and Health at Work, Labor Law, Industrial Relations, Integrated Accounting, non-financial statements, Social and Environmental Accounting, Labor Values in organizations, standards of social responsibility and the audit process.

The reason for incorporating knowledge related to learning and development and the guidelines for their improvement (Atanasova, 2015, p.141) is that this activity is a mandatory element in the socially responsible behavior of the employer.

The social auditor should know the elements of organizational culture because they are directly related to socially responsible behavior. For example, the elements

of organizational culture, such as: "the attitude of leadership to the people of the organization, relationships between leaders and subordinates, decision-making in the organization." (Davidkov, 2012, p.158) And yet, "corporate culture influences different groups and communities that are directly or indirectly related to the organization." (Dimitrova, 2012, p. 63).

Ethics is a topic that is needed by the social auditor because there is a strong link between ethics and morality. "The relationship between ethics and morality is that the first denotes the system of principles and knowledge for the second, i.e. principles and knowledge to distinguish good from evil. " (Paunov, Paunova, Paunov, 2013, p.112).

Knowledge of the green economy is necessary because "the green economy is offered as a policy approach to tackling the problems with slowdown in economic growth and job losses as well as the ongoing deterioration in environmental quality and ecosystem degradation" (Ivanova, V., 2017, p.7). The green economy is "a means of achieving sustainable development. Part of the green economy aims to create "green" jobs and promote good governance through inclusion, accountability and transparency." (Ivanova, 2017 p.15).

The knowledge of the non-financial declaration is necessary for the social auditor because they contain a "description of the business policies in terms of their activities in the fields of ecology, social and employee issues, human rights, the fight against corruption" (Veysel, 2018, p. 45).

Knowledge about the remuneration system is important to the social auditor, considering that the remuneration is related to the "sense of justice" (Stefanov, 2015, p. 37).

Knowledge of internal audit and internal control is relevant to the social auditor, given that for sustainable development, "it is essential to introduce and implement appropriate controls that go beyond the purely financial aspect. Control is directed to social goals and dimensions and thus manifests its social essence" (Dineva, 2017, p. 90).

Knowledge about safety and health at work is important to the social auditor, because "the right to health and safety at work is recognized as a basic human right in the Universal Declaration of Human Rights, which states that everyone is entitled to fair and favorable working conditions" (Stefanov, 2016, p.181).

The topic of social audit issues and perspectives includes an analysis of good practices on social audit, dissemination issues of social audit practice, the relationship of social auditors with internal auditors, new responsibilities of financial auditors in relation to non-financial statements.

In order to develop the practical knowledge of social audit, students have an individual commitment to plan the conduct of a social audit in a particular organization. Students who have obtained permission from the owners of a specific company perform a social audit and present the results of it.

With a view to the development of practical skills for social audit, some tasks for teamwork are included in practical lessons.

To promote the topic for social audit in Bulgaria and around the world, facebook page named Social Audit (Социален одит) was created, in which articles, presentations, research findings, related to social audit and social responsibility, in the Bulgarian and the English language are posted. The access to the page is without limitations.

The analysis of the academic education in social audit shows that this topic is also a part of other disciplines such as human resources management (Stefanov, Peycheva).

Recommendations

In the first place, not only companies certified according to social responsibility standards have to go through a social audit. Companies that have declared themselves socially responsible should also be audited by social auditors.

Secondly, the need for social auditors requires that staff should be trained for a professional competence to perform a social audit (I mean that part of the staff carrying out the social audit of a second party – the suppliers of goods and service).

Third, the syllabus designed in "laboratory" conditions is useful as a foundation for students. Yet this approach meets the needs of but a few stakeholders.

In connection with the first conclusion of the study, I propose to introduce a pilot social audit into companies that have declared themselves socially responsible. Participation in the pilot application of the social audit is only by request of the companies.

In connection with the second conclusion I propose the preparation of social auditors to be started in three main steps. The first step in training the staff to carry out a social audit is the wider dissemination of the "social audit" discipline in higher education institutions.

The second step is the creation of a Master's degree in Social Audit, which includes courses such as corporate social responsibility, social responsibility standards, corporate culture, internal audit of corporate social responsibility, protection against discrimination at work, health and safety at work, remuneration management, non-financial statements, and other learning disciplines which will form students' knowledge and practical skills for conducting a social audit. The third step is to develop and adopt rules regulating the profession of "social auditor".

With regard to the third conclusion of the study, I propose an active presence of all stakeholders in the development and updating of the course curriculum and / or syllabus in social audit.

In the group of the stakeholders I include representatives of trade unions, representatives of the state, business representatives, students' representatives, representatives of consumers of products and services, representatives of certifying organizations and trainers who are engaged in the process of teaching the discipline of social audit.

In addition, it is necessary to involve in the education process of social audit, representatives of business, trade unions and the Commission for Protection against Discrimination, as well as representatives of non-governmental organizations working in the field of corporate social responsibility.

This approach will provide students with not only up-to-date knowledge, but also information about different perspectives and attitudes towards social audit.

Conclusion

The first hypothesis of the study, according to which there is a need for academic training in social audit, is confirmed.

The second hypothesis of the study confirmed that the content of the analyzed academic social audit training responds to the needs of the practice, but there is a need to involve all stakeholders in creating and updating the social audit syllabus has also been confirmed.

Given the rate of development of corporate social responsibility, it is expected that the academic training of social audit also will continue developed.

Higher education institutions need to be more transparent about their syllabus. The UNWE has done so. Therefore, the analysis of the presence of the social audit in the learning process is facilitated. VUZF and the NBU have done the same. Probably the subject of "social audit" is also taught in other universities, but there is no information in their websites.

Other audits linked to responsible behavior are expected to grow and develop. For example, ecological audit. The main arguments for this are the "impressive pace" (Ivanova, Vasileva, Stefanov, Tipova, 2012, p. 5) of the development of the organic business and the development of green jobs (Harizanova, Stoyanova, 2017, p. 31). And this is the natural way of establishing sustainable development through a balance between economic, social and environmental goals.

Notes:

[1]Wikipedia, Globalen dogovor na OON, https://bg.wikipedia.org/wiki/%D0%93%D0%BB%D0%BE%D0%B1%D0%B0%D0%BB%D0%B5%D0%BD_%D0%B4%D0%BE%D0%B3%D0%BE%D0%B2%D0%BE%D1%80_%D0%BD%D0%B0_%D0%9E%D0%9E%D0%9D (Accessed 18 February 2018)

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ACADEMIC TRAINING IN SOCIAL AUDIT – ANALYSIS OF NEEDS, CONDITIONS AND TRENDS

Abstract

The present analysis is carried out for the purpose of implementing a scientific event dedicated to "Responsible Choice: Training, Research, Practices" [Round Table, 2017], organized on 29.11.2017 at UNWE. The methodology of the study includes three main stages: purpose, objectives, thesis and hypothesis of the study, collection and analysis of information, conclusions and recommendations. The purpose of this study is to analyze the needs for the development of academic training of social audit. The main tasks of the study are: to analyze the needs for the development of academic education in social audit; to analyze the current state of academic education in social audit; to analyzes the trends in academic education in social audit; to submit conclusions and recommendations. The methods for collecting information for the purposes of the survey are: document analysis, analysis of internet sources, analysis of scientific research related to social audit. Main conclusions and recommendations are linked with necessity of including all stakeholders in the process of creating syllabus; necessity of more transparency of the content of the syllabus.

At present, there is no study of academic education in the field of social audit. The results of the study could be used of lecturers in social audit (but not only), the administration of the universities to make decisions and others who have interests in the process of training of social audit.

Key words: corporate social responsibility, social audit, standards for corporate social responsibility.

JEL: I2, I3, M4, M5