

Enterprise social responsibility, reverse logistics and cost accounting development

Responsabilidad social empresarial, logística inversa y desarrollo de la contabilidad de costos



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ABSTRACT

Enterprise social responsibility, as an important strategy at the organizational level, is increasingly linked to business practices, functions and processes, such as logistics management. The objective of the work was to carry out an analysis of the theoretical relationships between the practice of enterprise social responsibility and reverse logistics in organizations, as a basis for the development of cost accounting. Theoretical research methods were applied based on the consultation of updated bibliographic sources, which allowed the systematization of the main contents related to the subject. The synergy between the concepts of social responsibility and reverse logistics and the existing study possibilities for the development of cost accounting was recognized. The bibliographic analysis made possible to identify the potentialities of studying the link between the two concepts within the framework of cost accounting.

Keywords: enterprise social responsibility; logistics management; reverse logistics; cost; cost accounting

RESUMEN

La responsabilidad social empresarial, como importante estrategia a nivel organizacional, se vincula cada vez más con prácticas, funciones y procesos empresariales, como es el caso de la gestión logística. El objetivo del trabajo fue realizar un análisis sobre las relaciones teóricas entre la práctica de responsabilidad social empresarial y la logística inversa en las organizaciones, como base para el desarrollo de la contabilidad de costos. Se aplicaron métodos teóricos de investigación sobre la base de la consulta a fuentes bibliográficas actualizadas, lo que permitió sistematizar los principales contenidos relacionados con la temática. Se reconoció la sinergia entre los conceptos de responsabilidad social y logística inversa y las posibilidades de estudio existentes para el desarrollo de la contabilidad de costos. El análisis bibliográfico realizado permitió identificar las potencialidades de estudio del vínculo entre ambos conceptos, en el marco de la contabilidad de costos.

Palabras claves: responsabilidad social empresarial; gestión logística; logística inversa; costos; contabilidad de costos

INTRODUCTION

The enterprise social responsibility (ESR) is, increasingly, a strategy that allows organizations to articulate actions to improve the living conditions of their employees and society in general, as well as the preservation and conservation of the environment, even affecting the development of functions and business processes. Increasingly, ESR is emerging as an important business tool that can place companies in a better position to act in harmony with their environment and their collaborators, affecting their competitiveness and the possibility of generating successful relationships with their various stakeholders, in a sustainable manner (Fernández, Calero, Parra, & Fernández, 2017).

Likewise, other important strategic tools have been gaining strength in business practice in recent years, such as integral logistics and quality management, which according to Martínez and El Kadi (2019, p. 202) are customer-oriented and allow the organization to adjust "to new realities and adaptation to market demands as a competitive advantage". Specifically, in relation to the development of the business logistics management process, it is recognized the need to orient it as a planning mechanism aimed at reducing uncertainty, synchronizing relations "between markets, distribution channels, operational activities and suppliers" (Padrón, 2016, p. 6). This is a management that, given its nature, has a high complexity, which has implied that it is increasingly integrated with other business activities such as: information management, application of computer systems, planning, among others, with the aim of synchronizing them with external variables such as demand, market requirements (Mora, 2016), and increasingly the environmental and social

requirements imposed on the scope of organizations, which aspire to maintain sustainable relationships with nature and society.

It is in this area that, for some years now, "green", that is, environmentally friendly in all its aspects, has been incorporated as a criterion for logistics management, based on the "measurement of the environmental consequences of transport, reduction in the use of energy and materials" (Mora, 2016, p. 98). Interrelated with this approach, the concept of inverse logistics has been erected, which "(...) provides the knowledge of the forms of reintegration into the market of the goods benefited by the production processes" (Maquera, 2012, p. 31), starting from the fact that "(...) supposes recycling and reuse of out-of-use products, as well as reduction of raw materials in the manufacturing processes" (Maldonado & Torres, 2013, p. 37). This concept breaks the traditional criteria that, once the product has been distributed, the company's responsibilities end. The identification that in this process of "return" there is a strong sustainable competitive advantage, has been the success of many companies that adapt to current market conditions and society.

The object of the reverse logistics process is, on the one hand, to recover values associated with the production and commercialization process, since the costs of returns and losses generated, in certain industries, are currently millions (Zhao, 2017); and on the other hand, to show its commitment to environmental, ecological and social responsibilities, as a clear manifestation of its ESR.

Precisely, one of the concerns, which have raised the importance of reverse logistics,

is the reduction of cost (Bustos, 2015), which is in the framework of accounting one of the main concerns for management and a key basis to facilitate the decision-making process. Costs are precisely one of the areas of opportunity identified for logistics management models, together with procurement, storage, distribution and customer service (González, Martínez, Malcón, & Cavazos, 2012). In particular, the literature recognizes that, in the case of reverse logistics, the costs "(...) are less visible and rarely accounted for" (Urbano, 2019, p. 24), which allows us to infer that there is a whole spectrum to be investigated, that given each sector or industry will acquire its particularities" (Urbano, 2019, p. 24), which allows us to infer that there is a whole spectrum to be investigated, that given each sector or industry will acquire its particularities.

The aim of this paper is to analyze the theoretical relationships between enterprise social responsibility practice and reverse logistics in organizations, as a basis for the development of cost accounting in this area.

MATERIALS AND METHODS

The research carried out has a theoretical character, so methods such as historical, systemic and dialectical were used, which allowed to reveal the relationships between the categories and concepts studied.

The main technique used was the review of bibliographic documents from databases such as SCOPUS, SCIELO, DIALNET and REDALYC. More than 30 bibliographic sources of the last years were revised, guaranteeing the actuality and quality of the information used.

The analysis was divided into three themes: enterprise social responsibility as a business strategy; links between ESR and reverse logistics in companies and cost accounting associated with the integration of ESR-reverse logistics.

RESULTS AND DISCUSSION

Enterprise social responsibility as a business strategy

One of the edges of the much approached concept of sustainable development is the one given by ICLEI (2005) in that it is the "(...) development that delivers environmental, social and economic services to an entire community, without affecting the viability of the natural, constructed and social systems on which the provision of those services depends"; thus recognizing the quality of interrelation between enterprises, productive processes and natural and social ecosystems.

The evolution of the sustainability approach has allowed more and more companies to observe as a viable practice the design of strategies and implementation of activities, functions and processes that tend to harmonize their traditional productive activity with the aspirations of maintaining a healthy and lasting environment and a society with a high quality of life. In the opinion of Barros, Retamozo and González (2015) "companies implement programs and activities on the basis of enterprise social responsibility, a strategy justified both by the current pressures coming from society and by the benefits they obtain in terms of reputation and the management of relations with stakeholders or interest groups"; this being a term that encompasses the maximum aspirations that any organization may have. All of this,

in an environment of greater social demands, based on an increase in the level of social awareness and an increasingly failed action by national States in pursuit of the aspirations of collective welfare, consigned in the majority of magna carta, where ESR is recognized as having the capacity to fight, among other world aspirations, against poverty, specifically as one of the problems that humanity has not managed to overcome.

There is a great deal of theoretical and empirical evidence about the positive relationships between ESR and work performance, financial performance, productive adaptations of industries, among other indicators of business performance. Such is the case of the study by Padilla, Arévalo, Bustamante and Vidal (2017) who demonstrate the significant relationship between the practices of ESR, in certain types of industries, with financial indicators of profitability.

The fact that the company generates actions based on business ethics -the pillar of the organizational culture- will allow it to handle itself with an image of being socially responsible, and not only to implement sporadic and circumstantial ESR programs or, in many cases, to be far from all this vision and, at best, to manage advertising plans that only deceive the client or consumer. According to González, Vázquez and Mejía (2017), the main causes of companies' failure to implement successful ESR strategies are basically problems related to lack of management, poor relations with stakeholders, poorly designed indicators, incorrect planning and weak or non-existent legal frameworks.

However, it is a fact that the organization, which has voluntarily decided to implement these practices, is capable of generating long-term advantages and success (Terán Rosero et al., 2017); as well as of modifying the vision it has of the

productive function, with the sole character of exploitation of human and natural resources, complementing it with a more human and social perspective in order to find a balance in management, satisfying the needs and expectations of the different groups involved.

Links between ESR and reverse logistics in enterprises

The evolution of the reverse logistics concept has been visualized over the years, as Rubio and Jiménez (2016) state, from the 1970s, the previous century, when it focused on the activities required for the recycling of raw materials, with a high influence later, in the 1990s of operations research and engineering, to the situation that, since the beginning of this century, indicates that rarely does a successful company manage its logistics chain, without taking into account return flows.

The usefulness of reverse logistics is recognized, since "the recovery of discarded products and materials by consumers presents great opportunities for companies that can achieve sustainable competitive advantages through efficient management" (Iglesias, 2018, p. 9). It is a process that arises as a result of the fact that more and more modern companies are concerned with recovering products, materials and waste from customers, with the objective of both recovering value and increasing after-sales services. According to Silva (2017), the main reasons why companies carry out reverse logistics are the economic benefits, the legal pressures and the growing culture of citizens regarding this issue.

Due to their concept, scope and tools, they are very similar to the principles and practices of ESR, since as they consider Gaibor and Aguilar (2017), in addition to

generating new sources of production, they allow the company to be managed with a global and responsible vision of the environment; hence there is a lot of synergy between both concepts, which is evident in the bibliographic review in this regard. Thus, some authors identify them as an alternative, from the management of the company to mitigate climate change, given their scope in closing the cycles of production and marketing processes, among other business processes.

The associated research works focus on numerous aspects, highlighting the design of processes that are "friendly" to the environment, where technological applications have been extremely useful according to the bibliography analyzed, for example the work of Camargo, Franco and Chud (2017); the evaluation of the sustainability of inverse chains, focused on social, environmental and economic variables that have an impact during the process, as well as the evaluation of the differences between industries, sectors and types of companies, among others, all of which imprints particularities on these processes and functions in the company.

In general, the literature evidences the compatibility between the practice of ESR and the reverse logistics process, recognizing that companies that apply environmental criteria along their logistics chain and focus especially on "returns" can be identified as socially responsible companies (Leguizamón, Acosta, & D'véra, 2013). In this way, links are established that, from the theory, allow the identification of potentialities for companies to develop different practices such as reverse logistics and ESR, with a common objective: to establish synergies with the environment and society.

Cost accounting associated with ESR-reverse logistics integration

As is internationally known, cost accounting is "an information system for recording, determining, distributing, accumulating, analyzing, interpreting, controlling and reporting the costs of production, distribution, administration and financing" (Chang, Alba, González, López, & Moreno, 2012, p. 1).

The concern comes, on the one hand, in the sense that reverse logistics should be planned, implemented and controlled under various principles, including appropriate cost, especially operating costs, which are generally higher than in direct logistics (Urbano, 2019). The study of costs in this area is vital, on the one hand, to facilitate decision making in relation to whether the company is willing to assume the expenses required, especially transport; and on the other hand, to identify a source of opportunities, based on the potential that reverse logistics has for, in the medium term, become a way to reduce operational costs that affect business profitability.

There are also studies that show the application of computer systems to cost accounting in relation to reverse logistics, with evidence of improvements in operational costs and other financial, economic and productive indicators (De la Hoz, Vélez, & López, 2017). Similarly, it has been shown that, in general, the costs of implementing the reverse logistics process bring an economic return in the productive chain, with other positive effects -which are also measurable- from the environmental point of view.

This is a branch of study that deserves to be broadened and deepened, as there is not enough evidence of work related to this subject. It would be extremely interesting to begin the study on the

feasibility of incorporating the analysis of costs associated with reverse logistics, within the framework of the development of social accounting, which is dedicated "(...) to the recognition, measurement and disclosure of socially responsible facts, executed by organizations" (Hernández & Escobar, 2017), with the disadvantage that there is no difference with cost accounting, legal regulation or processes that protect it.

In general, it is recognized that enterprise social responsibility has, increasingly, possibilities of application in organizations, as an effective strategy that will achieve competitive advantages in a sustainable

manner, which facilitates the development of activities, functions and processes that ensure high standards in economic, environmental and social indicators. In this order, one of the processes that has worked most in recent years, as a successful business practice, is reverse logistics, which is found in the bibliographic analysis, made compatible with the strategy of social responsibility. In the work, a broad spectrum of study was identified in connection with the theoretical and empirical relationships among enterprise social responsibility practices, reverse logistics processes and cost accounting applications, which constitutes an interesting line of research.

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