

CSR IN THE ACTIVITIES OF POLISH ENTERPRISES – RESULTS OF OWN RESEARCH

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Abstract: In the era of the global economy, conducting business is more and more often based on economic, environmental and social management aspects, and thus on the assumptions of the CSR concept. This is the concept according to which companies strive to maximise their profits while meeting, at the same time, social and environmental objectives. It can be said that CSR is currently an effective management strategy that gives enterprises confidence capital, which more and more often determines the choice of the consumer or potential partners. This study addresses the subject of CSR, and in particular its place in Polish companies. Therefore, apart from the theoretical basis, in the study were presented the conclusions from the research conducted in 2017 in comparison to 2014, on the basis of which one can notice the changing attitude of Polish enterprises towards social responsibility – CSR. The research results show that Polish enterprises are beginning to balance economic goals with activities in the field of social responsibility, including environmental responsibility, which forms the basis of CSR.

Keywords: corporate social responsibility, economic goals, social goals, environmental goals, trust.

1. Introduction

Along with economic development, surrounding expectations of organisations, enterprises and other entities operating on the market also grew. At present, it does not suffice to limit one's activity to creating value and therefore maximising the profits, but instead it must be extended by achieving social and ecological goals. For this reason, many companies take actions related to implementing the concept of social responsibility – CSR, as evidenced by the growing number of reports and good practices in this field. To confirm the above, according to A. Kolk, the scope of social notions that companies have to address has expanded to incorporate moral and ethical issues as well as social issues, including working conditions, the environment and sustainability (2016, p. 23). As claimed by A.A. Sidhoum and T. Serra (2017, p. 1) there are no universal CSR characteristics, however it is currently treated as a four-dimensional concept, including the following dimensions:

- economic, referring to the direct and indirect financial results of a company,
- environmental, related to the impact of economic activities on natural ecosystems,
- social, involving issues related to the living standards of employees, customers and future generations as well as
- the dimension of corporate governance, connected to relationships between directors.

It can be stated that CSR is widely recognised as a key notion that modern enterprises must follow in order to ensure a competitive advantage and maintain long-lasting relationships with stakeholders (Carrol, and Shabana, 2010). According to P. Kotler and N. Lee, as part of social responsibility, companies are "obligated to improve community well-being through discretionary business practices and contributions of corporate resources" (2005, p. 3). In McWilliam and Siegel's (2001) view, CSR is defined by "actions that appear to further some social good, beyond the interests of the firm and that which is required by law". In this respect, CSR is perceived as a moral imperative based on the principle of social, as well as environmental, voluntariness instead of that which is required or enforced by law. Of course, CSR must not be seen as a substitute for laws, acts or regulations. They are business activities whose scope covers the fulfillment of business objectives together with the achievement of social and environmental goals. According to M.E. Porter and M.R. Kramer, "economic and social objectives have long been seen as distinct and often competing. But this is a false dichotomy (...) companies do not function in isolation from the society around them" (2007). It is therefore those enterprises which balance economic objectives with social, also environmental, goals that become successful. It can thus be stated that CSR is no longer a supplementary activity of the company which generates nothing but costs, but rather a kind of requirement related to social expectations. Certainly, many entrepreneurs ask themselves whether responsible behaviour is possible? profitable? what impact has it got on the functioning of their company?

This study addresses the subject of CSR, in particular the determination of its place in the activities of Polish companies. In light of the above, in addition to the theoretical basis, the study presents the conclusions from research carried out between 2017 and 2018, as compared to research performed in 2014, thanks to which it will be possible to obtain answers to the research problems presented above.

2. Source material and test method

The study was divided into two main parts. The first part is a theoretical in which was used a literature discussion relating to the analysis of 15 years of CSR from the perspective of Polish enterprises. The second part of the study is empirical and its aim was to define the role of CSR in the activities of Polish enterprises. The study is of purely theoretical and empirical nature,

and its aim is to define the role of CSR in activities of Polish companies. The research methodology makes use of literature relating to the analysis of 15 years of CSR from the perspective of Polish enterprise.

In addition, the purpose of the study was to find the answers on the following research problems:

- is it important for companies to be guided by ethical principles?
- whether Polish companies feel an increased need for the implementation of activities in the field of social responsibility?
- what are the reasons for the interest in CSR?
- what is the opinion of Polish companies regarding CSR?
- what CSR activities are undertaken by Polish enterprises?

It should be emphasized that the presented conclusions in the empirical part were formulated on the basis of the results of surveys conducted at the turn of 2017/2018 compared to the results of surveys conducted in the first quarter of 2014¹. The research tool used in the survey was a questionnaire (PAPI and CAWI) addressed to 174 companies in 2014 and 101 companies between 2017 and 2018. The respondents were both managers (45.5% and 36.6% respectively) and employees in non-managerial positions (54.5% and 63.4% respectively). Most of the companies which participated in the research were from the SME sector (73% and 75.4% respectively). It should be stressed that the conducted research was completely anonymous and voluntary.

3. CSR in practice – 15 years of CSR in Poland

The emergence of CSR in Poland is usually traced back to the period of systemic transformation, when the Polish market was eager to absorb Western business standards. According to K. Kowalska, it was connected with the entry into our market of international corporations which transferred their culture and standards into their host countries to a greater or lesser extent (2015, p. 227)

In the initial phase, social responsibility was treated as a hindrance to further development and the resulting market success. Therefore, there was a complete lack of interest in CSR among the management of Polish companies until 2000. The creation of the Business Ethics Centre (Polish: Centrum Etyki Biznesu) in 1999, followed by the creation of the Responsible Business Forum (Polish: Forum Odpowiedzialnego Biznesu), had a major impact on the development of CSR in Poland. Since 2002, the Responsible Business Forum has been publishing a report titled "Responsible Business in Poland. Good practices".

¹ Results of the study were published: Olejniczak, 2014, p. 232-242 and Olejniczak, 2015, p. 159-170.

The next step in the development of CSR in Poland was 2002-2004, described as the third stage of CSR. It was during this period that public declarations of recognising CSR as the foundation of company activities became trendy. The end of 2004 was the moment of development of specific, albeit fragmentary, projects involving select and significant CSR activities of business activities, and from 2006, Polish managers tried to match CSR with other business strategies (Ocena stanu wdrażania..., 2011, p. 33). The period of quality and effectiveness assessment for CSR strategies implemented by Polish companies (2008-2010) was an important moment (Jastrzębska, 2016, p. 92). The breakthrough moment in CSR development happened in 2009, when the Prime Minister of Poland appointed an interministerial Team for Corporate Social Responsibility and an index of socially responsible companies – Respect Index – was created on the Warsaw Stock Exchange. 2011 also had a significant impact on the formation of CSR as its highlight was the "Shared Responsibility" conference, organised the Responsible Business Forum and the Polish Ministry of Economy as part of Polish Presidency of the EU Council (Ocena stanu wdrażania..., 2011, p. 222). Further years of CSR development were mostly a period of search for new ways to measure the effectiveness of actions as well as increased interest in CSR from the government administration (2012-2014), and from 2014, the combination of CSR with innovations or new phenomena in economy. At present, the question of social responsibility among Polish entrepreneurs is increasing in popularity, becoming a dominant factor in building a business development strategy. Over the past 15 years, a growing activity in the field of CSR actions could be observed, as evidenced by the growing number of what is known as good practices and CSR initiatives (Figure 1).

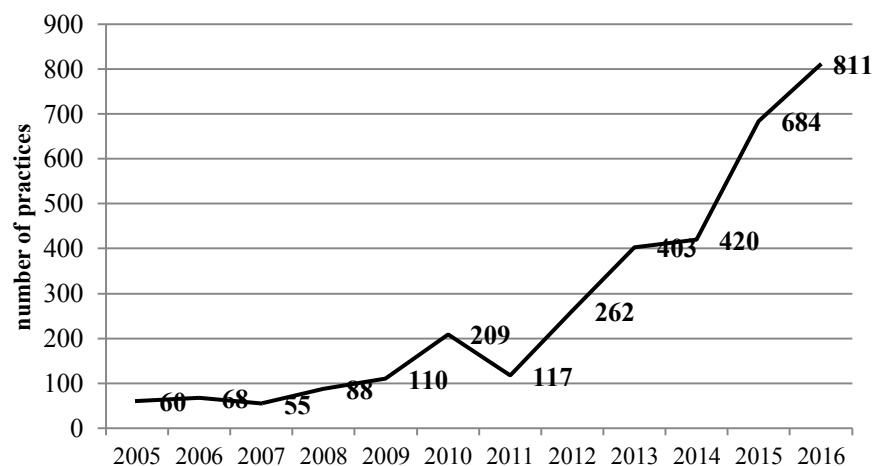


Figure 1. Good practices in Poland 2005-2016, source: <http://odpowiedzialnybiznes.pl>.

The results of the "CSR Managers" (pol. Menadżerowie CSR) survey conducted by the Responsible Business Forum in 2015 are very optimistic for CSR in Polish enterprise. The aim of the survey was on the one hand to gauge the achievements of CSR in Polish business over the previous 15 years, and on the other to set the prospects for development over the next 15 years. According to the survey (Menadżerowie CSR, p. 8) 81% of managers see the impact of CSR on the functioning of business as in their opinion:

- thanks to CSR, there has been a significant change in relation to the way the company is shaped, the role of ecology or meeting the needs of the society,
- CSR development would not have been possible without the involvement of all employees as well as the growing demands of stakeholders,
- appropriate education of the management staff, contributing to the correct understanding of CSR, which in turn will translate into responsible leadership, has been, and will continue to be, the stimulus for CSR development in Poland,
- the main hurdle to the development of CSR is the lack of understanding of CSR by management staff as well as failure to notice the benefits of its implementation,
- business models will change, which will be related to new consumption styles and the ever-growing social expectations; for that reason, future companies will have influence on the socio-economic development in such areas as: shaping a knowledge- and intellectual capital-based economy and building social capital,
- CSR will grow intensively in both the companies that already implement it as well as new ones.

On the basis of the above, it can be stated that the coming years will be a period of further CSR development in our country and increasing influence of CSR on the functioning of companies.

4. Study results

In the conducted comparative study, factors relating to CSR-related issues in the reality of Polish companies were analysed. For this reason, the respondents were first asked to provide their opinion on CSR in the operations of Polish companies (Figure 2), and then to determine the importance of ethical activities and CSR in Polish business (Figure 3).

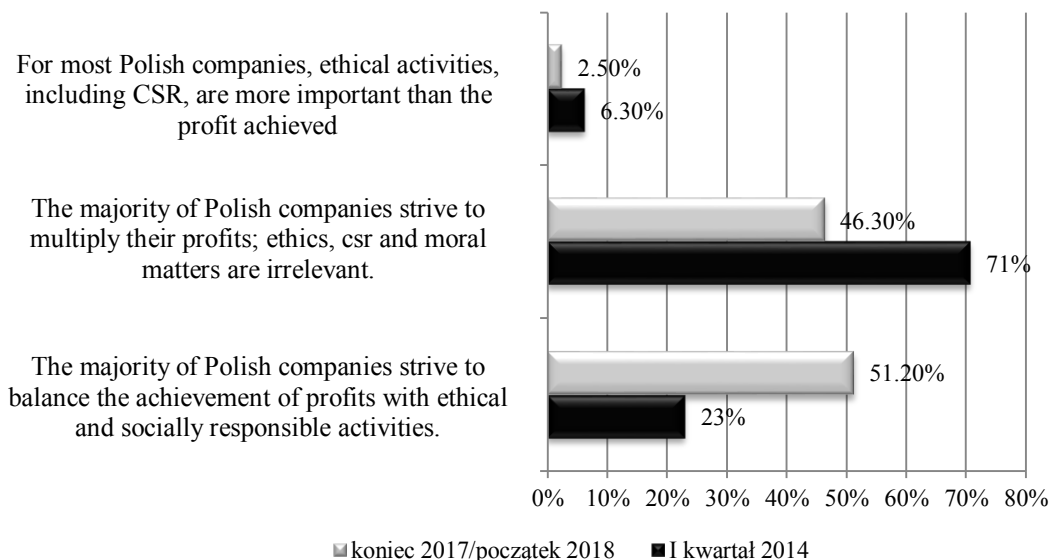


Figure 2. Operations of Polish business according to the respondents, source: own study.

As you can see (Figure 2) the respondents believe that the operations of Polish companies have undergone a change. According to 70.7% of the respondents in 2014, most Polish companies strived to maximise the economic value in their activities, ignoring the ethical and moral ramifications of their actions as well as CSR. The current survey shows that Polish companies are beginning to follow the CSR principle, i.e. balance the achievement of economic objectives with social and environmental goals (51.2% of answers). Of course, there is still a large percentage of companies which base their operations on profit, while activities for the benefit of the community or the environment reduce said profit.

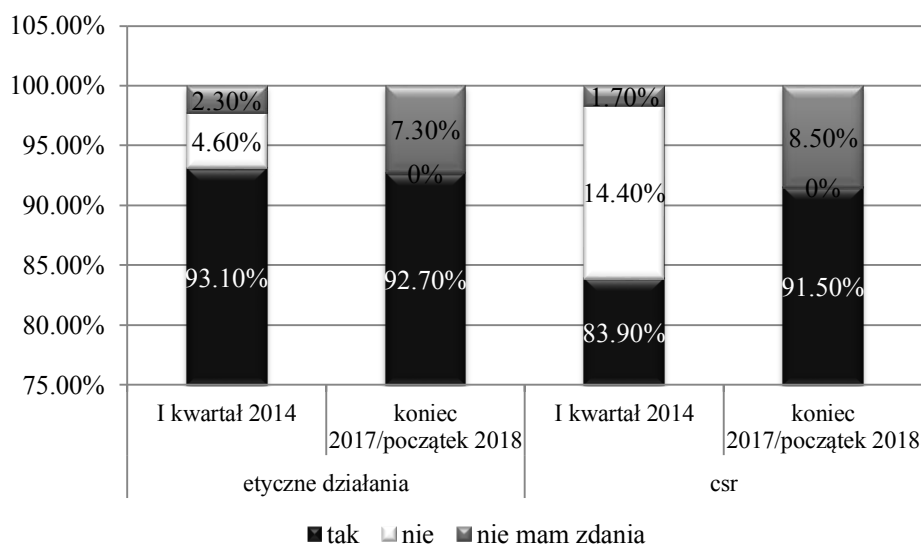


Figure 3. Importance of ethical activities and CSR in Polish business according to the respondents, source: own study.

Analysis of the research material showed that in the opinion of the respondents, Polish business is in need of the inclusion of ethical conduct rules and socio-environmental activities that fit into the scope of CSR activities. Such was the opinion of the vast majority of respondents in both the 2014 survey as well as the current one. It should be emphasised that while the opinion on the implementation of ethical conduct was at a comparable level, a significant difference can be observed in regard to CSR activities (from 83.9% to 91.5%). Therefore, it can be assumed that CSR is becoming an important element in the functioning of Polish companies. On these grounds, the respondents were asked to indicate the reasons for the companies' interest in CSR.

According to the respondents, creating a positive image, especially in crisis situations, continued to be indicated as the reason for interest in CSR issues and activities, followed by the desire to be better than the competition. A detailed distribution of answers is shown in Figure 4. The survey showed that the lack of adequate knowledge about CSR continues to be the main problem in implementation, which is also confirmed by the RBF "CRS Manager" survey.

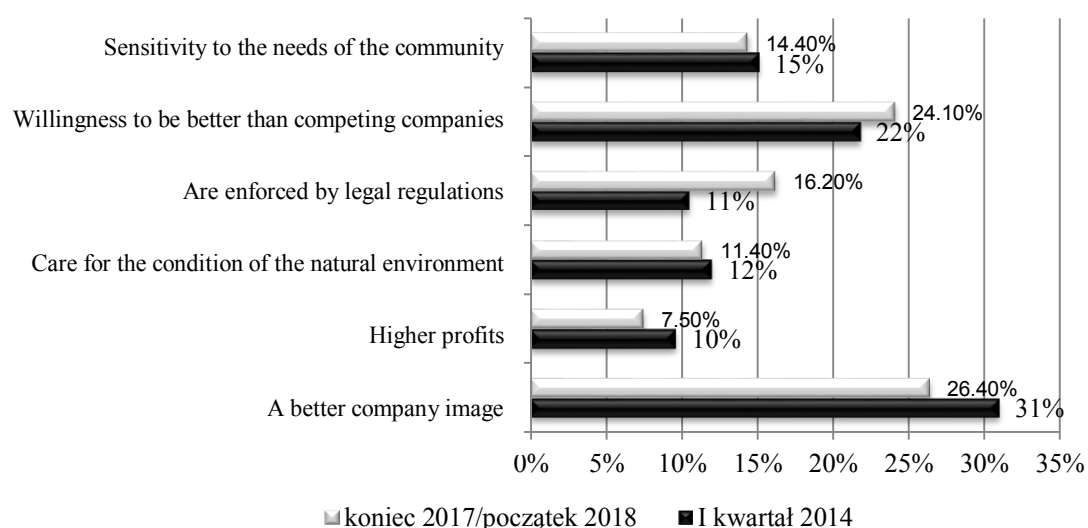


Figure 4. Reasons for interest in CSR according to the respondents, source: own study.

The obtained research results also allowed to establish the attitude of Polish companies towards CSR as well as the social responsibility actions they undertake.

Based on the data presented in Figure 5, it can be stated that there has been a slight change in the attitude of Polish companies towards social responsibility actions. Polish companies are still characterised by the attitude of social obligation. It means that they are only liable to their shareholders, at the same time accepting the obligations regulated by the law. A decrease can be observed in the number of companies characterised by the resistance attitude, i.e. an approach that does not engage in solving social problems in order to grow an attitude of social contribution and the resulting socially-sensitive enterprise which is involved in social and environmental goals.

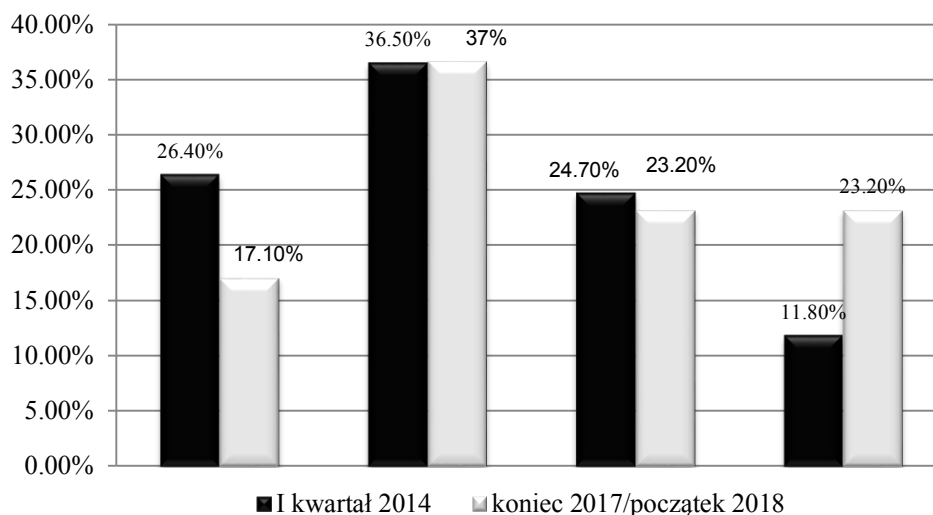


Figure 5. Attitude of Polish companies towards CSR according to the respondents, source: own study.

The analysis of the research material (Figure 6) showed that the employees remain unaware of the actions undertaken by the companies in which they work. For this reason, communication on social responsibility should be improved. To confirm the above, both in the first quarter of 2014 and at the turn of 2017, the respondents reckoned that the CSR-related information provided to them was insufficient. The fact that the number of companies in possession of a CSR strategy has increased seems to be optimistic.

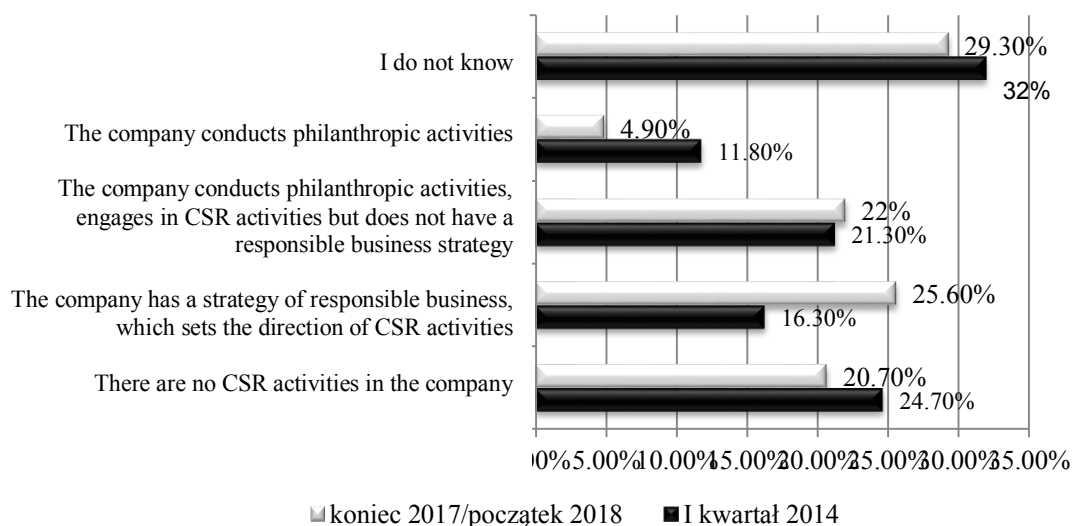


Figure 6. CSR activities of Polish companies according to the respondents, source: own study.

From the research objective point of view, it was important to determine the key social responsibility area for the implementation of social responsibility activities and to identify the impact of these activities on the functioning of the company.

Based on the research results, it can be concluded that according to the respondents, the most important area of activity is taking care of the employees (70.2% and 73.2% of answers

respectively), followed by care for relationships with key stakeholders (15.7% and 18.3% respectively) and protection of the environment (9% and 6.1% respectively).

The conducted research showed that the respondents still have doubts regarding the sincerity of social responsibility activities. As it can be observed (Figure 7), the percentage of people who believe in the sincerity of CSR activities has increased insignificantly.

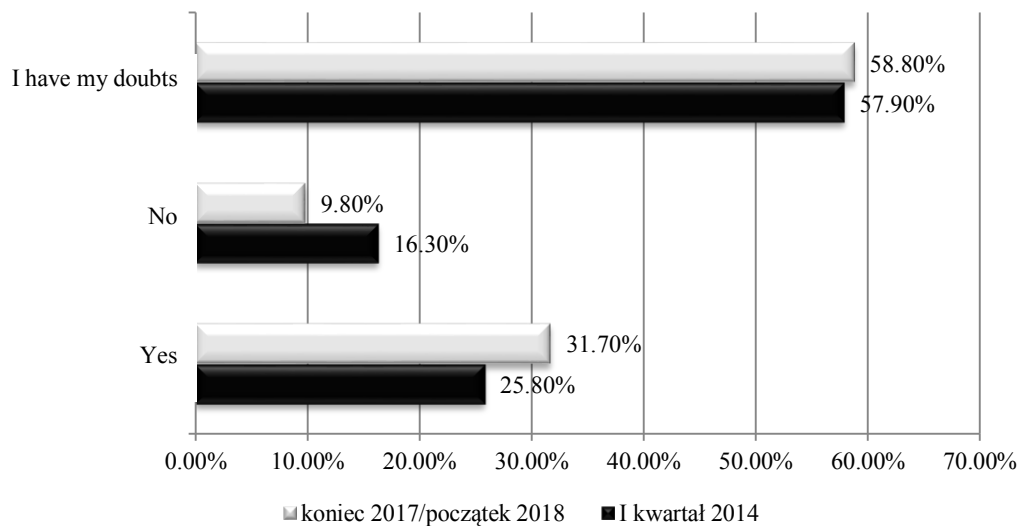


Figure 7. Sincerity of intentions in CSR activities according to the respondents, source: own study.

Despite the fact that social responsibility continues to raise doubts, the respondents deemed these actions necessary because CSR-related actions have a positive impact on the environment in which the company operates. Respondents admitted that they were definitely more trusting towards socially responsible companies.

5. Conclusions

To sum up, it should be stated that social responsibility of companies has a significant impact on **the functioning of business in Poland. Because of this, Polish companies should not** treat CSR as a temporary fad, but rather as a management strategy based on multidimensional relationships with a wide range of stakeholders. This finds its confirmation in the results of the comparative research (from the first quarter of 2014 compared to the end of 2017 and beginning of 2018), on the basis of which one can notice the changing attitude of Polish companies towards social responsibility – CSR. While in 2014 CSR was regarded as an additional cost, at present Polish companies are beginning to balance economic objectives with activities in the field of social responsibility, including environmental protection. It can be therefore assumed that regardless of their size or business profile, Polish companies will more and more often incorporate environmental protection and community service in their strategies,

noticing the usefulness of CSR for their development. Therefore, it can be concluded that the implementation of **CSR activities can provide managers or directors with useful tools and methods of operation on the competitive global market. It could be tempting to state that social responsibility constitutes an important premise for proper business conduct, to which Polish entrepreneurs should pay particular attention.** Moreover, studies showed that:

- CSR is an increasingly exposed area of activity of Polish enterprises,
- Polish business requires the inclusion of ethical conduct principles, including CSR activities,
- there has been a change in the attitude of Polish enterprises towards CSR,
- communication regarding CSR should be changed,
- one can notice the growing number of enterprises with a CSR strategy.

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