

BARRIERS OF THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY IN CHOSEN ENTERPRISES

Wojciech LEOŃSKI

Wydział Nauk Ekonomicznych i Zarządzania, Uniwersytet Szczeciński; wojciech.leonski@usz.edu.pl,
ORCID: 0000-0002-8391-1410

Abstract: The content of the article touches the problem of barriers concerning CSR implementation. Corporate social responsibility is a conception of management which is more and more popular among Polish enterprises, but some companies still have some problems related to CSR. The author presents the selected external and internal barriers and limits of CSR implementation in the light of own research. The aim of the article is to analyze the most important limitations of CSR on the example of socially responsible enterprises highlighted in the "Równa Firma" Poll in 2018. The priority of the "Równa Firma" Poll is to award socially responsible companies from the West Pomeranian Voivodeship. The survey was carried out in enterprises from various sectors. The elimination of these barriers can help to implement socially responsible practices in chosen Polish enterprises.

Keywords: strategy, corporate social responsibility, enterprises, management.

1. Introduction

Corporate social responsibility (CSR) is a concept of business management that is becoming increasingly popular in Poland. It assumes the inclusion of ethical, social, and environmental issues in business operations. CSR is also a long-term and dynamic concept of creating a friendly climate around the company based on analyzing and meeting the needs of all stakeholders, which strives to solve social and environmental problems. In addition, CSR can be seen as an action focused on undertaking or supporting socially significant initiatives, providing assistance, doing good to other business entities, institutions, and communities, regardless of the adopted time perspective concerning awaiting benefits (Rudnicka, 2012, p. 16). CSR practices are to promote social good, exceeding beyond the interests of a company and what is required by the law (McWilliams, Siegel, 2001). Nowadays, CSR is often interpreted as a management concept applied in practical functioning of a business (i.e. based on the aim of maximizing the company's goodwill) rather than a philosophical approach,

although it relies heavily on certain significant philosophical or ethical issues. This concept is a facultative (voluntary) one, being undefined by the existing legal standards, even though compliance with the provisions of law is absolutely indispensable for the functioning of any organization (Żemigala, 2016, p. 226). CSR is also interpreted as a corporate commitment to maximize positive impact on society and minimize negative impact (Coombs, and Holladay, 2015). According to the definition developed by the International Organization for Standardization (ISO) and the ISO 26000 standard, CSR is the responsibility of an organization for the results of its decisions and activity on the society and the environment expressed through transparent and ethical conduct, which considers, among others, the stakeholders' expectations, that it remains lawful, has a positive effect on sustainable development and contributes to social prosperity. The ISO 26000 standard is one among the principles of CSR implementation that points to numerous tools that have a universal character (Kacprzak, 2017). The major CSR focus areas include: organizational order, human rights, employment relationship, environmental protection, fair operational practices, consumer relations, social engagement (Responsible Business Forum, 2017).

For many enterprises, the multitude of definitions concerning corporate social responsibility and the imprecision in defining it may constitute a problem with understanding the concept. The implementation of CSR is an activity dependent on many elements such as the size of an enterprise, its financial potential, and scale of operations, phase of its development, profile of activity, or conditions resulting, for example, from the political and legal environment.

It is worth mentioning that implementation of CSR may have a measurable beneficial effect on various aspects of company operation. Studies show that effective implementation and communication of company's engagement in CSR activities translates to its performance, competitive advantage, customer loyalty, its strong image and reputation, compliance with the provisions of law, as well as improvement in the recruitment and retention indices (Haugh, and Talwar, 2010, pp. 384-396).

The implementation of this concept is a long-term process that requires effort, commitment and determination on the part of enterprises, NGOs and authorities, which result in that many businesses have still not decided to implement this management concept. Barriers concerning CSR implementation can be divided into internal and external. Internal barriers include factors related to the entrepreneur and enterprise itself, for example, a lack of knowledge and skills of entrepreneurs related to CSR. Whereas, external restrictions include, among others, elements concerning the enterprise's environment that discourage the entrepreneur from undertaking socially responsible activities. Correct identification of existing barriers to the implementation of corporate social responsibility can contribute to their partial or complete elimination. The main goal of the article is to analyze the most important limitations of CSR on the example of socially responsible enterprises highlighted in the "Równa Firma" Poll. This analysis can be relevant both from an educational and application point of view. The empirical part of the article is based on results of surveys carried out in enterprises between November 2018 and January

2019. Information received from the survey was summarized and appropriate conclusions were drawn in terms of barriers concerning CSR implementation in the enterprise.

2. Aim, scope and methods of empirical research

In order to identify the most important barriers for implementing CSR, a survey was carried out at enterprises that won accolades in the "Równa Firma" Poll in 2018. In 2018, more than 200 enterprises were submitted for the poll, while the jury decided to highlight the efforts of 25 entities. The survey was carried out in enterprises drawn from various sectors. The priority of the "Równa Firma" Poll is to award socially responsible companies from the West Pomeranian Voivodeship. These are companies that demonstrate above-program and unforced legal care for employees, contractors, community and the environment. The poll is organized every year by students and employees of the Faculty of Economic Sciences and Management of the University of Szczecin, affiliated in the Biznes Innowacje Networking Foundation. Every year, the competition is becoming more and more popular. Anyone can send an application – owner, employee, student or local government organization. The poll invariably sets three main goals. The first and most obvious one is to reward enterprises that apply CSR principles on a daily basis, and thus motivate them to take further action. The second, resulting from the place where the poll originates – is to facilitate students' contact with business. The last one consists in promoting social responsibility in the local environment. The competition creates an opportunity for the business community to contact the student community. The poll is designed to integrate these environments to facilitate their cooperation in the future and enable them to get to know each other. The poll is addressed to: enterprises from the West Pomeranian region, students (project organizers, other students assessing participants of the poll through surveys), academics (organizers, academics involved in the project), media (role of an informer, providing information about the project), and local government authorities (project patrons supporting socially responsible initiatives in the local and regional environment).

The survey questionnaire was sent to all 25 companies who were marked out in the "Równa Firma" competition. The surveys were directed to owners or people delegated to corporate social responsibility. The research has been carried out between November 2018 and January 2019. The prepared survey contained information concerning the initiator of the research and who carries it out, as well as an explanation regarding its anonymity. Furthermore, the survey provided information regarding the aim of the study, the manner of using the survey data, as well as short instruction on how to answer the questions. The survey contained direct and logical questions that were understandable to the respondents. The author decided that the survey will mostly consist of closed or semi-open questions. The questions concerned various aspects of CSR within the enterprise, including the main barriers in terms of implementing the concept.

The closed questions provided several answer options to be chosen by the respondent. Among the close questions appearing in the survey, it is possible to distinguish alternative questions which contain mutually exclusive answers, and multiple choice questions in which the respondent is asked to select a single answer from the provided ones. The reason behind this decision is the fact that such questions are easier to answer and compare, and require less time for obtaining and processing the answers. When it comes to the semi-open questions, the respondents were to choose from the predefined answers, but at the same time they were allowed to freely express their opinion. The natural advantage of semi-open questions comes from the fact that they enable the respondent to express his or her view in a way going beyond the scope of the prepared answers.

3. Barriers for implementing CSR in the light of own research and discussion

Despite the great interest in CSR, barriers still need to be overcome by companies wishing to implement socially responsible practices. In source literature concerning the subject, as well as in numerous studies, it is possible to find many factors hindering and blocking the putting into place of corporate social responsibility solutions in an enterprise. Table 1 identifies the main barriers for implementing CSR in enterprises, both external and internal. Barriers were identified on the basis of analysis of reports and scientific publications on CSR. Internal barriers include factors dependent on the enterprise itself, which can be identified as the company's weaknesses. Various initiatives can be undertaken to limit the negative impact of internal barriers for establishing CSR. The awareness of entrepreneurs regarding the occurrence of individual restrictions and the motivation to improve the existing state seems to be important here. External barriers consist mainly in macroeconomic conditions, on which the company has no major influence. These barriers mainly concern business environment institutions, available external sources of financing for CSR activities, legal provisions, information and educational activities, as well as general conditions for conducting business activity.

Table 1.
Selected barriers for implementing CSR in an enterprise

Internal barriers
Lack of own financial resources for implementing CSR
Requirement to involve company resources in CSR
No time
Insufficiently qualified staff
Lack of knowledge and skills concerning CSR
Low awareness of business benefits resulting from CSR
Fears of changes in the company
No departments or people dedicated to CSR

Cont. table 1.

Internal barriers
No external financial support
Lack of support concerning business environment institutions
Legal regulations

Source: own elaboration.

As part of the research, entrepreneurs awarded in the "Równa Firma" poll were asked what barriers for implementing CSR they identify and which of them are considered the most difficult and inhibit the application of corporate social responsibility practices in an enterprise to the greatest extent. Respondents pointed to the existence of a specific barrier and determined the severity of the threat of this problem in relation to other difficulties. The respondents had a list of CSR implementation barriers and they had to choose those that were most relevant to them. They had five possible answers: very significant, significant, moderately significant, little relevant, irrelevant.

Among the main barriers for implementing CSR, the surveyed entrepreneurs mentioned lack of time, low awareness of the business benefits associated with CSR, and the need to engage the company's resources in socially responsible activities. Internal barriers are dominating. Whereas, among the external barriers there were only two restrictions, namely the lack of external financial support and lack of support from business institutions. 25% of the surveyed enterprises did not meet any barriers in terms of implementing CSR (fig. 1).

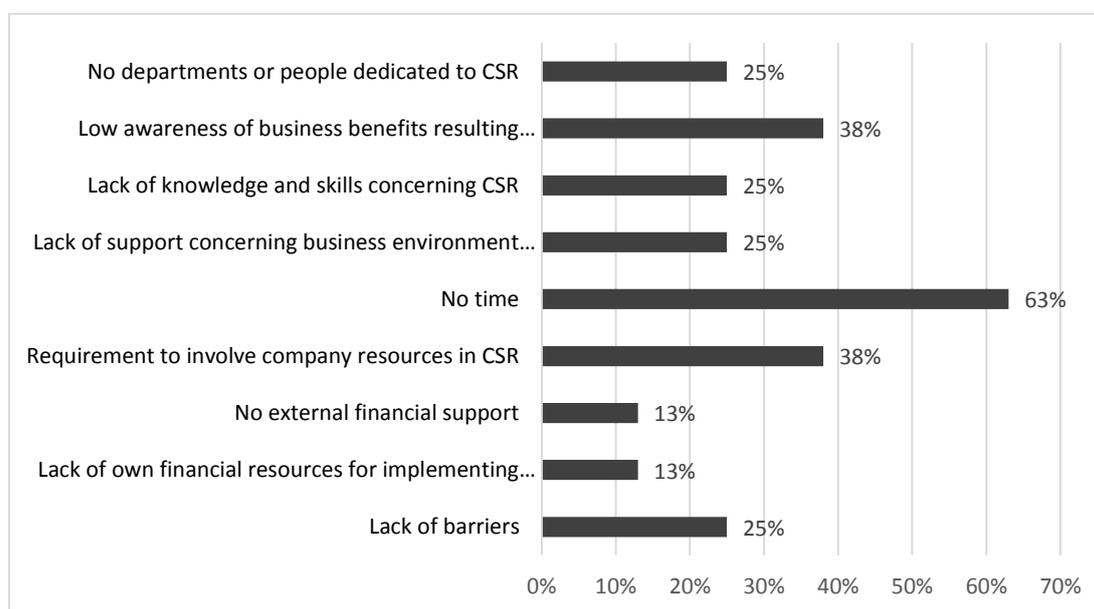


Figure 1. Main barriers (answers: very significant, significant) for implementing CSR in the surveyed enterprises. Source: own elaboration based on research results.

On analyzing selected restrictions in terms of implementing CSR, it should be noted that for 63% of all respondents the lack of time is a significant or very important factor inhibiting the introduction of CSR practices within a company. The time limitations of entrepreneurs are also confirmed by surveys carried out by the Public Opinion Research Center, which show that

people running their own business, devote as much as 51.8 hours a week for professional activities (CBOS, 2018). For comparison, a person employed for an indefinite period of time works only 40 hours a week. It is worth noting that a strategic approach to responsible business cannot be implemented overnight, as it requires the establishment of new processes, relations, and in many cases, changes in corporate culture. Therefore, instead of abruptly taking distributed actions, it is important to carefully plan the entire process on the basis of small steps that will bring long-term results.

Another barrier noted by the respondents is the requirement to involve company resources in socially responsible activities. The development and implementation of CSR policy can be complex. Undoubtedly, it includes the participation of human and financial resources. Examples of using financial resources include expenses related to placing ecological information on packaging, or sponsoring local social initiatives. In turn, an example of using human resources is pulling employees away from tasks related to the company's core business in favor of pro-social activities (Leoński, 2014, pp. 314-322).

A significant limitation consists also in the low awareness of business benefits resulting from CSR practices, as well as the lack of knowledge and skills of entrepreneurs. At this point, the question should be asked whether in Poland CSR promotion and education instruments fulfill their role and contribute to shaping pro-social and pro-ecological attitudes of entrepreneurs? The discussion on the effectiveness of implementing social responsibility activities is significantly limited by the lack of measures and indicators to assess them (Figiel, 2013, pp. 55-64). Many of the CSR goals are of a qualitative nature, which makes quantitative measurement difficult or even impossible (Whitehouse, 2006). Only recently has the issue of corporate social responsibility become part of the university curricula or has begun to be widely promoted among small and medium enterprises. Globalization has resulted in the fact that awareness of social responsibility is growing all the time, not only among enterprises, but also or primarily among customers. In this regard, consumer awareness is pushing companies towards a CSR strategy that allows offering added value for the customer. Furthermore, it is increasingly recognized that committing to sustainability benefits not only society, but also companies (Chład, 2016, pp. 65-73).

It should be emphasized that thanks to implementing CSR, the company can achieve numerous financial and non-financial benefits. The main non-financial benefits include improvement in the company image, as well as establishment of better relations between customers, business partners, or the local community, while financial benefits can be related, for example, to reliefs obtained from employing people with disabilities or tax deductions (donations). Awareness of the importance of the company's external image, and in particular of its impact on society and the environment, currently constitutes one of the basic factors conditioning a company's development.

Image and reputation are the most important non-material values that a business can achieve. These aspects are the main reasons for implementing the concept of CSR in many

companies. The corporate image can be understood in terms of how a company is perceived by its environment, while reputation means its evaluation. Reputation building is a long-term process that involves shaping appropriate relations with the stakeholders. Among other things, it entails care about the environment and employees or cooperation with the local community. It is worth emphasizing that a company may benefit from its good reputation in many aspects. According to Urbanek (2007, p. 100), these include:

- increased demand for its products at greater profit margins,
- capability of hiring highly qualified employees who would be loyal and more productive,
- more favorable commercial conditions in dealing with business partners,
- establishing alliances with attractive business partners,
- smaller risk of crisis,
- higher share price.

Perceiving a company as engaged in local life, providing material or financial assistance to local institutions or organizations, cooperating with local authorities and decision-makers not only increases prestige, but can also attract new contractors and clients, for which such action constitutes a significant value. Furthermore, a company that does this is perceived as a more reliable partner, rooted in the local business and social space.

A barrier for implementing CSR consists in the lack of financial resources, both own and external. Some socially responsible activities may involve significant costs, but there are also a number of practices that will not require a lot of money. Unfortunately, many entrepreneurs falsely believe that CSR requires high financial expenses. Meanwhile, there are really many ways to implement cost-effective pro-social or pro-ecological practices. What is mostly needed is commitment. Enterprises can demonstrate this with creativity and a skillful analysis of environmental conditions by selecting appropriate CSR tools that will not generate significant costs. Whether any, and if so then which, initiatives are undertaken and how they are communicated to the environment, affects the perception of the company, both among current and future partners and clients, as well as potential employees. In addition, it is worth emphasizing that the proactive attitude of business resulting from the CSR strategy, in which the company envisages and initiates proper actions, is more practical and less costly than simply responding to problems that arise (Skrzypek, Saadi, 2014, p. 16).

An obstacle hindering the ethical conduct of business in Poland consists in economic conditions resulting from the lack of capital – in the face of a threat to the existence of an economic organization, ethical matters are becoming a secondary concern for entrepreneurs. The underdeveloped consumer movement in Poland does not exert enough pressure on enterprises to direct them towards socially responsible activities (Codogni, 2012, pp. 281-294).

As a factor limiting the implementation of CSR, some enterprises indicated the lack of departments and people who would deal with pro-social and pro-ecological activities.

Conducting an effective CSR policy requires delegating an employee or employees. Importantly, such an employee must be properly trained in the implementation and conduct of socially responsible activities within the enterprise. Social responsibility solutions should naturally be identified with a given company, its product, service, geographical location or current external image. They should be deeply rooted in the company's operations and inscribed in its organizational culture. Corporate Social Responsibility should result from the organization's real needs in terms of solving social and environmental problems in the company's environment. Only then can it become a permanent and long-term initiative that can give the company a lasting basis for having built an image of being a trusted and credible partner in the social space. For socially responsible companies, the most important capital consists in people and their knowledge. Both greatly contribute to the company's development.

Another barrier for implementing CSR in enterprises consists in the lack of support from business environment institutions. Business environment institutions are organizations offering services in the field of entrepreneurship support, usually not operating for profit. These institutions can work under various organizational and legal forms, for example chambers, agencies, centers, parks, clusters, associations or guilds. These entities possess appropriate material, technical, and human resources thanks to which they can support enterprises. This support may have an advisory, training, information, or financial nature. It should be noted that in virtually every region of Poland, entrepreneurs have at their disposal many business environment institutions, whose services they can use. In order to eliminate this barrier, it would be necessary to intensify educational, promotional and communication activities in the area of CSR in order to reach the widest possible group of enterprises.

4. Summary

The implementation of CSR assumptions in Polish enterprises constitutes a result of social expectations, financial situation and organizational culture of the surveyed organizations, as well as the socio-economic situation of the country and its social level (Filek 2008). When performing a CSR analysis, each enterprise should be treated individually due to a number of conditions, including the specifics of the business, area, reach, size of the enterprise, as well as the legal, social, and political conditions in which the given entity operates (Mazur-Wierzbicka, 2012).

The results of surveys carried out in the group of enterprises distinguished in the "Równa Firma" poll show that the majority of the surveyed entities encountered factors limiting or inhibiting the implementation of CSR. The most important were internal factors, meaning those that depend on the enterprise itself. It should be emphasized that due to the insufficient research sample these results cannot be generalized, but they may constitute a basis for further

considerations. They shed some light on how the concept of corporate social responsibility in some enterprises can be perceived. It seems that CSR restrictions in Poland will be successively lifted and the number of enterprises involved in socially responsible practices is going to grow.

A positive trend consists also in the growing interest in the concept at scientific centers, as evidenced by the large number of conferences and scientific articles on CSR. In Poland, the Social Responsibility Declaration from 2017, signed by 24 universities, casts some light on the university's involvement in CSR. In order to partially or completely eliminate barriers for putting into place CSR, a number of additional educational and promotional activities should be undertaken that would encourage entrepreneurs to be more involved in pro-social and environmental activities.

Such activities should be both national and local. They should include not only entrepreneurs, but also consumers. There is a wide range of instruments thanks to which they can impact the level of CSR interest among enterprises. Very often these tools are related to legal regulations, especially in the area of tax law. Therefore, it would be reasonable to introduce additional tax incentives into Polish law (reliefs, exemptions, deductions) for socially responsible entities.

Despite the existence of certain CSR barriers, the business environment is increasingly pushing companies towards a CSR strategy that allows offering added value for the customer. It is increasingly recognized that committing to sustainability benefits not only society, but also companies. Therefore, regardless of the disadvantages and barriers in establishing corporate social responsibility, companies will resort to this concept more and more often. This then will become the foundation for building trust among stakeholders, and may constitute the main source of competitive advantage. It seems that in the future, CSR will become a standard element within a company's development strategy, and socially responsible practices will be seen as an investment that can contribute to the company's success on the market.

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