

DETERMINANTS OF THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY IN CHOSEN ENTERPRISES

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Purpose: The purpose of the article is to analyse the most significant factors determining the implementation of CSR within an enterprise on the example of socially responsible entities highlighted in the “Równa Firma” ranking, organized every year by students and employees of the Faculty of Economics, Finance and Management of the University of Szczecin, affiliated with the Biznes Innowacje Networking Foundation.

Design/methodology/approach: This is a research paper, in which the author utilized the survey method. The research was carried out among 25 enterprises awarded with honourable mentions by the committee in the “Równa Firma” ranking in 2018.

Findings: The article addresses the issues related to determinants of the implementation of the concept of corporate social responsibility. It is worth noting, that many motives for the use of CSR are presented in both Polish and foreign literature. The article focuses on the factors which have an impact on implementation of the concept of CSR on the basis of own surveys.

Research limitations/implications: The results of the research cannot be generalised, but can form a basis for further deliberations. They shed certain light on possible main determinants of implementation of the concept of corporate social responsibility in some enterprises. In the future, it is suggested to perform similar research on the presented topics in a larger group of enterprises.

Originality/value: This paper provides research results on the most significant factors determining the implementation of CSR in chosen enterprises of the West Pomeranian Voivodeship in Poland.

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

Category of the paper: research paper.

1. Introduction

The definition of corporate social responsibility has evolved over the years. Despite the fact that the concept itself is not new and has been around for years, a sudden increase in enterprises' interest in CSR can be noticed, evidence of which is, for instance, over 169 million hits (as at 30 April 2020) for the "Corporate Social Responsibility" entry in Google Web Search. Nowadays, building a strategy of carrying out business activities based on mutual trust and transparency in relationships with the organisation's external and internal environment is becoming a way to run a business and gain a competitive advantage (Żychlewicz, 2015, p. 281).

Corporate social responsibility is a complex and multidimensional concept, which partly is a result of its interdisciplinary nature. Therefore, the concept can have different definitions in the literature on the subject, international reports and other studies. Multiple CSR definitions, as well as the issues they discuss, signal the topicality and popularity of the topic in the management science.

Current definitions move away from defining CSR from the perspective of only its internal scope towards the external response to the expectations of various entities and employ such terms as: dialogue, collaboration, partnership, communication (Sokołowska, 2013, p. 38). In the 21st century, corporate social responsibility consists in carrying out business activities in a way, which takes into consideration stakeholders' expectations and allows the achievement of synergy between the three sectors of functioning of an enterprise: economic, social and environmental (Engelhardt, 2014, p. 80). The social sector can be related to employees. The environmental sector, in turn, mainly concerns ecological aspects related to environmental protection. The economic element, on the other hand, is nothing other than the achievement of economic effects desirable by an enterprise.

CSR can also be interpreted as a pro-social activity, concentrated on undertaking or supporting socially significant initiatives, providing assistance, doing good to other business entities, institutions and the community, regardless of the adopted time perspective of waiting for benefits (Rudnicka, 2012, p. 16). CSR concerns enterprises which identify their stakeholders and incorporate their needs and values in the day-to-day decision-making process (Okpara and Idowu, 2013, p. 4). The concept of CSR can be presented as a modern instrument for increasing the enterprise value, enabling it to gain competitive advantage (Zieliński, 2014, pp. 653-663). CSR is also a commitment of an enterprise to maximise positive impact on society and minimise the negative one (Coombs, Holladay, 2015, p. 130).

The meaning of the concept of corporate social responsibility is not fixed and changes over time, for it is a polymorphic concept, deriving from practice, having pragmatic roots, evolving in response to the needs of society and business (Jastrzębska, 2016, p. 94). The definitions of CSR concept incorporate economic, legal, sociological, ecological and ethical aspects. Undoubtedly, these elements prove the complexity of corporate social responsibility. There is

no doubt that the concept can be a significant instrument in creation of a competitive advantage for an enterprise, therefore, it is worth analysing the reasons entrepreneurs are guided by while implementing CSR.

The reasons for increased interest of enterprises in corporate social responsibility are mainly the changes taking place in their environment. More and more often, a tendency to evaluate an enterprise not only based on its economic operations, but also its pro-social and pro-ecological activities can be observed. Currently, ecological movements and organisations acting for respect of human rights are becoming increasingly popular. As a result of globalisation, competition intensifies, which forces enterprises to search for solutions aimed at shaping non-material values, such as building an appropriate image in stakeholders' eyes. Consequently, the concept of corporate social responsibility is becoming increasingly popular among Polish entrepreneurs, too. Its implementation is affected by many factors, the analysis of which is the purpose of this article.

2. Purpose, scope and methods of empirical research

An online questionnaire survey was conducted between November 2018 and January 2019 among 25 companies that were awarded honourable mentions by the committee of the "Równa Firma" ranking in 2018. The survey aimed at, among others, identifying the most significant determinants of implementation of corporate social responsibility in enterprises of the West Pomeranian Voivodeship.

The "Równa Firma" ranking is organised by the students and employees of the Faculty of Economics, Finance and Management of the University of Szczecin, affiliated with the Biznes Innowacje Networking Foundation. The "Równa Firma" ranking awards socially responsible enterprises of the West Pomeranian Voivodeship, in order to motivate them to carry out such activities and promote corporate social responsibility in the local environment. The ranking also awards honourable mentions to socially responsible companies, demonstrating extra care for employees, contracting parties, the community and of the environment, not required by the law itself. Indirect goals of the ranking include the following: surveying companies in terms of social responsibility and activity among students, creating opportunities for contact between the business and student environment, increasing awareness of the role of corporate social responsibility among students and enterprises.

Everyone (students, company employees, entrepreneurs etc.) can enter their candidate for the ranking. Companies of all sectors and of any size can be entered. Within 7 days of submitting a company for the ranking, the organisers contact the company representative for formal approval to the participation in the ranking. Out of the companies which approve the participation in the ranking, the companies operating within the scope of CSR, including the

following categories: education and development, social innovations, social activity, will be chosen, under the data obtained according to the rules and regulations of the ranking. Entries are scored by the Committee of more than 20 members – representatives of the patrons of the event, mass media and the Faculty of Economics, Finance and Management – which guarantees impartiality and objectivity. The scores are awarded on the basis of research into company information and questionnaire surveys conducted by the students. Companies' activities – both those declared in the entry and contained in the information collected by the students – are then presented during a secret meeting. On the basis of this information, each member of the Committee can award between 5 and 15 points in each category. The scores are summed up and the winner is chosen, as well as companies to be awarded honourable mentions. The winner of the ranking receives a statuette, the title of "Równa Firma" and an opportunity of presenting the enterprise at a special gala, which is attended by representatives of the nominated companies, students, organisers and other guests. Honourable mentions are also awarded for individual categories, in which a company can be entered: social activity, social innovations, education and development, equal employer.

The survey was conducted among 25 business owners and persons responsible for CSR in enterprises of the West Pomeranian Voivodeship. The questionnaire form contained information on the initiator and purpose of the survey and in what way the questionnaire data will be used. Furthermore, the questionnaire had brief instructions on how to answer the questions. The survey consists of closed or semi-open questions. The questions concerned various aspects of CSR within the enterprise, including the main determinants of CSR implementation. Multiple choice questions had a list of prepared, pre-planned answers for the respondent to choose from. The use of multiple choice questions aimed at shortening the time of the surveys and aiding the respondent with the work. The questionnaire also used the opportunities offered by multiple choice questions in the form of ranking scales (lists). The questionnaire form also included semi-open questions, having a list of ready answers and, at the same time, allowing the freedom of opinion on any surveyed topic by adding the answer "other ...".

3. Determinants of CSR implementation in the light of own research and discussion

Environment conditions of an enterprise significantly determine its operations, by both creating chances and presenting threats. Present-day enterprises are often perceived by the society not only through their economic operations, but also their social and ecological activity. Currently, an enterprise has to face many challenges. Business entities are becoming jointly responsible for their immediate environment. Their strategy is often oriented towards mutual

benefits and takes social goals into consideration. Enterprises are becoming socially involved, because they have noticed that this has a bearing on their image. The popularity of CSR increased thanks to not only the domestic, but also international economic situation. Enterprises are becoming convinced that corporate social responsibility can bring significantly more benefits than costs.

In source literature concerning the subject, as well as in numerous studies, it is possible to find many determinants of the implementation of corporate social responsibility in enterprises. Table 1 identifies the main external and internal determinants influencing CSR practices in enterprises. Determinants were identified on the basis of analysis of reports and scientific publications on CSR.

Table 1.
Selected determinants influencing CSR practices

External determinants
Financial (external) support for the implementation of CSR
Support of business environment institutions for implementing CSR
Environmental requirements – competitors
Environmental requirements – customers
Environmental requirements – suppliers
Requirements of the environment – local community
Legal regulations
Fashion for CSR
Internal determinants
Organizational culture
Own financial resources for implementing CSR
Attitudes of owners and managers
Business calculation, economic motives
Moral motives and responsibility for company's activities
Views and attitudes of employees

Source: own elaboration.

As part of the research work, entrepreneurs awarded honourable mentions in the “Równa Firma” ranking were asked what determinants of implementation of CSR were the most significant for the enterprise. The respondents had a list of determinants influencing CSR practices and had to choose those, that were most relevant to them. They had five possible answers: very significant, significant, moderately significant, slightly relevant, irrelevant. According to the ranked entrepreneurs, the main determinants of implementation of CSR were the following: employees' views and attitudes, moral motives and responsibility for the company's activities, organisational culture and customers' expectations (Fig. 1).

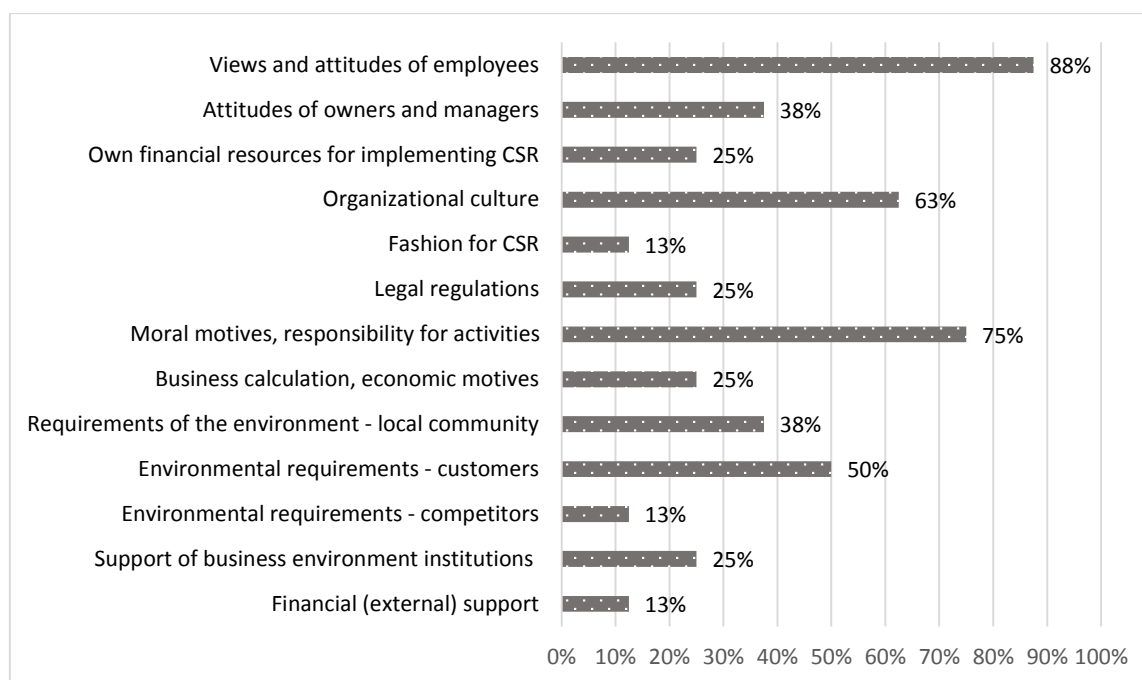


Figure 1. Main determinants of CSR implementation in the surveyed enterprises (answers: very significant, significant). Source: own elaboration based on research results.

In analysing the selected determinants of implementation of CSR, it should be noted that employees' views and attitudes are a significant or very significant factor, which has an impact on the introduction of CSR practices into a company for as much as 88% of the respondents. In order to successfully compete on the market, modern enterprises must hold active dialogue with different groups of stakeholders, including employees. Thanks to this, they can get to know their expectations, and then take them into consideration in undertaking their activities. It should be emphasised that employees, their competence and attitudes, are a key element in the functioning of any enterprise. Employees pay attention and expect the employer to create good working conditions including, but not limited to, occupational health and safety, creating opportunities for development, work-life balance, compliance with employee equality regardless of gender, religion, nationality, disability, age and other diversity-related aspects.

Another element, which has an impact on the implementation of CSR, which the respondents (75%) paid attention to, is moral motives and responsibility for the company's activities. Morals are a set of opinions, standards and principles which define a range of views and behaviours considered right (Bralczyk, 2008). Every entrepreneur bears responsibility for all their activities. Ethical responsibility refers to ethical obligations that must be fulfilled by the company. It is a type of a moral obligation towards groups of stakeholders, who can feel the adverse effect of the company's operations. Such responsibility can also be interpreted as carrying out business activities fairly, reliably and according to the expectations of society. Ethical responsibility refers to all relations within the enterprise (primarily employee-owner relations) and the relations between the enterprise with the environment (relations with suppliers, customers, the local community and the state). It should be emphasised that the

responsibility is not imposed top-down, it is an individual choice by a company and its managers.

The motive, which has an impact on implementation of the concept of CSR within an enterprise, is also organisational culture, which is a key determinant of ethical behaviour of managers and other employees (Ganescu, Gangone, 2017, p. 47). The factor that distinguishes an organisation in comparison with others is organisational culture, which incorporates standards and values stating precisely the characteristic style of conduct of its participants. Since the organisational culture is related to the structure and strategy of an enterprise, it is a significant factor in shaping corporate social responsibility within an enterprise. Depending on the deep-rooted values, it can contribute to the promotion and facilitate the implementation of the idea of corporate social responsibility within an enterprise or inhibit this process (Klimkiewicz, 2011, p. 144). A company's culture can impact the degree to which socially responsible practices are demonstrated or not (Galbreath, 2010, p. 520). Organisational culture promoting dialogue, creativity, openness to every member of an organisation, realisation of individual values and incorporation of employees into decision-making processes can engage in socially responsible activities and encourage employees to actively commit to CSR practices. Socially responsible behaviour must be culturally rooted in the organization and manifest itself in the ways employees interact with each other (Jaakson et al., 2009, p.14).

A significant factor having an impact on implementation of CSR are recipients' expectations. In making a purchase, recipients, besides the quality and price criteria, are more and more often taking into consideration the fact that an enterprise is socially and ecologically involved, and if it cares about its employees. This is confirmed, for instance, by the results of the "Świadomość konsumentów oraz ich oczekiwania w zakresie działań CSR w Polsce" poll, conducted in Poland in 2019. These survey was conducted by Havas Intelligence – research team of Havas Media Group. The results of this survey show that customers expect companies to take CSR-related activities. Sixty-eight per cent (68%) of the respondents believe that companies should fight social injustice, 69% expects the brands they buy to play a bigger role in solving social problems, 67% expects involvement in the development of local communities. More than half of the respondents (56%) avoids buying products from the companies having a negative impact on the society or the environment. Customers realise their purchasing decisions can have a real impact on changes worldwide – 38% (Responsible Business Forum, 2019).

Yet another factor determining the implementation of CSR practices are local community's expectations. Households located in immediate environment of an enterprise form the so-called local community, whose goals and interests the entrepreneur should take into consideration in carrying out business activities. Without social participation, it is difficult to activate local communities and economic systems. Without social acceptance for the development of entrepreneurship, carrying out business activities is effectively inhibited and hindered. Ignoring the stakeholders' opinion in creating and implementing the activities of social responsibility

can result in wrong identification of social needs, to which enterprises have committed themselves to respond (Nieradzik, 2017, p. 128). Local communities expect companies to contribute to social development by (Park and Ghauri, 2015, p. 203):

- volunteering time and effort to local activities,
- getting involved in community events in non-financial ways,
- providing jobs and treating their employees well.

Owners' and managers' attitudes also play a significant role in the case of implementation of CSR activities within an enterprise. Business owners and managers are the ones who initiate pro-social and pro-ecological activities, and it is them who introduce, for example, ethical programs as an element of strategic activities in the management process, under which they create ethics sections, plan ethics training courses etc. Such managers' and owners' conduct often arises out of a deep conviction of not only the rightness of such activities, but also the need to do something that would go far beyond the trivial amassment of their own capital for the mere satisfaction of possession.

Having adequate financial resources for socially responsible practices is not without significance. The development and implementation of a CSR policy can be complex and time-consuming. Undoubtedly, it includes the involvement of human and financial resources. Examples of using financial resources can be the costs incurred on printing ecological information on packaging or sponsoring local social initiatives. Accordingly, CSR continues to remain the domain of bigger enterprises, having adequate financial resources, which can afford to actively involve in CSR policy in many sectors.

The implementation of CSR is further affected by the business environment institutions. This opinion was shared by 25% of the entrepreneurs included in the ranking. Business environment organisations offer entrepreneurship supporting services (oriented especially at the SME sector), usually not operating for profit. These entities, thanks to having adequate material, technical and human resources, can support enterprises. This support can be advisory, information, financial in nature, or realised in the form of training courses. It should be emphasised, that these training courses can concern both entrepreneurs and employees. Thanks to the training courses, consultancy and information service, entrepreneurs can obtain necessary information concerning current CSR problems occurring in the course of starting or carrying out business activities. Furthermore, entrepreneurs can receive substantive assistance in implementing the concept of CSR.

Business calculation is another factor having an impact on the decision to implement CSR. In this case, CSR is treated as a concept of management, as a result of which an enterprise can maximise its economic benefits. Building a positive image of a company in the environment and distinguishing its products by means of CSR can become a significant factor having an impact on an increase in competitiveness of the enterprise. The significance of issues related to recruiting and keeping the best employees thanks to CSR should be noted, which, under changeable environmental conditions, can guarantee success.

Motives for implementation of CSR can be legal regulations, too. Governments have a wide range of instruments at their disposal to help them exert impact on the level of interest in CSR among enterprises. These tools are very often related to legal regulations, especially in the area of tax law. Therefore, one can more and more often meet various tax incentives for socially responsible entities. In Poland, such incentives include, for example, reliefs, exemptions and tax deductions.

For the ranked enterprises, fashion for CSR, external financial support and environment expectations related to the competitors were of less significance. These motives for implementation of CSR were of significance for only 13% of the respondents.

4. Conclusion

Corporate social responsibility plays an important role in the development of present-day enterprises. Stakeholders are more and more often expecting enterprises to be actively involved in solving social, economic and ecological issues. For that reason, many enterprises decide to implement CSR. The implementation of the concept of CSR consists in long-lasting, thought-out and planned way of running a company in a socially responsible manner. The implementation of CSR under the enterprise action strategy can be a way of gaining a competitive advantage over other market players.

Any enterprise contemplating initiating socially responsible activities has to face a big dilemma. For there is a number of social problems to solve – it is important to choose the right sector and recipients of undertaken initiatives. The implementation of CSR is affected by many factors, internal and external.

The results of the survey conducted in the group of enterprises awarded with honourable mentions in the “Równa Firma” ranking showed that the most important determinants for the ranked enterprises were the internal factors dependent on an enterprise, such as: moral motives and responsibility for the company’s activities, employees’ attitudes and expectations, as well as organisational culture. It is mainly the internal stakeholders, such as owners, managers and employees, who have the biggest impact on whether a company will take socially responsible activities. It is worth noting that business calculation as a determinant of implementation of CSR was indicated by only 25% of the respondents. This may be due to the fact that a significant proportion of enterprises apply this method of management disinterestedly. Another reason for the low result for business calculation may be a lack of fully comprehensive information on business benefits derived from the concept of CSR. An intensification of the activities in respect of CSR serves not only local communities, but, in the long-term perspective, is supposed to serve mainly the company.

According to the respondents, the most significant external factors were, among others, local community's and recipients' expectations. Social expectations can, for example, be a result of a low quality of public services, which have an impact on the quality of life and the level of satisfaction of society. It should be emphasised that one of the most important areas of activity of the state is the ability to satisfy the needs and desires of the citizens. If the state is unable to fully satisfy these needs, a portion of society expects help from business organisations. Furthermore, it is worth adding that buyers are more and more often asking about the source and method for obtaining materials or food ingredients. This results in pressure being exerted on enterprises to pay more attention to CSR.

It should be emphasised that, due to an insufficient research sample, these results cannot be generalised, but can form the basis for further deliberations. They shed certain light on possible main determinants of implementation of the concept of corporate social responsibility in some enterprises.

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