SILESIAN UNIVERSITY OF TECHNOLOGY PUBLISHING HOUSE

SCIENTIFIC PAPERS OF SILESIAN UNIVERSITY OF TECHNOLOGY 2026
ORGANIZATION AND MANAGEMENT SERIES NO. 252

CONDITIONS FOR IDENTIFYING SOCIALLY IRRESPONSIBLE ACTIONS IN A SMALL ENTERPRISE

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Purpose: The purpose of this article is to identify and evaluate selected conditions influencing the identification of social irresponsibility in a small enterprise.
Design/methodology/approach: The article draws on a narrative review of the literature and the results of pilot empirical studies.
Findings: Research shows that internal and external conditions in identifying socially irresponsible practices are equally important to the surveyed entrepreneurs.
Research limitations/implications: The results of the empirical research allow for cautious conclusions that are valid only for the group of companies under study. The preliminary stage of the research, the purposive selection of the sample, the subjective responses of the respondents, and the idiographic nature of the empirical research within the project of which this study is a part indicate an analysis of a specific segment of reality and its particular characteristics.
Practical implications: These considerations address issues directly related to the practice of dysfunctional management in small enterprises, which are particularly prone to socially irresponsible behavior and the negative influence of their environment. Supporting entrepreneurs in formulating recommendations for the systematic and methodical identification of dysfunctional behaviors toward stakeholders has become a necessary challenge.
Social implications: Verifying the conditions for identifying socially irresponsible actions may have an impact on expanding knowledge and gradually changing the behavior of entrepreneurs and stakeholders in this area of the company's activity.
Originality/value: The recognition and assessment of selected conditions for identifying socially irresponsible actions in small enterprises gradually fills the cognitive and research gap in the scope of conceptualization, construction of methodological principles and empirical verification of social irresponsibility of small enterprises.
Keywords: social irresponsibility, small enterprise, conditions.
Category of the paper: Research paper.

1. Introduction

Disturbing trends in the socio-economic environment of modern enterprises, such as technological violence, modern employee slavery, greenwashing, crisis of values, etc., which influence dysfunctional management and stakeholder relations, require careful observation and verification in terms of threats to organizational balance.

At the same time, implementing the assumptions of the concept of corporate social responsibility without axiological redefinition and identifying manifestations of irresponsibility is insufficient to combat these adversities (Carroll, 2021; Clark et al., 2021). Therefore, the need to recognize socially irresponsible actions is becoming increasingly widespread, universal, and applies to all types of enterprises. In this context, small enterprises are a group of enterprises that deserve special attention due to their specific characteristics and the context of their operations (Udayasankar, 2008)[1].

A significant research gap (Carroll, 2025) in the area of issues linking social irresponsibility, with particular emphasis on the conditions for identifying socially irresponsible actions with the specificity of functioning of small enterprises, allows for consideration of several problematic issues included in the following questions:

1. What are the characteristics of identifying socially irresponsible actions in a small enterprise, and what are its conditions?
2. Which internal conditions, and to what extent, are important in identifying socially irresponsible actions in a small enterprise?
3. Which external conditions and to what extent, are important in identifying socially irresponsible actions in a small enterprise?

The purpose of this article is to identify and evaluate selected conditions influencing the identification of social irresponsibility in a small enterprise. This article builds on the author's reflections presented in her publications (Sokołowska-Durkalec, 2020, 2022) and provides an empirical verification and continuation of selected assumptions contained therein.

2. Identifying socially irresponsible actions in a small enterprise and its conditions

Small enterprises are a special group of enterprises, characterized by specific features that determine the tendency to be irresponsible or responsible (Graafland, Noorderhaven, 2020). Including social irresponsibility in the social responsibility system of small enterprises is methodologically justified. If we assume that, analogous to the universal understanding of

[1] Micro-enterprises were included in the group of small enterprises, therefore they were not separated.

corporate social responsibility (CSR) (Sokołowska, 2020; Sokołowska, 2013; Carroll, 1979; Carroll, Brown, 2018; Kang, Wood, 1995; Freeman, Philips, 2002), corporate social irresponsibility (CSI) means the lack or insufficient economic, legal, ethical, and philanthropic commitment of an enterprise to internal and external entities/stakeholders, it can be treated as a complementary concept to CSR or a stage/stage in achieving its maturity (Sokołowska-Durkalec, 2022).

The CSI concept consists of an ideological layer with a set of constitutive assumptions, primarily negative values and intentions, and an instrumental layer with a catalog of methods, techniques, and tools for dysfunctional management. In a small enterprise, the key figure in the system is the entrepreneur, whose attitude toward socially irresponsible actions can range from passive to indifferent to active. The consequence of an active attitude is the realization of the CSI management process (instrumental impact on areas and entities) described in a set of subsequent steps, such as: identification of CSI manifestations, i.e. areas (economic, legal, ethical and philanthropic) and CSI entities/stakeholders (internal entities: owner/owners, manager/managers, employees and external entities: customers, suppliers, local community, etc.)[2], planning (e.g.: declaration of values, development or selection of measurement methods, reporting and shaping CSI, etc.), organizing (i.e. ensuring appropriate conditions for the implementation of the concept: organizational structure, organizational culture, strategic solutions, integration within the existing management system, etc.), shaping (specific socially irresponsible actions within areas dedicated to entities, using supporting concepts, methods, methods, management tools) and controlling CSI (measurement/monitoring of CSI (possibly reporting), analysis and assessment of effects and possibly corrective actions, both in a positive and negative perspective) (cf. Sokołowska-Durkalec, 2025). All elements may be separate or coexist with the implementation (or be the result of dysfunctional realization) of the CSR concept.

A crucial element of the system is the identification of manifestations of social irresponsibility and deliberately planned socially irresponsible actions, either as a complement to the identification of CSI manifestations or with a clear indication of the distinct nature of the two processes. This involves identifying actions in the following areas: economic, legal, ethical, and philanthropic, towards internal and external stakeholders of the enterprise. Although they primarily refer to the objective occurrence of these areas and entities, they can be viewed as the first stage/stage in subjectively shaping this dimension of the enterprise's activities, resulting in the conscious realization of corporate social irresponsibility.

[2] A description of possible manifestations and socially irresponsible actions is contained in the author's selected publications, included in the bibliography in this article.

A comprehensive presentation of the potential inclusion of social irresponsibility in a CSR and CSI management system should be summarized with a detailed methodology. Identifying socially irresponsible behavior in a small enterprise includes elements such as: (cf. Sokołowska-Durkalec, 2025):

- substantive preparation (training, self-education) in the field of the CSI and CSR concept (especially its assumptions and principles of implementation and realization) for owners, managers and, if necessary, for stakeholders,
- building tools for identifying CSI manifestations (e.g.: survey questionnaires, interviews, observations; conversation scenarios; social experiment scenarios, etc.) (due to the lack of dedicated assessment standards),
- identifying the subject of irresponsibility and stakeholders in terms of determining their expected goals, value drivers, main expectations and type of power,
- identifying important aspects of stakeholder relationships, including classifying stakeholders into key and secondary,
- identifying socially irresponsible actions of stakeholders towards the enterprise,
- including the identification of socially irresponsible actions in the management process, mainly strategic management, more precisely in the strategic analysis process (analysis of the enterprise's interior and its environment – e.g. SWOT analysis),
- including the identification of socially irresponsible activities in everyday control processes (selected aspects of the company's operations in a functional and/or process perspective – control by the owner and manager(s),
- including the identification of socially irresponsible activities in other control processes: controlling, audits, reporting and certification,
- analysis and assessment of socially irresponsible actions in terms of their consequences for the company's operations and its stakeholders, together with an assessment of historical actions and responses to them (including an assessment of the risk of failure to identify manifestations of social irresponsibility),
- creating and/or using existing methodology and instruments to counteract identified socially irresponsible behavior,
- ongoing reporting, drawing conclusions, improvement.

The context and sequential definition of the process of identifying socially irresponsible actions is part of the CSR and CSI management system and is inextricably linked to the conditions.

This process (despite its rather fragmented nature from the perspective of the entire social responsibility management system) depends on internal conditions related to the entrepreneur's attitude towards CSR and CSI and its institutionalization in the company's operations, the scope and influence of internal stakeholders, and favorable or unfavorable organizational and management solutions, etc. An entrepreneur may demonstrate a detrimental/negative,

indifferent, or active/positive attitude towards CSR and CSI manifestations (existing and deliberately unidentified activities in economic, legal, ethical, and philanthropic areas toward internal and external stakeholders) or consciously manage CSI. By properly analyzing the phenomenon and placing it in the situational context, i.e., internal and external conditions, it is possible to move along a continuum from irresponsible actions, through neutral, to responsible ones (it seems that their gradation may be important, especially when building a CSI maturity model).

External conditions, on the other hand, include socio-economic trends related to the immediate and extended economic, political, and legal environments of a small business. A comprehensive assessment of irresponsible actions will depend on the influence of participants in the immediate and extended environment, as well as a strong institutional environment with well-developed mechanisms for enforcing law and legislation, ethical social norms, a culture of ethics and social behavior, etc.[3].

3. Research assumptions

The results presented in this article are pilot studies that identified the conditions and validity of research on this topic, and tested research tools. They pertain to the research project entitled: *Social Irresponsibility of Small Enterprises – Theoretical, Methodological, and Practical Challenges*. The aim of this part of the empirical quantitative research is to identify selected conditions of identifying socially irresponsible actions in a small enterprise.

The study was conducted between August and November 2020 on a purposively selected sample of 78 Polish small (including micro) enterprises. The purposive selection of the sample took into account the following criteria: 1. the criterion of the number of employees, i.e., the surveyed enterprise employing up to 50 employees during the study period (including micro-enterprises employing up to 10 people); 2. the activity criterion—conducting business operations and being active in both a formal and literal sense; 3. the independence criterion—the independence of business operations; 4. the substantive criterion—the ability to identify specific characteristics in the surveyed enterprise that highlight the socially responsible nature of its operations (e.g., enterprises presenting best practices in Responsible Business Forum reports, from the Fair Play list of companies, exhibitors at the CSR Best Practices Fair, and enterprises in which manifestations of social responsibility management have been identified). The substantive criterion was applied due to the level of awareness among entrepreneurs regarding processes related to CSR and—by extension—CSI.

[3] The specification of internal and external conditions, extracted from a review of the literature on the subject and the author's research experience, is presented in the description of reports on the results of empirical research, thus omitting the extensive review part of the article.

The study employed a survey method. For the purposes of this research, a *survey questionnaire* was developed by the author of the article and distributed in paper form to business owners and/or managers (or employees designated by them), containing questions (closed-ended and semi-open-ended—19 multidimensional questions) regarding the subject matter under study, preceded by an introduction and instructions, and followed by a summary.

This article presents an analysis of respondents' answers to two research questions:

1. Which internal conditions[4] and to what extent (5-very important, 4-important, 3-neutral, 3-irrelevant, 1-very insignificant) are important in identifying socially irresponsible activities in your company?
2. Which external conditions[5] and to what extent (5-very important, 4-important, 3-neutral, 3-irrelevant, 1-very insignificant) are important in identifying socially irresponsible activities in your company?

The following hypotheses were formulated:

H1. Internal conditions of identifying socially irresponsible actions are similarly important for entrepreneurs.

H2. External conditions of identifying socially irresponsible actions are similarly important for entrepreneurs.

For presenting the results of empirical research, a frequency analysis was chosen, that is, an analysis of the distribution of responses in the surveyed sample and descriptive statistics. The statistical analysis was conducted using the IBM SPSS Statistics 29 package, which ensures the accuracy and reliability of the obtained results.

4. Characteristics of the research sample

The research sample of 78 (N=78) Polish small enterprises is diverse. The group included 28% of enterprises with no employees, 41% of microenterprises employing up to 10 people, and 31% employing more than 10 people. Family businesses constituted a large representation (58%) among the surveyed enterprises. Data regarding the scope of operations of the surveyed enterprises was fairly evenly distributed: regional: 30%, local: 23%, national: 21%, and international: 26%. The majority of the surveyed enterprises (69%) had been operating for over 10 years, 17% for 4 to 10 years, and the youngest companies, operating on the market for up to 3 years, accounted for 14% of the total. The dominant business activity is in the service sector (66%), with trade (20%) and manufacturing (14%) represented at a similar level[6]. The majority

[4] A list of 11 internal conditions was proposed in the survey questionnaire.
[5] A list of 8 external conditions was proposed in the survey questionnaire.
[6] The distinguishing criteria (in the metadata) also included other variables; however, due to the limited scope of this article, a detailed presentation of these variables has been omitted (including in relation to the subject matter under study).

of the participants in the study were business owners (75%), who personally answered the interview questions. In the remaining businesses, the entrepreneurs were represented by hired managers (15%) and other employees (10%).

5. Results of empirical research

A detailed analysis of the empirical research results allows for a clear statement that entrepreneurs' perception of the importance of selected internal and external conditions for identifying socially irresponsible actions in the enterprises they run is convergent (which was confirmed by the analysis of the arithmetic mean, median and standard deviation – Tables 1 and 2). The most important (very important) internal conditions were identified by the respondents as: (1.1) the attitude (system of values, level of awareness, knowledge and behavior) of the entrepreneur towards manifestations of social irresponsibility and the resulting specific actions (69%)[7]; (1.11) a favorable financial situation of the enterprise (60%); (1.10) a favorable way of managing the enterprise (business model, concepts, methods, techniques and management tools, leadership style) (57%); (1.2) the attitude (system of values, level of awareness, knowledge and behavior) of internal stakeholders (management staff and other employees) towards manifestations of social irresponsibility and the resulting specific actions (57%), as well as (1.3) appropriate preparation of the entrepreneur (awareness of the significance of the problem of social irresponsibility and knowledge about it) and equipping them with instruments (methods, techniques and tools) facilitating the recognition of irresponsible behavior (53%).

Respondents considered the following internal conditions to be the least significant (very insignificant), while simultaneously indicating that they were highly significant: (1.4) the diversity of relationships with internal stakeholders, their varied goals, expectations, and scope of authority (1%); and (1.5) the principle of reciprocity in dealings with internal stakeholders, the natural asymmetry of information and privileges, and the cognitive capabilities of the parties involved (1%). Average scores were obtained for: (1.8) the entrepreneur's recognition of tangible benefits resulting from identifying manifestations of social irresponsibility (51%); (1.9) favorable internal organizational conditions, particularly in terms of organizational management and social factors (e.g., flexible organizational structure, teamwork, pro-social organizational culture, strategic solutions reinforced by a set of declared and upheld values, development of a code of ethics, etc.) (32%); (1.7) the entrepreneur's awareness of sanctions for failing to identify and disclose instances of social irresponsibility

[7] Respondents were given a choice of several answer options; therefore, the percentages for each individual category do not add up to 100%.

(29%); The most neutral condition turned out to be: (1.6) the discrepancy between the motives for taking action within the company, their implementation, and the results (16%).

Table 1.
Distribution of responses according to the number of indications for question 1

	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	1.10	1.11
1	0	0	0	0	0	1	0	0	0	0	1
2	0	0	0	1	1	1	0	0	0	0	0
3	0	0	1	7	8	13	3	4	2	1	3
4	15	17	23	29	33	28	33	34	20	18	20
5	54	45	42	25	17	15	23	25	40	45	47
mean	4,7829	4,72586	4,62122	4,25805	4,11864	3,94826	4,33893	4,33333	4,61293	4,6875	4,57745
median	5	5	5	4	4	4	4	4	5	5	5
deviation	0,41241	0,44617	0,51534	0,71691	0,69097	0,83919	0,57071	0,59097	0,54935	0,49608	0,70531

Source: own study based on primary data.

In turn, the respondents identified the following as the most significant external conditions: (2.1) the diversity of relationships with the company's external stakeholders, their varied goals, expectations, and scope of power (46%); (2.2) the principle of reciprocity in dealings with external stakeholders, the natural asymmetry of information and privileges, and the cognitive capabilities of the parties involved (37%); (2.4) guidelines imposed by institutions regarding the identification of socially irresponsible activities (35%).

Table 2.
Distribution of responses according to the number of indications for question 2

	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8
1	1	1	1	1	0	1	0	0
2	0	1	0	0	0	1	1	2
3	3	6	13	5	3	2	3	4
4	25	24	22	32	35	39	38	33
5	36	29	23	28	27	24	25	25
mean	4,461538	4,295082	4,118644	4,30303	4,369231	4,253731	4,298507	4,265625
median	5	4	4	4	4	4	4	4
deviation	0,724875	0,836548	0,865237	0,737927	0,570269	0,719521	0,623302	0,712438

Source: own study based on primary data.

Entrepreneurs also considered the following to be significant external conditions: (2.6) the economic and social situation and the potential of the region where the company is headquartered (50%); and (2.7) the economic and social situation of the country and the framework of national and international policy (48%). The least significant conditions (while still being indicated as highly significant) are: (2.5) favorable characteristics of the institutional environment, including established mechanisms for lawmaking and enforcement, ethical social norms, a culture of ethics in society, and community-oriented attitudes (1%). Average/neutral responses include: (2.3) the discrepancy between the motives behind actions taken by external stakeholders, their implementation, and the outcomes (16%) and (2.8) the economic, social, and political situation on the international stage (13%).

The research results did not reveal any significant differences between respondents' responses or any distinctive entities or groups of entities identified based on the criteria differentiating enterprises. Furthermore, no significant differences were found between the conditions groups.

6. Discussion

The analysis of the research results reveals that the social dimension of internal conditions is of greatest importance to the respondents: the attitudes of entrepreneurs, managers, and employees towards identifying socially irresponsible actions. Respondents prioritize financial situation and the organizational and management context equally with these areas. Somewhat surprisingly, the lesser importance is given to the perception of the details of relationships with internal stakeholders, the principle of reciprocity in contacts with internal stakeholders, information asymmetry and privileges, and stakeholders' cognitive abilities. These factors, while ranked highest among external conditions, are dedicated to external stakeholders. Perceiving socially irresponsible actions through the lens of the influence of phenomena, trends, and entities from the economic, social, and political environments is also significant. The influence of the institutional environment, with its wealth of applied axiology in the form of ethical norms and laws, received the least recognition from entrepreneurs, confirming the low social capital found in contemporary Polish enterprises, especially small ones.

The catalog of internal and external conditions presented is not exhaustive, and the carefully selected selection of those most relevant in terms of their impact on identifying CSR manifestations (Sokołowska, 2013) indicates similarities in the interpretation of research results for two opposing yet complementary categories – CSR and CSI. It also demonstrates a well-chosen set of conditions. The slight variation in the importance of entrepreneurs' perceptions of internal and external determinants in identifying socially irresponsible behavior confirms H1 and H2. It can be assumed that the respondent selection criteria, which took into account extensive knowledge and awareness of the importance of CSR and CSI in business management, ensured substantive preparation and influenced the balanced perception of the impact of these conditions on the process of identifying irresponsible behavior. Although – due to the structure of the survey questionnaire and the questions contained therein – it is difficult to determine the dominant importance of internal and external conditions and their significance for individual elements/stages of the identification process, a balance in the perception of the above-mentioned conditions is a suggestion for the development of this area of research in the next stages.

7. Summary

One of the key arguments for dealing with the subject matter is the certain predisposition to undertake responsible and/or irresponsible actions in a small enterprise, which result from its specific features, which also include the specificity of the environment. The presented research results warrant very cautious conclusions, both from the literature review and from the empirical research conducted. In the first case, the need for terminological clarification as one of the stages of conceptualizing CSI, also in relation to the operating conditions of small enterprises, is a significant limitation related to the initial phase of research development. The set of conditions in this article was also presented taking into account research experiences regarding the conditions of the process of identifying socially responsible activities in a small enterprise. However, when it comes to reports from empirical studies, it is necessary to emphasize such limitations as: pilot/preliminary nature of the research, assumed idiographic nature of empirical research in the entire project of which this research is a fragment, purposeful selection of the research sample, research process spread over time, etc.

It's worth emphasizing that the reality examined here is burdened with another limitation: the declarative nature of respondents' responses, which requires objectivity through the inclusion of a group of stakeholders whose opinions can be compared with those of entrepreneurs, as well as broadening and deepening the research. Another limitation may also be the subjective perception of frequency. The scope of the study also prevented verification of the relationships between individual determinants within groups: internal and external, and between groups. Furthermore, no significance was found for the determinants in the process of identifying socially irresponsible behavior. Future in-depth research should include other control variables that may influence socially irresponsible behavior, as well as consider the cross-sectional nature and outcome of the issue. The survey questionnaire also requires improvement.

In subsequent studies, the author of the article plans to present the remaining results of pilot empirical research on the same group of enterprises in the field of identification and assessment of motives, benefits and costs of socially irresponsible actions.

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