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CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES OF ENTERPRISES FROM THE WARMIA AND MAZURY REGION

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Abstract: In the future managers will have to take into account in their everyday decision-making processes the values promoted by corporate social responsibility. Apart from the consideration of the problems related to the market, profitability, sources of financing, etc. much attention will have to be paid to economic, social and ecological results of business activities, so to the ideas that form the foundations of the concept of corporate social responsibility. However, if businesses are to apply any new concept, method or management technique, it is necessary to familiarize themselves with it first. Therefore, the objective of the present research is the identification of the degree of the awareness of CSR concepts, their scope and the frequency of socially-responsible behaviours displayed among economic entities representing the warmińsko-mazurski region. The research objective was presented in the form of a question: *Are companies operating in the warmińsko-mazurski region aware of the existence of the concepts of corporate social responsibility and do they understand them?* In the light of the above objective the following research hypothesis was formulated: *Entrepreneurs and employees of companies operating in the warmińsko-mazurskie province are familiarised with CSR concepts but to a small degree only and activities undertaken by them in this scope are usually of a temporary character and do not contribute to building the image of socially-responsible businesses.* The studies were diagnostic and the research method applied was a diagnostic survey based on the developed questionnaire.

Introduction

Undoubtedly, one of the major determinants of the development of corporate social responsibility (Corporate Social Responsibility – CSR) should be the social awareness of a specific regional community of the existence of CSR concepts

and sustainable development which, in turn, should affect their consumer choices. Such a situation should create not only incentives for companies but, in fact, compel them to implement CSR concepts in a practical and effective way.

The research objective of the present paper was the identification of the degree of the awareness of CSR concepts, their scope and the frequency of occurrence of socially-responsible behaviours among economic entities representing the warmińsko-mazurski region.

The subjects of the study were the selected entities, persons managing them (most frequently they were also owners) as well as employees.

The research problem was formulated as follows: *Are companies operating in the warmińsko-mazurski region aware of the existence of the concepts of corporate social responsibility and do they understand them?*

In the light of the above objective the following research hypothesis was formulated: *Entrepreneurs and employees representing companies operating in the warmińsko-mazurskie province are familiarised with CSR concepts but to a small degree only and activities undertaken by them in this scope are usually of a temporary character and do not contribute to building the image of socially-responsible businesses.*

The research methodology

The studies were diagnostic and the research method applied was a diagnostic survey based on the developed questionnaire.

Due to the fact that the research was conducted by trained surveyors the usable return rate was 100%. The survey was conducted in late 2009 and at the beginning of 2010.

The research of socially-responsible behaviours was conducted on a random sample of 100 economic subjects (including the sixty companies whose location was presented in table 1 and the research results shown in the present article were restricted to those companies only). In the research assumptions it was stated that the choice of a random sample may result in dealing with economic subjects located closely to each other. Therefore, in accordance with the research assumptions that stipulate that the whole area of the warmińsko-mazurskie province should be covered by the survey, an assessment of the spread of the subjects in all twenty-one poviats of the province was made (with the support of the Main Statistical Office). Also, a decision was made that the application of layer samples should be more adequate. The spread of each sample in the layers (poviats) was proportional. However, in each poviat economic subjects were selected at random.

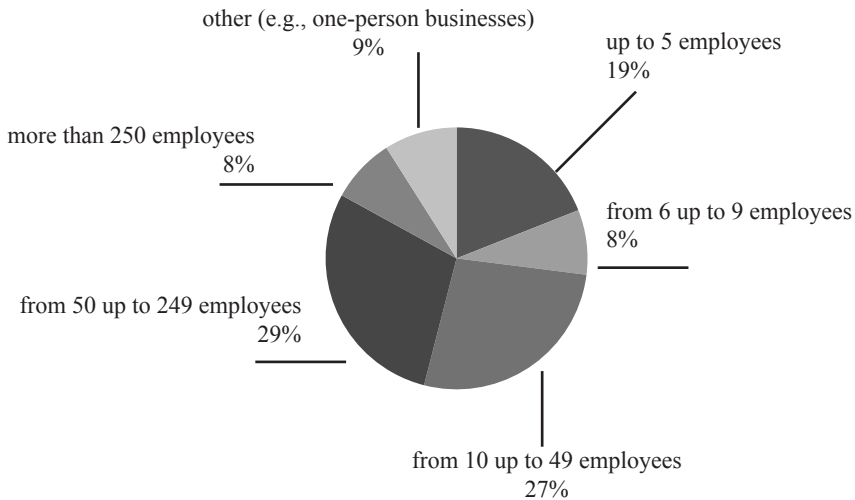
Table 1. The number of economic subjects

Powiat	Number of economic subjects as provided by poviats	% of the total of economic subjects	Number of economic subjects that should be researched (exactly the same % as in the general population)	Number of researched subjects
Bartoszycki	3 676	3.2	1.9	2
Braniewski	2 992	2.6	1.5	2
Działdowski	3 934	3.4	2.0	2
m. Elbląg	12 130	10.5	6.3	6
Elbląski	3 395	2.9	1.8	2
Elcki	6 535	5.6	3.4	3
Giżycki	5 459	4.7	2.8	3
Gołdapski	2 186	1.9	1.1	1
Iławski	6 230	5.4	3.2	3
Kętrzyński	4 373	3.8	2.3	2
Lidzbarski	3 322	2.9	1.7	2
Mragowski	4 660	4.0	2.4	2
Nidzicki	2 167	1.9	1.1	1
Nowomiejski	2 687	2.3	1.4	1
Olecki	3 257	2.8	1.7	2
m. Olsztyn	21 228	18.3	11.0	11
Olsztyński	8 758	7.6	4.5	5
Ostródzki	7 966	6.9	4.1	4
Piski	4 209	3.6	2.2	2
Szczycieński	5 062	4.4	2.6	3
Węgorzewski	1 595	1.4	0.8	1
Total	115 821	100	60	60

* The number of economic subjects as provided by the poviats and registered in REGON as of 31 December 2008, data taken from GUS – Bank Danych Regionalnych 2008.

Source: elaborated by the author.

The sample included the largest group of medium-sized and small companies, i.e., ones that employ less than 50 persons. The smallest proportion in the composed sample was of large companies and micro companies which employ from 6 up to 9 persons (figure 1). This may result from the fact that in the region there are only a few big companies as well as small businesses that are usually unwilling to participate in any surveys explaining their refusal by lack of time. Anyway, the random sample possesses the distinctive features typical of the areas of Warmia and Mazury.

Figure 1. The spread of the researched samples by company size

Source: elaborated by the author.

The concept of corporate social responsibility – the context of terminology

The concept of corporate social responsibility should be approached only provisionally since there is no explicit and commonly accepted definition of corporate social responsibility. Generally, the concept refers to behaviours in businesses, that is to organisations that seek to pursue profit, hence the name ‘corporate social responsibility’. However, this approach to CSR seems to be too narrow in its scope as it implies that only economic subjects can act in a socially responsible way but the concept should refer to all types of organisations, i.e. commercial, social or public ones. Moreover, we should be aware of the fact that the beneficiaries of every organisation ought to be not only their owners but also broadly understood stakeholders such as, for instance: employees, customers, suppliers, creditors, local communities and the natural environment (Walkowiak 2009, p. 6). Understanding stakeholders’ expectations and, first of all, building balanced and positive relations with them constitutes the key to correct application of CSR concepts. This is not a simple task since, as pointed out by R. Lorenczewski (2010), stakeholders have different expectations from the company and they differ in their interests in the conditions of the functioning of the company, its efficiency and effectiveness (p. 245).

In various attempts to define corporate social responsibility we can spot two major approaches. Firstly, corporate social responsibility is considered through

the prism of the activity targeted at the realisation of the basic functions of the company, such as, for example, achieving profitability. Secondly, CSR may be regarded as the company's duty, though based on voluntary actions (these actions can be of various character, e.g., pro-social, or pro-ecological), in relation to specific interest groups. The definitions of CSR used in subject literature which include the aforementioned approaches are shown in table 2.

At end of the twentieth century and at the beginning of the twenty-first century we can observe an increase in the number of attempts to systemise various problems (including ones that try to specify the definition of CSR) related to CSR (Brzozowski 2009, p. 7). Let us neglect some differences occurring in the definitions and let us focus on some common characteristics of this idea. These characteristics are as follows:

- CSR is not related to any formal requirements – it is a voluntary initiative on the side of the company,
- CSR is a responsible manner of doing business and is a way to build the company's competitive advantage,
- CSR should not be separated from the company's strategy leading to the achievement of a permanent profit,
- a key element of CSR is a dialogue with external and internal stakeholders (Brzozowski 2009, pp. 7–8).

Table 2. Concepts of corporate social responsibility

Author of the definition	The concept outline
Green Paper European Commission	Companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis
P.F. Drucker (1992, p. 408)	It is impossible to base any longer on the assumption that the owner's personal interest will lead him to the general interest and that the personal and the general interest can be separated and treated as categories that have nothing in common. Is quite the opposite: this responsibility requires from a manager taking over the responsibility for the general interest, subordinating his actions to ethical norms, limiting his own interest and authority in the event their realization was to turn against this general interest and an individual's freedom.
M. Friedman (1997, p. 59)	There is only one type of social responsibility in the world of business – use one's resources and conduct operations with a view to increasing one's resources as long as this increasing remains in conformity with the game rules. In other words, one should get involved only in open and free competition without any tricks and fraud.
R.W. Griffin (1999, p. 144)	Social responsibility is a set of commitments on the side of the company to protect and strengthen the community within which it functions.

continued table 2

M. Żemigala (2007, p. 9)	A contemporary company should be an organisation that serves its environment since it realises apart from economic tasks also social tasks including environmental ones. Companies should bear responsibility for social progress and for what is related to it – the natural environment.
K. Lisiecka (2003, p. 13)	Corporate social responsibility concerns, among other things, limiting and ceasing any actions that are socially and physically harmful, providing goods and services where a profit cannot be made (communal services), taking responsibility for positive social progress.
M. Urbaniak (2007, p. 11)	Corporate social responsibility is a concept being the realisation of the implementation of the sustained (permanent) development with the consideration of economic, environmental and social aspects.
I. Kawka- Tomczak (3/2003 p. 55)	Socially responsible business is, in particular, a strategic partnership committed to building an adequate image of the company and its activity. This is also a philosophy of doing business, shaping relations between all stakeholders, that is the cooperation between employees, customers, suppliers, stockholders, competitors, local community, and state administration.

Source: Walkowiak (2009, p. 11).

The terms ‘ethical’ and ‘socially responsible’ are frequently used interchangeably despite the fact that they are not synonymous. The main determinant that differentiates ethics (especially in reference to economic activity) from corporate social responsibility is the fact that individuals (persons) are equipped in ethics. Companies are not equipped in ethics; however, they start relationships with their surroundings in the manner which necessitates making decisions that are socially responsible.

Knowledge and the implementation of CSR concepts in the surveyed companies

In order to implement in any organization any concept, method or management technique it is necessary to familiarize oneself with it to a satisfactory degree (this familiarization concerns both practical and theoretical aspects). This rule also applies to the concept of corporate social responsibility. After a thorough and broad familiarization with the concept of CSR and after recognizing its multidimensional character and internal logic, it may be perceived that the concept can be used effectively and spending some funds on this purpose is not always necessary. The application of this concept may bring real and tangible benefits and not only for the ‘beneficiary’ of the concept but also for the organization applying it. That is why many researchers dealing with the scientific and practical aspects of the problems of the implementation of the concept of CSR begin with diagnosing not only the level of awareness and knowledge of a general philoso-

phy of the concept but also with the knowledge of some technical details (being familiarized with them usually translates directly either to success or failure in the practical implementation of CSR concepts).

Table 3. Knowledge of the concept of CSR

The size of the company/ organization	Knowledge of the concept of CSR (as %)		
	Partial	No	Yes
More than 250 employees	63	12	25
From 50 up to 249 employees	41	45	14
From 10 up to 49 employees	37	33	30
From 6 up to 9 employees	38	37	25
Up to 5 employees	39	39	22
Other, e.g., one-person businesses	56	44	0

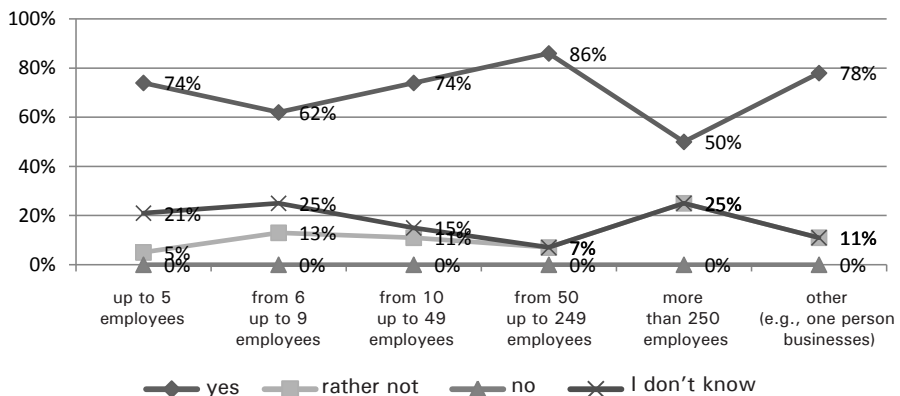
Source: elaborated by the author based on the results of his research.

The group that is usually most familiarized with the principles of CSR are employees and owners of big companies. They know that applying ethical norms and the principles of socially responsible conduct brings, in the long-run, tangible benefits. Due to this knowledge, employees more frequently identify themselves with the company and the company has better financial possibilities and a wider spectrum of the application of CSR principles. Unfortunately, small businesses find it more difficult to apply the principles of corporate social responsibility. The underlying criterion for them is the owner's profit. The costs that are to be incurred due to the implementation of the principles of CSR seem to be unnecessary and the effects too remote in time. Such an attitude has been confirmed by the research conducted. The respondents from big companies can boast of the highest level of knowledge about the concepts of CSR – above 80% (the aggregate of the 'yes' and 'partial' indications). These results confirm the opinions of numerous practitioners and scientists dealing with corporate social responsibility that special attention should be paid to the sector of small and medium-sized businesses. The point is to break the long-standing stereotype that only big companies can afford such 'extravagances' and that they are rich enough to sponsor 'within their advertising campaigns' various events that are socially useful. Another argument that is frequently raised is that numerous big companies while making use of their market advantage (usually of a monopolistic character) can afford to bear expenses that can be categorized as 'socially responsible' since, eventually, these expenses will be paid back to the company at the stage of the final consumer. Therefore, it is so important to reach small businesses and convince their owners and managers (it is best to provide concrete examples) that applying CSR is not the domain of only big and affluent companies. Also, famil-

iarizing entrepreneurs with specific examples of small companies operating on highly competitive markets and investing much of their energy and funds (taking into account their size) in the activity in the field of CSR and despite that (or maybe because of it?) achieving good economic performance could be the best incentive and way to propagate CSR principles in their own organizations. We should bear in mind the important role that SMEs play in every developed market economy. Of course it is obvious that ‘the big are capable of doing more’ but there are millions of ‘the small’ and even if a small percentage of small businesses start to consider seriously how to apply the concept of CSR in business practice, then the popularity of the concept may spread substantially.

The majority of the researched companies conduct their business activities in a socially responsible manner (the proportion of ‘yes’ indications reached the level of 70–80% dependent on the company’s size). Slightly worse was the situation in big companies (i.e., employing more than 250 persons). In the group of big companies only 50% of respondents admitted the occurrence of the principles of CSR. The result seems to be surprising. The explanation may be the fact that in big organizations employees feel more anonymous. They may feel as if they were only very small parts of the whole enormous structure and they may know that in the situation where redundancies in the organization become necessary, the organization’s owner would not hesitate whether to keep them employed or not (it is even more complex as in big organizations ownership is frequently dispersed).

Figure 2. Organizations that follow the principles of corporate social responsibility



Source: elaborated by the author based on the results of his research.

Despite the fact that employees in big companies could boast of the possession of the best knowledge of the standards of ethical conduct, the application of these standards looks worse. This is the only group in which 25% of respondents

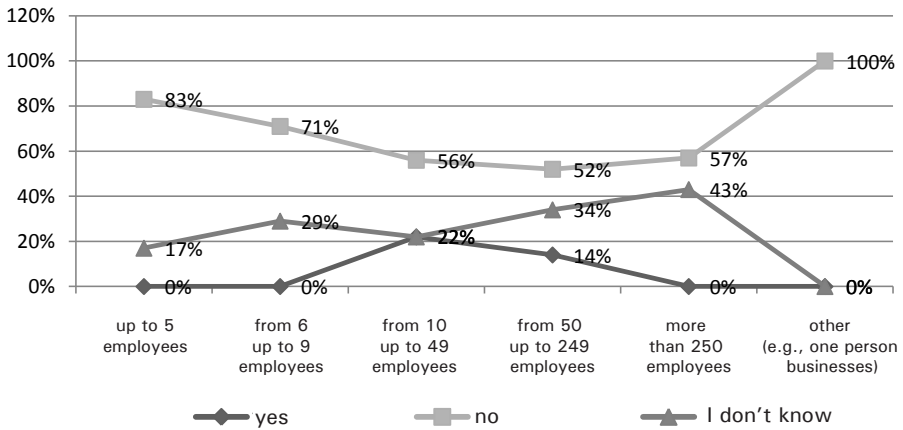
indicated that in their organizations such principles of ethical conduct are not applied. It is reassuring that a half of them are planning to work out and implement these principles shortly. The respondents representing the group of micro companies (i.e. employing up to 9 persons) did not have any problems in that respect. It follows from the provided answers that they know and commonly apply the principles in their organizations (100% of positive answers).

Table 4. The compulsory character of the standards of ethical conduct in organizations

The size of the company/organization	The compulsory character of the standards of ethical conduct in organizations (as %)		
	Yes	No	We intend to devise such standards
More than 250 employees	75	12	13
From 50 up to 249 employees	93	4	3
From 10 up to 49 employees	82	11	7
From 6 up to 9 employees	100	0	0
Up to 5 employees	100	0	0
Other, e.g., one-person businesses	89	0	11

Source: elaborated by the author based on the results of his research.

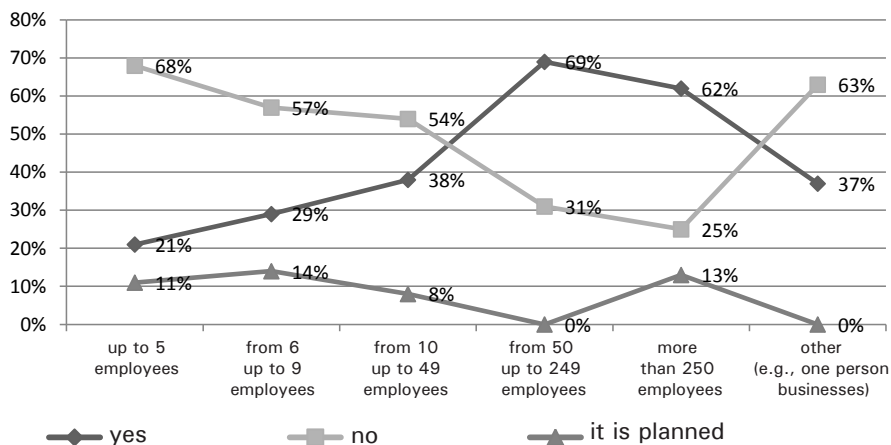
Shield programmes are most frequently applied in small businesses (employing up to 50 persons). Also, medium-sized businesses (employing up to 250 persons) boasted of the application of such programmes, however, to a smaller degree. The remaining organizations stated that they did not have any programmes in place and did not know about their existence. The situation was even worse in businesses employing up to 5 persons. Probably it is so because staff turnover is very high in such businesses and the implementation of shield programmes simply does not make sense. In micro companies employees, due to low salaries, often decide to quit their jobs and do not benefit from the privileges obtained by employees laid off by the employer by notice. The duration period of shield programmes is often identical to the duration period defined by the Labour Code. Therefore, redundancy pay and other related benefits are paid out to employees who had work agreements signed for an indefinite period of time and worked in a given organization for at least one year. Moreover, entrepreneurs from small businesses resign from shield programmes for a prosaic reason, which is lack of funds for this purpose.

Figure 3. The application of shield programmes for redundant staff

Source: elaborated by the author based on the results of his research.

As follows from a formalized employee appraisal system, medium-sized and big companies know much better that results of employee appraisals allow, apart from effective management of human resources in the company, suitable modelling of awarding systems. Consequently, they do not perceive employee appraisal systems as extra costs but primarily as extra future benefits. It is known that measurable benefits need some time ‘to become materialized’. Small businesses often do not look out into the remote future, they rather focus on their daily problems. Moreover, they erroneously think that with a small number of employees this system will not work since the benefits resulting from the system are not easy to notice and measure. As already mentioned, an employee appraisal system covers not only the effects of the work of a given employee but also certain elements of the evaluation of his competences, skills, attitudes and everyday behaviours.

The size of the company measured by the number of employees does not affect the issue of considering the balance between professional life and private life. This problem is recognized by both big companies (62% of positive indications) and by the small ones – one-person businesses (also 62% of ‘yes’ replies). It is essential that companies should know that the firm may support the balance between private and professional lives through various actions related to CSR concepts such as: educational, connected with providing a flexi time system, help in providing care for children and elderly people, or providing subsidies for medical expenses to employees and their families. These actions contribute to increasing employees’ satisfaction and better performance.

Figure 4. Applying a formalized periodical employee appraisal system

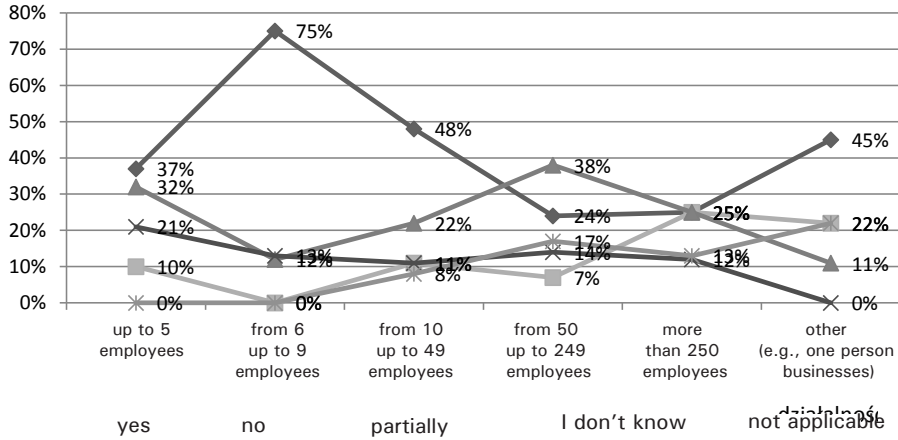
Source: elaborated by the author on the basis of his own research results.

Table 5. Consideration of the issue of maintaining balance between employees' professional lives and private lives

The size of the company/organization	Maintaining balance between employees' professional lives and private lives (as %)		
	I don't know	No	Yes
More than 250 employees	0	38	62
From 50 up to 249 employees	17	35	48
From 10 up to 49 employees	11	19	70
From 6 up to 9 employees	0	38	80
Up to 5 employees	21	37	42
Other, e.g., one-person businesses	13	25	62

Source: elaborated by the author based on the results of his research.

Micro entrepreneurs (i.e., owners of businesses employing from 6 up to 9 persons) stand out in encouraging their employees to participate in activities of local communities. As many as 75% of them can perceive long-term benefits that result from making partner and business relationships with representatives of local communities. The lowest percentage of this type of activity can be seen in medium-sized and big companies. The reason for the situation may be the location of these entities. Most frequently they are placed in large agglomerations and then they do not see any benefits that may be gained within the cooperation with local communities.

Figure 5. Encouraging employees to participate in the activity of local communities

Source: elaborated by the author on the basis of his own research results.

Training employees on the importance of the company's values and rules of conduct is most popular in the biggest organizations (employing more than 250 persons). Next come companies with 6–9 employees. Therefore, we can state that there is no dependency between providing this type of training and the company's size.

Table 6. Training employees on the importance of the company's values and rules of conduct

The size of the company/organization	Training employees on the importance of the company's values and rules of conduct (as %)				
	Not applicable	I don't know	Partially	No	Yes
More than 250 employees	0	13	25	12	50
From 50 up to 249 employees	3	10	31	28	28
From 10 up to 49 employees	0	0	33	22	45
From 6 up to 9 employees	0	13	12	25	50
Up to 5 employees	0	0	42	26	32
Other, e.g., one-person businesses	45	0	22	0	33

Source: elaborated by the author based on the results of his research.

A similarly even layout can be seen in the remaining replies (i.e., the options ‘not applicable’, ‘I don’t know’, ‘partially’ and ‘no’). The exception here is a high proportion of the ‘not applicable’ indication as regards the ‘other’ category. Probably it is caused by the fact that the category is dominated by one-person businesses, so there is no recipient of such training (assuming that the owner of the business understands the importance of the values respected by the business and knows the principles of proper conduct to be followed within the economic activity run by him).

Conclusions

The presented results of the research confirm the hypothesis, formulated in the introduction, that entrepreneurs and employees from companies operating in the *warmińsko-mazurskie* province are very slightly familiarised with the concepts of corporate social responsibility. Big companies are the group that possesses the best knowledge in that area and in contrast to small and medium-sized enterprises they are not so much focused on pursuing profit but on shaping a long-lasting and stable market position also through various business-related activities. They know that following ethical norms and the principles of corporate social responsibility brings tangible benefits. Due to that employees identify themselves more with the company and the company, in turn, gains a better financial standing and has a wider spectrum of possibilities of applying CSR principles. Unfortunately, such activities are often short-term, which does not contribute to the development of stable and planned socially responsible practices. However, in practice big companies, in spite of declaring the awareness of the existence of CSR, frequently do not apply CSR principles. That concerns, among other things, using shield programmes for redundant staff, or participating in the activity of the local community. Anyway, we should hope that we are at the initial stage of the development of the concept of CSR in Poland’s companies and that the example and experience of socially responsible organizations from the local market will be followed by neighbouring companies. It is definitely easier to follow positive examples of companies that succeeded in that respect and functioned under similar conditions.

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