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CORPORATE SOCIAL RESPONSIBILITY IN THE POLISH COMPANIES

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Abstract: The aim of this study was the attempt to investigate corporate social responsibility in the selected Polish companies. During the research procedure it was possible: to determine general awareness in the investigated companies in terms of their social responsibility activities; to determine the level of competence and the use of available tools as well as CRS standards. Due to the established aims of research, the following assumptions were formulated: Corporate social responsibility plays a significant role in the business activities that are undertaken by the researched companies. Selected Polish companies abide by international CRS quality standards.

Introduction

The concept of corporate social responsibility is still a new subject, which accompanies crucial decisions in many companies. On the other hand, this complex idea has a long history. It dates back to 18th century, when it was connected with philanthropy and was not identified with the company itself. However, over the course of time its "disinterested simplicity" changed into a particular business tool, which determines strategies adopted, among others, by managers. CSR, which has still been developing, sets standards of interaction quality with stakeholders. Thus, it also gives an impulse for positive changes in business. Over the last ten years, broadly defined Polish society has changed the way CSR is perceived. A company, which undertakes CSR activities compares favourably with the one, which does not include stakeholders in its activities (Mazurkiewicz 2006, p. 22).

Social responsibility standards

Corporate Social Responsibility is the idea that undoubtedly left a mark in the development of the global economy last year. It contributed to a more detailed examination of the companies which declare ethical and sustainable activities. Year by year, more and more organizations publish codes and social reports.

Over the course of time, the act of asking people from the circles of the company, thus the public as well, about the actually completed ethical principles, included in the companies' programs, becomes more and more popular. The question arose due to more and more frequent disparity between the code which officially determines the company's policy and the prosaic or natural decisions in the company.

It was not long before the business replied. As CSR was developing, clearer procedures and standards were being introduced. They enabled to "install" sustainable development more easily at the operational and strategic level of the company. Since the early 90's of the last century, it was common among the companies to undergo ethical and social audits, which made their image more positive.

Methods, internal systems and institutions measuring CSR

The company's activities, which are well thought-out and socially responsible, usually have the quality aspect. However, despite this fact, only the quantitative aspect can be used to measure their effectiveness. That is why the world of business had to establish certain measurements, which would estimate the effectiveness and appropriateness of CSR implementation in the company (analyzing at the same time the assessment scheme incorporated by external benchmarking and rating companies) in an easy and effective way.

As Bolesław Rok emphasizes sample quantitative indicators, broadly used in CSR reports, can be distinguished. Due to these indicators, the assessment of the scale of efforts made by the organizations for socially responsible activities becomes possible (table 1). Another issue is using external tools, such as stock exchange indices.

Table 1. Social and ecological indicators used in CSR

Ecological	Employment
indicators	indicators
 Global Warming Potential (the amount of exhaust gases); Eco-efficiency indices (the relation between the emission of exhaust gases to the revenues); Recycling (the relation between the disposed and produced waste); The worth of environmental investments to the total investments; The number of environmental standards violations 	 The range of salaries; Female salaries vs. male salaries; The number of dismissals to the total number of dismissals; Trainings budget vs. annual operating costs; The number of workers participating in trainings vs. the total number of workers; The number of women employed in managerial positions to the total number of women employed; The percentage of workers affiliated to trade unions
Indicators of social	Indicators of relationship
engagement	with business partner
 The amount of funding allocated to social investment; The number of projects (from social organizations) to the number of projects completed; Charitable financial subsidies as a percentage of gross profit 	 The number of the (accepted) complaints to complaint in total; The average time needed to square payments (invoices);

Source: B. Rok (2004, p. 53).

In the global economy, there are 9 indices currently, where only sustainable business companies are quoted ; the most important ones include:

- Dow Jones Sustainability Index,
- FTSE4Good,
- Arese Sustainabile Performance Indices (ASPI),
- Audit and social reporting standards,
- Social Accountability 8000,
- AA1000,
- Global Reporting Initiative (GRI).

Dow Jones Sustainability Index

The described index (DJSI) follows current business and plans of over 10% of socially responsible corporations. It does not include companies from military, gambling, alcohol or tobacco sectors. It was formulated in 1998 by the specialists from Dow Jones and the Swiss company SAM Sustainability Group. It aims to create the opportunity for companies which include social, environmental and economic aspects in their development, to boost at the stock exchange.

Many criteria are used in order to measure the quality of social responsibility. There are three categories which reflect the above aspects in the company's activities. Each of the aspects is of certain importance and the rating is measured by the means of particular formulas. In the case of social category, the following factors are summarized: the way the employees are kept, the development of human resources, philanthropic activities and social reports. However, in the case of environmental category, the so called eco-efficiency factors (Key Performance Indicators*), the factors characteristic to the branch and reports about pro-ecological activities, are taken into account. The next criteria, economic one, gives points for the system called Corporate Governance in a certain company. It takes into account the size, structure and the powers of the supervisory board as well as a business conflict concerning financial audits and salaries. Risk management is also important (a definition created, a map and a risk assessment), potential corruption (norms of conduct, practices and systems preventing corruption). To sum up, the above criterion, DJSI index includes a lot of factors which establish the quality of CSR systems. That is why the development of these systems, creating or applying the existing measurements connected with corporate social responsibility should be of most importance for the decisive managers (cf. www. sustainability-index.com).

FTSE4Good

FTSE4Good indices as one of the most important indicators in creating international CSR standards were launched in February 2001. FTSE4Good comprises the most detailed requirements for organizations, which aim at incorporating CSR or developing the scope of CSR.

The originators of this index distinguished three main tasks, which are also the reasons for its existence. The first one was to create a tool for the investors to select an organization, which meets CSR standards. The next step was to create benchmarking, i.e. the measure of comparison in the selection of the socially

^{*} A set of KPI measure, is used to measure the so-called eco-efficiency, i.e. it assesses the quality of materials management in the company. It measures, among the others, the amount of waste, vehicle emissions, the amount of water used during the manufacturing processes.

responsible investments. However, it was the intended input into the expansion and the development of socially responsible business, which was the third reason for FTSE4Good to come into existence. FTSE4Good consists of companies quoted in FTSE All-Share and FTSE Developed indexes. The prerequisite for the company to be placed in the described index is to stand out in its socially responsible activities, i.e. it has to fulfill six criteria: environmental, the support of human rights, cooperation with stakeholders, corruption prevention and good cooperation on the suppliers-companies-clients line. Similarly to DJSI index, each of the criteria mentioned, is described precisely and measured by the measurements for the assessment of this index. The following similarity is the exclusion from FTSE4Good of the companies from the following sectors: military, tobacco, energy- tied up with nuclear energy and production of nuclear systems elements.

The activity of the companies is assessed on the basis of the analysis of the comparison between the companies of equal status. Social expectations, binding legislation, international conventions also play an important role in the assessment. In the process of preparation the summaries, annual reports, questionnaires, information published on the official websites, press and media are the sources of information (cf. www.ftse.com).

Arese Sustainabile Performance Indices (ASPI)

Vigeo – a company, which creates indices and stock ratings launched ASPI index in July 2001. The originators underline the need of promotion of corporate social responsibility and the resulting idea of Triple Bottom Line.

In the case of the described index, this idea refers to the company's reports concerning its activities. It should present its financial, social and environmental reports.

ASPI includes a hundred and twenty companies from DJ EURO STOXX index, including only European companies. All of them are distinguished by their ethical performance. Unlike DJSI and FTSE, ASPI does not eliminate companies because of their profile. However, companies from the military or tobacco sectors are subjected to much stricter criteria of evaluation.

Estimating the ASPI index takes five factors into account:

- environmental performance,
- corporate governance (internal guidelines that determine the action),
- community,
- suppliers and customers,
- respect for labor rights and labor standards.

Each company is assessed in accordance with the above criteria. As the result, ranking of the leading companies in terms of socially responsible business management skills is formed. The index value is estimated on the basis of information obtained directly from the companies (e.g. social, environmental reports), questionnaires, interviews with stakeholders, databases, media and the press. It is worth noting that these indexes rely their activities on benchmarking, which is a comparison of financial performance of socially responsible companies. However, ASPI constitutes the ranking of socially responsible companies. It ascribes a certain number of points for initiatives, which are the canon of CSR activities (cf. www.vigeo.com).

Audit and social reporting standards

Increasing globalization of business, carrying both the benefits and danger, has become a stimulus for the creation of cross-border businesses. As the result, many institutions that control corporations every day have lost a real oversight over them. In particular, it refers to the organizations that control the correctness of the production process in terms of compliance with environmental standards. The effect of globalization is also a loss of oversight of the so-called corporate governance. So, not only is it a loss of oversight of measuring the financial activities but also the influence on social environment of the company (Koźmiński 2005, pp. 201–210).

Meanwhile, the tremendous growth in the market of electronic media makes stakeholders have unprecedented access to current information about the company, and thus more or less trust in it. Consequently, it can result in the increase and decrease in profits, depending on the 'hot' information they receive.

These trends, to a large extent, triggered new reporting standards. The need to create them has been expressed both by financial institutions, companies and government bodies. The international character of the new standards is still evolving. They were adopted on a voluntary basis. However, over time, a new trend of legislative changes leading to the coercive use of certain new reporting standards, has appeared in some countries.

Social Accountability 8000

SA8000 standard, which correlates with ISO (International Standard Organization) standard allows operating in the system of independent verification, i.e. it sets requirements for social activities, which a company should meet. It was created by the non-governmental organization - Council of Economic Priorities Accreditation Agency, which assumed that this standard should be a kind of a guideline to conduct business in accordance with the concept of CSR (this standard only defines the obligations of corporate social responsibility relative to workers' rights). These guidelines are mostly based on the UN and the International Labor Organization documents.

SA8000 describes eight elements directly related to employment law. According to the standard, the company will not employ anyone under the age of 18. The employers have to provide staff-training and create appropriate documentation in the case of child labor. They also must not force anybody to work. Moreover, they need to ensure safety and minimize the risk to zero in fulfilling the duties by the employee through education, trainings and other programs. Another element of the standard imposes on the employers the freedom to associate in trade unions. What is more, companies can not promote and engage in any discriminatory practices based on religion, race, nationality, sexual preference, etc. SA8000 also specifies the maximum number of hours of work and the principles and rules of compensation for work (cf. www.sa-intl.org).

AA1000

The London Institute of Social and Ethical Accountability created a standard called AA1000. This standard evaluates the ethics audit. It was created as a result of international consultations conducted by business organizations, governmental and NGOs. It sets a process consisting of twelve elements, i.e. sub-processes, allowing to characterize the company in its present form. This standard also provides a detailed definition of the social model to which the company aspires.

The essence of the AA1000 standard, is the concept of accountability. This concept is characterized by three elements:

- transparency,
- responsivness,
- compliance.

The management process, which is distinctive of this standard, is also very important. Embeddedness is its integral part. It clearly sets out the need for integration and cooperation between CSR and the already functioning systems in the company. CSR cannot be cut off from the gainful activity. According to AA1000, CSR should be correlated with the continuous process of learning, i.e. the constant improvement and the assignment of ever more ambitious projects (cf. www.accountability21.net).

Global Reporting Initiative (GRI)

The main regulations and schemes of Global Reporting Initiative were included in Sustainability Reporting Guidelines publication. It contains the most comprehensive rules and guidelines concerning public reporting of business activities. Moreover, it shows the organization the opportunity to present its activity in three segments: economic, social and environmental. GRI provides clear rules, which enable the comparison of activities and reports between the particular companies, thus it also provides the practical instruments to optimize the cooperation with the stakeholders. GRI standard is based on the eleven principles by which a company can reliably provide information about its activities. It can also compare its activities in time and confront the quality of socially sustainable management in many organizations (cf. www.globalreporting.org).

Taking everything into consideration, the above standards and methods for measuring CSR are complementary to each other. Despite the fact that methodologically most of them touch upon different aspects of corporate social responsibility, together they form a tool with a broad spectrum of impact on ethical and sustainable functioning of the company. It is similar, as far as the definition of CSR and ethical programs are considered. There are many attempts to systematize them, however, only gathered together they give a picture of the idea that can realistically change the view on modern business.

CSR in some of the Polish companies

The aim of this study was the attempt to investigate corporate social responsibility in the selected Polish companies. Having specified the objectives, it has become possible to systematize such information: to determine general awareness in the investigated companies in terms of their social responsibility activities; to determine the level of competence and the use of available tools as well as CRS standards.

In accordance with the established aims of research, the following assumptions are formulated:

- Corporate social responsibility plays a significant role in the business activities that are undertaken by the researched companies.
- Selected Polish companies abide by international CRS quality standards. In the research, a diagnostic poll method with the use of surveys was adopted..

The findings from Polish and English specialist literature and source materials were used in the research. The questionnaire of the survey was sent by an email to selected companies, with the request to fill it in and return to the indicated addressee. Companies were chosen among hundreds of companies publishing their social responsibility activities in the reports in Responsible Business Forum in 2006–2009. The key was their annual presence in the RBF report- Good Practices. The fact that sixty companies were chosen gave the opportunity to get the full picture of an international company, which "boasts about" its good practices, a company which should know CRS by definition. The survey was sent to all of 60 companies, which undertook CRS activities systematically between 2006 and 2009. Among all of the received surveys, 20 were admitted to the research, which comprised 1/3 of all the companies. According to the collected data, the biggest number of the respondents, almost half of them, carried out activities in the manufacturing sector, where food industry was the biggest branch. The financial sector, the smallest one, comprised 1/4 of all the surveys. All the companies which were admitted to the research declared that they had employed more than 250 workers. They also claimed that they had operated in Poland and overseas. 16 of the respondents declared that had had offices/branches in other countries.

The findings of the research were divided into subject areas:

- General knowledge about CSR in the researched companies;
- Premises, which determine CSR popularity;

The research showed that the biggest number, as many as 13 respondents, believed that corporate social responsibility was an integral part of the company management. Most of the respondents claimed that they were able to identify and spot widely understood problems in their company. The problems could be or should be solved out by the application of CSR. Only five of them were of the opinion that their knowledge is insufficient, three respondents were not able to answer one way or the other.

The analysis of one of the questions, namely "is CSR as a business tool included in the declared strategy in your company"? provided crucial information concerning CSR. The question was important because it combined hypothetical (declared) CSR elements with elements with rational elements, in the form of a defined and important tool in making business decisions. Therefore, one could safely conclude that the majority of the investigated companies had, to a greater or lesser extent, such a business tool.

According to respondents, philanthropy was one of the most common areas of activity related to social responsibility within the last 1–3 years. It was indicated by as many as 17 companies, and understood as any charitable and philanthropic initiatives. Another equally popular indication was the study and implementation of CSR within the company and the assessment of the needs of local communities. However, only 4 out of the 20 surveyed companies responded that within the last three years they focused their activity on the initiatives related to the sustainable management of finances and investments.

According to 11 respondents, philanthropic activities, were generally carried out by the companies at the national scale. Local initiatives were carried out by 6 respondents and were of a smaller scale. The number of activities, i.e. the decisions related or not to CSR within the year in various companies, was different. However, according to the analysis of the research, 10 companies indicated that socially responsible decisions ranged between 26–50% compared to the number of all activities. However, 2 of the respondents indicated 76–100%, which proves very strong commitment to responsible business initiatives.

The analysis of one of the questions, concerning the number of all philanthropic activities undertaken on average each year, completed the findings about the initiatives related to CSR. As many as 14 respondents reported that their companies conducted more than thirty activities of this type a year. Only 2 respondents reported

from 5 to 10 philanthropic initiatives a year. This could indicate a considerable awareness of the needs of the surrounding business community.

There were different factors, which motivated companies to undertake socially responsible activities. Some of them took stakeholders' benefits into account, others the potential financial profits. All the companies declared that it was ethics that was the major and most important factor determining the use of CSR. On the other hand, an insignificant factor or of little significance, was the economic or economical factor chosen by 17 respondents. Interesting pieces of information were provided by the next factors, divided conventionally due to their dimension: internal and external.

Internal factors, operating primarily for the benefit of the company, were perceived by most respondents as the main determinants of CSR-related activities. The biggest number, as many as 19 respondents, were of the opinion that they managed to create a desirable image due to socially responsible decisions, 8 of them claimed that it was an excellent way to build a brand. Undoubtedly, it was also interesting that as many as 14 respondents did not take into account the factor by which it was possible to reduce the risk in the company. However, external factors, focused on the local environment of the company, provided the data that it was the benefits of improving relations with the local community that triggered socially responsible actions. In this respect, it was strange that only 2 companies, claimed that the main factor determining the use of CSR, was the desire to strengthen relation with their suppliers.

In terms of the variables affecting the decision on the implementation and application of CSR, it is worth analyzing the respondents' answers concerning the use of the idea of socially responsible actions as a business tool. Thus, 4 of the respondents were of the opinion that the introduction of CSR as an integrated business tool, did not pay off, i.e. did not bring financial profits. However, only 3 respondents declared that CSR activities increased the companies' assets. This view was partly shared by as many as 12 companies, however, with the difference that according to them, financial profits were noticeable after a longer period of CSR use.

In the research, certain attempts were made to determine the level and the quality of socially responsible activities in certain companies, which have been conducting this type of initiatives for at least 3 years. Only 9 companies had special departments devoted only to CSR activities.

The analysis of the question concerning the position of CSR manager/coordinator in the investigated companies provided analogous conclusion. Nine respondents indicated that such a position had been created, and half of the respondents declared an intention to create a position connected to CSR in the near future.

Some of the analyzed companies that did not have a special CSR department based their socially responsible activities on PR department. 8 out of 11 respondents without CSR department emphasized that there was PR department that was in charge of all the socially responsible activities and the cooperation with the stakeholders. Only two of the respondents researched did not have PR department.

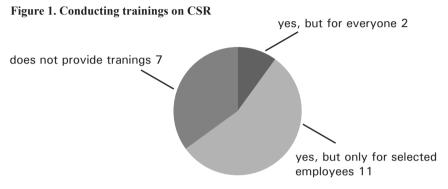
The analysis of the questions concerning the quality of internal operating procedures, which usually go beyond the guidelines provided by legislators, provided an interesting data. And so, thirteen of the respondents claimed that their companies developed comprehensive policies in the field of Occupational Health and Safety, as compared to those that were mandatory or regulated by law. Only four companies declared that such regulations had not been introduced. At the same time, they confirmed to introduce such regulations in the near future. The other data has confirmed the existence of a trend of additional internal guidelines. Eleven companies declared that they had a procedure for monitoring the risks concerning environmental and social aspects, and five of the companies reported that they would create and implement these procedures in the near future. Only four companies did not have the procedures for monitoring risks.

As far as the degree of CSR implementation in the investigated companies is considered, it was important if Code of Conduct was respected. In the majority of companies, as many as 13, declared that this Code was used. However, it was only a form of declaration and did not have any specific guidelines. However, six companies, apart from declaration, claimed that they had the so called Code of Conduct with precise guidelines of acceptable and unacceptable behavior. Only one company did not have such a Code. Nevertheless, it declared to introduce one in the near future.

Measuring the effectiveness and efficiency in many areas is a problem. Until now, a flexible tool to measure activities related to CSR was not successfully developed. However, a variety of indicators to determine the activity in this area is applied. Only 4 companies, among all the respondents, have established measurable indicators of efficiency and effectiveness performance in relation to socially responsible business. Yet, as many as 12 respondents, indicated that they used some indicators, but to a limited extent. They did not cover all the activities related to CSR. The inability or unwillingness of the respondents to measure the effect of their socially responsible decisions proved their immature attitude. 4 companies did not create and implement any efficiency and effectiveness performance indicators.

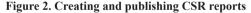
Not only was the quality of CSR actions proved by the description of the measurability but also if the companies investigated have been awarded international certificates of quality of their services and procedures. Half of the companies researched had ISO 900 certificate, 9 companies HACCAP, and five AA1000 standard, evaluating an ethical audit. As many as seven companies did not have any certification and international quality standards implemented, and even if had, the standards were only of one kind. This data was also vital, due to the fact that the vast majority of the surveyed companies have foreign capital and the headquarters abroad, which could possibly indicate a greater potential for adapting the standards existing in the countries from Western Europe.

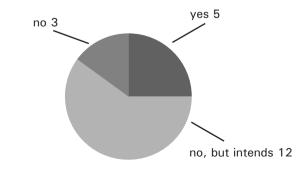
The analysis of staff training in the field of CSR and its frequency complements the findings. Despite the fact that all the surveyed companies published their socially responsible activities in the reports of "Best Practices CSR", not all the employees could participate in the trainings devoted to corporate social responsibility. Only two companies admitted that they had provided trainings for every staff member, however eleven companies indicated that the trainings had only been for selected employees. As many as seven companies did not organize any trainings to expand the employees knowledge about CSR (figure 1).



Source: the authors' own research.

The analysis of questions concerning the publication of CSR reports summarized the subject of the development and advancement of socially responsible activities in the surveyed enterprises. It provided crucial data which showed that only five companies created and published CSR reports. It is also worth noticing that all the respondents that admitted this fact, employed a CSR coordinator/ manager and used CSR as a business tool to make all decisions in their companies. However, the fact that 12 companies indicated that they intended to introduce reports consistent with international standards (figure 2).





Only two companies from the group of respondents that draw up CSR reports, subjected their reports to verification by the external audit. However, three respondents marked the response that they did not submit their annual reports to assessment, but they plan to implement such a practice in their companies.

Conclusions

Having analyzed all the findings, it can be assumed that the issue of CSR was quite significant for the investigated companies. Moreover, the companies were aware of CSR, thus made a series of socially responsible decisions. Unfortunately, for most of the respondents, the main premises for the introduction of CSR were far from altruism. It was the potential benefits that triggered this type of initiative. Also, the quality of CSR has left much to be desired. Most of the companies surveyed did not fulfill international quality standards.

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