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The chosen aspects of globalization processes and corporate social responsibility

Introduction

More and more companies begin to realize that in the long-term it is profitable to behave respectably and responsibly to their surroundings. In this way, a company realizes its social responsibility and acts in accord with it, gives an important signal how they shall behave to their stakeholders in other matters. This may be a decisive moment for the question which company shall succeed in the competition for key customers or more skilled employees. In the market environment new reality, new opportunities but also new dangers arise. The present times are times of big technological, economic as well as social turns, invoking the need of certain elimination of the existing risks. The market globalization processes under way, management internationalization and the process of product and technological innovations, which have a truly turbulent character at present, must be balanced by other processes that will contribute to corporate credibility, respectability and responsibility, namely not only with respect to their customers and suppliers, but to the overall market environment, including all its elements.

1. Corporate Social Responsibility

The term of Corporate Social Responsibility is abbreviated as CSR. It is a voluntary incorporation of economic, social and ecological aspects into the company processes. Business Leaders Forum and its member companies define

social responsibility as an optional commitment of companies to treat the environment and the society where they do business in a responsible way. The corporate social responsibility is a concept through which companies openly admit their joint liability for the state and functioning of the overall society. This attitude is grounded in the assumption that no company functions only from their economic relationships but they influence all their surroundings (community, employees' welfare, etc.) as well. And on the contrary, stakeholders influence the company's success.

In the so-called Green Book of the European Commission, issued in 2001, CSR is defined as follows: "Corporate social responsibility voluntarily integrates social and ecological aspects into the business activities of a company in cooperation with involved parties of the company or stakeholders". Stakeholders are all involved persons or groups inside or around the company – this is to mean customers, shareholders, employees, business partners, suppliers and other entities.

Socially responsible companies put the enforcement of legislative requirements on the first place and then, above their framework, they voluntarily assert responsible behaviour. This results in a positive effect on the society and at the same time benefit and competitive advantage for the company.

Among the characteristic features of socially responsible companies there are three levels of activities – economic activities of the company, social development and environmental protection which exist on the following principles:

- optionality – the company executes all the responsible activities voluntarily, above the framework of their legal duties,
- dialogue with stakeholders – involvement of committed parties that significantly affect the company,
- long-term character – CSR activities are implemented on a long-term basis and they do not terminate when the company finds itself in a worse economic condition,
- trustworthiness – CSR contributes to the strengthening of credibility of the company; however, the activities must be transparent, permanent and unexaggerated.

2. Pillars of Corporate Social Responsibility

Corporate social responsibility is not only the way to moral recognition of the companies in the eyes of the public. The main objective and task is satisfaction of all stakeholders' interests. In connection with the quality of such relations it is possible to work on good relations to the region and the overall society based on general usefulness.

Optional corporate responsible behaviour is grounded in three pillars: economic, social and environmental spheres. Each sphere includes many activities out of which a company may choose according to their specification and stakeholders' requirements.

- **Economic sphere:** a company is expected to do responsible and transparent business and have positive relations with investors, customers, suppliers and other business partners. Also its impact on the economy is observed on local, national and global levels, e.g. by means of employment development or fight against corruption. This comprises, for example, assertion of Corporate Governance, keeping to the own ethical codes, protection of intellectual property, transparency in dealing with stakeholders, advancing of information on the company above the framework of valid legislation, absence of win-lose contractual terms, etc.
- **Social sphere:** responsible behaviour of a company focuses on the attitude to employees and support to the surrounding community. At the workplace and the local community the company influences the life standard, health, safety, education and cultural development of the citizens. For example, this comprises the following elements of social climate: provision of a high level of care and occupational safety in the company, respecting the right for trade unions, absence of discrimination of all types, support to workers and balance between professional and private life, introduction of welfare programmes, flexitime, etc.
- **Environmental sphere:** the company realizes the impact of their activities on the animate and inanimate nature including ecosystems, soil, air and water. The precondition of social responsibility is the fact that the company shall execute their business activities in a way the natural resources were protected and the environment strained to minimum. As indicated above in the table, social responsibility in the environmental protection represents a corporate voluntary commitment of ecologically responsible behaviour in all company processes and activities. The ecological dimension of social responsibility is significant especially in case of building companies which influence the environment by direct emissions, dustiness, toxic substances, waste water, noise, odour, development traffic and other impacts.

3. Corporate Social Responsibility in the Environmental Sphere

Worsening of the environment is a global as well as local issue which causes more and more concern to the overall society – and thus also to customers. Moreover, an ecological method of work often brings financial benefits too. Effective use of energy, pollution prevention, minimization of waste and recycling can all bring cost savings and other benefits to the company, such as meeting re-

quirements concerning the environment, better relations with the local institutions, employees' motivation and higher loyalty of employees. Of course, all the advantages will contribute to long-term stability and success of the company.

Table 1 below gives examples of activities belonging to the environmental sphere of corporate social responsibility:

Table 1. Environmental sphere of corporate social responsibility

Environmental sphere of corporate social responsibility	
Stakeholders	Environmental groups Other speakers for the environment
CSR activities	Recycling programme Waste management and its separation Support to projects focusing on the environmental protection Savings (energy, water, fuel, etc.) Packaging and transport Maintaining biodiversity Limited use of hazardous chemicals Support to research and development of technologies for more ecological production Protection of natural resources Ecological production or services Application of Environmental Management System Introduction of own corporate ecological policies Introduction of norms and standards (ISO, EMAS etc.)

Source: own research.

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The public world-wide is very sensitive to those issues and a company that sins even once remains stigmatized as a polluter and irresponsible entrepreneur for many years without regard to the fact that they changed their behaviour and has massively invested into the environmental protection. Even companies that have an intermediated impact on the environment cannot be ignored – e.g. banking sector which provides credit for project development that may have significant ecological impacts or consulting companies that influence mergers and privatization.

More responsible corporate attitude to the issue has been predominantly caused by the pressure of public opinion and related stricter legislation and gradually also by various optional commitments above the legislative framework

that are important for the company goodwill and competitiveness in the international markets.

A natural result of such attitude are also voluntary corporate commitments to comply with environmental standards above the framework of valid legislation or publication of the so-called sustainability reports.

4. CSR in the Corporate Strategy

Soon, Corporate Social Responsibility (CSR) will become a standard part of corporate processes in the Czech Republic as well. It will more often become part of strategic planning, continuous checks and assessment. The basis of CSR is minimization of social, ethical and environmental risks. Therefore, it is necessary to continuously assess, monitor discussion of citizen-action organizations and activists, gauge own situations with the benchmarks of various CSR standards, behaviour codices and procedures of other companies in the field. Another step should be a stakeholders' opinion and priority poll, i.e. that of customers, shareholders, business partners, state administration and self-government, professional public and employees as relations with them are surely the reason why a company is interested in CSR.

The next move is preparation of an active CSR strategy grounded in a risk analysis and stakeholders and their comparison with corporate development plans. Successful CSR must be as successful as communication, long-term, planned and it must be logical for the surroundings to understand what and why the company does.

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Streszczenie

Wybrane aspekty procesów globalizacji oraz społecznej odpowiedzialności przedsiębiorstw

Niniejszy artykuł podejmuje temat społecznej odpowiedzialności przedsiębiorstw – to nie tylko jako sposobu na moralne uznanie firm w oczach opinii publicznej. Podstawowym celem i zadaniem jest zaspokojenie interesów wszystkich zainteresowanych stron.

Społeczna odpowiedzialność oznacza także zarządzanie firmą i relacja z partnerami biznesowymi, które przyczyniają się do poprawy reputacji i wysokiej wiarygodności firmy. Odpowiedzialność społeczna jest rozpatrywana w trzech wymiarach – gospodarczym, społecznym i środowiskowym.