

CORPORATE SOCIAL RESPONSIBILITY AS AN ELEMENT OF THE STRATEGIES OF SMEs IN POLAND

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Summary: In the modern-day economy, the success of an enterprise is increasingly decided on by ethical issues. Consumers more and more frequently search for products that are manufactured in an ethical way, namely by fair means and not harmful to the natural environment. In response to this, enterprises are undertaking action in the sphere of building socially responsible firms whose bases are those of values and ethical norms. Corporate Social Responsibility (CSR) signifies long-term action that is directed towards the internal and external environment. With regard to the importance of the problematic issues of ethics in the business activities of enterprises, the main aim of this paper has been set out as the presentation of the theoretical and empirical ways of utilizing the concepts of corporate social responsibility in the development of small and medium-sized enterprises. The principal aim of the herein paper is the search for answers to the following research questions: In what sphere are the assumptions of CSR an element of the strategies of small and medium-sized enterprises?

Key words: corporate social responsibility, small and medium-sized enterprises, strategy, business ethics

1. Introduction

In the contemporary market, the success of an enterprise is increasingly decided on by its image that is built on the basis of ethical values. One of the important ethical values is that of responsibility, which in an ethical notion signifies the relations between the deed of the entity and the moral awareness, however in economic life this takes on the form of the moral consequences of fulfilling deeds in economic activities. Enterprises are increasingly running undertakings in the sphere of building socially responsible firms. Simultaneously, the intricacy of the socially responsible firms and its significance for the market position held indicates that the activities of CSR should be entered into the strategy of the activities of enterprises in a deliberate and coordinated manner, particularly in the case of small and medium-sized enterprises.

With regard to the significance of the problematic issues of ethics in terms of the activities of enterprises, the main aim of this paper has been stipulated as the search for the answers to the following research question: In what sphere are the assumptions of CSR an element of the strategies of small and medium-sized enterprises?

2. Corporate Social Responsibility as a strategy for enterprises

In literature devoted to corporate social responsibility, various approaches to defining this concept have appeared. One of these approaches is the micro-social approach, in which the authors place emphasis on the personal obligation of the owner/entrepreneur with regard to the environment and macro-social approach in treating corporate social responsibility as an element of the strategy of sustainable growth. The first group includes

the notion of the Ethos Institute (2007, p. 78), according to which corporate social responsibility is a form of management that is defined by the ethical relationship and transparency of the company with all the stakeholders with whom it has a relationship, as well as with the establishment of corporate goals that are compatible with the sustainable development of society, preserving environmental and cultural resources for future generations, respecting diversity and promoting the reduction of social problems. In the micro-social approach, emphasis is placed on the socially broader consequences of the business activities of enterprises. Hence, the implementation of CSR is placing greater emphasis on social and ethical effects, as well as ecological activity in terms of the decisions of managers as they have an impact on the evaluation of the activities of firms, as well as on the demand for their products.

The second group of definitions for CSR is featured by the macro-social approach, in which it is perceived as an element of the concept of sustainable growth for the economy. Such an approach is exemplified by the definition of CSR formulated by the World Business Council, according to whom social responsibility is the obligation of business to lead to the sustainable growth of the economy by means of work with the employed and their families, the local community and society as a whole with the aim of increasing the level of quality of their lives (Kietliński, Reyez and Oleksyn, 2005, p.132). In this notion, emphasis is placed on the obligation of entrepreneurs/owners to undertake action on behalf of increasing the prosperity of society.

CSR is not merely an addition to the activities of enterprises on the market, but is also becoming its strategic element. McWilliams, Siegel and Wright (2005) claim that the theory of CSR has several strategic implications. Firstly, it may be an integral business and corporate element in the strategies of the firm in spite of the fact that it is not directly associated with the process of production or provision of services. Secondly, it may be perceived as a form of building the reputation of enterprises on the market. Thirdly, it may constitute the basis for the generation of predictions relating to the effectiveness of investments in CSR.

The concept of CSR is becoming more and more frequently an element of strategy in enterprises. For instance, the model of strategy by Harvard Business School acknowledges social responsibility as the principal element in the creation of the corporate strategy (Husted and Allen, 2000). Likewise, Molteni (2006) is of the opinion that social responsibility should be part of the strategy of a firm as it may help in finding innovative production solutions based on the expectations of the interested parties, by means of which it may become a significant factor in the increased competitiveness of the enterprise. In order for CSR to become part of the strategies of enterprises, it should include four basic elements as follows: (a) structure of industry, (b) internal resources of the firm, (c) corporation ideologies and values, and (d) the relationship with stakeholders (de Sousa Filho, Wanderley, Gómez and Farache, 2010, p.296).

The benefits that a firm achieves from the fact of being socially responsible has an impact on the decision to build a strategy of social responsibility. Husted and Salazar (2006) analysed the strategies of CSR in firms in the direction of maximization of both profits and social efficiency. The authors in question defined three types of motivation that influence the decision to become involved in social activities as follows: altruism, “coerced egoism,” and the strategic use of CSR. In the case of altruism, firms sincerely want to be socially responsible regardless of whether they gain benefits from such activities or not. In turn, “coerced egoism” has an impact on the socially responsible activities only when firms are forced to implement the assumptions of CSR by directives and other legislative acts or external factors. Nevertheless, the strategic use of CSR as a strategic investment takes place in the case of attaining both profits and benefits to society

and the local community. Likewise, Siegel and Vitaliano (2007) claim that firms become involved in CSR due to the strategic maximization of profit. Thanks to CSR, this is easily integrated into a firm's differentiation strategy.

3. Social responsibility of small and medium-sized enterprises in light of research

3.1 Position of concept of CSR in the strategies of enterprises from sector of SMEs

Research on the opinions of entrepreneurs and managers on the issue of the scope of applying the principles of social responsibility in economic activity was executed in 2015 and encompassed 40 micro-sized enterprises (0–9 employees), 31 small enterprises (10–49 employees) and 37 medium-sized enterprises (50–249 employees) in terms of enterprises running business activities in the province of Silesia. Over 46% of those surveyed ran business activities in mixed sectors, which is characteristic of all small and medium-sized entities on a national scale. A significantly lower percentage was witnessed in the enterprises dealing with wholesale and retail trade (32%), as well as manufacturing activity (22%).

Strategic management in the case of the sector of SMEs, particularly in the sphere of CSR is a great challenge. Research on small and medium-sized enterprises in Poland reveals that the percentage of those that have documentation stipulating the key categories of strategy such as vision, mission and values of an enterprise is relatively low (evaluation of the state of implementing standards of CSR. The set of indicators of social responsibility in micro-sized, small and medium-sized enterprises, 2011). Such an illustration in the sphere of strategy is confirmed in the research run by the author on the sphere of the application of CSR in small and medium-sized enterprises. Research indicates that 18% of enterprises had their vision registered in documentation, whereas 17% in the case of small enterprises and 24% of medium-sized enterprises. In turn, the mission was written in documentation in the case of 24% of micro-sized enterprises, 19 % of small enterprises and 21% of medium-sized enterprises. Likewise, the values of the firm were written in documentation only in the case of every fifth enterprise under analysis.

In the context of analysis of the areas where CSR occurs in enterprises, it is worth analysing the types of aspects of CSR that appear in the strategic documents of firms. The research of the author reveals that in terms of the documents containing the vision, mission and values in a significant proportion of the analysed enterprises the issues of CSR are touched on.

In Table 1, the aspects related to in documents are illustrated which include the mission, vision and values of enterprises. The afore-mentioned layout results from the fact that the greatest emphasis was placed by the analysed enterprises on the organization of work in the firm and on the relations with consumers. Although there was a reference to the categories of the rights of man, the natural environment and social involvement in all the enterprises under analysis, their frequency was relatively minute.

By way of conclusion, it is possible to state that a multitude of enterprises from the sector of SMEs do not possess documentation relating to the vision, mission and values, however in the case of those that declare the existence of such documentation, their content stipulates the principles of CSR implemented in a certain way, mainly in terms of the areas of relations with consumers, relations with employees, organization of work and honest market practices in terms of relations with trading partners and business partners.

Table 1: Aspects of CSR related to in documents stipulating the mission, vision and values of enterprises from sector of SMEs

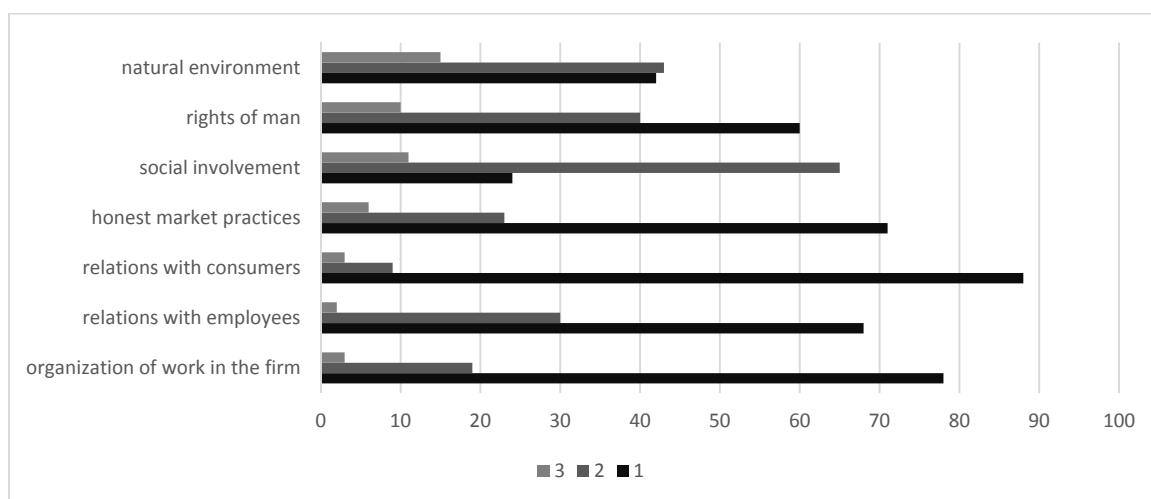
Aspects	Percentage of enterprises in which the particular aspects are related to		
	Micro-sized enterprises	Small enterprises	Medium-sized enterprises
Organization of work in the firm (organizational structure)	28	24	26
Relations with employees	24	18	19
Relations with consumers	25	21	24
Honest market practices in relations with trading partners, business partners	20	17	19
Social involvement – action on behalf of local communities	11	10	9
Rights of man	20	14	19
Natural environment	18	11	11

Source: Self-analysis

3.2 Areas of social responsibility in the business activities of small and medium-sized enterprises

On the basis of the results of research, it is possible to indicate the areas of executing socially responsible activities, whose development is on the one hand, very important from the viewpoint of the social aspect, while on the other hand it may bring both tangible and image benefits for micro-scale, small and medium-scale enterprises. Quazi and O'Brien (2000) in their typology of CSR attributed a particular role to the modern approach to social responsibility, in which a significant position is held by the relations with external stakeholders.

Figure 1: Significance of particular areas of CSR in analysed enterprises in %



Legend: 1- key for development of business, 2- important, but not decisive in terms of development of business, insignificant in terms of development of business, 3- insignificant in terms of development of business. (Source: Self-analysis)

Research on the scope of applying the concept of CSR in SMEs reveals that the market relations with consumer and trading partners, as well as business partners are of the greatest

significance for their business activities (Fig.1). This approach is to a large extent convergent with the concept of stakeholders as the broadened perspective of viewing an organization. Despite the relatively small scope of implementation of the concept of CSR in the strategies of the business activities of small and medium-sized enterprises, the managers and owners of SMEs are to a large extent applying the chosen assumptions of CSR in practice. In addition, they are declaring the increased level of interest in this concept. Research on SMEs indicates that firms are planning to increase their level of involvement in certain areas of responsibility in business. They are first and foremost planning to operate in a socially responsible manner in terms of relations with clients (74%), relations with employees (63%), organization of work in the firm (54%) and apply honest practices with business partners (45%). Interestingly, they are relatively more seldom planning to become involved in social terms in activities on behalf of the local communities (28%). Thus, managers are noting the significance of good relations with stakeholders that have the greatest impact on the success of enterprises, consumers and employees.

4. Conclusion

The results of the research carried out have facilitated the definition of the scope of applications of solutions characteristic for CSR in the strategies of firms, as well as in their business activities. In spite of the benefits that come with the application of the principles of CSR in economic practice, a multitude of small and medium-sized enterprises have not implemented them into their business activities. This is the consequence of the existence of many barriers that mainly relate to the areas of knowledge and perception of the essence of CSR, the skills of this sphere at their disposal, the lack of time for such activities and their perception as excessively costly. In order for the concept of CSR to be applied on a broader scale, changes must take place in the awareness of managers and owners of small and medium-sized enterprises in the direction of noting the need to create the strategy of social responsibility for enterprises of a small scale of business activities.

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