

## PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY IN THE CONTEXT OF INTERNATIONALIZATION PROCESS IN THE SELECTED COMPANY

*Iveta UBREŽIOVÁ<sup>1</sup>, Elena HORSKÁ<sup>1</sup>, Andrzej KRASNODĘBSKI<sup>2</sup>*

<sup>1</sup>*Slovak University of Agriculture, Nitra, Slovakia*

<sup>2</sup>*University of Agriculture, Cracow, Poland*

*E-mail: iveta.ubreziova@uniag.sk*

**Summary:** The aim of this article is to evaluate the perception of corporate social responsibility in the context of business internationalization at the selected company. We will focus in more detail on its appraisal in four main areas especially on the area of human resources, the environmental area, the business area and the area of local community. The first part of article includes theoretical knowledge which was obtained by the study of professional home and foreign literature, which delimit the area of corporate social responsibility and its individual parts, international management and business, globalization and internationalization of the business activity, business ethics and the ethics code. To meet the set target, we obtained the primary dates by a questionnaire method. This questionnaire was filled in by the employees of the company in an electronic form. The principal part of this thesis is a chapter aiming at the work results which includes a brief characteristic of the parent and subsidiary company, evaluation of the questionnaire including clear tables, graphs and statistical evaluation of the four set research theories. In conclusion, we evaluated the results from the questionnaire in total and suggested recommendations for the oncoming company business activity.

**Keywords:** international management and business, business ethics, internationalization, corporate social responsibility

### 1. Introduction

The corporate social responsibility of firms, trying to enter new markets and internationalize their production, is a hot topic, nowadays. Decision makers are solving issues connected to the profit maximization, quality improvement, lowering costs, outsourcing, resources recovery, and satisfaction of stakeholders. Companies, operating on more than one markets, have to adapt their production processes and management to the requirements of the several markets. International employees are more than a common thing in multinational corporations and managers have to respond to the constant changes caused by implementation of new technologies and innovations. For this concept, mainly known under the English name Corporate Social Responsibility, there is a number of definitions in the literature, and currently there is no one global definition. One of the most important is the definition by the European Commission, which describes the social responsibility as a "concept whereby companies integrate social and environmental considerations into daily business operations and interactions with corporate stakeholders". (European Commission, 2011) The European Commission's definition highlights the voluntary nature of this particular concept and the impact on the functioning of the company's stakeholders.

Currently, there is no uniform global definition for the concept of CSR. This is mainly due to the fact that CSR is on voluntary basis and does not have strictly defined boundaries.

The three best-known definition of CSR:

- The EU Green Paper defines CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.
- The World Business Council for Sustainable Development (WBCSD): "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."
- Business for Social responsibility defines CSR as: “Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.” Pavlík– Bělčík (2010).

Ubrežiová – Gurská (2013), Mura – Buleca (2014) and Ubrežiová – Horská (2011) explain that corporate social responsibility includes the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time. Authors mention the concept Carroll’s four-part model of CSR.

- Within the economic responsibility companies have shareholders who demand a reasonable return of their investments, they have employees who want safe and fairly paid jobs, they have customers who demand good quality products at a fair price, etc.
- By legal responsibility we understand demands that business abide by the law and “play by the rules of the game”.
- Ethical responsibilities oblige corporations to do what is right, just, and fair even when they are not compelled to do so by the legal framework.
- Philanthropic responsibilities as the fourth level incorporates activities that are within the corporation’s discretion to improve the quality of life of employees, local communities, and ultimately society in general.

According Wach (2014), Skýpalová and Kučerová (2014) as well as Mihalčová et. al. (2013), many multinational corporations and small and medium sized enterprises have taken part in development of CSR concept. They understand that implementation of CSR activities brings along several benefits such as competitive advantage, improving company’ image and reputation in the market, increasing loyalty of employees and customers and in the end also lower costs as a result. In today’s competitive environment full of demanding requirements from customers, being a flexible company is crucial. Concept of CSR plays an important role in this environment and represent a great opportunity for companies to become successful while also making world a better place.

## 2. Methodology

The main objective of this article is to evaluate the perception of corporate social responsibility in the context of business internationalization at the selected company. In order to achieve this major objective, it is necessary to create supportive partial objectives. The theoretical part gathers the necessary information about terms such as multinational company, corporate culture and corporate social responsibility and serves as a basis for the practical part. The practical part is dedicated to the analysis of the selected company and its CSR activities, as well as the evaluation of the survey findings in relation to the mentioned issues. The following hypotheses were formulated during the final article elaboration:

- Hypothesis 1: We assume that there is a relation between the knowledge of CSR concept and education level achieved.
- Hypothesis 2: We assume that there is a relation between the preference of particular CSR aspect and gender of the respondent.
- Hypothesis 3: We assume that there is a relation between the familiarity of the selected company and age of the respondent.

To test if these hypothesis are truthful, we used the statistical method called  $\chi^2$  test of square contingency. Is a test for nominal data for two independent sets and is used to test hypotheses concerning the existence of dependencies between own questions and classifying variables. For illustration, we will explain the results from evaluation of hypothesis 2. We used the formula written by Obtulovič (2004):

$$\chi^2 = \sum_{i=1}^m \sum_{j=1}^n \frac{(E_{ij} - T_{ij})^2}{T_{ij}}$$

Where:

$E_{ij}$  - empirical frequency

$T_{ij}$  - theoretical frequency

m - number of categories of the first character

n - number of categories of the second character

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### 3. Results and Discussion

The aim of the research was to analyze the level of knowledge that respondents have about corporate social responsibility in general and at Starbucks. For this purpose, the method of anonymous questionnaire was chosen and this was distributed among 100 respondents electronically. The research was conducted between at the beginning of 2015. The survey included four classification questions about respondents' gender, age, education and nationality. The second part of the questionnaire was focused on the general knowledge of respondents about the concept of CSR using both polytomic questions with multiple choice and trichotomic closed questions. The last part of the survey was oriented on perception of the selected company and its CSR efforts by respondents. The questionnaire consists of 18 questions and was anonymous. The first question was aimed to find out the gender structure of the respondents. The questionnaire survey was filled in by 100 respondents, of whom 66 were women and 34 were men. Based on the main goal of article, we wanted to find out which of the three CSR aspects do respondents prefer. *Social aspect* was chosen as the most important with 62 respondents believing in its importance. 30 respondents think *Environmental aspect* is the most important of the three and only 8 people believe *Economic aspect* should come first before environmental and social initiatives of a company. Within the selected question for respondents, e.g. "According to your opinion, what is the most important aspect for an organization regarding CSR" we also set the second hypothesis where we assume that there is a relation between the preference of CSR aspect and gender of respondents. We tested the following options:

- H0: There is no relation between the preference of CSR aspect and gender of respondent.
- H1: There is a relation between the preference of CSR aspect and gender of respondent.

**Table 1. Relation between the preference of CSR aspect and gender of respondent**

Outcomes	Chi table	Chi calculated
	1,3187	5,9915

Source: own processing, 2015

Based on the outcome of the chi-square test of square contingency (Tab. no.1) we do not reject the zero hypothesis which means that at the significance level of  $\alpha = 0.05$  there is no relationship between the preference of CSR aspect and gender of respondent. The another question was aimed to find out what are the main reasons for a company to involve in CSR activities. Respondents could choose maximum three of eight answers. Intentions to *improve company's image* were selected as the most probable reason leading company to social responsibility with 74 respondent choices. The other two highly ranked options were to *increase employees' satisfaction* and loyalty and to *gain competitive advantage*. The least probable of all possible reasons for company to adopt CSR activities was *cost savings* with only was opted by 5 respondents. On the other hand, the next question deals with barriers that prevent a company from adoption of responsible behavior. Two options were selected as the greatest barrier. Equally 30 respondents think that lack of management's motivation and high cost of implementation of CSR often hinder enterprises from socially responsible initiatives. 25% of respondents beleives that insufficient knowledge about the topic could be a significant barrier for organizations as well. Two respondents though of other, not stated, barriers and these were evaluated as simply no interest of a company in CSR and profit preference. As Kováčsová (2015) states, in today's fast changing business environment, companies need to be flexible to adapt to these changes. They should understand that doing business nowadays means more than just generating profit and their activities need to be beneficial for the society as a whole. The concept of corporate social responsibility represents voluntary efforts of an enterprise in following three areas – economic, social and environmental. CSR influences the corporate image of an organization and represents competitive advantage, added value and long-term prosperity for companies that have decided for its application.

#### **4. Conclusion and Recommendation for Further studies**

The survey involved participation of 100 respondents of whose majority were women in terms of gender (66%), those younger than 25 years (63%) in terms of age, with some university degree (68%) and of Slovak roots in terms of nationality. The research has shown that majority of respondents are familiar or has at least heard of term CSR which clearly indicate its increasing popularity and importance. We assumed that there could be a relation between this knowledge and education level of respondents, however, this assumption was incorrect meaning the knowledge of the concept does not depend on the highest education achieved. The research also studied the customer understanding of CSR and unveiled that people expect companies to act beyond their legal responsibilities and commonly imagine ethical behavior, environmental protection and high quality of products and services among three most common characteristics of responsible behavior of enterprises. Majority of customers would prefer the social aspect aspirations however these preference does not depend on the gender of respondents as we assumed. On the other hand, there are several factors that discourage enterprises from doing this including lack of motivation, high cost of implementation or poor knowlege of the issue. Based on our findings, we can conclude that concept of CSR is becoming still more importnat and both people and companies are aware of this importance which opens the door for even greater application in the future. We hope that companies worldwide will understand the advantages of responsible behavior and will use this

sustainable advantage in the long run. There is a strong connection between the responsible attitude and increasing profit and improving image and we hope this fact will assure us brighter and more sustainable future.

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