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Determinants of Corporate Social Responsibility (CSR) Implementation in Companies

Abstract

Growing number of businesses are incorporating social responsibility (CR) into their strategy. Businesses notice a number of benefits of CSR implementation. In the literature, there is lack of knowledge regarding the circumstances and conditions affecting CSR implementation. The aim of the present article is to attempt to determine the conditions affecting successful implementation of CSR in companies. The research method which we used is a critical analysis of current theoretical concepts connected with corporate responsibility (CR) and CSR. We analysed current models and suggested stages of CSR implementation. Our focus was on external and internal determinants as well as on the characteristics of a given business entity likely to affect the implementation of corporate social responsibility.

Introduction

Nowadays, a growing number of businesses are incorporating social responsibility (CR) into their strategy. This is reflected in the national rankings for the largest businesses (e.g. the *Polityka* 500 List). For some of them, CSR is a key element of their strategic business activity; they do have CSR strategy, act on the basis of a code of ethics and inform regularly on the results of their activities in their non-financial

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reports. Others declare including the key CSR solutions. The rest of the companies implement selected CSR solutions and consider them to be indispensable.[3]

Businesses notice a number of benefits of CSR implementation. The research by the Polish Agency for Enterprise Development (PARP) shows that businesses also notice profits from implementing CSR activities (45% of them mention effects on their income, 21% on savings, N–591). The largest proportion of businesses see their benefits in such areas as positive image (74%), employee motivation (58%) and good relations with their environments (42%) (PARP, 2011).

In the literature, there is lack of knowledge regarding the circumstances and conditions affecting CSR implementation. There is no agreement what requirements need to be met, what determines success and how CSR should be implemented, what steps need to be taken. The aim of the present article is to attempt to determine the conditions affecting successful implementation of CSR in companies.

CSR – Business Assumptions

In the literature as well as in business practice, there is no single definition of CSR. The concept of CSR has undergone changes over time. CSR definitions have been reviewed by I. Freeman and A. Hasnaoui.[4] In the literature on the subject, the term *CR* (*corporate responsibility*) also appears. However, there is no one clear guideline helping to distinguish CSR from CR. In our opinion, CR is a more general concept than CSR, emphasising the aspects of competitiveness and strategic orientation. J. Klimek notes that responsible business uses principles of social dialogue, taking account of all stakeholders.[5]

In a view presented by J. Adamczyk, the concept of CSR involves integrating social and environmental aspects into everyday business activity and building transparent, long–term and stable relations with all groups directly or indirectly interested in its functioning. It is not only about obeying the right regulations or good manners but about going one step further and investing in people or the environment.

The tenets of CSR are reflected in many guidelines and normalizing systems of international institutions, such as: the OECD guidelines for multinational companies, the Global Impact principles, the Responsible Care programme, the World Business Sustainable Development principles, the AA1000 norm,

[3] A. Chodyński, W. Huszlak, 2013, *Good business practices in execution of corporate social and ecological responsibility,* [in:] *Improving the competitiveness of enterprises and national economies – determinants and solutions* (ed. B. Krstič, co-ed. Z. Paszek), University of Niš, Faculty of Economics, Andrzej Frycz Modrzewski Krakow University, Niš.

[4] I. Freeman, A. Hasnaoui, *The meaning of corporate social responsibility: The vision of four nations*, "Journal of Business Ethics" 2011, Vol. 100**,** mai, No. 3, pp. 419–443.

[5] J. Klimek, *Etyka biznesu. Teoretyczne założenia, praktyka zastosowań*, Difin, Warszawa 2014.

SA8000, norm, ISO26000 norm, the guidelines for sustainable reporting GRI (Global Reporting Initiative), etc. The number of countries determining obligatory CSR guidelines is increasing.[6] Furthermore, stock market indexes are created for socially responsible companies. In the late 90ties, indexes such as the DJSI, the Dow Jones Sustainability Index, and the FTSE4Good Index were created. Indexes give investors and companies the possibility to assess socially responsible companies and to use uniform CSR principles as guidelines. Other significant indexes include the Nasdaq Clean Edge Index, the SRI Index (Socially Responsible Investment Index), the Standard & Poor's Global Thematic Index or the ISE (Corporate Responsibility Index). In Poland, it it is the Respect Index.[7] The RESPECT Index portfolio covers Polish companies from the WSE Main Market (Główny Rynek GPW), and is one of the indexes building their credibility in the eyes of investors. Companies added to it are the ones observing the best management standards in corporate and information governance as well as in investor relations and which take into consideration and respect social, occupational and environmental factors.[8]

What is noteworthy is that even though it is emphasised that the concept of corporate social responsibility is interpreted differently, the decision to implement it necessitates certain consistent and systematic action. The society and a company itself will benefit provided that CSR is an integral part of the company management system.[9]

A.Sokołowska proposes a system view of corporate social responsibility which comprises the following elements[10]:

- attitudes towards corporate responsibility,
- aspects of corporate responsibility (areas) and its subjects (internal and external addressees),
- elements of corporate responsibility management,
- internal and external determinants.

Attitudes towards CSR are widely discussed in the literature of the subject. Response to corporate responsibility is connected with models of corporate social responsibility which identify possible social attitudes based on grading responsibility and on its relation to company profitability (before profit obligation and after profit obligation models). The most well-known models are those of K.

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[6] W. Huszlak, *Indicators od Corporate social and environmental resposibility according to Global Reporting Initiative*, [in:] *Ekologiczne aspekty zarządzania rozwojem przedsiębiorstw i regionów*, red. A. Chodyński, Oficyna Wydawnicza AFM, Kraków 2011, p. 18.

[7] L. Dziawgo, *Zielony rynek finansowy*, PWE, Warszawa 2010, pp. 91–93.

[8] Respect Index, Giełda Papierów Wartościowych w Warszawie, http://www.odpowiedzialni.gpw.pl

[9] J. Nakonieczna, *Społeczna odpowiedzialność przedsiębiorstw międzynarodowych*, Difin, Warszawa, 2008, p. 87; A.Paliwoda-Matiolańska, *Odpowiedzialność społeczna w procesie zarządzania przedsiębiorstwem*, Wydawnictwo C.H.Beck, Warszawa 2007, pp. 87–88.

[10] A. Sokołowska, *Społeczna odpowiedzialność małego przedsiębiorstwa*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław 2013, p. 135.

Davis and R. Blomstrom, S.P. Sthie, A.B. Caroll, D.J. Wood, S.L. Wartick and P.L. Cochran. These authors distinguish passive, reactive, defensive, adaptive, proactive and interactive attitudes,[11] which are determined by an entrepreneur's or owner's values and awareness.[12]

Aspects of CSR include the areas of social responsibility where action is taken and subjects who the action is aimed at. The areas of corporate social responsibility are most often classified on the basis of the concept of triple bottom line, which covers economic, social and environmental areas, and involve subjects – company stakeholders.[13] In the literature, there are many different classifications of stakeholders. The most commonly mentioned types of stakeholders are internal and external stakeholders as well as first grade and second grade stakeholders.[14]

Elements of social responsibility management are reflected in various models of corporate social responsibility, which are not strictly models of social responsibility management.

Research Methodology

The research method which we used is a critical analysis of current theoretical concepts connected with corporate responsibility (CR) and CSR. We analysed if it was possible to implement CSR using the general tenets of CR. We analysed current models and suggested stages of CSR implementation. Our focus was on external and internal determinants as well as on the characteristics of a given business entity likely to affect the implementation of corporate social responsibility.

Our thesis is that the accepted model of CSR implementation is affected by a variety of factors which determine the diversity of approaches towards the implementation of the expected stage of realization of CSR.

Analysis Results. CRS Implementation

A model by M. Werre is one of the propositions concerning CSR implementation. The author focuses on the soft elements of management and sees CR implementation as a particular case of organizational change. The model describes four phases of CR implementation[15]:

[11] R. Griffin, 2004, p. 122–124, J. Adamczyk, pp. 111–112.

[12] Postawa właściciela/przedsiębiorcy jest utożsamiana z postawą przedsiębiorstwa jako całości, por. A. Sokołowska, *Społeczna odpowiedzialność małego przedsiębiorstwa*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław 2013, pp. 136–137.

[13] J. Elkington, *Cannibals with forks: tripple bottom line of 21st century business*, Capstone Publishing, Oxford 1997.

[14] A. Rudnicka, *CSR – doskonalenie relacji społecznych w firmie*, Wolters Kluwer, Warszawa 2012, p. 92.

[15] M. Werre, *Implementing corporate responsibility – the Chicita case*, "Journal of Business Ethics", may 2003, Vol. 44, Issue 2/3, p. 247–260.

1. raising managerial awareness,
2. formulating CR visions and determining the core values of a corporation,
3. changing organizational behaviors,
4. ingraining changes.

The key to success and to make a long-lasting change is to include all of the four phases in the process of implementing CSR. How this is realized should be aligned with the specific context of an organization. The author suggests a few options which might be useful in each of the four phases.

Raising Awareness of Top Management

Increased efforts concerning CR are often initiated by a change in the awareness of top management on the situation in an environment and on how it affects an organization. This change can be of a reactive or proactive nature. In the first case, for example, management might take more interest in CR issues as a result of unfavourable press coverage, pressure from NGOs or significant and decisive consumers' reactions (e.g. a consumer boycott in Germany against Shell after the Brent Spar incident). In the second case, an increase of the awareness of top management is of proactive nature and has two basic directions:

- Increasing the awareness of core values (internal driving–force). In practice, the implementation of CR is initiated by top managers who possess specific values on social and environmental issues. In practice, what top managers do or say does not always reflect what they consider to be important as individuals. In most cases, there is a hidden potential for increased efforts concerning CR. This potential might be unveiled by increasing the awareness of core values. A practical way to increase the awareness of values is to organise a meeting of a managing team whose purpose is to discuss values, to investigate the values of top managers and the differences between personal values and those of management and of an organization. To ensure the smooth running of the meeting, a value audit should be conducted beforehand.

- Increasing sensitivity towards changes in the external environment (external driving-force). In many cases, CR implementation begins as a result of acquiring an awareness of how the change of this kind affects the environment of an organization, for example, its long–term profitability. To increase sensitivity to appropriate signals from an environment, a wide variety of methods can be used. Their aim is to ensure that management has an awareness of key organizational issues and trends which it experiences and especially of the ones which might affect the survival of an organisation. Two ways of increasing sensitivity towards external changes might prove particularly effective:
    - a stakeholder dialogue – engaging in an open, face-to-face dialogue with stakeholders might effectively question top manage-

ment's existing assumptions and beliefs about aspects of CR. A practical form of a stakeholder dialogue could be working conferences with carefully selected representatives of stakeholders.

- a scenario analysis – the first step in this method is to establish and rank priorities and trends ("driving forces") shaping the future of an organization. In practice, this can be realised through, for example, interviews and working conferences with external and internal stakeholders of a company. The ranking of driving forces is based on their relative effect on an organization and on how likely they are to appear. The process increases an awareness of external events and focuses particularly on two types of trends which a company (potentially) faces: high-impact certainties but also high–impact uncertainties. The scenario should be internally coherent as it concerns the future environment of a company (e.g. 5–10 years from now), in which high-impact uncertainties are particularly considered to be a starting point.

The key aspect, regardless of the methods used, is active personal participation of top management. The responsibility for CR in this phase, as well as in the subsequent ones, must not be entirely placed on an individual or on middle managers.

Formulating of CR Visions and Determining the Core Values of a Corporation

In the context of CR, a clear vision and corporate values formulated and shared by top management are the key elements concentrating employee efforts and mobilizing their energy and enthusiasm. A vision describes long term goals and strategic directions of company development. The key values of an enterprise are the values supporting the decision – making process and specific behaviors. They support an organisation in achieving its goals and realizing its visions. Both the vision and the key corporate values concern the desired situation and changes in an organisation. They are the criteria in the decision-making process (what action to take during the implementation (phase3) as well as the assessment criteria (whether the action brings results). A successful vision and a set of the key corporate values share two main characteristics – they are an appropriate reaction to the external environment, and they are a source of inspiration for employees.

Changing Organizational Behaviors

In order to implement a change in an organisation on a large scale in compliance with its vision and key values, in general, a wide variety of implementation activities need to be taken. In this phase, a number of the key guidelines for successful implementation of a change in organisational behaviors might be used:

- explaining the effects of the vision and key values on the desired everyday behavior and its corresponding skills. This ensures a more detailed view of the effects which should be achieved in this phase,
- using the PLAN – DO – CHECK – ACT cycle,
- communicating constantly within an organisation in order to further increase an awareness of CR, the vision, key values, desired behavior, implementation approach and activities,
- motivating employees by making them involved and by creating short–term successes, clearly showing employees that CR generates genuine changes and progress both for them and for their organisation.

Depending on the context, a variety of activities might be taken in consideration and employed. Choosing a set of activities which ensure the best result poses a challenge. For example, the following might be taken into account:

- appointing a CR-officer and assigning them a responsibility for CR implementation,
- choosing an appropriate external measure/certification standard (e.g. SA8000) which ensures measurement guidelines for assessing efficiency,
- creating a code of ethics describing the desired behaviors,
- providing training to employees on appropriate concepts of corporate responsibility, sustainable development, etc. In training, it is necessary to combine values with everyday experiences of employees,
- mentoring and coaching managers to develop their skills of making decisions integrating CR criteria.

It might be useful to consult the activities undertaken with external experts and organisations, e.g. NGOs, labour market organizations.

Ingraining Changes

In every project whose aim is to conduct changes in organisational behavior on a large scale, it is important that the change is lasting. The key to ingrain change is to adapt all aspects of an organisation to the CR vision and key values. The activities which facilitate ingraining the desired change might involve:

- including CR in the long–term strategy of a company and in the set of decision – making criteria for strategic decisions (e.g. large investments).
    - anchoring CR to the management system, e.g. by regularly informing on environmental and social aspects,
    - including CR criteria in all managers' goals; recognizing and rewarding employees creating successes in the area of CSR,
    - formulating a set of CR procedures in each of company locations.
- emphasising the relation between new organisational behaviors and success of an organisation.
- assessing progress with the aid of internal and external audits.

The literature review shows that managing social responsibility is perceived first of all as a process. Various approaches suggest activities affecting the individual areas or subjects of social responsibility. These activities might concern internal and external aspects of an enterprise. It is also observed that the activities connected with not only hard aspects related to systems or resources but also with the soft elements of management are emphasised. Various authors often use social responsibility management and terms such as integration, social responsibility policy or implementation interchangeably. On the basis of the literature review, a few groups of the activities involved in the implementation of corporate social responsibility can be distinguished (table 1).

Table 1. Activities involved in the implementation of corporate social responsibility.

Group of actions	Actions/ Description
Sensitizing	increasing an awareness of corporate social responsibility within an organisation, especially at the top management level, sensitizing to social issues
Analysing and assessing	might involve: identifying and analysing problems connected with social responsibility, assessing the current status of social responsibility, revealing organisational norms and values, identifying stakeholders and understanding their expectations and demands, identifying the main areas and their corresponding parameters
Formulating and planning	formulating the vision and mission compliant with the tenets of social responsibility and creating a code of ethics, developing short– and long–term strategy with social responsibility in mind, determining an action plan in the tactical and operational aspects
Implementing	embracing the tenets of social responsibility and incorporating them into a value system, integrating CSR tenets with a management system
Monitoring, reporting, evaluating	preparing systems of monitoring and reporting, collecting data from various sources, informing on plans and achieved results externally and internally
Routinising	reinforcing and introducing changes and initiatives connected with social responsibility, creating feedback loops by involving stakeholders, promoting CSR by shaping awareness and engaging stakeholders

Source: own elaboration based on: M. Werre, *Implementing corporate responsibility – the Chicita case*, "Journal of Business Ethics", May 2003, Vol. 44, Issue 2/3, p. 247–260; M.J. Epstein, *Making sustainability work*, Berree–Koehler Publishers, San Francisco, 2008; Designing and Implementing Corporate, Social Responsibility: An Integrative, Framework Grounded in Theory and Practice, F. Maon, A. Lindgreen, V. Swaen, *Designing and Implementing Corporate Social Responsibility: An Integrative Framework Grounded in Theory and Practice*, "Journal of Business Ethics" (2009) 87:71–89; ISO26000 Social Responsibility Guidelines, 2010; Cramer, J.M.: 2005, 'Experiences with Structuring Corporate Social Responsibility in Dutch Industry', "Journal of Cleaner Production" 13(6), 583–592; Panapanaan, V.M., L. Linnanen, M.M. Karvonen and V.T. Phan: 2003, '*Roadmapping Corporate Social Responsibility in Finnish Companies*', "Journal of Business Ethics" 44(2), 133–146; Maignan, I., O.C. Ferrell and L. Ferrell: 2005, '*A Stakeholder Model for Implementing Social Responsibility in Marketing*', "European Journal of Marketing" 39(9/10), 956–977.

Determinants of CR Implementation

Effective implementation of CR in an enterprise might mean maximising value resulting from achieving goals which included not only economic but also social and environmental aspects. It might also mean being able to gain a competitive advantage on the basis of CSR. The effectiveness of CSR is also connected to the benefits and costs of social responsibility for an enterprise. Achieving the highest effectiveness depends on a number of factors. CR implementation might be affected by both internal and external factors (table 2).

Table 2. Internal and external factors leading to CR implementation success.

Factor	Description
Internal	
Company size	Entails a number of characteristics affecting CR, for example, the number of employees, which results in the organisation of processes, division of work, competences and financial condition determining development and opportunities for cooperation with a variety of subjects.
Business activity – business line, key resources	Shows a certain tendency or lack of it to treat CR as a distinguishing feature, e.g. in industries likely to have a negative environmental impact (metallurgy, oil and gas industry, chemical industry), the interest in CR is greater
Scope of business activity	Is significant when a company develops; it is then that the number of stakeholders increases; new commitments towards these groups emerge.
Company age	Is reflected in the level of knowledge and experience; is also connected with company development phases. In the initial phase – the founding one – values and rules are shaped which allow to assume appropriate CR optics. In the next phase, the growth one, following an increase in the number of employees, significance is placed on personnel policy, communication with employees, delegation of responsibilities, gradual implementation of CR normalizing and reporting systems. In this phase, relationships with clients and contractors are built; it is required that formal and informal ties are strengthened. A company stops being anonymous; it is important to establish a company image and reputation. In the maturity phase, with such threats as the loss of the entrepreneurial spirit, deep management decentralisation , high degrees of formalisation and routinisation, CR activities might require streamlining. CR might be an innovative force for companies which do not implement CR.

Legal and organisational forms	The choice of a form might affect CR activities; In the case of the most commonly chosen form (a sole proprietorship), we deal with the widest scope of responsibility for company commitments, however, most often, the form is correlated with the company size. Hence the stronger pressure (a larger number of stakeholders, requirements often imposed by the state, e.g. in Sweden, Denmark, Spain) to undertake CR activities in other legal forms such as LLCs or joint–stock companies.
Family business	Building one's potential on traditions, experience and knowledge passed from generation to generation or a family atmosphere facilitate behaviorrs based on ethical values and form the basis for responsible management of a company.
External	
Characteristics of an area in which a company operates	Might stimulate or hinder acceptance of the concept of CR among companies, for example, the labour market (supply), the quality of employees' competences, purchasing power, the infrastructure development, support for entrepreneurship.
The institutional environment of a company	NGOs, employers' organisations, trade associations play an important part in increasing awareness and knowledge in companies.
Legislation, culture, history, social norms	Legislation might be a hindering factor if it is flawed, which is often accompanied by lack of respect for and distrust in legislation, which involves lack of established rules and non–legislative forms. Good practices, behavioral patterns, cultural patterns of different countries, e.g. discipline, work ethics also play an important part. Social norms, e.g. out–of–court settlements of disputes, are also crucial for CR implementation.
The economic situation of a country	Strong country economy and therefore a wealthy society as well as democratic government structures are the factors affecting attitudes to legislation, ethical norms more positively than weak economy, serious social stratification and therefore a stronger tendency to corruption and misappropriation of funds.

Source: own elaboration based on: M.J. Epstein, *Making sustainability work*, Berrett–Koehler Publishers, San Francisco, 2008; Designing and Implementing Corporate, Social Responsibility: An Integrative, Framework Grounded in Theory and Practice, F. Maon, A. Lindgreen, V. Swaen, *Designing and Implementing Corporate Social Responsibility: An Integrative Framework Grounded in Theory and Practice*, "Journal of Business Ethics" 2009, 87:71–89.

Our literature review allows us to distinguish two types of determinants of CSR implementation. They can be divided into soft and hard or formal management elements.[16] The importance of both hard and soft elements in the process of successful CR implementation is empasised by M.J. Epstein and A.R. Bukovac.[17] The soft aspects affecting CSR implementation are discussed by M. Werre. According to Werre, in the process of CR (Corporate Responsibility) implementation, the following are particularly important in the initial stage:[18]

- sensitivity to the external environment
- an awareness of values
- leadership.

Sensitivity to the Environment

Social sensitivity involves active and constant participation in socially responsible activities which meet the needs of society.[19] P. Wachowiak defines social sensitivity as "a characteristic of a company which acts according to ethical norms and legal regulations and which, for the benefit of its employees, the society and the environment, voluntarily undertakes long-term non-business activities to meet expectations in such areas as job satisfaction, development opportunities, support for science, education, culture, sport, healthcare and social welfare, the development of the local infrastructure and conservation. The company informs the society in which it functions on all of its activities in a comprehensive, reliable and comprehensible way." From the perspective of corporate social responsibility, it is crucial to be able to identify the key stakeholders, especially subjects in non–business relationships.[20] An organistion which is not sensitive to changes in its environment and which does not adapt to these changes is doomed to fail. Therefore, it is important to monitor the trends in the external world and to make efforts to adapt an organisation to them. The ability of a company to receive significant signals depends to a large extent on the values and beliefs of top management at a particular moment. Values and beliefs serve as a filter for incoming signals.[21]

Based on his literature review on flexibility, M. Jabłoński notes the importance of the ability of a company to react, to change strategy or to take oppor-

[16] The division into soft and hard elements of management was proposed by T. Peters and R. Waterman in the "7–S" organisational model. The hard elements of management include: strategy, a structure, systems (procedures); the soft elements encompass: values, styles, skills, personnel. T. Peters, R. Waterman, *In Search of Excellence*, Harper and Row, 1982.

[17] M.J. Epstein, A.R. Buhovac, *Solving the sustainability implementation challenge*, "Organizational Dynamics" (2010) 39, 306–315.

[18] M. Werre, *Implementing corporate responsibility–the Chicita case*, "Journal of Business Ethics", may 2003, Vol. 44, Issue 2/3, p. 247–260.

[19] A. Sokołowska, *op. cit.,* p. 65.

[20] P. Wachowiak, *Wrażliwość społeczna przedsiębiorstwa*, Oficyna Wydawnicza SGH, Warszawa, 2013, p. 113.

[21] M. Werre, *Implementing*…, pp. 247–260.

tunity. He emphasises that a flexible company taking advantage of synergy and business partnership is able to implement serious changes in all of its areas of activity. It should be prepared for changes in its business models as an appropriate configuration of elements in these models affects its flexibility. The changes in business models might involve innovative activity, having in mind the lifecycle of a business model. Strategic flexibility depends on both the flexibility of resources and that of coordination . Increasing its flexibility, a company should move away from protecting itself from risk to managing risk.[22]

According to J. Ejdys and A. Kononiuk, flexibility can be discussed from the strategic point of view from the perspective of the democratization of strategy which means making the process of building it social. The democratization of strategic management takes place in a situation when decisions taken are constrained by barriers affecting rationality, by cognitive or normative barriers, when the optimal choice is constrained by various stakeholders.[23]

H. Jenkins notes that corporate social responsibility is a new area of competition, and that cost-effective activities affecting the development of social and environmental undertakings form business opportunity.[24]

An Awareness of Values

Values are general rules considered to be important and are expressed in behavior. Values help people assess situations and make decisions. Therefore, behavior in every large organisation depends to a large extent on values, and in many organisations, this is largely a subconscious process. The following are examples of values: profit, respect, self-development and sustainability. The values of management determine to a large extent motives behind changes, expectations of desired situations or the way in which changes are successfully implemented. An awareness of values and compatibility of managers' and employees' values are absolutely crucial for successful implementation of changes (CR).[25]

With circumstances changing, people and organisations tend to adapt the way in which they perceive reality. People and organisations develop systems of values as mechanisms which meet the challenges of current conditions according to situations in which they find themselves. According to C. Graves, humanity has created eight basic value systems to respond to different circumstances.[26] A value system is a way of conceptualizing reality and involves a coherent set of

[22] M. Jabłoński, *Kształtowanie modeli biznesu w procesie kreacji wartości przedsiębiorstw*, Difin, Warszawa 2013, pp. 107–112, 141–142.

[23] J. Ejdys, A. Kononiuk, *Doskonalenie zarządzania strategicznego poprzez wykorzystanie koncepcji badań feresightowych*, „Przegląd Organizacji" 2012, nr 2, pp. 8–13.

[24] H. Jenkins, *A business opportunity model of corporate social responsibility for small and medium – sized enterprises*, "Business Ethics" 2009, Vol. 18, 1, January, pp. 22–24.

[25] M. Werre, *Implementation*…, pp. 247–260.

[26] D. Beck, C. Cowan, *Spiral Dynamics*, Blackwell Publishers, 1996.

values, beliefs and appropriate behavior, and is found in individual people as well as in companies and societies.

The development of value systems has a sequence: survival, security, energy & power, order, success, community, synergy, holistic life system. Every new value system involves and goes beyond the previous one, creating a natural hierarchy or holarchy.[27]

Based on the above-mentioned value systems, M. van Marrewijk and M. Werre propose a six-level matrix of corporate sustainability. The levels correspond to different motives for including CS in business practices present in different value systems. The matrix is an essential element of European Corporate Sustainability Framework. In ECSF, instead of a "one-fit-all" solution, the authors prepared a review demonstrating many CS levels and value systems connected to them.[28]

Declared and practiced values form a basis for socially responsible or irresponsible activities; they can be passed to employees or to different subjects formally (aspects of organisational culture) or informally.[29]

It is essential to put theory into practice. For example, In Poland, the research conducted in the Pomeranian voivodeship, in the years 2010–2011showed that 57% of the companies were familiar with the concept of corporate social responsibility, and approx. 87% considered themselves to be socially responsible. For the companies from West Pomerania (a survey from 2011), the concept of CSR was known only to 14% of the respondents (20% in middle companies); in Lesser Poland, 11% of the companies (26% of which were middle companies) declared that they were familiar with corporate social responsibility (according to a survey from 2011). The research from the years 2008–2009 on the companies from Silesia showed that 35% of the respondents associated CSR with environmental activities. The national research from 2011 showed that 31% of the companies from the SME sector know the concept of CSR. The research on the companies in Pomerania revealed that 85% of the respondents considered environmental activities to be important and of the companies in Pomerania did not consider the environmental aspect to be important. In the companies of Lesser Poland, out of six factors affecting the decision-making process, the environment and responsibility towards local communities were ranked the lowest (the latter came bottom of the list). The national research shows that SMEs do not care too much for the environment. The research in different voivodeships as well as the national research point to a low environmental awareness. This is evident in the fact that business people often do not fully realise the impact that their activities

[27] M. van Marrewijk, *A Typology of Institutional Frameworks for Organizations*, "Technology and Investment" 2010, 1, pp. 101–110.

[28] M. van Marrewijk, M. Werre, *Multiple Levels of Corporate Sustainability*, "Journal of Business Ethics" 44: 107–119, 2003.

[29] A. Sokołowska, *op.cit*.

involving resources, energy and waste have on the environment. It is large production businesses that are normally associated with a negative environmental impact.[30]

Leadership

Leadership in the context of CR implementation can be described as the ability to create a vision of the future which meets the demands of an environment and the ability to communicate it in an inspiring way.[31]

The leadership connected with ethical management can be discussed in the context of the theory of transformational leadership. It involves not only formulating inspiring goals and motivating teams but also shaping employees. In the process, higher needs, the way one perceives an organisation and one's professional role in it are taken into consideration. According to B. Bass, the behavioral components of transformational leadership include *idealized influence*, the degree to which the leader acts as a role model, *intellectual stimulation*, which means motivating employees to question the accepted ways of thinking and acting, with an emphasis on being independent and creative, and *inspirational motivation*, the degree to which the leader articulates a vision that is appealing and inspiring to followers. It involves the quality and emotional strength of the leader's vision as well as care for employees' needs, empathy and coaching. Coaching is a manifestation of *individualized consideration* which means an individualized approach to an employee. Analysing ethical management, taking account of CSR implementation, in corporations, "corporate proceduralism" is often observed. It involves acting according to the code of ethics accepted in a given organisation."Ethical professionalism" is also common; it is based on a manager's personal value system. It is manifested in behaving professionally but according to the values and rules in an organisation. "Ethical situationism" develops when the context of a situation affects ethical behavior. "Technocratic legalism" describes a situation when management is based on the law and the rules of effective management. "Contract ethics" appears when a company aims to decrease the insecurity of the conditions in which it operates by using a code of ethics ensuring the security and repetitiveness of economic transactions.[32]

The assumptions involved in the issue of leadership are reflected in the concept of sustainability – the so-called sustainable manager. Sustainable managers act according to the tenets of sustainable development, being aware of social and social threats. They transform classic organisations into sustainable ones which

[30] E. Mazur-Wierzbicka, *Ekologiczny wymiar CSR w sektorze MŚP w Polsce*, „Przegląd Organizacji" 2013, 6, pp. 25–30.

[31] M. Werre, *Implementation*…, pp. 247–260.

[32] J. Szczupaczyński, *Transformacyjny wymiar etycznego przywództwa w opinii polskich menadżerów*, „Przegląd Organizacji" 2011, 3, pp. 35–39.

achieve economic, social and environmental goals. The authority of managers of this type is built on the basis of their genuine engagement and experience in the activities supporting sustainable development, among others.[33] It is possible to discuss the role of leaders in developing new ideas and concepts for the management based on sustainable development.[34]

Flexible management in leadership might involve using learning styles. To create new challenges or ideas, it is essential for a leader to learn. Flexibility is seen as an ability to change as well as to initiate changes. A model was presented, based on different types of managers' minds and using the following combinations of functions: thinking-feeling and perception-intuition. The characteristics of the sustainable manager were described as dimensions connected with learning styles: accommodation (the way in which an individual adapts to changes, the ability to act quickly, engagement) or lack of it, convergence (the ability to put theory into practice, to create solutions without emotional engagement), and divergence (reliance on imagination, emotions, generating ideas).[35]

In the literature of the subject, the concept of responsible leadership appears. Responsible leadership is a social and moral phenomenon which has gained significance not only due to the latest scandals and burning issues which affect life on our planet but also due to a realization that international corporations and their leaders have a great potential for improving the world. Theoretically, responsible leadership draws on the achievements of leadership ethics, developmental psychology, psychoanalysis, the stakeholder theory and the systems theory; it aims to investigate and clarify the dynamic processes between leaders and stakeholders which lead to responsible leadership maintenance and responsible action for social change. The concept of responsible leadership is reflected in the fact that corporate responsibility is, first of all, the challenge in leadership which requires leaders who care, who are morally aware, who are open to the diversity of stakeholders inside and outside a corporation and who are aware of and understand corporate social responsibility. N.M. Pless and T. Maak define responsible leadership as the relations based on values and driven by ethical values, between leaders and stakeholders, who have a mutual sense of meaning and purpose, thanks to which they are elevated onto a higher level of motivation and engagement in order to create lasting values and social change.[36]

Maak and Pless introduced a model of responsible leadership roles which helps to understand responsible leadership behaviors towards different stakeholders.

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[33] A.Pabian, *Zarządzanie w koncepcji Sustainability – ujęcie funkcjonalne*, "Przegląd Organizacji" 2014, 10, 2013, pp. 3–8.

[34] B. Bossink, *Eco-innovation and sustainability management*, Routledge Taylor & Francis Group, New York and London, 2012.)

[35] M. Michalak, *Indywidualny styl uczenia się jako predykator elastyczności w zarządzaniu*, „Zarządzanie i Edukacja", maj/czerwiec 2013, nr 88, pp. 169–186.

[36] N.M. Pless, *Understanding Responsible Leadership: Role Identity and Motivational Drivers,* "Journal of Business Ethics" 2007, 74:437–456.

They claim that people who are active in society are embedded in the network of relations with stakeholders: with their subordinates, clients, suppliers, colleagues, families, communities, etc. To mobilize all the interested parties (from different backgrounds, with different values and sometimes with conflicting interests) to cooperate for a common vision, leaders must perform specific tasks. The above–mentioned model of responsible leadership comprises nine roles describing different characteristics of a responsible leader. The authors distinguish roles based on values, such as a leader as a steward, a citizen, a servant, or a visionary, and operational roles: a leader as a coach, a networker, a storyteller, an architect, and a change agent.[37]

The concept of understanding the personality of an organisation appears, which refers to the internal mechanisms integrating psychological and social activity of the members of an organisation. It is affected by an organisational structure and the type of core activity of a business. Internal regulatory mechanisms for managing employee behavior result from interpersonal relations and take account of norms, values, goals, and tasks of an organisation. If the relations are intense, the impact created by personalities of the most influential employees is emphasised.[38]

The factor affecting successful implementation of CR might be trust. J. Sydow notes that trust is built in three planes: trust as principle (which makes words credible), trust based on authority and, finally, trust based on legitimization (trust is seen as social norms, especially openness, honesty, tolerance).[39]

According to P. Lencioni, a condition for trust might be practicing values considered to be common. Not only common norms but also, for example, common past or morality come into play. Values might be embedded in the personality of an organisation and involve stable and long-lasting basic values as well as obligatory values (as culturally and geographically shaped minimal standards related to work conditions). Aspirational values, without which a company cannot develop in the future, are also considered as well as intrinsic values which appear spontaneously without management interference.[40]

D. Harrison indicates five dimensions affecting one another in the process of building trust in an organisation: calculative trust (calculation of costs and profits), personality – based trust, based on the structure of human personality and personality traits of the people in an organisation (including empathy, emotional defectiveness, self-restraint or responsibility), institutional trust (based on formal relations), perceptive trust (through perceiving other people's behaviors and their cognitive characteristics) and as the most lasting dimension – trust based on knowledge.[41]

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[37] T. Maak, N.M. Pless, *Responsible Leadership in a Stakeholder Society – A Relational Perspective*, "Journal of Business Ethics" 2006, 66: 99–115.

[38] A. Barabasz, *Osobowość organizacji. Zastosowanie w praktyce zarządzania*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław 2008.

[39] J. Sydow, *Understanding the constitution of internal trust,* [in:] *Trust within and between organizations*, C. Lane, R. Bachmann (eds.), Oxford University Press, Oxford 2000, pp. 31–63.

[40] P. Lencioni, *Make your values mean something*, „Harvard Business Review" 2002, nr 80, pp. 113–117.

[41] D. Harrison, L. Cummings, N. Chervany, *Trust formation in new organizational relationship*, „Academy of Management Review" 1998, nr 3, pp. 473–490.

S.M.R. Covey and R.R. Merill present the process of building a trust network. The process comprises five "waves of trust":[42]

- self trust – a person builds trust in themselves, being reliable, reliability,
- relationship trust – trust in another person,
- organizational trust – trust in an organised system (organisational),
- market trust – trust in the market, trust in a brand (reputation),
- societal trust.

The key roles in this process are played by the relations between a company and its environment, the company's openness to its environment, the ability to make successful business contacts and the analysis of internal and external interpersonal, inter-organisational and institutional ties.

The literature on management and implementation strategy control focuses on hard or formal systems and processes, such as organisation design, result assessment and motivational systems. According to J. Adamczyk, embracing corporate social responsibility by a company requires:[43]

- including social goals in the strategic goal system,
- accepting measurement methods and measures for assessing the implementation of social goals,
- measuring costs and profits of social programmes,
- preparing reports on CSR activities and presenting them to stakeholders.

The mission, vision, strategy being implemented, the management model (a business model, concepts, methods, management techniques and tools, a management style), the shape of an organisational structure constitutes an organisational-administrative architecture which either easily absorbs the tenets of CSR or makes the process a problematic one. M.J. Epstein and others note that systems (the hard elements) were not usually effective in implementing sustainable corporate development strategy (CR). Efficiency measurement systems and motivational ones can be a critical tool in CR implementation and can balance the interests of a company, managers and all employees. However, they usually must be part of a larger set of systems aiming to motivate and coordinate employee activities as well as organisationl culture.[44]

Conclusion

The literature review shows that there is no one CR implementation; the way in which CR is implemented depends on an internal and external business context. CSR is complex; it comprises many levels, hence a variety of approaches to its

[42] S.M.R. Covey, R.R. Merill, *The speed of trust. The one thing that changes everything Free Press*, New York, London, Toronto, Sydney 2006, p. 236.

[43] J. Adamczyk, *Społeczna odpowiedzialność przedsiębiorstw*, PWE, Warszawa 2009, p. 43.

[44] M.J. Epstein, A.R.Buhovac, K.Yuthas, *The role of leadership and organizational culture*, "Strategic Finance", April 2010, pp. 41–47.

implementation. Different approaches suggest a number of circumstances affecting successful CR implementation. In the literature, there is basically an agreement that CR should be connected with a company management system and the type as well as the diversity of an environment. However, the process of CR implementation and its result depend on a number of factors of financial, psychological, legal, organisational and cultural nature. The factors concerning the company size, type of business activity, company age might be decisive in understanding CSR and its institutionalization. However, it a priority to assume the so-called societal optics involving gaining values and the economic and social balance in a conscious way by acting responsibly and constantly communicating with stakeholders.

It transpires that in order to implement CR successfully, companies need, apart from hard systems, informal, soft elements of management. An alignment of formal and informal systems is critical for the success. The soft elements which come to the fore are: leadership, value awareness, sensitivity towards an environment or trust.

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