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## CORPORATE SOCIAL RESPONSIBILITY: POLISH TELECOM COMPANY CASE STUDY

*This article presents the implementation of the concept of socially responsible business based on the example of Polish company, Polish Telecommunication JSC. The company's commitment to social projects for development of information society in Poland is presented, as well as the results of the company image that was generated among employees through strategic management activities to promote social development of its stakeholders, including employees.*

*Keywords: information society; corporate social responsibility.*

Ельжбета Мілош

## КОРПОРАТИВНА СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ: НА ПРИКЛАДІ ПОЛЬСЬКОЇ ТЕЛЕКОМУНІКАЦІЙНОЇ КОМПАНІЇ

*У статті представлено реалізацію концепції корпоративної соціальної відповідальності на прикладі польської телекомунікаційної компанії "Telekomunikacja Polska S.A.". Проаналізовано участь компанії у впровадженні соціальних проектів для розвитку інформаційного суспільства у Польщі, а також результати дослідження іміджу компанії, який було сформовано співробітниками на основі стратегічних рішень керівництва, спрямованих на соціальний розвиток усіх зацікавлених сторін, в тому числі й самих співробітників.*

*Ключові слова: інформаційне суспільство; корпоративна соціальна відповідальність.*

*Табл. 3. Літ. 18.*

Эльжбета Милош

## КОРПОРАТИВНАЯ СОЦИАЛЬНАЯ ОТВЕТСТВЕННОСТЬ: НА ПРИМЕРЕ ПОЛЬСКОЙ ТЕЛЕКОММУНИКАЦИОННОЙ КОМПАНИИ

*В статье представлена реализация концепции корпоративной социальной ответственности на примере польской телекоммуникационной компании "Telekomunikacja Polska S.A.". Проанализировано участие компании во внедрении социальных проектов для развития информационного общества в Польше, а также результаты исследования имиджа компании, который был сформирован сотрудниками на основе стратегических решений руководства, направленных на социальное развитие всех заинтересованных сторон, в том числе и самих сотрудников.*

*Ключевые слова: информационное общество; корпоративная социальная ответственность.*

**Introduction.** Modern economy (including e-economy and e-business) operates and develops in the information era, in which information and knowledge are the essential resources for economic and social development. Present society is information society evolving towards a knowledge society. It uses active information and communication technologies (ICT) in many areas of private and professional activities (Golinski, 2002; Miłosz, 2011). Electronic economy requires skills of using information and communication technology in order to establish electronic relationship

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between enfiies (Nowak, 2005). Widespread access to the Internet and the ability to use basic services in wide area networks are the basis information society. Who provides it? In the first place the state through actions in the sphere of education, in the second place citizens themselves, and in recent years also representatives of business through charitable and social activities that support the development of information society. Business organizations interfere with social development, including the use of ICT. There is a spreading assumption in the business world that satisfaction of customers, suppliers, employees affects business success.

**Idea of Corporate Social Responsibility.** Today a company, operating in a dynamically changing environment, takes into account in developing its strategy more and more new factors. Profit is not the only on the most important factor. Concepts of management change, the role of developing appropriate relationships with others increases, expanded company's financial model is a social unit, taking into account needs and expectations of a local community (Barnett, 2007). Enterprises begin to play a new role in their environment by taking responsible actions (Carroll, 1999; Jenkins, 2005).

In recent years in the business world there is a new fashion. It concerns the style of thinking about doing business, and it is called "social responsibility".

Corporate social responsibility (CSR) is the concept assuming that "the company at the stage of developing strategies, voluntarily includes social interests and environmental protection, as well as relationships with various groups of stakeholders" (Wikipedia, 2011). Stakeholders include employees, customers, shareholders, suppliers, local community. CSR is a "business contribution to the implementation of balanced economic development and a way of running a company in which the primary objective is to achieve a balance between its efficiency and profitability and public interest" (RBF, 2011). Socially responsible companies take various steps for social benefit, which are aimed at correct construction of social relations; they have the appropriate value for a society, meet their current needs, leading to their satisfaction, and thus a positive perception of corporate image at a market (Carroll and Shabana, 2010; Hartmann, 2011; Prado-Lorenzo et al., 2008). The essence of the concept of CSR is understanding that every enterprise consists of people, depends on people and should serve them. Standard ISO 26000 uses the concept of social responsibility which is treated as the responsibility of an organization for the impact it has on society and environment, through transparent and ethical behavior that (RBF, 2011):

- contributes to sustainable development of society, its health and prosperity, takes into account stakeholders' expectations of surrounding market (managers, employees, shareholders, customers, vendors, suppliers, competitors, but also local authorities and NGOs);

- is consistent with international law and standards of behaviour;

- is implemented throughout the organization and practiced in its activities within its sphere of influence.

The phenomenon of corporate social responsibility is widely popularized by the European Commission as voluntary taking into account social and environmental aspects of trade actions (Green Paper, 2001). Similarly, the World Bank defines social responsibility as a far-reaching social commitment aimed at developing, in collaboration with families of employees of local communities, a consequently improved style, quality of life, and social satisfaction (What Does, 2005).

Objectives and areas of socially responsible business can be defined as (Rok, 2006):

- the use of transparent business practices based on respect for labour, social and environmental rights;
- striving to improve the quality of life for all citizens;
- a sense of responsibility for a consumer, an investor, a society, an environment;
- honest fulfilment of business obligations;
- building of competitive advantage strategies based on providing lasting value for internal and external environment of organization;
- providing the market with products and services with no faults, and in a manner not degrading natural and social environments;
- achieving sustainable profits, but, at the same time developing a wise relationship with the whole environment.

Socially responsible business can be considered by using two models:

- After-profit obligation model (Carroll, 1999) – distinguishing 4 levels of corporate responsibility: economic (maximizing revenue while minimizing costs), legal (law enforcement, protection of consumer rights, environmental protection), ethics (ethical behaviour), philanthropic (supporting education, activities for local community).
- Before-profit obligation model (Wood, 1991; Kang and Wood, 1995) – recognizing moral values as top priority, every company must follow moral principles at every step of their business regardless profit.

Corporate social responsibility can be considered in relation to internal and external stakeholders. Rules of procedure define responsible acting of an enterprise in relation to employees and customers, suppliers, competitors, community.

**Problem definition.** The development of science and technology changes the face of doing business. Technological progress determines the change in management. Internet and the opportunities for its use in the economy not only affect operations and competitiveness of companies, but also their perception by potential customers. Building relationships between businesses and local community is also seen through initiatives, projects, and actions for public by companies. Increasingly, development of local communities occupies a significant place in strategies of companies. Business takes the role of a patron and a protector of society.

The article is focused on social responsibility of business in particular: whether business can be socially responsible? Do business initiatives allocate part of revenues to provide free local community services as needed? Are they fashionable, popular, and eventually, profitable for initiators, improve their image and competitiveness at a market? Can corporate social responsibility be extended also to its own employees? The article uses the results of the studies conducted in the Lublin University of Technology by (Erber, 2011). The study on corporate social responsibility has been carried out the area of activities affecting the development of information society, focused on availability and ability to use information and communication technologies by local society.

**JSC "Polish Telecommunication" and social responsibility in the area of information society.** Polish companies have started to recognize the benefits and take seriously the concept of socially responsible business as a strategy for creating a positive image of a company at a competitive market. In 2000 the association was established in Poland under the name of Responsible Business Forum, RBF (RBF, 2011), which deals with

the concept of corporate social responsibility in a comprehensive manner. RBF conducts numerous activities to enable dialogue and exchange of experience in the field of responsible business and sustainable development between companies, government representatives, NGOs and academia. On its Internet portal RBF has created a knowledge base on this subject, having practical examples of application (RBF, 2011).

Among Polish companies, which have consistently implement a strategy of responsible business, realizing social projects in various areas, we can mention (Kuraszko and Augustyniak, 2010):

- BRE BANK, EURO BANK S.A., L'OREAL – social activities in the field of business and education;

- DHL, RWE POLSKA, GRUPA TP – social activities in the field of market and marketing;

- CITI HANDLOWY, PROVIDENT POLSKA, PROCTER & GAMBLE – social activities in the field of workplace;

- PRICEWATERHOUSECOOPERS, COCA-COLA, GLAXOSMITHKLINE, HENKEL, KOMPANIA PIWOWARSKA, POLKOMTEL – social activities in the field of social engagement.

One of the companies belonging to the group mentioned above is JSC "Polish Telecommunication". This company and its activities in the field of socially responsible business will be studied in the context of verification of the following thesis:

Social responsibility of business for its stakeholders, implemented by the CRS strategy, has a long-term positive impact on the external and internal image of a company, brings measurable benefits to the company itself and its surroundings.

JSC "Polish Telecommunication" through the implemented initiatives for local communities and their employees makes an important contribution to the work of building the information society in Poland and fully deserves to be called, a socially responsible company.

For confirmation of the thesis the following research hypotheses formulated (Erber, 2011):

*H1. The company acts as an educator of society by investing in its employees, and as a creator or a patron of various social initiatives.*

*H2. JSC "Polish Telecommunication" due to the introduction of strategic changes in functioning and activities of the company, according to the concept of responsible business, creates itself as a unit caring environment in which it operates, its image in the eyes of the employees and its competitiveness increases.*

For verification of the theses and the hypotheses we choose the method of documents analysis and diagnostic survey.

**Results of document analysis.** Each year Responsible Business Forum publishes reports on its activities and presents the best practices of enterprise activities in this area. To prepare the master's thesis at the Technical University of Lublin, Faculty of Management, the study has been conducted "Case Study: Polish Telecommunication JSC (PT JSC) as a socially responsible company". In it two research methods were used: method of documents examination and method of diagnostic survey. Method of documents examination is based on the analysis of reports of Responsible Business Forum (2004, 2005, 2006, 2009, 2010) from which there were selected projects of PT JSC on development of information society in the field of education and work.

Sweeping development of ICT requires from society (youth, adults, employees) to constantly improve their qualifications of using ICT for lifelong education and practical use of IT services requires access to the Internet.

JSC "Polish Telecommunication" since 2004 has been implementing the concept of responsible business by building the appropriate relationships between stakeholders: public and employees.

The most important initiatives of JSC PT are the projects in which it participated as an organizer or coorganizer, including (Erber, 2011; RBF, 2011):

- "Education with the Internet" – program for primary schools, gymnasiums, and post-secondary education to promote access to broadband Internet for a symbolic one zloty and offering training sessions to enhance qualifications of teachers;

- "Are we different indeed? – Together in our school" – program for youth, aimed at building confidence, breaking down barriers in society and creation of post-secondary schools, where everyone regardless their personality and nationality, including disabled young people will feel comfortable and safe;

- "School without violence" – education program in Polish schools against domestic violence;

- "Sounds of dreams" – program for children with significant hearing loss aimed at early detection of hearing defects, early rehabilitation and equipment for children with hearing problems;

- "Phone to mom" – program for childrens hospitals, offering children staying in hospitals, free of charge calls to parents and also transformation of day-hospital corners into "Fairytale Corners".

- "Blink Browser" (B-link) – a software program for paralyzed people which allows controlling a web browser via eyes.

The most important initiatives of JSC PT concerning their own employees, in which it participated as an organizer or coorganizer, includes (Erber, 2011; RBF, 2011):

- "Occupation mobility" – HR management software in line with the company's strategy, focused on verification and transfer of employees with the highest potential within the company;

- "Ethical code" – program setting out the principles of ethical acting at the enterprise, including honesty, respect, equality of stakeholders.

Nowadays, the company is seeking to achieve a competitive position at the market creating the "image of the company responsible to the local community, consumers, contractors, workers and the environment. Such a reputation cannot be bought; it has been created long years, which is why it is so important for all stakeholders. The modern entrepreneur must achieve a balance between efficiency and profitability of the company, and the public interest" (Hęćborska, 2009).

**Results of the survey.** In (Erber, 2011) the method of diagnostic survey was used to survey the employees. The purpose of the survey was to evaluate the image of JSC PT as an employer and at the same time a socially responsible company. The study was performed in 2011 on the sample of 100 employees of different ages, gender and various positions occupied.

The employees choosing JSC PT as their employer, were guided the criteria in company selection – a company that will provide them an opportunity for development, promotion, good salary (Table 1), but it will not be for-profit company at any price, the profit must be in accordance with the law and ethics (Table 2).

**Table 1. The significance of the criteria of the employer selection – PT JSC**

Criteria for selecting by an employer	% of answers
Possibility of promotion	63%
Proposed salary	51%
Good corporate image	44%
Prospects for career development	40%
Brand	31%
Size of company	31%
Workers opinions about an atmosphere at work	24%

Source: Own elaborations based on (Erber, 2011).

**Table 2. Aims of JSC PT in the eyes of its employees**

Company aims	% of answers
Profit gained in accordance with ethical principles	47%
Social goals are the most important	31%
Profit at any cost	17%
Hard to say	5%

Source: Own elaborations based on (Erber, 2011).

The employees evaluated JSC PT as a socially responsible company as shown in Table 3. They indicated the good relations with employees, taking care about their health, but also care for environmental protection.

**Table 3. The activities of JSC PT as a socially responsible company**

Company's actions	%
Treats employees well	78%
Protects the health of workers	54%
Protects the environment	51%
Provides jobs	39%
Takes into account the common good	29%
Supports charity	18%
Offers high salary	18%
Pays taxes honestly	15%

Source: Own elaborations based on (Erber, 2011).

The employees also appreciated the opportunity of using ICT in their work, free contact at work via Internet and connections with other institutions, and the possibility to work from home (via Internet or phone) with access to the internal database.

**Conclusions.** The concept of responsible business is becoming a part of companies strategies. JSC "Polish Telecommunication" as one of many companies takes a number of social initiatives aimed at building social relationships with stakeholders. The analysis of the social programs undertaken by JSC "Polish Telecommunication" as well as the surveys among employees confirm the validity of the hypotheses and the research thesis.

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