

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) IN SMALL AND MEDIUM-SIZED ENTERPRISES – THE RESULTS OF EMPIRICAL RESEARCH**

***Summary.** In recent years, more and more interest (in view of building long-term value) of companies both large and those in the SME sector, has the concept of corporate social responsibility (CSR). The article attempts to identify the concept of CSR as a tool to build long-term value of the company. This text presents the results of empirical research on the level of business awareness of corporate social responsibility and performance and expected benefits of implementing CSR*

***Key words:** corporate social responsibility, human resources management*

In the twenty – first century the idea of corporate social responsibility (CSR), has come to form an accepted part of both corporate and public discourses<sup>1</sup>. In terms of understanding CSR, it is widely acknowledged that corporate boardrooms and organisational directorates, in recognition of growing public consciousness and activism, should undertake responsibilities towards bodies, entities and communities that go beyond simply ‘producing goods and services within the law’<sup>2</sup>. As a consequence, the debate on CSR now plays out across a span of governmental, commercial, academic and third sector<sup>3</sup>. However, while much progress has been made, and CSR processes can be seen as having evolved substantially, it is nevertheless self – evident that we are still a long way from inhabiting utopian societal and organizational realms.

In particular, the current topic in relation to CSR, there are conditions of implementing corporate social responsibility in small and medium-sized enterprises. Hence, the aim of this study is to identify the key factors, and the benefits and risks resulting from the application of the principles of CSR in small and medium-sized enterprises. In the empirical part of the text, authors show the partial findings of his empirical studies, conducted on a group of 120 players representing the sector of small and medium-sized enterprises.

Both in literature and in business practice is carried on a lively discussion about the usefulness of the concept of CSR in business activity, particularly in relation to small and medium-sized enterprises. The discussion, which revolves around the validity of the concept as a whole should be regarded as a radical. This is because this discussion does not apply to what may be expected from the results of applying the principles of CSR in the company, but whether or not CSR as a concept should be implemented at all. Opponents

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<sup>1</sup> CSR Europe (2011). <http://www.csreurope.org>. Accessed 03 March 2013; Marens, R. (2010). Destroying the village to save it: Corporate social responsibility, labour relations and the rise and fall of American hegemony. *Organization*, 17(6), 743–766; Tams, S., & Marshall, J. (2010). Responsible careers: Systematic reflexivity in shifting landscapes. *Human Relations*, 64(1), 109–131.

<sup>2</sup> Hartman, L., & DesJardins, J. (2008). *Business ethics: Decision making for personal integrity and social responsibility*. New York: McGraw-Hill.

<sup>3</sup> Scherer, A., & Palazzo, G. (2007). Towards a political conception of corporate responsibility: Business and society seen from a Habermasian perspective. *Academy of Management Review*, 32, 1096–1120.; Knights, D., & Willmott, H. (2011). *Organizational analysis: Essential readings*. Andover: Southwestern Cengage Learning.

and arguers principles of corporate social responsibility in many cases even claim that the implementation of CSR can be downright harmful to the company, in effect, contributing to a reduction in efficiency<sup>4</sup>, which in particular refers to the small and medium-sized enterprises. Table 1 summarizes the key arguments stressing the need for corporate social responsibility, compiled from these negatively related to the issues discussed.

**Table 1. Arguments for and against the implementation of CSR in companies**

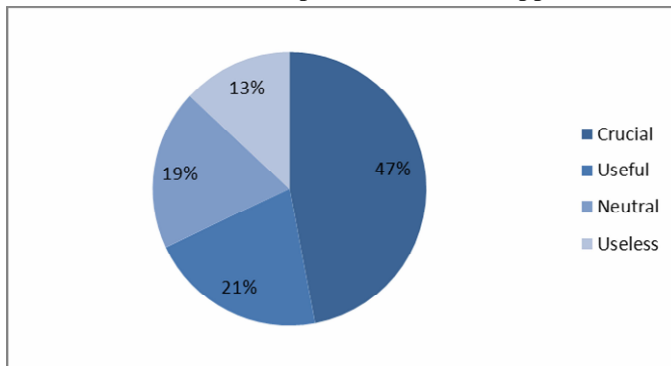
<b>The arguments for CSR</b>	<b>The arguments against CSR</b>
Enterprises operate in a society where there are specific standards of behavior, and therefore they should be held accountable for their decisions and actions, so as not to violate universal principles	Profitability is the only purpose of a business organization
Every business organization has an impact on their environment and, therefore, should take into account all those exposed to the effect	The company is like a machine, whose task is to achieve its objectives. People in the organization should not be guided by their personal moral values, but to achieve the objectives for the organization
Enterprises often have resources that are needed to solve problems	Corporate social responsibility is only a tool to improve the image of enterprise
Synergy cross action (business, NGO, public administration) produces measurable benefits to the beneficiaries of activities	Enterprises have not been established to address social problems
CSR activities that are planned and integrated with the organization's goals (treated as an element management system), can bring tangible benefits to both the company and its stakeholders	CSR is seen as an additional cost and burden for businesses
Thanks to socially responsible behavior public trust is built in business organizations	Interference in the sphere indirectly related to the operation of enterprises may raise additional moral dilemmas

Source: Rudnicka A., CSR – doskonalenie relacji społecznych w firmie, Wolters Kluwer business, Warszawa 2012

As mentioned above, the issue of CSR has been widely described in the literature, especially with regard to large companies and corporations. Therefore, it seems reasonable to conduct research in this area taking into account the particularities of small and medium-sized enterprises. The authors, on the occasion of workshops with topics related to CSR, put into research (direct interviews) 120 owners of small and medium-sized enterprises. The main purpose of the research was to investigate the opinion of the respondents about actual usefulness of the concept of CSR in the surveyed enterprises, and examine the knowledge of the respondents about the performance and expected benefits of implementing CSR. Due to the volume limitations and the adopted goals of this study, the text contains selected (partial) results of the study. Having in mind the results of the research mentioned above, we should positively assess the growing awareness of the entrepreneurs in the SME sector, concerning implementing the concept of corporate social responsibility.

<sup>4</sup> Rybak M., Etyka menedżera – społeczna odpowiedzialność przedsiębiorstwa, PWN, Warszawa 2004

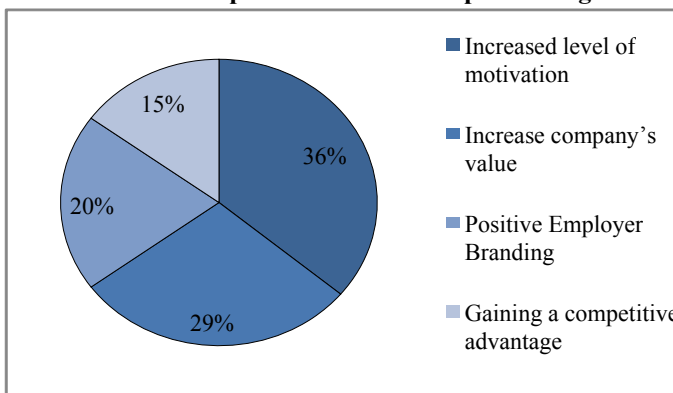
**Figure 1. Awareness of the need for implementation and application of CSR in SMEs**



Source: Data compiled and processed by the authors.

As we can see, almost 70% of respondents saw a clear need for integration of corporate social responsibility rules in a set of methods and ways of managing the company. This indicates a significant change in attitude and perception of CSR by entrepreneurs who see in this concept an opportunity for the development of corporate social responsibility for companies they manage. Referring to that development, studies have shown that the representatives of SME sector, see tangible benefits resulting from the implementation of CSR at all levels discussed above, which is shown in Figure 3.

**Figure 3. Achieved and expected benefits of implementing CSR in SMEs**



Source: Data compiled and processed by the authors.

Analyzing the results presented in the light of the pursued development objectives, deserves special attention the fact that almost 30% of respondents as a key benefit of CSR, treats long-term growth of the company. However, nearly 40% of entrepreneurs believe that corporate social responsibility is reflected in an increase in employee motivation.

Therefore, the results may lead to the reflection that CSR also in the minds of managers in small and medium-sized enterprises, has been included in a collection of methods and management techniques used every day in the process of leadership. Finally, it is worth mentioning that during the study respondents believe the concept of CSR, however, pointed to distance the radicalization of the concept. Pointed out that corporate social responsibility cannot argue with the overall objectives of the organization. For example, the liquidity risk of

requiring companies to reduce fixed costs can lead to redundancies least effective employees. CSR cannot be understood as an absolute desire to protect jobs, but indicate the need for outplacement tool – to mitigate the effects of these actions.

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## СТРУКТУРНО-ФУНКЦІОНАЛЬНА ХАРАКТЕРИСТИКА КОМЕРЦІЙНОЇ ТАЄМНИЦІ ПІДПРИЄМСТВА

*Стаття присвячена дослідженню проблем визначення та структуризації комерційної інформації, що підлягає захисту в рамках інституту комерційної таємниці. Обґрунтовується необхідність визначення переліку і змісту охоронюваної інформації, критерії її відбору та виділення із загальних обсягів інформаційних ресурсів*

**Ключові слова:** конкуренція, комерційна таємниця, інформація з обмеженим доступом, захист комерційної таємниці

**Постановка проблеми.** У сучасних умовах комерційно цінна інформація стає ключовим фактором успіху компанії, а її збереження – чинником стабільного становища і збереження конкурентних переваг бізнесу. Втрата контролю над такою інформацією може завдати значних збитків підприємству і призвести навіть до банкрутства, а відтак виникає гостра проблема у дослідженні теоретичних і практичних питань, пов'язаних із її змістом, обсягом і структурою для її захисту в рамках інституту комерційної таємниці.

**Стан дослідження** Проблеми захисту комерційної таємниці у вітчизняній науці досліджені слабо. Зокрема, до дослідження окремих проблем комерційної таємниці вдавались такі українські вчені, як Г.О. Андрощук, М.І.Зубок, А.О.Сляднева і російські Соловйов В.А. А.Фат'янов, Ярочкин В.І. та ін., однак їх праці стосуються переважно правової проблематики, а питання структури, змісту, обсягів і способів захисту комерційної таємниці з точки зору безпекознавчих наук взагалі не досліджувались.