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## BENEFITS OF INTRODUCING THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY TO ENTERPRISES

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### *Abstract*

*Corporate Social Responsibility is a concept according to which enterprises voluntarily take social interests and environment protection as well as relations with diverse stakeholder groups into account at the stage of building their strategies.*

*Indicating benefits to enterprises from implementation of the concept of Corporate Social Responsibility is the objective of this paper.*

*Results of the authors' survey of 106 enterprises operating in the Mazovian region are compared to those of a national survey commissioned by the Polish Agency for Enterprise Development. They serve to demonstrate application of CSR is in direct proportion to size of a business. In addition, respondents designated improvement of company image as the key external benefit and perception of an enterprise as an attractive employer as the major internal benefit. Results of the authors' research in the region of Mazovia and of the national-wide survey show a marked similarity.*

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JEL Classification Codes: **M14, D22.**

**Keywords:** Corporate Social Responsibility, enterprise, eco-management.

### **Introduction**

Enterprises, operating as they do in specific economic, social and environmental conditions, pay increasing attention not only to generation of profits but also to developing permanent relations with their environment. They take responsibility for their impact on society.

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Corporate Social Responsibility requires an organization to understand broader interests and expectations of society (COM(2011) 681). It encompasses not only operation in accordance with applicable obligations and respect for the rule of law. It also concerns undertakings to other entities which are not legally binding. This conduct arises from values prevailing in a given society.

CSR is an effective management strategy which contributes to improved competitiveness at the global level by means of social dialogue at the local level. At the same time, it provides conditions conducive to sustainable economic and social development. Corporate Social Responsibility means attaining commercial success in consideration of ethical values, labour rights, community development and protection of the natural development.

This paper will present benefits of introducing the concept of CSR to enterprises. The discussion is based on a review of specialist literature and the authors' research.

The following hypotheses are posited:

- H:1 Application of CSR policies is in direct proportion to size of an enterprise.
- H:2 Building a good image of an enterprise is the key external benefit of CSR.
- H:3 Perception of a firm as an attractive employer is the fundamental internal benefit.

The conviction that any actions of businesses should contribute to their value by adding to the shared value is the underlying premise of the theory of Corporate Social Responsibility. Corporate Social Responsibility may become more than exposure to higher costs or a good deed – it may become a source of opportunities, innovation and competitive edge (Porter & Kramer, 2006). This means an enterprise can make its own contribution to social development, which can give rise to broadly-defined benefits.

There are a number of benefits from implementing the concept of Corporate Social Responsibility. They may arise in the area of risk management, savings, access to capital, customer relations, human resources management (COM(2008) 774) or innovative potential (Sieradzka, 2013).

It must be kept in mind, however, that profits and their scale depend on the type of actions undertaken. Substantial financial benefits and cost reductions from implementation of environment-friendly technologies, for instance, should not be expected in the short term (Svidroňová, 2013). Benefits of socially responsible activities can normally be noted in the long run as a result of socially responsible actions that are taken not occasionally but as part of a certain philosophy adopted by an enterprise (Sznajder, 2013).

## 1. Benefits for businesses of implementing CSR

CSR is not „a nice gesture” of business towards society, but a critical determinant of enterprise performance. Introduction of Corporate Social Responsibility to everyday business expresses a properly understood self-interest. The fact that the institution of business only exists to provide valuable services to society is the fundamental argument for implementation of CSR. If a business wants to survive and preserve its standing, it must accept and fulfil its obligations to society (Davis, 1967).

Social Responsibility should be perceived as a long-term benefit to enterprises. This is about motivation for commitment to social issues since Social Responsibility actions have a positive effect on business and profits in the long run (Spence & Rutherford, 2000).

Operations in conformity with principles of social responsibility can bring a variety of benefits to a firm. In line with the division into internal and external stakeholders, benefits to be derived by an enterprise can be split into: internal (in respect of relations within a business and its staff) and external (concerning environment of a firm and actions for external stakeholders).

**Table 1.** Internal and external benefits

Internal benefits	External benefits
<ul style="list-style-type: none"> <li>- Higher wages;</li> <li>- Improved work security;</li> <li>- Fewer work accidents;</li> <li>- Greater professional development and prospects;</li> <li>- Improved security of employment;</li> <li>- Improved work satisfaction;</li> <li>- Reduced staff turnover;</li> <li>- Reduced fluctuations of headcount;</li> <li>- Improved welfare facilities;</li> <li>- More timely payment of wages;</li> <li>- Improved worker motivation, satisfaction and commitment;</li> <li>- Positive staff attitudes;</li> <li>- Increased staff identification with the firm,</li> <li>- Perception of the firm as an attractive employer;</li> <li>- Improved innovativeness of the firm,</li> <li>- Improved corporate culture and internal coordination</li> </ul>	<ul style="list-style-type: none"> <li>- Positive image of the firm;</li> <li>- Enhanced reliability of the firm;</li> <li>- Efficient functioning as part of the local community;</li> <li>- Improved loyalty of existing customers and attracting new customers;</li> <li>- Increased investor interest;</li> <li>- Market competitiveness, also in the international market, and improved effectiveness of the business;</li> <li>- Tax-deductible donations to social aims</li> </ul>

Source: The authors' own compilation.

The internal benefits are a direct result of actions undertaken in order to meet expectations and needs of an enterprise's internal stakeholders, yet they may also be visible outside of an enterprise. They do not only affect relations in the internal environment. The external benefits, on the other hand, arise from actions undertaken in order to fulfil expectations and needs of external stakeholders (commercial and trade associations, schools and universities, governments of other states, central and local authorities, courts, local communities, non-government organisations, natural environment, creditors, suppliers, customers, competitors, mass media, other businesses). Like in the case of activities in the internal environment, actions relative to the external environment may also have impact on internal stakeholders.

'Corporate Social Responsibility is commonly associated with big corporations, yet benefits from CSR may also accrue to small and medium-sized enterprises' (Marková et al., 2014, p. 83). One must be aware, though, those positive effects of the system will not be clear immediately. Benefits from implementing CSR will be felt after the concept has been applied for a long time.

Any actions in small and medium-sized enterprises frequently reflect values, personalities, attitudes and convictions of owners/entrepreneurs. This in turn determines possibilities of emergence and methods of realising Corporate Social Responsibility in a given enterprise (Vives, 2006).

Businesses in the market can take advantage of economic benefits associated with application of CSR to varied extents. In the case of small business, the benefits are a function of (Raynard & Forstater, 2002):

- improved adaptation to customer requirements,
- cooperation with international corporations,
- improved productivity,
- improved knowledge acquisition and innovation skills.

Introduction of CSR principles to a small or medium-sized enterprise may also contribute to more lively interest of investors, more willing to invest in or lend to a socially responsible and reliable business. Application of CSR as a method of business management also suggests that the business is an active organisation which responds to changes in its social and economic environment. A firm also builds its stability on long-term actions oriented towards a broadly-defined development and a network of relations in its environment. As a result, such a business organisation is perceived as active and acquiring knowledge on the basis of experience.

Nowadays, consumers have a growing social awareness, they become more demanding and, to a large extent, guided by trust in a business and by its image. Therefore, Corporate Social Responsibility may enhance loyalty of SME customers and stakeholders. Pro-social and pro-ecological activities of an organisation may also help it to gain confidence and favour of local authorities and commu-

nities. Such activities are part of an other-than-financial motivation system for staff, who begin to have a more positive view of their employers owing to their application of codes of ethics and commitment to issues that matter to ordinary people. This also improves image of a business in the job market.

Benefits arising from implementation of CSR also include greater competitiveness, attained by an enterprise through:

- product improvements resulting in greater customer satisfaction,
- enhanced staff motivation by policies targeted also at their needs,
- improved staff integration and identification of the worker team with objectives and values of the firm,
- improved firm recognition owing to prizes it wins or 'buzz marketing',
- positive business image that improves standing in the job market and facilitates cooperation with business partners,
- positive business image of a reliable employer, which provides easier access to highly qualified and ethical individuals and facilitates hiring of competent staff,
- reaching new target and customer groups,
- developing relations and support in the local community through actions for this community and development of good relations in the firm's environment.

Perceiving corporate responsibility in a broader, strategic context as a central function of an enterprise is essential to the enterprise attaining benefits. Financial performance of a business, achieved in conjunction with environmental and social effects of its decisions and measured by means of specific control mechanisms, is an important factor of success (Lament, 2011).

Effective implementation of positive changes in an organisation would be vain without a full support and direct commitment of management. Conformity of business and social goals should also be clearly communicated by firm authorities. In practice, however, social responsibility actions are commonly limited to one-off endeavours, while CSR actions should be linked to such areas as productivity, decision-making, measurement of income growth, operating margins and asset effectiveness on a systemic basis, as well as with accounting policies of an enterprise, a significant tool of reliable communication (Lament, 2012).

Firms are able to develop the area of responsible business more rapidly by clear communication of both its strengths and weaknesses. Only reliable and complete information is of genuine value both to investors and the remaining stakeholder groups. The fact that taking notice of some issues and planning of actions, even before they bring the desired effects, can positively affect relations to their potential recipients is another argument for open communication.

Perseverance is also necessary to implement and realise CSR. A firm that publicises its commitment to Corporate Social Responsibility should be prepared to put its undertaking in practice consistently. The risk of losing reliability and thus goodwill by a firm is far greater if empty promises are made than if certain

actions are delayed for the purpose of improved preparation. Even if customers and the market are rather slow to appreciate the added value of Corporate Social Responsibility, they are fast to inflict a painful punishment for its absence.

The time required to prepare, implement and derive effects from such activities is another important factor. A strategic approach to corporate responsibility cannot be introduced overnight as it requires establishment of new processes, relations and, in many cases, changes of the corporate culture. Therefore, it is of paramount importance to carefully plan the entire process in little steps that will bring long-term results, instead of undertaking hasty and random actions.

The theoretical view of benefits from application of Corporate Social Responsibility implies they not only contribute to improvement of enterprise image but can also serve as perfect foundations for cost reductions and implementation of innovations and may have considerable effect on the surroundings (e.g. with regard to care for the natural environment). Proper implementation of Corporate Social Responsibility can enhance competitiveness and innovation of enterprises in the long term.

## **2. Methodology**

Corporate Social Responsibility enjoys a growing interest of enterprises globally. Poland's membership of the EU has contributed to development of the CSR concept in Poland as well.

Results of the authors' research into application of Corporate Social Responsibility in the Mazovian region are presented in this article and compared to results of a national survey.

### **2.1. Methods of the national survey**

In December 2011, the Polish Agency for Enterprise Development conducted a survey entitled 'Evaluation of progress on implementation of Corporate Social Responsibility standards and compilation of a set of social responsibility indicators in micro, small, medium-sized and large enterprises' (Polish Agency for Enterprise Development [PARP], 2011). This is the first and so far the only national study of implementation of social responsibility standards, based on ISO 26 000 and concerning small, medium-sized and large enterprises (N=850).

The sample was drawn from among 2 million records in EFEKT enterprise database. The following enterprise characteristics were taken into consideration when designing the sample:

- 1) headcount,
- 2) geographical location of a business (at the regional level),
- 3) one of 4 sectors where a firm operates.

Quota-random sampling was applied. Due to the significant imbalance among businesses in respect of staffing – there are clearly fewer large than small companies – a proportional division would virtually exclude the largest businesses and analysis by particular size groupings. The following numbers were adopted for the purposes of the individual business size classes.

The following quota were used for the headcount categories:

- 1) micro-enterprises (4–9 employees) – N=200,
- 2) small enterprises (10–49 employees) – N=250,
- 3) medium-sized enterprises (50–249 employees) – N=300,
- 4) large enterprises (more than 250 employees) – N=100.

A sub-sample was drawn from each headcount category to reflect regional locations of businesses and sectors of their operation. The choice was in proportion to numbers of firms registered in a given area and sectors they represent.

Weighting of the results was pre-requisite to analysing of the entire national sample. This remedied effects of surveying more businesses of certain types than would have been dictated by national characteristics.

Rim weighting of data was applied, a method of iterative matching of results of an entire set when balancing certain categories (rims) to values in a given population. The following rim variables were applied to the weighting:

- region of a firm's registration,
- headcount,
- sector.

## **2.2. Methods of the authors' survey**

The authors' survey applied to a group of enterprises in the region of Mazovia selected from a database available at [www.b2bbank.pl](http://www.b2bbank.pl), which includes contact details of enterprises in Poland.

To be representative, the survey was undertaken in a single region, Mazovia, which comprises the capital city of Poland as part of its structure. It is the largest region, with 11.4% of Poland's area and a population of approximately 5m. The region is characterised by the maximum economic potential in Poland, measured with the value of Gross National Product, which reached about 160% of the national average GNP per head in 2013.

The survey sample was selected at random, in line with the first and second principles of randomisation, namely, each element of the general population had a chance to be included in the sample and elements of the same category were taken into account.

The simple variant of random choice was applied. A sample is random where all probabilities of selection of the sample elements are identical and constant in the entire process of selection.

Random selection does not guarantee that a sample will be identical with the general population with regard to distributions of variables and their interdependences, yet it allows for calculation of the probability of a certain degree of approximation of a sample to the population in these regards. It is chiefly for this reason that the random sample is generally considered far better for various types of research than a purposive sample.

There are several reasons why this method of selection was applied:

- 1) the method can be applied wherever a researcher does not have sufficient knowledge of a general population, its values of individual variables, their distributions or dependences,
- 2) the method of straight selection helps to correct knowledge of a population that is erroneous or inaccurate,
- 3) random (in contradistinction to purposive) selection provides for representativeness, within limits of the so-called random error, in all possible respects, i.e. in respect of a full range of values, distributions and dependences of all possible variable values characterising units of the general population.

A random sample allows for determination of a sample's representativeness for a population in probabilistic terms, though in all possible respects. Simple random samples are regarded as the most appropriate for objective research.

Statistical analysis was employed to verify working hypotheses. Excel served to develop charts and statistical calculations as its extensive, easily programmable spreadsheets enable data exports to other software.

Interviews with respondents were conducted by means of electronic mail surveys. The survey questionnaire (research tool) was distributed to 400 enterprises in June 2014. Telephone calls were made to invite to the survey and monitor its progress in parallel. As a result, 106 correctly filled questionnaires were returned by the end of October, producing a return of 26.5%.

The research tool (survey questionnaire) contained metrics and 25 close-ended questions on determinants of enterprise development, including ten regarding Corporate Social Responsibility. Responses to the following questions in this area were provided:

1. Are principles of Corporate Social Responsibility (CSR) applied in your enterprise?
2. What CSR standards are in place in your business?
3. What do you believe to be the key external benefits of applying principles of Corporate Social Responsibility?
4. What do you believe to be the key internal benefits of applying principles of Corporate Social Responsibility?
5. What are key issues associated with applying principles of Corporate Social Responsibility?
6. What aspects of CSR are implemented in your business?



7. Do your employees know: Enterprise vision, Enterprise mission, Enterprise value, Code of ethics?
8. What functions of your business are responsible for introducing principles of CSR?
9. What stakeholder groups influence your business?
10. Actions from which area of responsibility prevail in your business?

The paper discusses results concerning the first four CSR questions in the survey questionnaire.

Private enterprises, i.e. firms owned by private individuals, and domestic capital companies were queried.

The enterprises queried were divided in line with the Commission's Recommendation No. 2003/361/EC of 6 May 2003. It relates to definition of small and medium-sized enterprises and has been implemented by the Commission by force of its Ruling 364/2004. It has been directly applicable to all the member states of the European Union since 1 January 2005.

**Table 2.** Division criteria of enterprises

Enterprise type	Average yearly headcount	Net annual turnover	Total assets at year's end
Micro-enterprise	< 10	≤ 2 mln €	≤ 2 mln €
Small enterprise	< 50	≤ 10 mln €	≤ 10 mln €
Medium-sized enterprise	< 250	≤ 50 mln €	≤ 43 mln €

Source: Appendix I, Article 2 of the Commission's Ruling 364/2004, L. 63 of 28.2.2004.

Businesses with more than 250 employees, net annual turnover of more than € 50m and total assets at year's end above € 43m were the fourth group to be surveyed.

Micro-enterprises prevailed among those queried (35.8%), whereas enterprises employing more than 250 were the fewest – 14 were surveyed, as illustrated by the table 3.

**Table 3.** Division of the enterprises surveyed according to size

Specification	Micro enterprises	Small enterprises	Medium enterprises	Large enterprises
106	38	29	25	14
100%	35.8%	27.4%	23.6%	13.2%

Source: the authors' own research.

Micro-enterprises operating as self-employed individuals or limited liability companies prevailed in the research group. Joint-stock companies constituted the narrowest grouping, since this status is most commonly adopted by large organisations, which represented a mere 13.2% of the group under analysis.

**Table 4.** Structure of enterprises with regard to their organisational form

Specification	Structure	
	Number	%
Individual enterprises	37	34.9
Limited liability companies	37	34.9
Private partnerships	15	14.2
General partnerships	9	8.5
Joint-stock companies	5	4.7
Other	3	2.8

Source: the authors' own research.

A majority of businesses surveyed – 65, or 61.3% of the total – were production and service enterprises, 35.8% and 25.5%, respectively. Firms engaged in two parallel lines of operations accounted for the lowest percentage. 3.8% enterprises carried out commercial and service activities.

**Table 5.** Structure of enterprises with regard to their organisational form

Specification	Structure	
	Number	%
Production	38	35.8
Trade	11	10.4
Services	27	25.5
Construction	10	9.4
Production and trade	9	8.5
Production and services	7	6.6
Trade and services	4	3.8

Source: the authors' own research.

## Results

Enterprise surveys concerning implementation of CSR in Poland may serve to verify whether the advantages accepted as major in theory are confirmed in practice.

Analysis of the results of the national-scale Polish survey suggests knowledge of the concept of Corporate Social Responsibility is closely related to business size. It was predominantly familiar to representatives of large (70% indications) and medium-sized firms (50%) while small and micro businesses knew it to far more limited extents (36% and 26%, respectively).

**Table 6.** Awareness of the notion of Corporate Social Responsibility among enterprises (%)

Specification	National sample	Micro	Small	Medium	Large
Yes	31	26	36	50	70
No	62	66	53	42	26
Don't know	8	7	11	8	4

Source: the authors' own compilation on the basis of (PARP, 2011).

Willingness and a certain need of businesses to standardise Corporate Social Responsibility actions, on the one hand, and attempts at integration of existing standards, on the other hand, are major trends that can be observable in recent years.

There are a great many guidelines, standards and rules concerning the CSR at present. The most comprehensive include:

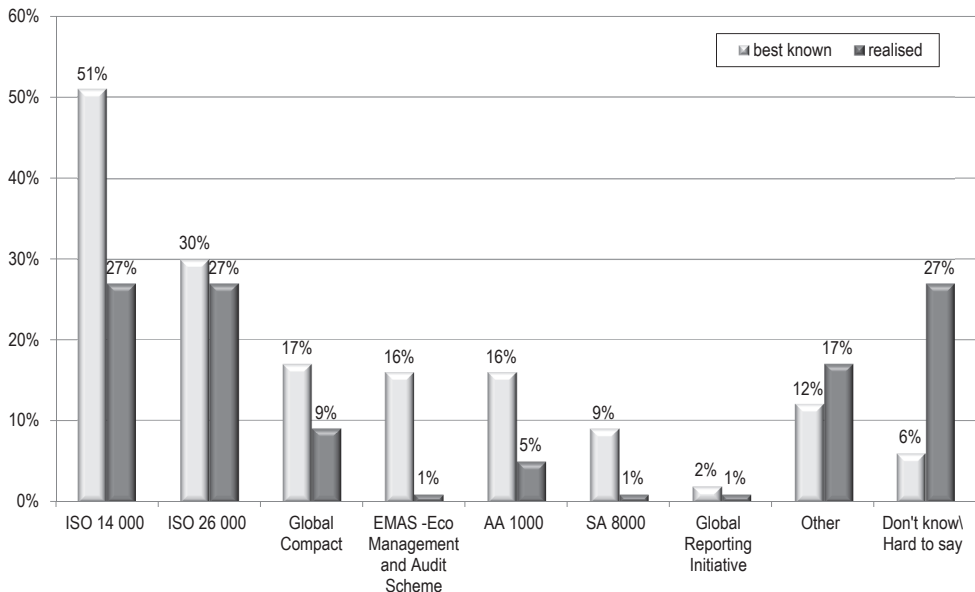
- Guidelines for social reporting Global Reporting Initiative (GRI) – a set of principles and specific indicators that guide reporting of financials. The GRI rules not only specify what data to report but also set out principles for a good report to fulfil.
- Global Compact principles – ten principles proposed by the UN General Secretary in 1999 concerning four areas of responsibility: human rights, labour standards, natural environment, and counteracting corruption. Each firm may join the initiative by completing a declaration of support and affirming the organisation follows its principles.
- OECD guidelines for multinational enterprises – a set of principles addressed mainly to enterprises operating in diverse regions, cultures and communities globally.
- Set of AA1000 standards related to assisting organisations with management of their stakeholder relations. The series consists of three standards:
  - AA1000APS – principles of responsibility,
  - AA1000SES – stakeholder commitment,
  - AA1000 – verification.

ISO 26000 is a major all-round standard applicable to social responsibility. It was compiled in 2010 as a product of six years of work by an expert team repre-

senting a variety of groupings – business, government, non-profit sector, workers, customers and inter-governmental organisations. ISO 26000, in contradistinction to other ISO standards, is not designed to certify organisations applying certain procedures, but constitutes a set of guidelines reflecting best global CSR practices.

In addition to standards comprehensively addressing issues of Corporate Social Responsibility, there are those which help to verify and standardise a firm's actions in a single area, for instance, other ISO standards like 14001 or 18001, or e.g. SA8000 concerning the workplace and employee relations.

Businesses were clearly best aware of ISO 14 000 (51% indications) from among the various guides and standards on implementation of the Corporate Social Responsibility. 30% business representatives stated they knew ISO 26 000. 16–17% company representatives were familiar with Global Compact, EMAS and AA 1000.



**Figure 1.** Best known and realised international CSR guides and standards (%)

Source: the authors' own compilation on the basis of (PARP, 2011).

A little more than a half enterprises in the national sample whose representatives were aware of the concept of the Corporate Social Responsibility and declared their firms were implementing such actions in line with a specific standard were carrying out actions related to the Corporate Social Responsibility in line with either of the ISO standards. Precisely 27% firms selected ISO 26 000 and ISO 14 000 each. Every ninth pointed to Global Compact. A substantial part of representatives from businesses realising actions related to the Corporate Social

Responsibility in line with a definite standard were unable to specify the standard – 27% responses.

Slightly more than two thirds of the businesses whose representatives were familiar with the notion of actions related to the Corporate Social Responsibility realised relevant activities. Micro-enterprises pursued socially responsible actions clearly more seldom than the remaining firms – barely 56% indications. The proportions were comparable in the case of the other firms and ranged from 79% to 84%.

**Table 7.** Application of CSR principles by enterprises according to business size (%)

Specification	National sample	Micro	Small	Medium	Large
Yes	67.0	56.0	80.0	79.0	84.0
No	27.0	38.0	10.0	17.0	15.0
Don't know	6.0	6.0	10.0	4.0	1.0

Source: the authors' own compilation on the basis of (PARP, 2011).

A majority of Polish business representatives, regardless of whether they carried out socially responsible actions or not, declared realisation of the CSR principles is beneficial to firms. 60% of the representatives in the national sample noted such benefits.

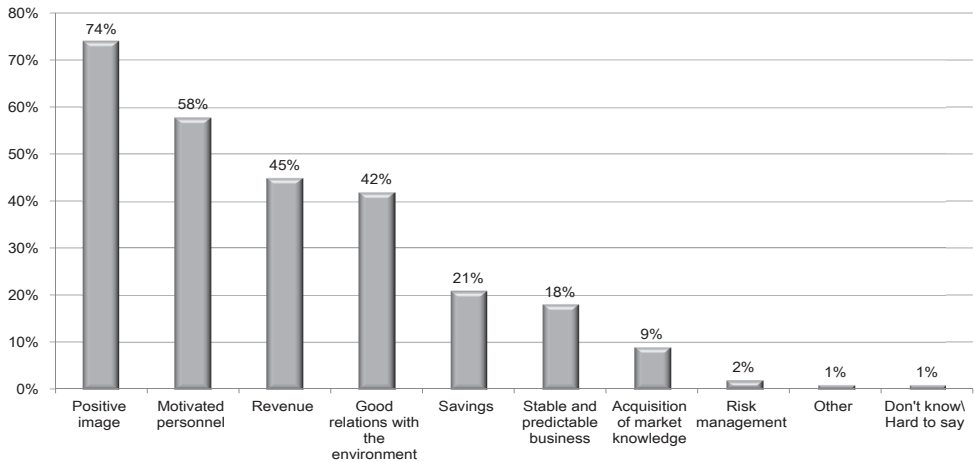
**Table 8.** Perception of benefits from application of CSR principles in enterprises according to business size (%)

Specification	National sample	Micro	Small	Medium	Large
Yes	60.0	58.0	65.0	65.0	76.0
No	25.0	28.0	19.0	16.0	15.0
Don't know	15.0	14.0	16.0	19.0	9.0

Source: the authors' own compilation on the basis of (PARP, 2011).

Improved company image was distinctly the most frequently noted benefit from implementing principles of the Corporate Social Responsibility – it was indicated by 74% of Polish business representatives. 58% enterprises taking part in the survey realised the benefit of increasing staff motivation. Improved revenue ranked as benefit number three – selected by 45% of firm representatives. Good relations with the environment were also mentioned relatively often – 42% choices.

Positive image and motivated personnel are the two benefits of applying the CSR selected by all businesses regardless of size. Good relations with the environment were declared as a benefit primarily by large businesses (56% indications), whereas savings arising from CSR actions were mostly appreciated by large and medium-sized enterprises (33% and 32%, respectively).



**Figure 2.** Most commonly perceived benefits of applying principles of the CSR (%)

Source: The authors' own compilation on the basis of (PARP, 2011).

The authors' examination of 106 enterprises active in the region of Mazovia indicates 37.7% enterprises queried indicated they do not apply principles of the Corporate Social Responsibility. Their operations are harmful to the environment and cause irreversible changes in their surroundings. To solve or prevent the problem, actions should be taken for environment-friendly enterprise management to minimise adverse effects of an enterprise on its environment. 62.3% businesses used the concept of the CSR. They abided by principles of human rights, labour standards, natural environment protection, and counteracting corruption and voluntarily conducted socially useful actions.

**Table 9.** Number of enterprises applying principles of the Corporate Social Responsibility

Specification	Total		Micro enterprises		Small enterprises		Medium enterprises		Large enterprises	
	Number	%	Number	%	Number	%	Number	%	Number	%
Yes	66	62.3	22	57.9	17	58.6	17	68.0	10	71.4
No	40	37.7	16	42.1	12	41.4	8	32.0	4	28.6

Source: the authors' own research.

The enterprises examined were best aware of principles introduced in accordance with ISO 14 000 (45% indications). 33% firm representatives applied ISO 26 000. Other guidelines accounted for 2–5% of the selections. A comparison of results generated by the 2011 survey and those obtained in Mazovia suggests ISO

14000 and ISO 26000 continued to enjoy a prevailing popularity with enterprises. The remaining guidelines and international CSR standards were known to and implemented by enterprises to limited extents.

Businesses were chiefly motivated to address the Corporate Social Responsibility by the need to enhance their image. As many as 90% large firms and more than 80% SMEs pointed to this benefit out of the enterprises to have implemented principles of the CSR. Improved reliability was another benefit of using the principles of the Corporate Social Responsibility, stressed by 81.8% micro-entrepreneurs, 76.5% small businesses, 88.2% medium-sized and 90% large organisations.

Enterprises attempt to improve their image since they know consumers to be increasingly aware of various threats and sensitive to any unethical behaviour. In addition to good pricing and quality, they expect products and services to be as environment-friendly as possible, give rise to positive associations and their manufacturing processes to follow the principles of the Corporate Social Responsibility. Customers and consumers appreciate socially responsible business, are more loyal to and trust responsible brands.

In the opinion of large companies (80.0%), increased investor interest and good relations with the surroundings also contribute to long-term success of an enterprise.

It should be noted investors are interested in cooperation with enterprises able to boast not only of good financial performance but also transparency and fair development of their own image and positive relations with their environment. Such responses from managers of major Mazovian businesses are proof of their growing knowledge of CSR ideas.

**Table 10.** External benefits of applying the concept of CSR\* (%)

Specification	Micro enterprises	Small enterprises	Medium enterprises	Large enterprises
Positive image	86.4	82.4	88.2	90.0
Good relations with the environment	54.5	41.2	41.2	80.0
Stable, predictable business	22.7	23.5	29.4	50.0
Improved reliability	81.8	76.5	88.2	90.0
Efficient functioning in local communities	31.8	41.2	29.4	30.0
Improved loyalty of existing and acquiring new customers	63.6	70.5	76.5	70.0
Higher interest of investors	22.7	29.4	47.1	80.0
Other	4.5	11.8	11.8	30.0

\* several responses could be provided

Source: the authors' own research.

Analysis of the external benefits derived by enterprises introducing the principles of the Corporate Social Responsibility indicates questions in the area of management and HR policies prevailed. Most micro-enterprises (68.2%) found improved working conditions to be the key benefit, while personnel of small (82.4%) and medium-sized enterprises (88.2%) began perceiving their firms as attractive employers.

Enterprises applying the principles of the Corporate Social Responsibility improve standards of conduct towards their staff, customers, business partners, etc., which protects against costs of bad partnership. These organisations base their operations on commitment, trust, respect, responsibility, and transparency for parties concerned. Reduced clashes, conflicts and opposition, as well as improved productivity are positive offshoots. A friendly and healthy workplace produces better, happier, well motivated employees, more willing and committed to work which is more productive. This also helps to acquire and retain best workers and cut costs of their turnover.

**Table 11. Internal benefits of applying the concept of CSR\* (%)**

Specification	Micro enterprises	Small enterprises	Medium enterprises	Large enterprises
Higher wages	31.8	29.4	70.5	60.0
Improved work safety	68.2	76.5	76.5	60.0
More professional development and prospects	31.8	58.8	64.7	70.0
Improved confidence of employment	22.7	41.2	47.1	50.0
Improved welfare facilities	63.6	58.8	64.7	70.0
Improved motivation, satisfaction and commitment of staff	36.4	64.7	64.7	60.0
Greater employee identification with their firm	31.8	70.5	58.8	60.0
Firm's perception as an attractive employer	59.1	82.4	88.2	70.0

\* several responses could be provided

Source: the authors' own research.

## Conclusions

A capable and conscious identification and characterisation of enterprise stakeholders is the starting point for socially responsible actions. Each action of an enterprise should be oriented towards a specific goal, on the one hand, and have its 'recipients', on the other hand. New 'ideas' cannot be implemented



without a conviction they will generate positive responses from an enterprise's surroundings. Therefore, observation and analysis of the environment in which an enterprise operates is an essential element. Otherwise costs of socially responsible activities will outweigh the possible benefits.

CSR is a dynamic process encompassing a number of business areas. The multiplicity of its dimensions is also proven by its benefits, effects of particular actions arising from social commitment of a firm. CSR has positive impacts on both internal and external environment of a business.

Analysis of the authors' research into 106 enterprises active in the region of Mazovia and results of the national survey show the hypotheses posited in this article have been proven to be correct. These results demonstrate:

1. There is a close dependence between size of an enterprise and application of the CSR concept. The larger an enterprise, the more likely it is to implement CSR. In Mazovia, as many as 71% large enterprises examined applied CSR ideas, with the narrowest share among the micro-enterprises (58%). This dependence conforms to the country-wide results, with large firms leading the way on implementation of CSR and micro-enterprises lagging in this respect (70% and 26%, respectively).
2. Good company image (74%) and good relations with the environment (58%) were the key benefits indicated as part of the national survey. These benefits played a significant role in enterprises based in the Mazovian region as well. All businesses (regardless of size) to have applied the principles of the Corporate Social Responsibility believed the concept helps to improve image of an enterprise (an average of 87% indications). Improved reliability (84% on average), enhanced loyalty of existing and acquisition of new customers (70% on average) were additional evidence of growing consumer trust in these organisations and benefits of implementing the CSR.
3. Motivated workers (58%) were the key benefit to polish enterprises, whereas those in Mazovia appreciated perception as an attractive employer the most (75% on average).

A striking similarity can be noted between results of the national and the authors' research in the Mazovian region. In both cases, external benefits related to improved market standing of enterprises, with internal benefits associated with HR policies.

It must be emphasised that benefits of applying the concept of the Corporate Social Responsibility only become apparent in the long term, not immediately on undertaking of socially responsible activities.

'The long-term benefits can be achieved since CSR is seen as a tool for attracting, motivating and retaining talented personnel, drawing consumers, improving

business reputation or reducing costs through efficient management of environment initiatives' (Roberts & Dowling, 2002, p.1079).

It is also of paramount importance that socially responsible actions are not carried out on a random or one-off basis, since then they may be perceived as attempts at boosting profits, not building a strategy of Corporate Social Responsibility. It should be kept in mind that socially responsible acts serve not exclusively to enhance the image dimension.

It must be hoped that, as Polish enterprises operate in the free-market economy longer, the CSR will become a standard element of their development strategies and actions undertaken as its part will be seen to generate substantial benefits.

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