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CORPORATE SOCIAL RESPONSIBILITY AND THE INDUSTRIAL MARKETS

Corporate Social Responsibility means such company management and relating with business partners which contributes to improved reputation and high credibility of a company. Social responsibility is grounded in three pillars - economic, social and environmental. The paper focuses on the environmental sphere, i.e. environmental protection, as one of the strategic tools of company management and the industrial markets.

Corporate social responsibility, globalization, entrepreneurial ethical codes, industrial markets

Introduction. The market globalization processes under way, management internationalization and the process of product and technological innovations, which have a truly turbulent character at present, must be balanced by other processes that will contribute to corporate credibility, respectability and responsibility, namely not only with respect to their customers and suppliers, but to the overall market environment, including all its elements.

In the market environment new reality, new opportunities but also new dangers arise. The present times are times of big technological, economic as well as social turns, invoking the need of certain elimination of the existing risks.

The topic of corporate social responsibility is growing on importance both abroad and the Czech Republic. New impetuses for the discussion were brought by the Czech Republic joining the European Union, where the corporate social responsibility is one of the important topics in the economic, ecological and social policies.

Corporate Social Responsibility. The term of Corporate Social Responsibility is abbreviated as CSR. It is a voluntary incorporation of economic, social and ecological aspects into the company processes. Business Leaders Forum and its member companies define social responsibility as an optional commitment of companies to treat the environment and the society where they do business in a responsible way.

The corporate social responsibility is a concept through which companies openly admit their joint liability for the state and functioning of the overall society. This attitude is grounded in the assumption that no company functions only from their economic relationships but they influence all their surroundings (community, employees' welfare, etc.) as well. And on the contrary, stakeholders influence the company's success.

In the so-called Green Book of the European Commission, issued in 2001, CSR is defined as follows: "Corporate social responsibility voluntarily integrates social and ecological aspects into the business activities of a company in co-operation with involved parties of the company or stakeholders". Stakeholders are all involved persons or groups inside or around the company – this is to mean customers, shareholders, employees, business partners, suppliers and other entities.

Socially responsible companies put the enforcement of legislative requirements on the first place and then, above their framework, they voluntarily assert responsible behaviour. This results in a positive effect on the society and at the same time benefit and competitive advantage for the company.

Among the characteristic features of socially responsible companies there are three levels of activities – economic activities of the company, social development and environmental protection which exist on the following principles:

- optionality – the company executes all the responsible activities voluntarily, above the framework of their legal duties,
- dialogue with stakeholders – involvement of committed parties that significantly affect the company,
- long-term character – CSR activities are implemented on a long-term basis and they do not terminate when the company finds itself in a worse economic condition,
- trustworthiness – CSR contributes to the strengthening of credibility of the company; however, the activities must be transparent, permanent and unexaggerated.

Pillars of Corporate Social Responsibility. Corporate social responsibility is not only the way to moral recognition of the companies in the eyes of the public. The main objective and task is satisfaction

of all stakeholders' interests. In connection with the quality of such relations it is possible to work on good relations to the region and the overall society based on general usefulness.

Optional corporate responsible behaviour is grounded in three pillars: economic, social and environmental spheres. Each sphere includes many activities out of which a company may choose according to their specification and stakeholders' requirements.

- *Economic sphere*: a company is expected to do responsible and transparent business and have positive relations with investors, customers, suppliers and other business partners. Also its impact on the economy is observed on local, national and global levels, e.g. by means of employment development or fight against corruption. This comprises, for example, assertion of Corporate Governance, keeping to the own ethical codes, protection of intellectual property, transparency in dealing with stakeholders, advancing of information on the company above the framework of valid legislation, absence of win-lose contractual terms, etc.
- *Social sphere*: responsible behaviour of a company focuses on the attitude to employees and support to the surrounding community. At the workplace and the local community the company influences the life standard, health, safety, education and cultural development of the citizens. For example, this comprises the following elements of social climate: provision of a high level of care and occupational safety in the company, respecting the right for trade unions, absence of discrimination of all types, support to workers and balance between professional and private life, introduction of welfare programmes, flexitime, etc.
- *Environmental sphere*: the company realizes the impact of their activities on the animate and inanimate nature including ecosystems, soil, air and water. The precondition of social responsibility is the fact that the company shall execute their business activities in a way the natural resources were protected and the environment strained to minimum. As indicated above in the table, social responsibility in the environmental protection represents a corporate voluntary commitment of ecologically responsible behaviour in all company processes and activities. The ecological dimension of social responsibility is significant especially in case of building companies which influence the environment by direct emissions, dustiness, toxic substances, waste water, noise, odour, development traffic and other impacts.

The public world-wide is very sensitive to those issues and a company that sins even once remains stigmatized as a polluter and irresponsible entrepreneur for many years without regard to the fact that they changed their behaviour and has massively invested into the environmental protection. Even companies that have an intermediated impact on the environment cannot be ignored – e.g. banking sector which provides credit for project development that may have significant ecological impacts or consulting companies that influence mergers and privatization.

More responsible corporate attitude to the issue has been predominantly caused by the pressure of public opinion and related stricter legislation and gradually also by various optional commitments above the legislative framework that are important for the company goodwill and competitiveness in the international markets.

A natural result of such attitude are also voluntary corporate commitments to comply with environmental standards above the framework of valid legislation or publication of the so-called sustainability reports.

CSR in the Corporate Strategy. Soon, Corporate Social Responsibility (CSR) will become a standard part of corporate processes in the Czech Republic as well. It will more often become part of strategic planning, continuous checks and assessment. The basis of CSR is minimization of social, ethical and environmental risks. Therefore, it is necessary to continuously assess, monitor discussion of citizen-action organizations and activists, gauge own situations with the benchmarks of various CSR standards, behaviour codices and procedures of other companies in the field. Another step should be a stakeholders' opinion and priority poll, i.e. that of customers, shareholders, business partners, state administration and self-government, professional public and employees as relations with them are surely the reason why a company is interested in CSR.

The next move is preparation of an active CSR strategy grounded in a risk analysis and stakeholders and their comparison with corporate development plans. Successful CSR must be as successful as communication, long-term, planned and it must be logical for the surroundings to understand what and why the company does.

Conclusion. World-wide Corporate Social Responsibility is considered an important part of every company. Through support to activities beneficial to public, responsible behaviour to the local community and the environment, companies engage in solutions of serious social issues and thus participate in the

formation of a more valuable society. Moreover, the companies gain an added value for their standard commercial activities.

In the Czech Republic more and more companies begin to realize that in the long-term it is profitable to behave respectably and responsibly to their surroundings. In this way, a company realizes its social responsibility and acts in accord with it, gives an important signal how they shall behave to their stakeholders in other matters. This may be a decisive moment for the question which company shall succeed in the competition for key customers or more skilled employees.

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КОРПОРАТИВНАЯ СОЦИАЛЬНАЯ ОТВЕТСТВЕННОСТЬ И ИНДУСТРИАЛЬНЫЕ РЫНКИ

Корпоративная социальная ответственность означает такое управление связями компании и отношениями с деловыми партнерами, которое способствует улучшению репутации и высокой стабильности работы компании. Социальная ответственность основана на трех составляющих - экономической, социальной и экологической. Статья направлена на решение задач по защите окружающей среды, как одного из стратегических инструментов управления компанией и индустриальными рынками.

корпоративная социальная ответственность, глобализация, предпринимательские нормы нравственности, индустриальные рынки

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КОРПОРАТИВНА СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ І ІНДУСТРІАЛЬНІ РИНКИ

Корпоративна соціальна відповідальність означає таке управління зв'язками компанії і відносинами з діловими партнерами, яке сприяє покращенню репутації і високій стабільності роботи компанії. Соціальна відповідальність основана на трьох складових - економічній, соціальній і екологічній. Стаття спрямована на вирішення задач захисту навколишнього середовища як одного з стратегічних інструментів управління компанією і індустріальними ринками.

корпоративна соціальна відповідальність, глобалізація, підприємницькі норми моральності, індустріальні ринки

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