

Jolanta Korkosz-Gębska
Warsaw University of Technology, Faculty of Production Engineering
ul. Narbutta 85, 02-524 Warszawa, jolanta.korkosz@gmail.com

CSR AS A SOURCE FOR COMPETITIVE ADVANTAGE AND BUSINESS RISK RESTRICTION IN MSMEs

Abstract

This article focuses on corporate social responsibility, understood as a moral or legal obligation to account for one's own actions, or to assume the duty to care for something or someone. It focuses on the elements that corporate social responsibility should involve, such as directing activities towards economic, environmental and ethical aspects.

Key words

corporate social responsibility, business, economic aspects, ecological aspects, ethical aspects

Introduction

CSR is an acronym for *Corporate Social Responsibility*. The concept of "responsibility" is understood as a moral or legal obligation to account for one's own, or to assume the duty to care for something or someone [1]. In this context, corporate social responsibility should be manifested as concern for humans and the environment. From the point of view of businesses, CSR means directing one's activities not only towards economic considerations, but also ecological and ethical aspects. In 2011, the European Commission (EC) defined CSR as "the responsibility of corporations for their impact on society", thus referring to the assumptions of the "Europe 2020" Strategy, aimed at smart, sustainable growth, conducive to social inclusion. This definition "emphasizes the need to build a common socio-economic value, as well as the use of risk management instruments, to ensure lawfulness and to reduce the negative impact of the business conducted throughout the supply chain" [2].

The definition of CSR can also be found in the ISO 26000 *Guidance on social responsibility* standard, applicable in all organizations. Published in November 2010, the ISO 26000 standard comprehensively describes the assumptions and guidelines for implementing the concept of social responsibility and the principles of stakeholder engagement. As defined in the ISO 26000 standard, social responsibility can be achieved through transparent and ethical behavior and responsibility for the decisions and actions that affect the society and the environment. The implementation of these measures should [3]:

- Contribute to sustainable development, including the health and well-being of the society;
- Consider stakeholder expectations;
- Comply with the applicable law and be consistent with international standards of conduct;
- Be integrated with the activities of the organization and practiced in its activities within its sphere of influence.

It is worth noting, however, that the ISO 26000 standard, despite the recommendations, advice and suggestions that are necessary to implement the CSR concept, is not a system management standard and has not been developed for certification. Any offers that guarantee an ISO 26000 certificate should therefore be considered fraudulent and non-compliant with ISO standards. Major areas of CSR according to ISO 26000 are [4]:

- Organizational order, referring to the broadly defined management of the company, aimed at improving the efficiency of the management of the organization, taking into account the social interest, respect for stakeholders and ethical principles;
- Human rights, especially civil, political, economic, social and cultural rights, combating all forms of discrimination and protecting workers' rights;
- Employment practices, in addition to the obligations under the law, should also consider working conditions, social care, health and safety, social development, deployed e.g. through training;
- Environment measures aimed at reducing pollution emitted to the environment and taking all measures to reduce the consumption of natural resources because of the activity of the given business;
- Honest operational practices like ethical behavior towards all stakeholder groups, based on fair cooperation and respect for property rights, counteracting unfair competition;

- Consumer issues like fair treatment of one's consumers, particularly in the field of marketing of products and services, contract terms and objective and reliable information as well as involvement in consumer health and safety protection, quality of service and support, and complaint handling;
- Social development and involvement of the local community, including dialogue with social organizations in the process of planning and implementation of social projects, reflecting real social needs, as well as planning and implementation of social investment in education and culture, health, development and access to technology.

Implementing the assumptions of the standard, one should be aware of its limitations, resulting from industry, cultural differences, or company size. The design of the standard is reduced to a list of guidelines and recommendations that a socially responsible company should have in its respective areas of business. It is relatively easy to draw up a detailed plan of action, based on the ISO 26000 standard, the implementation of which (or lack thereof) will help diagnose the situation in the individual dimensions of the social responsibility of a given enterprise.

However, the most important risk groups resulting from inappropriate CSR practices should be defined. These are [5]:

- Reputation risks,
- Embezzlement and corruption,
- Problems in the implementation of investment projects, opposition of the community,
- Court proceedings against clients,
- Product defects,
- Problems in the supply chain (availability or cost of raw material),
- Environmental breakdowns,
- Operational health and safety accidents,
- Violence at work,
- Employee disputes,
- Discrimination.

CSR issues can also be found in the SA 8000, the AA1000APS (*Accountability Principles Standard*), and the AA1000 SES (*Stakeholder Engagement Standard*). The theoretical reflections on corporate social responsibility should end with information about the Global Compact Initiative, which seeks to convince the representatives of the world of business around the world to support, adopt and apply ten fundamental rules in every sphere of their activity, like in the field of human rights, labor standards and the environment. These rules include [6]:

"Human rights

Rule 1. Support and respect for the human rights accepted by the international community.

Rule 2. Elimination of any violations of human rights by the company.

Standards of work

Rule 3. Respect for the freedom of association.

Rule 4. Elimination of all forms of forced labor.

Rule 5. Abolition of child labor.

Rule 6. Effective counteraction of discrimination in employment.

Natural environment

Rule 7. Preventive approach to the environment.

Rule 8. Taking initiatives to promote environmentally responsible attitudes.

Rule 9. Application and dissemination of environmentally friendly technologies.

Counteracting corruption

Rule 10. Counteracting corruption in all forms, including extortion and bribery".

Why is CSR important for MSME?

The implementation of CSR concept in Poland almost exclusively takes place in large companies. This is mainly due to the influx of foreign investors who introduce familiar and proven standards in Polish companies. Their social activities range from simple donations, through sponsorship, social programs and campaigns, to volunteer work. The areas of social involvement of the companies are charity, sport and recreation, health and the environment, the promotion of healthy lifestyles, education and learning, and culture and the arts. According to the Polish Agency for Enterprise Development (PARP), two-thirds of the company representatives from the MSME sector did not come across the concept of CSR [7].

For companies in the MSMME sector, the concept of CSR can also be a remarkable and valuable form of image building and reaching consumers, as is the case for large enterprises. By working with the institutions/people to whom assistance is directed, it is possible to reach a large group of consumers, who were hitherto unavailable. Through collaboration with popular institutions, foundations and associations, you can also connect with the media, informing them about the company's charitable goals, thus building an image of a socially engaged brand. For example, the Lublin Advertising Agency Cumulus, which was awarded the Economic Prize of the President of Lublin in the Corporate Social Responsibility category in 2008. Activities that fall within the CSR scope include [8]:

- Implementation of a used battery collection program;
- Waste segregation;
- Reducing paper consumption by printing only necessary documents, double-sided printing and reprinting one-sided sheets;
- Implementing a campaign popularizing reading books to children titled "baśniowa czytelnia" ("fairytale reading room");
- Implementing traffic safety measures, consisting of distributing free reflective bands to children from the Lublin area.

Acting in the field of CSR does not always mean paying extra costs. On the contrary, it may prove to be an important instrument for building goodwill and competitive advantage, and a way to deal with the market. The potential benefits for companies, resulting from building sustainable value based on the concept of CSR are presented in Table 1.

Table 1. Sources of benefits for companies, resulting from building sustainable value

Stakeholder groups (groups or entities which the organization directly or indirectly affects and which affect the activities of the given organization)	Potential sources of benefits for companies
Investors	Access to the capital of socially responsible investors, potentially lower, average, weighted cost of capital.
Employees	The possibility of hiring and retaining valuable, talented staff, increased employee morale and productivity in the company.
Clients	Loyalty and positive perception of the company among current and potential customers. Reputation enhancement, expressed through the so-called positive goodwill. Collaboration in evaluating and modifying the offer and designing new products.
Business partners	Access to strategic resources and skills.
Collaborators in the value chain	Decreasing costs/increasing value of cooperation along the value chain.
Authorities and government representatives	Favorable tax and industry policy.
Control and supervision entities	Introducing specific quality standards for products/services. The ability to lobby involving regulations favorable to the company. Greater adaptability.
Local communities	Mutual support and understanding. Support for the activities. No boycotting of the company's activities.
Trade unions	Improved relationships with employees and easier resolution of conflicts.
Other organizations and pressure groups and opinion leaders	Constructive collaboration with organizations, groups, and leaders. Positive public opinion. "License to operate". Support in problem situations.

Source: [9]

As can be seen from Table 1, the pursuit of sustainable development can bring companies many benefits in terms of cooperation with each stakeholder group. In addition to gaining a competitive advantage, the implementation of the CSR concept can have a positive impact on the company's image and change the opinions of

investors, owners, donors and sponsors, as well as reinforce the organization's relationships with businesses, government institutions, media, suppliers, partners, clients and the local community.

A summary of the benefits of implementing CSR assumptions is presented in Table 2.

Table 2. Potential benefits of implementing CSR in the company

Environmental benefits	
1.	MSMEs' observance of best practices.
2.	Rational management of natural resources and waste.
3.	Engaging business partners within the environmental responsibility chain and initiating joint pro-ecological actions.
4.	Popularization of pro-ecological ideas.
Economic benefits	
5.	Higher current liquidity.
6.	Better use of fixed assets and human capital.
7.	Higher profitability of sales.
8.	Larger investments per single employee.
9.	Building a competitive advantage and orientation towards long-term and stable growth.
10.	Increased resistance to the possibility and consequences of emergencies.
Socio-ethical benefits	
11.	Increased level of culture and work safety.
12.	Reducing the negative impact of businesses on the environment.
13.	Realization of social goals, impossible to achieve without business support.
14.	Building a transparent, collaborative and highly ethical organizational culture.
15.	Timely payment of wages.
16.	Continual professional development through the availability of training.
17.	Additional medical care.
18.	High quality of social facilities.
19.	Equal opportunities for women and men in terms of positions and salaries.

Source: [10]

By implementing the CSR concept, companies in the MSME sector may also count on [11]:

- Shaping long-term and trust-based relationships with external stakeholders, including the local community, co-operators, NGOs, and investors;
- Consolidating a positive image and enhancing recognition among internal and external stakeholders such as the local community, public opinion, and market analysts;
- Creating a positive perception among potential future employees and increased employee satisfaction, loyalty and motivation;
- Creating a positive perception among business owners who initiate and undertake CSR activities by present and potential investors and clients.

Companies interested in the CSR concept can count on financial support if it is implemented. An example of such assistance can be the financial resources that can be obtained through the "Increasing the competitiveness of regions through CSR" competition organized by the Polish Agency for Enterprise Development. 108 applications for support were submitted in the first stage of the competition for the total amount of support requested, equal to PLN 7,765,099.86 [12]. 43 applications were ultimately qualified to receive a non-returnable subsidy of up to PLN 100,000 for micro, small and medium entrepreneurs wishing to implement corporate social responsibility in their company for the total amount of PLN 3,020,401.95 [43]. Another call for proposals was scheduled for Q4 2013. (November/December).

How to check the potential for implementing CSR in your company?

Little interest in the concept of CSR by companies from the MSME sector does not mean, however, that social responsibility is completely alien to this group of companies. It is very common for companies to be unaware of carrying out socially responsible activities. It is therefore very important to verify one's own potential for implementing the ISO 26000 standard. Examples of indicators used in CSR are presented in Table 3.

Table 3. Examples of indicators used in CSR

Economic indicators	
1.	Investment indicator (capital expenditure as % of revenue).
2.	Innovativeness (new products/total products).
3.	Spending on R&D/revenue.
Ecological indicators	
4.	GWP (<i>Global Warming Potential</i>): total greenhouse gas emissions (as defined by the Kyoto Protocol) in tons of CO ₂ equivalent.
5.	Recycled waste/generated waste (recycling).
6.	Number of violations of environmental standards.
7.	Value of investments reducing the impact on the environment/total investment value.
8.	Ecoproductivity indexes (e.g. the number of materials produced/the number of raw materials used - the so-called dematerialization of production).
Employee indicators	
9.	Average pay for women/average pay for men in each grade.
10.	Salary spread (the ration of the average for 5% of the highest earners combined with management/the average for 5% of the lowest earners).
11.	Number of employees dismissed with a security program/number of all dismissals.
12.	The ratio of the training budget and annual operating costs.
13.	Total number of training hours in total/number of hours of ethical business training.
14.	Number of employees involved in the training/total number of employees.
15.	Number of training hours per 1 employee in each category (managerial staff, workers).
16.	% of total female employees in relation to men /% of women in managerial positions in relation to men.
17.	Percentage of employees affiliated in trade unions.
18.	Number of newly recruited employees/total number of employees.
19.	Number of employees with intranet - Internet access / total number of employees.
Work safety indicators	
20.	Hospitalization incidents/number of employees.
21.	Hours of sick leave/hours worked.
22.	Number of car accidents during work/number of kilometers traveled.
Indicators of social involvement	
23.	Funds intended for social investments (according to the priorities: sport, health, learning, environmental protection, etc.).
24.	Number of projects received from social organizations/number of projects completed.
25.	Number of hours worked for the local community/number of hours worked.
26.	Amount of local taxes and fees (commune)/total income of the commune.
27.	Financial subsidies of charitable nature as% of gross profit.

28.	Amount of money collected by employees/amount of money contributed by the company - transferred for socially useful purposes.
Indicators for relationships with business partners	
29.	Number of jobs supported at the suppliers (turnover with suppliers/supplier performance).
30.	Average time for paying invoices to suppliers.
31.	Number of suppliers taking part in a meeting concerning company strategy/total number of suppliers.
32.	Number of complaints acknowledged/number of complaints filed.

Source: [14]

The above indicators should be adjusted to the company's business profile and size. Although CSR is a relatively new direction for the Polish MSME sector, the basic laws and mechanisms for managing this enterprise group can be universal for companies from different sectors. Depending on the type, size, and organizational culture, the implementation of the CSR concept may take a more or less formalized form. A helpful tool for implementing ISO 26000 assumptions is to act based on the Deming's PDCA (Plan-Do-Check-Act) model, as shown in Figure 1.

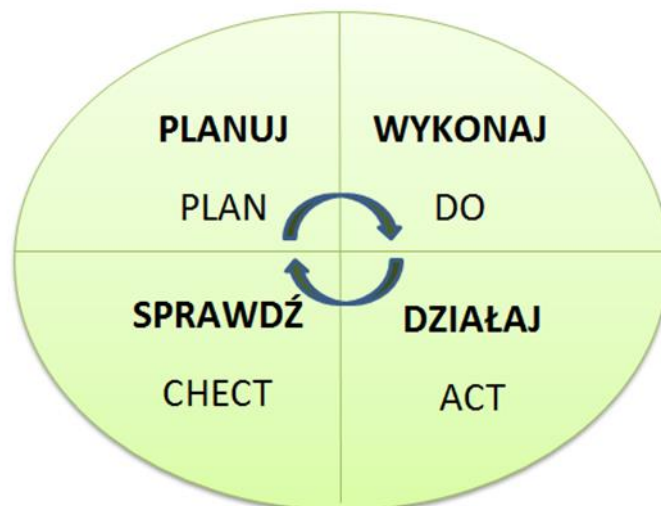


Fig. 1. Deming's PDCA Model [15]

Source: [15]

The stages of implementation of the CSR strategy based on the model are as follows [16]:

- Plan (P),
- Do (D),
- Do (D)/Check (C),
- Check (C)/Act (A).

PLAN (P)

STAGE I: Defining the context, priorities, opportunities and risks, and stakeholders

Identify what the CSR means for the company, what kind of practices for which it can be held accountable from the perspective of stakeholders like the owner, employees, clients, suppliers, subcontractors, local communities, administration, and the broadly understood environment. It is important at this stage to define the conceptual scope accordingly. The guidelines indicated in the previously discussed ISO 26000 standard can be helpful with analyzing the thematic scope of CSR. It should be emphasized, however, that the importance of areas defined in the standard depends on the type and size of the business, the industry, the market situation,

the company's strategy, and the situation and strategy of the whole supply chain in which the MSME operates, as there is no one suitable method for selecting CSR areas.

STAGE II: Dialogue with stakeholders

Discussions should take place through an information meeting during which the organization's approach towards CSR will be explained to the stakeholders, and mutual expectations regarding the dialogue and cooperation will be established. This stage also covers the assessment made by stakeholders in each CSR area by identifying positive and negative CSR practices in the business organization's operation.

STAGE III: Analysis of the results and selection of areas for in-depth analysis

This stage occurs after the information meeting, when it is proposed to organize a follow-up meeting, presenting the products and/or services affecting the stakeholders and the areas in which the stakeholders can significantly influence the functioning and effectiveness of the organization or of its development objectives. The result of the meetings with stakeholders should be the identification of important areas that will require further in-depth analysis.

STAGE IV: Risk analysis and assessment

This stage involves the selection of priority areas for CSR to manage, such as setting common priority areas for organizations and stakeholders, including opportunity and risk areas, and identifying areas where priorities differ, leading to further dialogue, analysis, and measures.

DO (D)

STAGE V: Establishing the necessary measures, procedures, goals

Sustainable development policies should be defined based on previously identified priority areas of the CSR policy. Regarding selected aspects of CSR and the established policy, the company should define a specific range of activities to support the successful implementation of a policy aimed at exploiting opportunities and avoiding risks in the areas of sustainable development. It is also necessary to clarify the objectives, definitions, tools, resources, and manner of monitoring the implementation of the sustainable development policy. It is worth remembering that the determination of the policy/principles regarding important sustainability issues will result in the widespread communication of them, both to the organization and to the stakeholders. Effective monitoring of the implementation of the sustainable development policy makes it possible to establish the so-called *Key Sustainability Indicators* concerning the status and implementation level of the objectives assumed. They can be identified using *Key Performance Indicators* (KPI) or *Key Risk Indicators* (KRI) examples:

- The number and the scope of CSR trainings,
- The number of employee initiatives,
- The number and scope of the initiatives implemented, jointly defined with the stakeholders,
- The safety level of the processes/results of OHS monitoring,
- The energy consumption per product (in production) or quantity (value) of the services delivered,
- The number of customer complaints,
- The cost of the advertised products,
- The number and the amount of environmental penalties.

STAGE VI: Communication of results and goals

Communication manifests itself in readiness to communicate the adopted strategy to the stakeholders, especially owners and employees, and subsequent commencement of external communication through a web site, conferences/meetings with stakeholders, letters to stakeholders, and sponsorship actions. A more advanced form of information about one's CSR activities is formal social reporting, the essence of which is reliability. In a well-prepared report, the organization's image and impacts should be presented in an objective manner and allow the recipients to follow the progress of the implementation of the adopted policies. It is therefore necessary to specify precisely the indicators and methods of collecting data in the organization.

DO (D) / CHECK (C)

STAGE VII: Implementation of the system

An important element of implementation is establishing a process of systematically monitoring results and management decision making regarding the assessment of the efficiency and effectiveness of achievement of the objectives. If reporting, internal audits, or internal controls discover a violation of the established policies, processes or method of operation such as good practices, then a corrective action path should be established.

The implementation of the CSR concept also requires the establishment of a sustainable development/CSR training path for newly recruited employees, and bilateral communication with suppliers and subcontractors throughout the entire supply chain of the organization.

CHECK (C)/ACT (A)

STAGE VIII: Management (PDCA)

Due to the interconnection and mutual interpenetration of the implementation stage with the management stage, it is difficult to unequivocally separate them. It is worthwhile to follow external changes of the market, stakeholders, public opinion, awareness, and the legal requirements, as well as management priorities in defining the strategies and goals.

The planning of the corporate social responsibility strategy, which should be developed by companies seeking to build trust in their business activities, should consider its multidimensional approach. The levels of corporate social responsibility strategies building are shown in Table 2.

Table 2. The levels of corporate social responsibility strategies building

Main objective	Detailed objectives
Level 1	
Obeying legal obligations	Achieving economic stability, profitability and growth, in accordance with the applicable law.
Level 2	
Building and protecting the company's reputation	Reinforcement of social commitment through the corporate social responsibility policy: <ul style="list-style-type: none"> ▪ respect for human rights (prohibition of child labor, etc.); ▪ compliance with labor rights (OSH, fair pay, etc.); ▪ environmental protection; ▪ anti-corruption policies and regulations; ▪ transparency of information about own activities; ▪ respect for the client through the quality and safety of products and services, good marketing practices (including advertising).
Level 3	
Creation of a distinctive corporate model	Treatment of CSR as a corporate distinction; philanthropic and charitable activities, sponsorship.

Source: [17]

As mentioned earlier, building and implementing a corporate social responsibility strategy can be a source of competitive advantage for a business. This is done by developing the strategic objectives and social tasks outlined in Table 3, which should then be published, enabling the public to control the degree of their implementation.

The smaller interest in CSR practices in the MSME sector can be attributed not so much to the lack of confidence in the assumptions of CSR, but rather to the lack of awareness that CSR activities are already taking place in an enterprise. Very often the implementation of the CSR standard is associated with the large workloads and financial expenses that companies would have to bear for their social responsibility. This is a very misleading conviction. As illustrated by the examples presented in the next part of the paper, social responsibility does not have to cost a lot. It is worth checking to see if there are measures already taking place in the company that are part of the concept of CSR. It may turn out that there is not much missing for a given company to be considered socially responsible. When self-analyzing the level of implementation of CSR ideas, a survey can be a helpful tool for companies to assess their social responsibility in key areas (Table 3).

Table 3. An example of a survey allowing to check the potential for implementing CSR assumptions

	1-no activity	2	3	4	5- high commitment

I. ORGANIZATIONAL ORDER					
1.	The company clearly sets out the division of tasks and responsibilities for the employees.				
2.	The company honors honesty, reliability, timeliness and merchant honesty.				
3.	Clearly defined rules of selection and division of responsibilities among the managerial staff make it impossible for the company to have a conflict of interest.				
4.	The company does not accept corruption.				
5.	In the company, the decisions are made transparently (there are clear rules for participation in training, bonuses, information about the impact and the approach towards environmental issues).				
II. HUMAN RIGHTS					
6.	There are procedures and mechanisms in functioning in the company, used for reporting violations of human rights.				
7.	Management/decision-making positions include both women and men in the company, based on their qualifications and professional experience.				
8.	The company only cooperates with suppliers and business partners who do not violate human rights.				
9.	All company employees are treated in the same way, regardless of age, sex, disability, etc.				
10.	The management/owners of the company are in dialogue with workers' representatives, such as workers' councils or trade unions.				
III. PRACTICE ASSOCIATED WITH EMPLOYMENT					
11.	Employees have the opportunity to participate in training sessions that take place during work. Employees can decide on the subject and type of training, which are free of charge.				
12.	The company observes the laws and regulations on the physical work conditions and occupational health and safety and hygiene above the required legal norms				
13.	The company employs employees based on lawful contracts, with emphasis on the rights of minors				
14.	Employees meet the obligations specified in the employment contracts concluded with the employer				
15.	Salaries and other benefits are paid to employees on a timely basis				

IV. THE ENVIRONMENT					
16.	The company is trying to reduce consumption of utilities, for example by using energy-efficient equipment, installing aerators on taps, modernizing and implementing new technological solutions, reducing raw materials and energy consumption, etc.				
17.	The company promotes pro-ecological behavior both among its employees, suppliers, as well as business clients.				
18.	The company segregates waste and tries to reduce waste.				
19.	The company diversifies its energy sources, for example, by utilizing renewable energy sources.				
20.	The company conducts ongoing monitoring and implements regulations on its negative impact on the environment.				
V. HONEST OPERATIONAL PRACTICE					
21.	All employees are advised on how they should behave in situations when they see corruption attempts.				
22.	The company has developed and follows a special document, such as a code, which contains written ethical principles and goodwill.				
23.	All employees are kept informed of how they should behave in situations of ethical violations by co-workers, suppliers, or business clients.				
24.	The company in its business is driven by honesty, such as not defaming competition, not playing on emotions (especially regarding children).				
25.	The company is honest towards its contractors, suppliers, subcontractors, e.g. through timely payments, ongoing communication and compliance with the terms of the conducted agreements				
VI. CONSUMER ISSUES					
26.	The company openly informs about its activities and the products/services offered in a complete, clear and truthful manner, also in crisis situations, accidents, etc.				
27.	Information about the company's products/services is publicly available and does not contain hidden provisions, it is clear and understandable for all, and it provides a fair report of the parameters of the products/services.				
28.	The company has and follows the proce-				

	dures for quality, timeliness of customer service, complaints					
29.	The company conducts client satisfaction surveys, it is open to clients' remarks.					
PM.	The company adapts some of its products/services to the needs of the disabled, the elderly, immigrants, etc. (the so-called disadvantaged groups).					
VII. DEVELOPMENT OF THE SOCIETY AND LOCAL COMMUNITY INVOLVEMENT						
31.	The company supports the local labor market (first employing people from the immediate surroundings).					
32.	The company grants financial assistance to selected groups, social organizations and institutions.					
33.	The company supports the local community in difficult situations, such as during natural disasters, catastrophes and other unforeseen random events.					
34.	The company engages in dialog with the local community, considering its needs and opinions in its activities					
35.	The company is involved in the local community's life, for example through local government activity (city, district, commune council/authorities) and the transfer of its business knowledge and skills to support the development of their community, etc.					

The result is obtained by commenting on the statements presented on a scale from 1 to 5, with 1 signifying total lack of activity/involvement, and 5 signifying high involvement and accomplishment of comprehensive measures in this area. In the case of companies that interfere with the environment, such as dealing with waste management or utilizing renewable energy sources, it is also recommended to develop a list of statements in specific areas, especially in areas including environmental and social issues.

Examples of good CSR practices in MSMEs [18]

Piekarnia-Cukiernia Antoni Bończyk from Katowice Antoni Bończyk Confectionery

This is a family business with 65 employees and has operated on the market since 1971. The company is known for its taste, strong tradition, and its use of home recipes and novelties from world bakery and confectionery events. In addition, the company has been supporting the needy and helping the poor for years. Organizations constantly supported by the BOŃCZYK Confectionery include:

- The Disability Relief Association "SKARBK" in Mysłowice,
- The Special Education Center of the Congregation of the Sisters of Mercy of St. Charles Borromeo in Mysłowice,
- The Children's Residential Unit "ZAKĄTEK" in Katowice,
- The Cardinal Stefan Wyszyński Junior High School No. 5 in Mysłowice,
- The Cordis Hospice Society in Katowice,
- The Temporary Shelter for Homeless Men in Mysłowice,
- The Parish of Our Lady of Sorrows in Mysłowice-Brzęczkowice,
- The "Zdążyć z Pomocą" Children's Foundation.

The aid provided for these organizations and associations manifests itself in the transfer of products and financial support. Very often the funds provided by the company are allocated to the treatment and rehabilitation of children that are seriously ill. In this case, care for the environment is manifested using ecological furnaces and

ecological fuel. Of note is also the innovative solution of EkoBlok, which is a device that absorbs harmful substances contained in gas and oil fumes from baking furnaces.

G.T. SOBALA sp.j. Grażyna i Tadeusz Sobala from Wodzisław Śląski

This family company has operated in the bakery and confectionery sector since 1978 and currently employees 53 people. The charity and philanthropy activities are mainly carried out by transferring bakery and confectionery products to the following centers:

- The "FAMILY" Charity Society in Wodzisław Śląski,
- The Caritas of the Katowice Archdiocese, St. Hyacinth and St. Francis's Workshop of Occupational Therapy in Wodzisław Śląski,
- The Caritas of the Opole Diocese, the Racibórz District,
- Special Schooling and Education Center in Wodzisław Śląski.

The implementation of the CSR assumptions is also made through the sponsorship of its own amateur football team, playing in the IV league in the Wodzisław Śląski powiat. The main activities in this field include purchasing of football uniforms, renting the football pitch, and organizing team integration events. The company also supports the Special Schooling and Education Center in Wodzisław Śląski by organizing free workshops on dough kneading, baking bread, and preparing sweet pastries. Educational workshops are also provided for other schools.

The Agricultural Production Cooperative "PRZEŁOM" in Mikołów - the BUJAKS.

This company has been present in the local market since 1953 and it employs 90 people. The main activity of the cooperative is producing traditional meat products that are ecologically clean and completely manufactured in a natural way, according to the "from the field to the fork" principle. The cooperative supports three local sports clubs financially and through its products, including the "45 Bujaków" People's Sports Club, the "Sokół Orzesze" Municipal Sports Club, and the "Gwarek Ornontowice" Mining Sports Club.

Other practices in the CSR field include:

- Organizing, at one's own expense, the annual catering during the inauguration of the cultural season at Teatr Mały in Tychy;
- Supporting local pre-school facilities, schools and the Municipal Social Welfare Center in Mikołów;
- Covering the costs of construction of a sewage treatment plant and regular testing of the water discharged into the river, as well as the production of granular fertilizer from treated waste;
- Gradual afforestation of the undeveloped area of land that it occupies.

Hotel Polski Pod Białym Orłem [19]

This is one of the oldest hotels in Krakow and is located in the Zaulek Książąt Czartoryskich, next to St. Florian's Gate. CSR activities focus mainly on the pro-ecological policy, promotion of Polish culture and measures aimed at protecting national heritage. Major CSR measures include:

- Co-organization of the happening "Lipnickie Palmy w Krakowie" and the annual "O Złote Pióro" Calligraphy Competition for Children and Youth;
- Close cooperation with the Department of Information, Tourism and Promotion of the City of Kraków;
- Environmental protection solutions, including segregating waste, disposing used batteries, installing water-saving shower heads, aerators, thermo-valves, and motion sensors in public areas, reducing heat consumption in currently vacant rooms, utilizing mineral paints, cleaning with biodegradable cleaning agents, and training staff regularly in the field of environmental protection;
- Promoting pro-environmental activities among hotel guests, like offering a resignation from daily replacement of bed linen and towels, turning off all lights at the exit of a room with a single switch, using organic gray toilet paper instead of white (optional), putting used batteries in a special container at the reception, and segregating waste.

Kaczor Klimczyk Pucher Wypiór Law Firm (KKPW) [20]

This is a law firm in which all employees are engaged in non-profit oriented activities that allow for practicing the law, but above all - it allows helping people in need and disadvantaged by fate. For many years, the law firm has undertaken the following activities:

- Support for the Polska Młodych Association, the Emaus Community and the Social and Educational Association "Kuźnia" from Balice, which supports equality of educational opportunities for children

and adolescents, helping children in difficult situations, organizing holidays and vacations, as well as actions aimed at maintaining national traditions and the development of a civil society;

- A scholarship project for talented students and graduates of law faculties in Kraków and Warsaw.

Where to find information about CSR [21]?

Organizations and Internet sources

Poland

- Akademia Rozwoju Filantropii w Polsce – www.filantropia.org.pl
- CentrumCSR.PL – www.centrumcsr.pl
- Centrum Etyki Biznesu – www.cebi.pl
- CSR Info – www.csrinfo.org
- DNV – www.dnv.pl
- Portal Dobry Biznes – www.dobrybiznes.info
- Instytut Odpowiedzialnego Biznesu – www.iob.org.pl
- Fundacja Rozwoju Kapitału Społecznego - www.frks.pl
- Centrum Strategii i Rozwoju IMPACT - www.csri.org.pl
- Kampanie Społeczne – www.kampaniespoleczne.pl
- Forum Odpowiedzialnego Biznesu – www.fob.org.pl
- Global Compact w Polsce – www.globalcompact.org.pl
- Krajowa Izba Gospodarcza – Fair Play – www.fairplay.pl
- Portal Etyka Biznesu – www.etykabiznesu.pl
- Liga Odpowiedzialnego Biznesu- www.lob.org.pl

Europe

- The European Commission (DG Employment) - http://ec.europa.eu/employment_social/soc-dial/csr/
- The European Commission (DG Enterprise http://ec.europa.eu/enterprise/csr/ereb/ereb_en.htm
- CSR Europe - www.csreurope.org
- CEE Bankwatch - www.bankwatch.org
- Corporate Europe Observatory - www.corporateeurope.org
- Karat Coalition - www.karat.org
- European Coalition for Corporate Justice - www.corporatejustice.org
- European Foundation for Social Inclusion - www.efis.org.pl
- SOMO - www.somo.nl
- Vaderegio - www.csrvaderegio.net
- London Benchmarking Group - www.lbg-online.net
- Eurosif, European Social Investment Forum - www.eurosif.org

World

- Accountability (AA 1000) – www.accountability21.net
- Business and Human Rights Resource Center – www.business-humanrights.org
- Business in the Community – www.bitc.org.uk
- Business Ethics Forum – www.managementlogs.com/business_ethics.html
- Business for Social Responsibility – www.bsr.org
- Boston College Center for Corporate Citizenship – www.bcccc.net
- CSR Wire – www.csrwire.com
- DNV – www.dnv.com
- OECD – www.oecd.org/department/0,2688,en_2649_34889_1_1_1_1_1,00.html
- OECD Watch – www.oecdwatch.org
- Dow Jones Sustainability Index – www.sustainability-index.com
- FTSE 4 Good – www.ftse.com
- Ethical Corporation – www.ethicalcorp.com
- Clean Clothes Campaign – www.cleanclothes.org
- Global Compact – www.globalcompact.org
- Global Compact Critics – www.globalcompactcritics.net
- GRI (Global Reporting Initiative) – www.globalreporting.org/Home
- Global Sullivan Principles – www.thesullivanfoundation.org/gsp/
- Global Witness – www.globalwitness.org/

- Good Corporation – www.goodcorporation.com
- ISO – Social Responsibility (ISO 26000) – www.iso.org/sr
- International Business Leaders Forum – www.iblf.org
- Mallen Baker Blog – www.mallenbaker.net/csr/
- The European Business Network for CSR – www.csreurope.org
- Social Accountability International (SA 8000) – www.sa8000.org
- Codes of Conduct – www.codesofconduct.org
- Ethical Corporation – www.ethicalcorp.com
- Principles for Responsible Investment – www.unpri.org
- Business for Social Responsibility – www.bsr.org
- World Business Council for Sustainable Development – www.wbcsd.

Compact publications

- Adamczyk J., *Spółeczna odpowiedzialność przedsiębiorstw. Teoria i praktyka*, Polskie Wydawnictwo Ekonomiczne 2008.
- Bartkowiak G., *Spółeczna odpowiedzialność biznesu w aspekcie teoretycznym i empirycznym*, Difin S.A., Warszawa, 2011.
- Czerwonka M., *Inwestowanie społecznie odpowiedzialne*, Difin S.A., Warszawa, 2013.
- Gasparski W., *Biznes, etyka, odpowiedzialność*, Wydawnictwa Profesjonalne PWN, Warszawa, 2012.
- Jabłoński A., *Modele zrównoważonego biznesu. W budowie długoterminowej wartości przedsiębiorstw z uwzględnieniem ich społecznej odpowiedzialności*, Difin S.A., Warszawa, 2013.
- Kisil A., *Zarządzanie przez odpowiedzialność. Podstawa odpowiedzialnego biznesu*, Difin S.A., Warszawa, 2013.
- Laszlo Ch., *Firma zrównoważonego rozwoju*, Studio Emka 2008.
- Pańków W., Rok B., Strumińska-Kutra M., Woźniaczko J., *Oblicza społecznej odpowiedzialności przedsiębiorstw*, Wydawnictwo Naukowe SCHOLAR, Warszawa, 2010.
- Rudnicka A., *CSR- doskonalenie relacji społecznych w firmie*, Oficyna a Wolters Kluwer business, Warszawa, 2012.
- Smith N.C., Lenssen G., *Odpowiedzialność biznesu. Teoria i praktyka*, Wydawnictwo Studio EMKA, Warszawa, 2009.
- Żemigła M., *Spółeczna odpowiedzialność przedsiębiorstwa*, Wolters Kluwer 2007.

Bibliography

- [1] Słownik Języka Polskiego, <http://sjp.pwn.pl>
- [2] Ministerstwo Gospodarki, Nowy Komunikat KE nt. CSR, <http://www.mg.gov.pl/node/14786>, dostęp dn. 13.10.2013r.
- [3] Polski Komitet Normalizacyjny, ISO 26000 Guidance on social responsibility Norma Międzynarodowa dotycząca odpowiedzialności społecznej, <http://www.pkn.pl/iso-26000>, dostęp dn. 13.10.2013r.
- [4] <http://asbiznesu.pl/component/content/article/35-aktualnoci/371-norma-iso-26000>, dostęp dn. 13.10.2013r.
- [5] Gasiński T., Piskalski G., *Zrównoważony biznes. Podręcznik dla małych i średnich przedsiębiorstw*, Przygotowany na zlecenie Ministerstwa Gospodarki, s. 65.
- [6] Makuch Ł., *Normy i standardy społecznej odpowiedzialności biznesu (CSR) Przewodnik po kluczowych standardach społecznej odpowiedzialności biznesu oraz relacjach i współzależnościach pomiędzy nimi zachodzących*, Warszawa 2011, s. 11-13.
- [7] ASM- Centrum Badań i Analiz Rynku Sp. z o.o., *Badanie kadry zarządzającej w ramach projektu "Spółeczna odpowiedzialność biznesu" – raport z I etapu badania*, lipiec 2013, s. 12.
- [8] Agencja Reklamowa Cumulus (2008), CSR, <http://www.agencjacumulus.pl/index.php?mode=strona&id=9>, dostęp dn. 13.10.2013r.
- [9] Ch. Laszlo, *Firma zrównoważonego rozwoju*, Wydawnictwo Studio EMKA, Warszawa, 2008, s. 157.
- [10] <http://www.parp.gov.pl/index/index/1711>, dostęp dn.20.10.2013r.
- [11] <http://www.odpowiedzialnafirma.pl/o-csr/korzysci-z-csr>, dostęp dn. 21.10.2013r.
- [12] Polska Agencja Rozwoju Przedsiębiorczości, *Komunikat o liczbie złożonych wniosków w ramach konkursu o udzielenie wsparcia na wdrożenie CSR*, <http://csr.parp.gov.pl/index/more/33135>, dostęp dn. 26.05.2013r.
- [13] Polska Agencja Rozwoju Przedsiębiorczości, *Pierwsze umowy na wdrożenie CSR już podpisane*, <http://csr.parp.gov.pl/index/more/35357>, dostęp dn. 26.10.2013r.

- [14] Rok B., Odpowiedzialny biznes w nieodpowiedzialnym świecie, Akademia Rozwoju Filantropii w Polsce, Forum Odpowiedzialnego Biznesu, Warszawa, 2004, s. 44-45.
- [15] <http://www.btch.pl/model-pdca.html>, dostęp dn. 26.10.2013r.
- [16] Gasiński T., Piskalski G., Zrównoważony biznes. Podręcznik dla małych i średnich przedsiębiorstw, opracowany na zlecenie Ministerstwa Gospodarki, s. 36-45.
- [17] Adamczyk J., Społeczna odpowiedzialność przedsiębiorstw, Polskie Wydawnictwo Ekonomiczne, Warszawa 2009, s. 117.
- [18] <http://odpowiedzialnybiznes.pl/pl/baza-wiedzy/publikacje/artykuly.html?id=5313>, [dostęp 21.10.2013]
- [19] <http://www.malopolska.pl/Przedsiębiorca/OdpowiedzialnaMalopolska/Dobrepraktyki/Strony/HotelPolskiPodBialymOrlemSpzoo.aspx>, dostęp dn. 26.10.2013r.
- [20] <http://www.malopolska.pl/Przedsiębiorca/OdpowiedzialnaMalopolska/Dobrepraktyki/Strony/KaczorKlimczykPucherWypiorAdwokaci.aspx>, dostęp dn. 26.10.2013r.

CSR AS A SOURCE OF COMPETITIVE ADVANTAGE AND LIMITING BUSINESS RISK IN SMEs

Abstract

The article concentrates on the corporate social responsibility of a business. The crucial element concerns how CSR should be undertaken, which is mainly an economical, ecological, and ethical activity.

Key words

corporate social responsibility of business, business, economical aspects, ecological aspects, ethical aspects