

Corporate Social Responsibility in Poland: From the Perspective of Listed Companies

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1 Introduction

Corporate social responsibility (CSR) is one of the most dynamically developing theme in management literature as societies gain awareness on the social and environmental challenges and companies perceive addressing this concerns as a source of the competitive advantage (Crane & Matten, 2007; Idowu & Louche, 2011). The interest in CSR is accompanied by the understanding for the necessity of a more balanced measures of companies' success which incorporate the economic as well as environmental and social performance (Branco & Rodrigues, 2006; Lee, Fairhurst, & Wesley, 2009). The companies reactions to these changes driven by social pressure and regulatory regimes include the implementation of a set of various CSR initiatives, engagement in stakeholder management and social dialogue, improved reporting and disclosure (Bhattacharya, Korschun, & Sen, 2008; Moir, 2001).

The paper presents the results of the qualitative research of the CSR practice implemented in Polish companies listed on the Warsaw Stock Exchange according to selected criteria. The analysis is based on the case studies of policies and programs adopted by companies included the CSR rating known as RESPECT Index and compared to their peers operating in the same industries not covered by the benchmark. The goals of the research are to identify main differences in the two sample groups of companies (if there are any) with respect to CSR initiatives, reporting and stakeholder dialogue as well as to trace the changes in the CSR policies observed within the 5 years of 2007–2011. The paper presenting the Polish experience attempts to address the issues of CSR in emerging/transition economy where the state is weaker and its interventions appear to be rare suppressed by the corporate activities.

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The paper is organized as follows. The first section outlines the concept of corporate social responsibility understood as a driving force for the changes of the role expected from companies and played in societies and economies. The second section addresses the practical dimensions of CSR pointing at set of possible programs and initiatives undertaken by companies which comply with the CSR concept assumptions. Additionally, using the degree of integration the CSR ideas into the strategy and operation the levels of a company social and environmental engagement are discussed. The description of research conducted in the sample of 44 companies listed at the Warsaw Stock Exchange with the reference to the methodology, sample construction and results are delivered in the third section. The collected evidence on differences between CSR practices adopted by RESPECT index companies and their peers that stay out of the benchmark are discussed referring the results to the typology of stages of companies' social and environmental engagement. Final remarks are presented in the conclusion section. The contribution of the paper is rooted in the attempt for the identification of CSR practices adopted by Polish listed companies as well as the analysis the companies' policies of the social and environmental engagement measured by the importance of CSR programs in the overall strategies and the integration of CSR assumption in their goals and operations.

2 Corporate Social Responsibility and Companies' Role in Society and Economy

Corporate social responsibility is defined as a concept "whereby companies integrate social and environmental concerns on their business operations and in their interaction with their stakeholders on a voluntary basis" (COM, 2002; Neal, 2008) to achieve long term sustainable growth and development. It serves as a crucial element of the dialogue between companies and their stakeholders (Bhattacharya et al., 2008; Hollender & Fenichell, 2004; Hopkins, 2007) and refers to the discretionary stakeholders' expectations that business should be accountable to (Robins, 2005). CSR is also understood as a method to address the social and environmental concerns involving the integration of environmental, social and economic considerations into an organization's corporate culture and strategy formulation (Hawkins, 2006). In the broader sense, CSR is perceived as the obligations which a business has to fulfill according to the societal expectations to be considered a good corporate citizen (Lee et al., 2009).

The concept of corporate social responsibility is placed within a range of relating terms and topics including business ethics, stakeholder theory, triple bottom line and sustainability which contribute to the development and understanding of the company's role in the society and economy as presented in Fig. 1

Figure 1 provides a framework of related topics including CSR, stakeholder management, TBL and sustainability which have impact on the dynamics changes of companies' role in business and societies. The interdependences between these

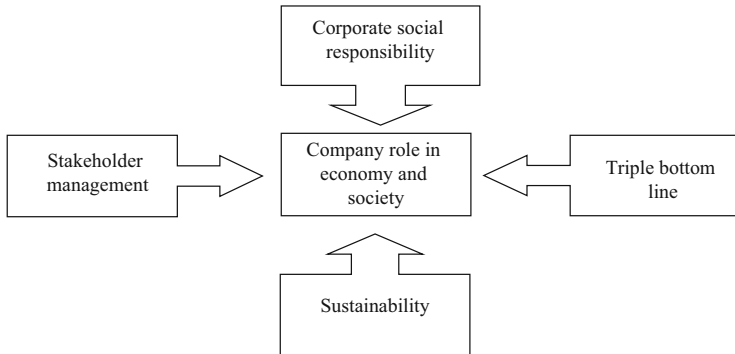


Fig. 1 Theoretical concepts shaping the company's role in society and business. *Source* own compilation

concepts lead to the development of the theoretical framework thereof and contribute to the debate on the purpose of the corporation and the understanding of the company's role in the society and economy. The emergence of stakeholder theory and the criticism of the primacy of shareholder interests motivated companies to widen the group they intend to satisfy within their operation and through the communication (Bonn & Fisher, 2011). The development of stakeholder theory opposed to the shareholder primacy and resulted in the evolvement of stakeholders' role and impact upon the company (Kemper & Martin, 2010). Thus, the stakeholder management implies the practical dimensions of their participation and impact on company's operation aiming at improving the relations between different stakeholder groups and the company. It also assumes that stakeholder contribution and experience may result in changes in the processes and systems of the company tailoring them to the stakeholders' expectations. The stakeholder management is suggested to develop through three main steps (Foster & Jonker, 2006) from the relations characterized by manipulation, non-participation and operational focus level of decision to the relations based on information, consultation and operational and instrumental level of decisions. The final stage of management with stakeholders assumes the mature relations characterized by partnership and participation and instrumental and strategic level of decision where stakeholder communication is carried out in the form of a dialogue and stakeholder engagement is transitive.

Triple bottom line (TBL) concept (Elkington, 1997; Slapper & Hall, 2011) proposes three Ps which stand for profit, people and planet (Fauzi, Svensson, & Rahman, 2010) and requires company to incorporate the expectations of stakeholders in its strategy and operations. The triple bottom line embraces the social, economic and environmental dimensions of corporate activity which targets fulfilling the requirements and considering the limitations of people, planet and profit (Robins, 2006; Slapper & Hall, 2011; Vanclay, 2005). With the influence of the TBL companies are required not longer to focus solely on financial performance but are suggested to address social and environmental challenges and enhance their social performance. The third approach presented in Fig. 1 is sustainable business viewed as a more complex and systemic approach which is targeted at the long term

perspective of operation and aims at shaping the future of the global economy (Sneirson, 2009). Meanwhile corporate social responsibility is understood as a reactive, reputation driven activity with limited reach into core business focusing mostly in current issues. Therefore some authors view sustainable development as the next stage, higher level of company's commitment to social and environmental performance (Mostovicz & Kakabadse, 2011). In result, these three concept remain significantly interdependent and enriching each other. And although for CSR the normative case assuming the moral obligations of a company for the society and the business case perceiving the concept as the element to success it embraces economic suitability, environmental sustainability and social sustainability (Branco & Rodrigues, 2006).

Undoubtedly, the development of the analytical regime and theoretical framework of CSR leads to significant re-conceptualization of the relationships between the state, business, and civil society, governance and policy (Fairbrass & Zueva-Owens, 2012). The framework discussing three challenges to CSR which include economic responsibility, public responsibility and social responsiveness provides the model for corporate social performance and leads to the emergence of a new paradigm (Wartick & Cochran, 1985). In the new paradigm social needs and financial motives do not contradict each other but appear to provide support and complementary outcomes. This implies the relations between social, environmental and financial performance (Cornelius, Todres, Janjuha-Jivraj, Woods, & Wallace, 2008). The changing dynamics of the leading paradigms represents the pattern and structure of governance both in the economic system and in the company and reveals the relationship between business, government and community. It also contributes to the key themes and decision support tools for risk management. Thus in the context of significant changes "the traditional decision making of the powerful bureaucracy and corporations of the industrial era is no longer either appropriate or acceptable (Benn & Dunphy, 2007). The traditional systems of democracy emerged upon the fundamentals of individual freedom and property rights, free enterprise and market fundamentalism and assumed the dominance of self-interest and the shift from the state authority to decentralized decision making (Benn & Dunphy, 2007). Then the deliberative democracy aimed at overcoming constrains of traditional system by replacing focus on votes by focus on processes of public deliberation. Radical pluralism rooted in postmodern concerns for identity introduced group interests as the framework for political decision making within non-hierarchical networks as a way of organizing relations between corporations and governments. New institutionalism addressed the problems of global impact of regional forces and the notion of common costs of externalities. This approach offered the governance mechanisms of horizontal interactions to reduce institutional resistance to change. The ecological modernization is based on the optimistic assumption that capitalist systems are not necessarily in the conflict with the natural environmental concerns. It underlines the business willingness to adopt new technologies and introduce innovations which limit and mitigate the potential conflict and address the expectations of stakeholders. And finally, the theory of ecological democracy focuses on "how to articulate the public interest though the development of civil society and on governance problems" (Benn & Dunphy, 2007). The

evolution of emergent management theory ranges from stakeholder interaction, narrative theory, leadership styles, cultural framing to bridging social capital and the emergence of reflexive management.

3 The Business Case for Corporate Social Responsibility

3.1 *The Practice of CSR*

The evolution of the concept of corporate social responsibility is not only noted in the academic studies with the emergence of theoretical framework, the development of methodological regime and the growing number of research and analysis. Although the concept has been developing since the 1950s of the twentieth century (Carroll, 1999), it is the recent years that see growing interest in the CSR initiative and programs both in the academic studies and corporate practice (Bhattacharya et al., 2008). With the growing number of studies the impact of CSR upon corporate reality and activities appears to be better explained and understood indicating the mutual links and interdependencies between business, society and policy (Jamali, 2008). They also show the positive influence of the concept both on companies and economies at the micro, mezzo and macro level. Although for some time, at the micro level, the research has been revealing the mixed evidence on relations between CSR and profitability (Aupperle, Carroll, & Hatfield, 1985; Waddock & Graves, 1997) with the address of the long term perspective more positive results were noted (Mackey, Mackey, & Barney, 2007). With the emergence of the so called business case for CSR (Barnett, 2007) and the adoption of resource based view internal and external benefits were identified (Branco & Rodrigues, 2006). In result, the CSR concept proved to serve as the source of competitive advantage improving the communication to stakeholders, enhancing image and reputation, leading to innovation and the development of new business models. It may also lower the negative impact of the recession or economic slowdown and protect the company from deteriorating the performance in such periods (Arevalo & Aravind, 2010; Charitoudi, Giannarakis, & Lazarides, 2011). Finally, adopting CSR by a company produces positive spillovers for the other aspects of company operation such as to business conduct, strategy, marketing and corporate governance (Jamali, Safieddine, & Rabbath, 2008; Tuan, 2012). Therefore at the mezzo level the evolution of CSR portrays the changes in social perception towards the most problematic global problems and emerging challenges and is perceived as a driving force to the changes of mutual relationships between different structures of governance as new pressures and challenges related to natural environment and global society and the risks and uncertainties attached emerge. The discussion also illustrates the changing dynamics in the hierarchy of key success factors in company's operation and the importance of different management approaches. Adoption of CSR concept for the business case leads to reorientation of corporate social performance model (Swanson, 1995). At the macro level CSR enhances social

and economic development (Blowfield, 2005) leading to the emergence of civic society, sustainability and innovation (Fairbrass & Zueva-Owens, 2012). In result, the concept of CSR appears to develop significantly also on the practical side with the emergence of the so called business case for corporate social responsibility. Companies realize the economic and environmental challenges as well as growing social awareness and perceive their active reactions to these concerns as the possible source for competitive advantage.

The character of CSR and the CSR communication rely on the corporate resources and competences which remain path dependent, causally ambiguous, socially complex (Branco & Rodrigues, 2006). These practices are heavily anchored in a number of aspects of institutional characteristics and organizational features (Schultz & Wehmeier, 2010). As Matten and Moon (2008) discuss the practice of CSR is rooted in the culture, values and norms which shape institutions and impact the discretionary behavior of companies. The different characteristics and constellation of these features result in the emergence of the explicit approach in which corporate activities assume such behavior per se and the implicit approach which perceives the role of a corporation within wider formal and informal institutions. The aspects of local knowledge, expected level of corporate responsibility, the consensus reached among stakeholders as well as the relationship to financial performance serve as the issues providing for legitimacy for institutionalizing CSR (Pava & Krausz, 1997). Additionally, the key organizational features referring to “cognitive, linguistic, and conative dimensions” and the interdependences between them also influence the orientation that guides CSR related activities (Basu & Palazzo, 2008). The research by Robertson and Nicholson (1996) proposed how the CSR institutionalization impacts how different stakeholders are addresses laid in the practice of communication and reporting. They provided the so called hierarchical model of disclosure which covers three main levels of communication from general rhetoric, to specific endeavors, to implementation and monitoring.

3.2 Levels of Corporate Engagement

The business case of corporate social responsibility offers a ground for different levels of corporate engagement and becomes a starting point for the emergence and development related concepts such as social marketing or corporate citizenship. In business practice corporate social responsibility laid foundations of other relates themes such as corporate cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering and socially responsible business (Dunne, 2007). Additionally it gave rise to socially responsible investment and employee volunteering. Using an approach the levels of company engagement in CSR distinguish (Griffin, 2011):

- Philanthropy representing the charity and funds donation for selected purposes and activities which are not targeted for profit increase and improvement of market position,

Table 1 CR actions' characteristics

CR actions	Posture on CR demand	Competitive aim	Type of strategic activity
Passive	Complying with law	No competitive aim	Inactions
Reactive	Responding to CR demand	Maintaining competitive advantage	Instrumental actions (environment as means)
Proactive	Anticipating CR demand	Enhancing competitive advantage	
Entrepreneurial	Enhancing CR demand	Detecting new competitive advantage	Awareness actions (environment as ends)
Creative	Creating new CR demand	Creating new competitive advantage	

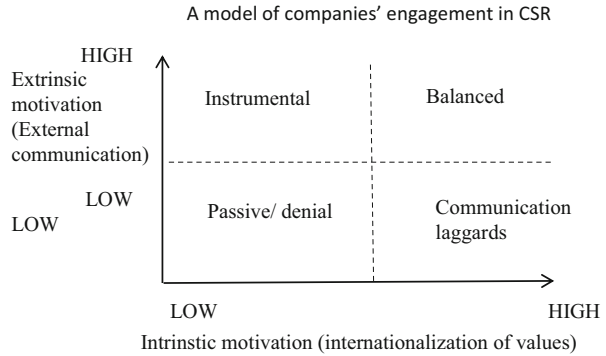
Source Heikkurinen (2006)

- Social marketing representing charity activities and engagement in social initiatives for the purpose of profit increase and improvement of market position,
- Social responsibility illustrating corporate activities directing at supporting and contributing to social initiatives or solving social problems,
- Corporate citizenship which stands for companies playing a role of responsible citizen, responsible member of the society (McIntosh, Thomas, Leipziger, & Coleman, 2003; Waddock, 2007),
- Social enterprise illustrating company which is able to solve social problems in business manners (Cornelius et al., 2008).

The typology proposed by Heikkurinen (2006) identified five different corporate responsibility actions depending on the posture on the activity demand, its competitive aim and reference to strategy. The scope of CR actions' with its characteristics is presented in Table 1.

As proposed by (Mostovicz & Kakabadse, 2011) companies adopting CSR principles may choose between various strategic approaches depending on the degree of two dimensions: widening organizational view (intrinsic) and widening social view (extrinsic). The four views include the so called micro view, macro view, wide view and the long term view. The micro view provides "the license to operate" and is limited to the shortened timeframe of economic stakeholders, while the macro view perceives CSR as the moral obligation to society. The goal of improving company reputation amongst stakeholders is proposed by the wide view. And finally the long term view of CSR encompasses the social and organizational view assuring for realization of the sustainable development. This model delivers a very useful framework to analyze the CSR strategy adopted by companies with the insights on their motivation to address this issue. The model proposed by Malan (2011) using two identifies four strategies resulting from interaction between two adopted dimensions of social involvement and political involvement—corporate tourist (low social involvement and low political involvement), corporate citizen (high social involvement and low political involvement), corporate colonialist (low social involvement and high political involvement) and corporate activist (high

Fig. 2 A model of companies' engagement in CSR. *Source* own compilation



social involvement and high political involvement). This model proves to be useful for analysis embedded in political economy; it may not however explain the strategic approach of the companies which engage in CSR activities driven by the expectations of their stakeholders. The organizational dimensions of CSR adoption are not covered with this approach.

The presented literature review delivered insights of CSR theoretical framework and practice indicating the most important elements and dimensions which impact CSR policy and activity. Using the notions of the literature review for the purpose of the paper a model of companies' engagement in corporate social activities is proposed. The model uses two dimensions of extrinsic motivation of managers to implement and communicate CSR initiatives as well as the intrinsic motivation to implement CSR programs and incorporate them into organizational structure and culture. The illustration of the model is provided in Fig. 2.

As presented in Fig. 2 companies revealing low motivation for incorporating CSR into organizational culture and structure pursue the passive or denying approach. The companies pursuing the approach characterized by focus on internationalization of CSR values into company operation are called communication laggards, while those which are mostly interested in the external communication to stakeholder and are interested improvement of their image adopt instrumental approach. Companies which combine dedicated approach to integration of CSR assumptions and notions into organizational structure and culture developing their communication of external stakeholder are found to reveal a balanced approach. The motivation of this proposed framework is rooted in the idea to note the engagement and the motivation of companies to adopt CSR policy. It resembles the model proposed previously by Mostovicz and Kakabadse (2011) but also intends to take into account the prime source driving companies' CSR strategy. This may be useful for the analysis of small companies which quite often are not familiar with the CSR methodology but are very active in promoting its activities and values. Also some companies are known for their reputation driven instrumental approach to CSR.

4 Research

4.1 CSR Practice in Poland

Corporate social responsibility in Poland emerged in the post socialist transition environment and the conditions of the emerging markets. The political, economic and social determinants have significant impact of the strategy of companies and the expectations of stakeholders. Despite the rapid growth observed after the early transition recession and then sustained by the accession to the European Union, the socialist heritage is mostly visible in the dimension of the Polish society (Aluchna, 2010). These features include the underdevelopment of the civil society, low levels of social capital, low interest in volunteering activity or social contribution as well as the passiveness of stakeholders and lower importance of social performance (Czapiński, 2009; Gasparski, 2005). Still the price plays a crucial role for the purchasing decision leaving social and environmental aspects behind.

This characteristic of the Polish society definitely is a subject to changes. On one hand these changes are driven by the market development and the evolution of the stakeholders' expectations who are more interested in the social and environmental dimension of companies functioning. On the other hand the impact for this changes comes from The harmonization process within EU laws and institutions provided frames for CSR and environmental protection and encourage companies to transfer know how from Western Europe. The case of Polish listed companies delivers an interesting insights in the practice of CSR revealing the companies strategies in reaction to the emerging market environment and conditions of weaker (as compared to the west of the EU) institutional order (Aluchna, 2010; Boni, 2009). The studies conducted so far illustrated CSR activities of particular companies. The collected evidence suggest that the CSR activities focus on educational programs, sport initiatives, environmental actions, support for handicapped, sick or excluded and employee volunteer programs (Kuraszko & Augustyniak, 2009; Ministry of Economy, 2010). It is important to provide a more general picture of the CSR practice on Polish listed companies accompanied by the identification of their disclosure and reporting standards as well as the direction for further development. Additionally, the studies conducted so far lack the dynamic approach addressing the changes on the CSR practice implemented by public listed companies and their potential response to the global financial crisis with respect to the scope of CSR activities. This gap is intended to be filled by this research.

5 Research Goals and Methodology

The goals of the research were to identify the CSR practices adopted by companies listed on the Warsaw Stock Exchange according to selected measures assuming the differences resulting from different company characteristics and institutionalization

approaches. More precisely, the analysis aimed at the identification of main differences between two sample groups of publicly listed companies comparing companies covered by the CSR/sustainability rating known as RESPECT Index and their peers operating in the respective industries not included in this benchmark. The analysis was to identify the differences (if there were any) with respect to CSR initiatives, reporting and stakeholder dialogue as well as to trace the changes in the CSR policies observed within the last 5 years of 2007–2011.

In order to pursue the research goals the qualitative analysis of the CSR practice implemented in Polish companies listed on the Warsaw Stock Exchange was conducted according to selected criteria. The RESPECT companies need to comply with the certain characteristics (free float of shares, accountability to shareholders, corporate governance best practice, disclosure) as well as standards of their policy towards stakeholders (implemented CSR activities, reporting). The presence in the RESPECT index is dependent on the assessment results conducted by Deloitte and verified every year. Therefore the RESPECT companies are constantly monitored with regard to their CSR performance and reporting practices what results in the dynamics of the benchmark composition. The research was based on the case studies of policies and programs adopted by both groups of companies according to the information they disclose on their websites and publish in their CSR reports.

The research included the analysis and identification of the following aspects:

- The content and functioning of the CSR website,
- The form and content of the CSR report,
- The existence of the CSR department within the organizational structure,
- The integration of CSR into the company strategy,
- The CSR activities are conducted by the company,
- The directions of CSR activities undertaken by companies (education, national heritage, sport, ecology, support for handicapped, sick or excluded people),
- The cooperation of the NGOs,
- The difference of CSR activities and functioning between RESPECT Index companies and companies not included in the benchmark,
- The pursuit of CSR strategy according to the typology proposed in Fig. 2.

6 Research Questions and Sample

In order to pursue the research goals the following research questions were formulated:

- Q1: Are the RESPECT companies more active on their CSR websites as compared to companies not included in the benchmark?
- Q2: Do the RESPECT companies publish CSR reports more often than companies not included in the benchmark?
- Q3: Do the RESPECT companies form CSR department more often than companies not included in the benchmark?

- Q4: Do the RESPECT companies integrate CSR into their strategies more often than companies not included in the benchmark?
- Q5: Do the RESPECT companies form a dedicated CSR foundation more often as compared to companies not included in the benchmark?
- Q6: Do the RESPECT companies spend more on CSR activities as compared to companies not included in the benchmark?
- Q7: Do the RESPECT companies get involved in better coordinated CSR activities as compared to companies not included in the benchmark?
- Q8: Do the RESPECT companies cooperate with NGOs more active than companies not included in the benchmark?
- Q9: Which strategy as presented in Fig. 2 do the sample companies pursue?

Questions Q1 and Q2 address the first dimension as provided in the proposed model referring to the extrinsic motivation of managers to implement and communicate CSR initiatives, while the questions Q3–Q9 are to give evidence for the intrinsic motivation to implement CSR programs and incorporate them into organizational structure and culture. The research was based on the case studies analysis on the sample of 44 companies for the period of 5 years (2007–2011). The qualitative analysis covered the study of the companies' websites, annual reports and CSR reports published by sample companies. According to formulated assumptions and goals the sample covered companies included in the RESPECT index fourth edition as presented in Table 2.

The goal of comparing the CSR practices required the identification of the RESPECT companies' peers characterized by similar features (size, ownership structure) and operating in the respective industries. The sample companies which stay out of the benchmark were selected according to the Warsaw Stock Exchange statistics focusing on the size and sector of operation in order to provide for the comparison. The control group of companies was extended as it revealed over-representation of banks and financial services companies while under-representation of companies operating in mining and extraction as well as chemical industries. The final research sample of the RESPECT companies with their peers with the breakdown by industries is presented in Table 3.

However, the constructed research sample denotes several constrains—due to the limited number of firms operating in mining and extraction industry only one company (JSW) was selected as the peer for the 3 RESPECT companies (KGHM, PGNiG and Bogdanka). The petroleum sector was combined with the petrochemicals, while some banks dropped out of the control group to maintain the balanced representation in the sample. Due to the significant growth and integration the ITC and telecommunication sector was treated as combined and CSR practices of TP SA and Netia were referred to the activities of TVN and Cyfrowy Polsat.

Table 2 23 RESPECT index companies (half of the research sample)

Company	ID	Shares traded	Market cap (PLN)	Share in the index (%)	Sector
KGHM	PLKGHM000017	44,510,000	6,672,049,000	12.372	Mining and extraction
PZU	PLPZU0000011	15,931,000	5,273,161,000	9.778	Insurance
PKORLEN	PLPKN0000018	145,216,000	5,130,481,280	9.513	Petrochemical
TPSA	PLTLKPL00017	285,712,000	4,799,961,600	8.900	ICT/telecommunication
PGE	PLPGER000010	237,817,000	4,684,994,900	8.687	Power generation
PGNIG	PLPGNIG00014	1,206,575,000	4,500,524,750	8.345	Mining and extraction
BOGDANKA	PLLWBGD00016	30,771,000	3,950,996,400	7.326	Mining and extraction
INGBSK	PLBSK0000017	32,525,000	2,829,675,000	5.247	Banking
HANDLOWY	PLBH00000012	32,665,000	2,515,205,000	4.664	Banking
NETIA	PLNETIA00014	381,827,000	2,256,597,570	4.184	ICT/telecommunication
MILLENNIUM	PLBIG0000016	418,366,000	1,790,606,480	3.320	Banking
LOTOS	PLLOTOS00025	60,797,000	1,696,236,300	3.145	Petrochemical
AZOTYTARNOW	PLZATR000012	43,566,000	1,367,101,080	2.535	Chemical
SWIECIE	PLCELZA00018	17,000,000	1,208,700,000	2.241	Pulp/chemical
BUDIMEX	PLBUDMX00013	10,452,000	898,872,000	1.667	Construction
KREDYTBANK	PLKRD000011	54,332,000	769,884,440	1.428	Banking
PBG	PLPBG0000029	10,513,000	659,690,750	1.223	Construction
KOGENERACJA	PLKGNRC00015	7,450,000	588,550,000	1.091	Power generation
ELBUDOWA	PLELTBD00017	4,748,000	566,911,200	1.051	Electric power engineering
APATOR	PLAPATR00018	25,576,000	562,672,000	1.043	Electric power engineering
CIECH	PLCIECH00018	29,431,000	527,109,210	0.977	Chemical
BANKBPH	PLBPH0000019	8,318,000	345,197,000	0.640	Banking
IDMSA	PLIDMSA00044	177,105,000	334,728,450	0.621	Financial services

Source based on http://www.gpw.pl/portfele_indeksow#RESPECT

Table 3 The final research sample

Sector	RESPECT index company	Control company
Mining and extraction	KGHM PGNIG BOGDANKA	JSW
Insurance	PZU	TU EUROPA
Petrochemical and chemical	PKNORLEN LOTOS AZOTYTARNOW SWIECIE CIECH	SYNTHOS PULAWY BORYSZEW POLICE DEBICA
ICT	TPSA NETIA	CYFROWY POLSAT TVN
Power generation	PGE KOGENERACJA	TAURONPE ENEA
Banking	INGBSK HANDLOWY MILLENNIUM KREDYTBANK BANKBPH	PKOBP PEKAO BZWBK BRE GETINOBLE
Construction	BUDIMEX PBG	POLIMEXMS GTC
Electric power engineering	ELBUDOWA APATOR	KOPEX STALPROD
Financial services	IDMSA	OPENFIN

Source own compilation

7 Research Results and Discussion

The qualitative analysis of the content of the companies' websites, reports, policies and undertaken initiatives with respect to corporate social responsibility was conducted. The empirical material was hand collected within a larger research project on the practical implementation of CSR in companies' strategy and management conducted in the Department of Management Theory, Warsaw School of Economics. The research project is managed and supervised by Professor Piotr Płoszajski. The research results with the reference to the formulated research questions are collectively presented in Table 4.

The results revealing the practice of CSR activity of Polish listed companies indicated some differences between the group of RESPECT Index firms and the companies which stay out of the benchmark with respect to majority of analyzed dimensions. Yet, the observed differences are smaller than expected, particularly for banking and ICT sectors as well as for companies operating in power generation and mining and extraction industries. Both groups revealed similar level and characteristics as far as the activity of companies' websites is concerned. Additionally, with respect to the coordination of the CSR activities only few differences were denoted as they covered similar areas of the CSR concept such as education,

Table 4 The research results with the reference to the formulated questions

Aspect	RESPECT companies	Control group companies	Observed differences
Active website	Generally well presented and structured with easy access	Fragmented, less visible, 'hidden' with other aspects of company operation	Yes, some differences, depending on the sector and the particular company, no major differences for banking, power generation, ICT, mining and extraction as these sectors reveal high standards
CSR report	Published, updated version available	Published less frequently or not provided	Yes, significant differences, no major differences for banking, power generation, mining and extraction as well as ICT since these sectors reveal high standards
CSR department	Usually formed within the organizational structure	Rarely formed within the organizational structure	Yes, significant differences, no major differences for banking, power generation, mining and extraction
Integration of CSR into corporate strategy	Yes, clearly communicated and placed within strategic goals and strategy	Less frequently integrated into strategy, no reference to CSR in mission or strategic goals	Yes, significant differences, no major differences for banking, power generation, mining and extraction
CSR foundation	Quite often formed to support or take over CSR activities	Rarely formed	Yes, significant differences
Coordination of CSR activities	Covering the same areas of education, national heritage, promoting environmental protection, support of poor, sick or excluded people		No major differences
Cooperation with NGOs	Yes, engagement in social dialogue, cooperation with different organizations supporting the implementation of CSR programs	Lesser importance, fewer examples of cooperation with NGOs, mostly noted in banking, power generation, mining and extraction	Yes, significant differences, RESPECT companies reveal more links with NGOs
Pursued CSR strategy	Balanced	Instrumental	Differences except for banking, oil and extraction industry

Source own compilation based on the content of the CSR websites of analyzed companies

national heritage, promoting environmental protection, support of poor, sick or excluded people. Interestingly, the companies not covered by the RESPECT Index revealed good practice in terms of disclosure providing CSR reports on their websites. The reasons behind it seem to be the following—banking sector in Poland is dominated by subsidiaries of global players who transmit the CSR and reporting standards from their parent companies. The practices on the Polish market result from the overall corporate policy of these global players who are more aware of CSR importance and comply with higher standards. On the other hand, the power generation and mining and extraction industries, so the other sectors of small differences between two sample groups, are perceived as socially controversial and environmentally challenging and may get involved in CSR activities anticipating potential conflicts or problems. Also the smallest differences were depicted amongst sectors where the largest companies operate what confirms the earlier observed relations between company size and its CSR activity. Probably, the largest companies not only have the most substantial budgets but also stay in the public spotlight and perceive the CSR engagement as an important element for their performance and reputation improvement. The most significant differences were found with regard to degree of the integration of CSR into corporate strategy what de facto distinguishes the companies which truly adopt CSR requirement and ideas into their operation as opposed to those which pursue the instrumental strategy treating CSR as the ornament element of their public relations and communication policy. The dedications to integrate CSR into corporate strategy is also transmitted into the role and place of the CSR department in the organizational structure, the cooperation with NGOs and the formation the corporate foundations which support the implementation of particular programs and initiatives.

In sum, the results can be summarized with three main conclusions:

- Polish listed companies seem to understand the value of CSR for their performance and reputation—even those not included in the RESPECT index, communicate their involvement in CSR providing information and publishing reports on their websites,
- Companies covered by RESPECT Index integrate the CSR concept into their mission, goals and strategies as well as organizational structures and cooperation with stakeholders,
- RESPECT companies pursue the balanced strategy according to the typology proposed in Fig. 2, while non-RESPECT companies tend to realize instrumental strategy with the banking and oil and extraction sectors as the exception.

8 Conclusion

Corporate social responsibility is well developed concept adopted in business practice. Companies not only respond to the social pressure and environmental challenges but they also use the CSR concept for strengthening their corporate

culture or integrating into strategy perceive as an element for enhancing competitive advantage. Well-structured and incorporated CSR concept develops relational capital, improves and establishes dialogue with stakeholders that may positively influence corporate performance both measured by financial and market indicators. However, companies communicating their CSR performance may adopt various strategies—from accidental initiatives or instrumental approach to true dedication and incorporation in company functioning. The research conducted on the sample of companies listed on the Warsaw Stock Exchange indicate several differences in CSR practice between firms included in the RESPECT index and their peers which stay out of the benchmark. Although these differences are identified they appear to be less significant as expected, particularly in the case of banking as well as coal mining and extraction industries. For other selected sectors these differences seem to be more significant touching upon the core of the integration of the CSR concept with business operation. In sum, RESPECT companies are found to pursue the balanced strategy according to the typology proposed integrating CSR into strategy and developing reporting and communication, while non-RESPECT companies tend to realize instrumental strategy with focus on image improvement and communication to stakeholders, with the banking and oil and extraction sectors as the exception.

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