

# CORPORATE SOCIAL RESPONSIBILITY

STUDY GUIDE FOR COMBINED  
STUDENTS

# CORPORATE SOCIAL RESPONSIBILITY

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EUROPEAN UNION  
European Structural and Investment Funds  
Operational Programme Research,  
Development and Education



Quality Improvement of Education with Regards to Labour Market Requirements, Digitization and Internationalisation II. (project No. CZ.02.2.69/0.0/0.0/18\_056/0013115) is co-financed by the European Union.

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Olomouc 2018

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# Introduction

CSR means a combination of the moral conduct of employers in terms of sustainable development of the whole society and the actions respectful to individuals within their societies. CSR is not an isolated concept, but it is a logical link between economics, law, business ethics, and marketing. This means that the CSR base comprises general characteristics of business entities, an overview of the needs of the current society, ethical principles, business ethics standards and the ways and procedures of a manager's specific moral decision-making, the concept of quality of life, PR rules as well as current administrative support and the legislation on the concept of sustainability of the country.

The section devoted to the concept of social responsibility of organisations (CSR) presents the main forms of defining this concept, but it is based on an important characteristics - voluntariness of responsible business. A separate chapter is dedicated to tools that standardize and spread the CSR concept to other organizations. Other parts of the text provide basic information directly related to the CSR concept, its necessity and the terms of its spread.

The entire study text is conceived primarily as a methodology for students in creating their own concept of a socially responsible activity ready for both the implementation in a selected organization and the subsequent implementation of the prepared concept into the organization. The text is not prepared for a high-quality professional insight and scientific awareness of CSR. However, the literary sources mentioned in each chapter and a comprehensive overview of the works cited form an appropriate basis for a deeper theoretical study of CSR.

The text includes all the supportive tools created at the MBC for the preparation and implementation of students' CSR projects, including instructions governing the preparation and implementation of CSR projects at MBC. To inspire students, the text includes specific examples of the implemented CSR activities at MBC and various organizations in the Czech Republic.



## Chapter 1

# Social Responsibility Concept - Definition, Scope, Content



After reading the chapter, you will:

- Know the essence of corporate responsibility and reasons for corporate responsibility
- Be able to define the concept of corporate social responsibility
- Know specific demonstration and preferences of corporate social responsibility in the Czech Republic



Keywords:

Social responsibility, corporate social responsibility

## 1.1 What Social Responsibility Means

In its simplest form, the term of social responsibility refers to an approach or attitude to the surroundings of a person or an entity (e.g. organization).

The interest in the environment, society and its problems, the way people react to their surroundings and its problems manifests the personal values of a person and his/her life history.

The theoretical basis of social responsibility lies in Durkheim's theory of solidarity. It can function as a source to derive the entire social nature of social responsibility from. In his work, Durkheim<sup>1</sup> addressed in particular the question of how the society holds together and what is the relationship between an individual and the society, i.e. how the cooperation and solidarity are ensured in society. He was convinced that modern societies were increasingly differentiating by the division of labour. The nature of social solidarity is thus transformed from mechanical solidarity to organic solidarity.

The so-called mechanical solidarity is based on common ideas and tendencies exceeding personal tendencies, and its energy is growing when levels of intensity and size increase. The mechanical solidarity directly connects individuals with society, without any mediator, and it is based on a belief that is common to all members of society (see religious societies). It is made up of people who are similar, they are especially gifted with collective consciousness which contains thinking and tendency to act common to all.

Unlike the mechanical solidarity, the organic solidarity is not based on similarities, but on the differences that result from the division of labour. In a society with organic solidarity, every member of the society must carry out a specialized activity, which assumes that a person becomes an increasingly individual personality. Since the processes of individualization and socialization take place at the same time, it can be argued that the more a person is individualized, the more dependent s/he is on society<sup>2</sup>.

Therefore, the society with a developed division of labour does not fall apart as the function of one member depends on the functions of other members of the society. "In addition to this dependency, Durkheim points out that a society connected by organic solidarity is also *highly moral*, because an

<sup>1</sup> Cf. Durkheim, *Společenská dělba práce*, 2004.

<sup>2</sup> Cf. Durkheim, *Společenská dělba práce*, 2004; Kubátová, *Základy sociologie*, 2008.



individual learns to look at himself/herself as a part of the whole<sup>3</sup>. 'Therefore, altruism is not destined to become a kind of a nice decoration', as H. Spencer wishes, but it will always be its main foundation. '.... People can't live together without an agreement, and that includes sacrifice...' <sup>4</sup>. However, in order for organic solidarity to work, it is necessary to create social constructs such as 'ethical and prosocial behaviour' that prevent the anomie of society and strengthen individual's cohesion with society.

How is social responsibility manifested? Most often by voluntary activities of individuals or entire organizations. A socially responsible person notices his/her surroundings and reacts by trying to help where s/he feels useful or fix situations which seem to him/her to be unjust. So these people are active, even though nobody requires them to be. As for entire organizations, the situation is similar.

The basis of social responsibility lies in the application of the ethical rules of society (see the following chapter).

If someone is active, s/he is different from his/her surroundings. His/her activity is visible, the effects of his/her actions are evident at certain places. Their visibility, presenting themselves in public is a natural part of social responsibility. Presenting and making socially responsible manifestation more visible is a tool to spread this approach to other subjects. It is therefore desirable. At present, we must admit that some manifestations of social responsibility are actually the way how to present a company/individual and make them visible.

The principles of social responsibility therefore include:

- volunteering,
- proactivity, creativity,
- activities beyond their own interest,
- a sense of belonging, social feeling,
- communication with other people, transparency of actions and in negotiations,
- flexibility, positive thinking.

<sup>3</sup> Cf. Durkheim, *Společenská dělba práce*, 2004, p. 193; Kubátová, *Základy sociologie*, 2008, p. 36.

<sup>4</sup> Cf. Durkheim, *Společenská dělba práce*, 2004, p. 193.

## 1.2 What Corporate Social Responsibility (CSR) Means

CSR is an internationally used acronym for the English name Corporate Social Responsibility which served as basis for the Czech translation: social responsibility of companies. It is the most widely used concept which describes the behaviour of organizations friendly to the wider social environment (it is one of the concepts of sustainability).

Both the definition of CSR in informative resources and CSR application vary. We may encounter different interpretations. What is essential and correct in defining CSR?

The default idea of the existence of the CSR concept is that any organization is not an isolated unit in society. The organization is a part of society, so it is a part of a wider system of relationships in society and thus its prosperity depends on the health of the surrounding society and on the way it is perceived by the surrounding society.

The European Union sees CSR as: '... a voluntary integration of social and environmental aspects into daily corporate operations and interactions...'<sup>5</sup>.

Many more sources as well as the cited source state the main characteristic feature of CSR - the acceptance of commitments which, in their essence, go beyond the legal obligations of the organization. The responsible organizations thus voluntarily decide to do even what is not directly legally required.

Members of the Business for Society platform, the main authorities of the CSR Europe initiative and the most numerous platforms bringing together responsible companies for the Czech Republic respect the unified approach '... ethical approach in corporate management, respect for the needs of the society, employees, customers, partners, and introduction of environment friendly processes'<sup>6</sup>.

The same source extends the interpretation of the meaning of CSR to the practical concept. Some organizations that have adopted CSR voluntarily set high ethical standards, try to minimise negative

<sup>5</sup> GREEN PAPER: *Promoting a European Framework for Corporate Social Responsibility*, [online], 2001. [cited 2016-06-26]. Available at: <http://bit.ly/1TGkk52>

<sup>6</sup> BUSINESS FOR SOCIETY: *Principy spolupráce v rámci platformy Byznys pro společnost* [online], 2016. [cited 2016-06-26]. Available at: <http://byznysprospolecnost.cz/category/byznys-pro-spolecnost/>

environmental impacts, cultivate good relationships with their employees and the surrounding society, support the region in which they operate.

Such organizations are the carriers of positive trends and help change the environment as a whole, they distinguish from the competition, become a desired partner of like-minded organizations and an attractive employer or business partner.

However, compared to the definitions showing the purely social and ethical charge of CSR, there are also more reserved forms of the way we look at CSR, highlighting the economic links of CSR to business. For example, according to the research by UPS Europe Business Monitor carried out in 2007, Europe's elite entrepreneurs argue that CSR mainly represents a necessary image of the organization<sup>7</sup>. According to another source, CSR is a profitable investment, both in terms of building a relationship with employees and the perspective of the so-called Good Corporate Citizenship, including environmental protection, relationship to competition, relationship to the non-profit sector and the local community, and the so-called Corporate Governance (see interpretation of the terms in the following chapter).

On the basis of the examples of ways how to define CSR, it is only possible to confirm the opinion of many authors that this is still a widely discussed topic with an inaccurate definition. At the same time, it can also be accepted that the vague definition provides an advantage to organizations wishing to maintain space for the widest and flexible application.

It is reflected in the approach and method of fulfilling the activities associated with the main objectives of the existence of organisations, such as investment in innovation and new technologies, the ecological waste management, investment in education and working conditions of employees, supplier-customer relations.

The principles of corporate social responsibility are therefore identical to the principles of social responsibility:

- volunteering,
- proactivity, creativity,
- activities beyond their own interest,
- a sense of belonging, social feeling,

<sup>7</sup> Cf. UPS Europe Business Monitor, *Corporate Social Responsibility je hlavně o image firmy*, 2007.

- communication with other people, transparency of actions and in negotiations,
- flexibility, positive thinking.

Different concepts of CSR definitions can be observed in the world:

- Friedman – ‘... another form of profit...’
- Davis – ‘... activities beyond mere profit...’
- McGuire – ‘... activities beyond economic and legal obligations...’
- Manne – ‘... voluntary activities of the company...’
- Wallton – ‘... interest in wider social system...’
- Hay, Gray – ‘... responsibility to the problematic areas of society...’<sup>8</sup>

Main reasons that lead organizations to the CSR concept:

- Increase in the company's long-term profit.
- The pressure of the surroundings creates the need for ethical behaviour of the company.
- Reducing the need for government regulation towards the company.
- Ethical behaviour is the general interest of the company:
- Market: customer loyalty, differentiation from competitors, desired supplier and partner.
- Working environment: desired employer, good quality employees, low turnover, motivation leading to efficiency.
- Local community: positive image of a business, customer loyalty, local community loyalty, access to local resources.
- Environment: resource protection, waste reduction, cost savings, efficiency of operations.<sup>9</sup>

<sup>8</sup> Cf. POKORNÁ, D. *Koncept společenské odpovědnosti. Obsah. Podstata. Rozsah*. Olomouc, 2012, p. 143 - 152.

<sup>9</sup> Ibid.

## 1.3 Basic Classification of the CSR Concept

Most often, authors of theory and practice interpret the CSR topic in the form of **three main areas of responsibility – pillars**<sup>10</sup>. CSR can be understood as activities and businesses that have their own:

- **economic area** of activities and manifestations such as transparency in business, rejection of corruption, loyalty programs for clients, giving priority to local suppliers, selection of business partners according to their attitude to employees and surroundings, etc.
- **social area** of activities focuses on the respect for equal opportunities, human rights, creating conditions for the development of health and safety, development and education of employees, philanthropy, dialogue with stakeholders, work-life balance, involvement of employees in social activities;
- **environmental** part of responsibility, i.e. the area of environmental policies of organizations, deals with reducing the environmental impact of activities of economic subjects and the protection of natural resources.

When dealing with CSR, there are **three levels** of activity implementation, all of which form an inseparable interconnected unit in real practice.

- **The macro level** which represents the solution of CSR issues at the company-state-business relationship level. At the macro level, the CSR theory deals with the economic system as a whole, it deals with the formation of general conditions for business. CSR stems from the principles of the respect for human rights, equality of human opportunities, solidarity of citizens. Addressing CSR issues requires a transparent market system, which means creating confidence in the economic systems of the countries where market activities are carried out. Dealing with CSR issues within the European Union (hereinafter referred as the EU) can be assigned to this level.
- **The meso-level** refers to addressing CSR issues at the organization level. At the meso-level, the theory focuses on the inner parts of organizations, on relations with employees, management, owners and stakeholders or the local community. The organization's culture can also be

<sup>10</sup> Cf. Business Leaders Forum. *Společenská odpovědnost firem* [online]. Praha: Business Leaders Forum, 2006 [cit. 2007-10-08].

assigned to the meso-level, it serves as a platform where many CSR elements are reflected, including employees' codes of ethics.

- **The micro level** refers to addressing CSR issues at the level of an individual's decision-making. The individual is every employee, the core group is managers who decide on strategic activities. In the broadest sense, all stakeholders belong to this level.

In theory, the following are also differentiated:

- **The internal dimension of CSR**, which concerns the employees of organizations in the form of investments in the development of human resources, health and safety at work, change management and management of environmental impacts.
- **The external dimension of CSR** is focused on the surrounding environment of organizations, on local communities, business partners, suppliers and consumers in particular, including human rights and global environmental issues.<sup>11</sup>

## 1.4 CSR Practice in the Czech Republic

According to various surveys carried out in organizations in the Czech Republic, the attitudes of enterprises to CSR in the Czech Republic are as follows:

- **Less than half of employees have encountered the CSR concept (large companies up to 64%, medium-sized 36% and small 30%).**
- **The priority lies mainly in fair relations with customers, employees, owners and efforts to help people in need.**
- **There are especially ethical-moral reasons, employee care, potential improvement of the company's performance and competitiveness, and ecological behaviour that motivate companies.**
- **Companies see the benefits primarily in strengthening the corporate culture, improving the company's image, higher employee satisfaction and customer loyalty.**

<sup>11</sup> Cf. POKORNÁ, D. *Koncept společenské odpovědnosti*, 2012, p.10 – 18.

- **The barriers that limit them include excessive bureaucracy, insufficient state support (unfavourable legislative and tax environment), financial benefits that are hard to prove and often lack of interest in top management.**
- **CSR is seen as a starting point for the use of other sustainable consumption and production instruments (50 enterprises have already carried out an initial assessment of sustainable consumption and production).<sup>12</sup>**

According to opinion polls among citizens of the Czech Republic, public attitudes towards CSR in the Czech Republic are as follows:

- **75 per cent of citizens admit the importance of CSR, or the reputation of the company, for purchasing decisions.**
- **25 per cent do not know about CSR (i.e. do not notice it).**
- **Other respondents see CSR as a manifestation of ethics, seriousness and decency, responsibility to employees and customers.**
- **The relationship of companies to the environment and customers is the priority.**
- **Willingness to pay extra for a "responsible" product.**
- **Willingness of self-engagement (sorting waste, donation, household savings).**
- **The influence of companies on society and environment is perceived in a positive way and is constantly improving.**
- **In the CSR field, the required activities comprise of activities in relation to employees, product quality and creating jobs.**
- **Unemployment, poor quality of products, pollution of the environment, and the overuse of natural resources are burning problems.<sup>13</sup>**

<sup>12</sup> Business Leaders Forum survey in 2012 (EMPRESS projects 2008 - 2012) as well as opinion polls (CSR Eurobarometer, IPSOS agency surveys, GFK)

<sup>13</sup> Business Leaders Forum survey in 2012 (EMPRESS projects 2008 - 2012) as well as opinion polls (CSR Eurobarometer, IPSOS agency surveys, GFK)



Despite the inaccuracy described above, the current CSR definition allows us to observe the features that describe CSR and characterise it in a uniform manner. CSR has its main characteristics. In terms of the characteristics, we do not deny that an organization seeks to maximise its profits through its socially responsible actions. Due to the efforts to maintain its place in the market in a challenging competitive environment, it needs to be in line with the requirements of society which determines the possibilities of the organization's existence. However, the term 'CSR' is used to indicate the overall approach to entrepreneurship as well as the specific activities from which the entire society is to benefit.



1. Name what socially responsible activities you have done in your life so far and still do. Are you a socially responsible person?
2. Look through the website of MBCO. Is MBCO a socially responsible organization? Does it carry out any socially responsible activities?
3. Name at least five CSR activities carried out in the Czech Republic.



### Readings:

- [1] BYZNYS PRO SPOLEČNOST: Principy spolupráce v rámci platformy Byznys pro společnost [online]. [cit. 2016-06-26]. Dostupný z WWW: <http://byznysprospolecnost.cz/category/byznys-pro-spolecnost>
- [2] GREEN PAPER: Promoting a European Framework for Corporate Social Responsibility, [online]. Brusel: COMMISSION OF THE EUROPEAN COMMUNITIES, 18 July 2001 [cit. 2016-06-26]. Dostupný z WWW: <http://bit.ly/1TGkk52>
- [3] JÍLKOVÁ, E. *Makroekonomické důsledky společenské odpovědnosti firem*. In. Sborník z konference Společenská odpovědnost firem, Olomouc: MVŠO, 2009. ISBN 978-80-87-240-07-6
- [4] POKORNÁ, D. *Koncept společenské odpovědnosti: obsah, podstata, rozsah*. Olomouc: Univerzita Palackého v Olomouci, 2012. ISBN 978-80-244-3348-6.



## Chapter 2

# Quality of Life



After you have studied the chapter, you will be able to:

- Explain the difference between the quality and the degree of quality;
- Describe the difference between objective and subjective perception of the quality of life;
- Assess the impacts of socially responsible activities on the quality of life.



Keywords:

Quality of life, multidimensional concept, measurement of the quality of life.

## 2.1 Quality of Life and Social Responsibility

As it was mentioned in the previous chapter, no actions or phenomena take place in society in isolation. Activities (regardless of whether their originator is an individual or an organization), either positive or negative, always have an impact on society. If we imagine the society as a set of individuals, then the above-mentioned impacts affect (directly or vicariously) the life of each individual, i.e. their quality of life. The following lines represent a short summary of the quality of life concept.

### 2.1.1 'Quality' as a Term

The term 'quality' has earned an unshakable position in our current vocabulary. The more often and easily the word is used, the more problematic is its exact definition. There are countless definitions, only a few are mentioned here as examples.

According to the Dictionary of standard Czech language, the quality is: '*a degree of quality, a value*'<sup>14</sup> (A Dictionary of Standard Czech Language, <http://ssjc.ujc.cas.cz/search.php>).

*'Quality of life – a low sophisticated term of sociological, futurological and social reformist provenance. It indicates the qualitative parameters of human life, way of life, lifestyle, living conditions of society. It is determined primarily by the antithesis to volume, macro-aggregate economic and profit-related performance and success of the social system.'*<sup>15</sup>

To describe quality, Křivohlavý uses the following explanation: 'The word quality is derived from the Latin *qualis* which is derived from the root *qui* - who? in the meaning of who is it, or what are its qualities? In Czech, the root of the word - Who - leads to us to words such as wish or desired, i.e. desired condition. This is also reflected in the Czech term for quality - degree of quality - e.g. in relation to its specification: good, first class and exquisite or, on the contrary, bad.'<sup>16</sup>

<sup>14</sup> Slovník spisovného jazyka českého. ÚSTAV PRO JAZYK ČESKÝ AKADEMIE VĚD ČR, v. v. i.,. [online]. [cit. 2012-10-07]. Available at: <http://ssjc.ujc.cas.cz/>.

<sup>15</sup> *Velký sociologický slovník*. Vyd. 1. Praha: Karolinum, 1996, p. 541.

<sup>16</sup> KŘIVOHLAVÝ, J. *Kvalita života*: [online]. 2004 [cit. 2012-09-03]. Available at: [http://www.volny.cz/j.krivohlavy/clanky/c\\_kv\\_ziv.html](http://www.volny.cz/j.krivohlavy/clanky/c_kv_ziv.html)

The previous definitions also refer to the term 'degree of quality'. Even now, the term degree of quality (see the definition of degree of quality in the Dictionary of standard Czech language) is used as a synonym for the term quality. Professor Zelený strongly disagrees with this, stating: *'Historically, the term "degree of quality" ("jakost" in Czech) is derived from "how" ("jak" in Czech) because medieval Czech distinguished "how" and "how well" and, on the basis of them, interpreted their derivatives "what" and "of what quality" as the equivalents of "quantus" and "qualis". Quality is therefore related to "how" or "like" in the meaning of "... like other subjects" in a given group, class, grade, classification, selection, etc., in terms of class similarity or degree of quality.'*<sup>17</sup>

The term degree of quality can therefore be associated with the process of grading, classification into groups of similar things (of similar degree of quality) and phenomena, on the other hand, quality refers to a certain value.<sup>18</sup>

Perhaps this short off-topic discussion seems irrelevant, but we consider it essential from the view of terminology and precise definition of basic terms. (None of us would probably say that his/her life has a certain degree of quality, the life is a value, it has value—it is therefore a quality life. Pears can be both quality and of a certain quality – the degree of quality here determines the level or measure of quality.)

In the context of the topic, it would certainly be a mistake not to mention the definition of quality according to ČSN EN ISO 9000:2005 standard, which says that quality, or degree of quality, is *'the degree of compliance with the requirements of a set of inherent characteristics'*<sup>19</sup>. In this definition, the word 'requirement' is important as the standard refers to it as *'the need or expectations that are set, generally assumed or binding'*<sup>20</sup>. The "requirement" is mentioned with regard to the terminology in the field of quality of life which will be addressed in the following text.

<sup>17</sup> ZELENÝ, M. Kvalita není jakost. [online]. 2006 [cit. 2012-10-07]. Available at: [http://www.milan-zeleny.com/documents/publications\\_cz/articles/jakost.doc](http://www.milan-zeleny.com/documents/publications_cz/articles/jakost.doc)

<sup>18</sup> Cf. ZELENÝ, M. Kvalita není jakost. [online]. 2006 [cit. 2012-10-07]. Available at: [http://www.milan-zeleny.com/documents/publications\\_cz/articles/jakost.doc](http://www.milan-zeleny.com/documents/publications_cz/articles/jakost.doc)

<sup>19</sup> ČSN EN ISO 9000:2005. *Systémy managementu kvality: Základní principy a slovník*. Český normalizační institut, 2006, p. 19.

<sup>20</sup> Ibid.

## 2.1.2 Quality of Life

We have already mentioned how difficult (at least from the terminological point of view) it is to grasp the meaning of 'quality'. In the case of 'quality of life', although perhaps everyone knows what life is, it will not be any easier. Quite the opposite. This phrase has been widely discussed by many people, regardless of whether they are experts or laymen. The answer to the question of what makes a quality phenomenon so exciting for humankind can be simple. *'There are a number of definitions of "quality of life" in literary sources. However, there is not one that would have been universally accepted over the past 30 years'*<sup>21</sup>. To provide a complex view, it is also necessary to mention the term 'quantity of life', which usually refers to its length.

## 2.1.3 Brief History of the Quality of Life

People have been interested in the quality of life for hundreds of years. Most of the available sources agree that the phrase quality of life was used for the first time in modern history in 1920 in Economics of Welfare by Pigou. This work focuses - among other things - on the role of the state as a provider of material support to socially disadvantaged people. The work mentioned above certainly stood out, but the term was forgotten for many years. It wasn't until the 1960s that the US President Johnson mentioned it in his speech. And again in relation with the economy, with objectively measurable indicators.

In the 1970s, the 'quality of life' was also established in the dictionary of sociologists who point out the difficulty of purely objective measurement of the quality of life (economic indicators) and other dimensions of life, especially social. Around the same period, the first survey of the quality of life of citizens was conducted in the USA, the primary objective of which was to define subjective indicators of the quality of life, in other words, how people perceive, evaluate their lives.<sup>22</sup> This led to an era of scientific examination and measurement of the quality of life, including the design of its concept.

<sup>21</sup> PAYNE, J. *Kvalita života a zdraví*, 2005, p. 207.

<sup>22</sup> Cf. PAYNE, J. *Kvalita života a zdraví*.

By the way, ancient philosophy also dealt with the problem of numerical expression of quality. Various schools surprisingly agreed on the impossibility of measuring quality. They admitted it was possible to express quality numerically, but not as a result of measurements, but as a parameter for comparison.<sup>23</sup>

The past two decades can be considered a 'golden era of the quality of life'. Experts from various fields of science, from psychologists and economists to environmentalists were involved in discussions on the issue.

## 2.1.4 Definition of the Quality of Life

The multidimensional dimension of the quality of life issue entails many angles of opinion and concepts. Despite this not entirely organized space, we can now observe four main directions regarding the quality of life and personal well-being. The first direction does not reflect the importance of the relationship between the two constructs (meaning the quality of life and personal well-being). In agreement with WHO, the second direction considers the quality of life to be a multi-layered category in which personal well-being is already contained. The third direction then identifies the quality of life with personal well-being, and the last, the fourth direction, perceives personal well-being as an indicator of the quality of happiness<sup>24</sup>.

When we talk about the quality of life, it can mean both the life of an individual and a group of people (inhabitants of the city, a nation). According to Křivohlavý, quality can be conceived both statically and dynamically, or descriptively and prescriptively. The static concept refers to a specific time stamp (year, present), the dynamic concept tracks changes, progress over time. The descriptive concept means the description of the current state. But the desirable approach is to look to the future, look for a goal, show endeavour<sup>25</sup>.

How the quality of life is delineated by the Great Sociological Dictionary<sup>26</sup>:

<sup>23</sup> Cf. DVOŘÁK, R. *Pojem kvality: Filosofie, dějiny, současnost*. [online]. 2004 [cit. 2012-08-21]. Available at: <http://fri.zetagroup.net/download/008017e3-2008-02-18.doc>

<sup>24</sup> Cf. DŽUKA, J. (ed.). *Psychologické dimenzie kvality života*, 2004.

<sup>25</sup> Cf. KŘIVOHLAVÝ, J. *Kvalita života: Vymezení pojmu a jeho aplikace v různých vědních disciplínách s důrazem na medicínu a zdravotnictví*, 2004 [cit. 2012-09-03]. Dostupné z: [http://www.volny.cz/j.krivohlavy/clanky/c\\_kv\\_ziv.html](http://www.volny.cz/j.krivohlavy/clanky/c_kv_ziv.html).

<sup>26</sup> Cf. *Velký sociologický slovník*, 1996, p. 557.

- As a **technical term** which focuses on qualitative aspects of life processes and the criteria for their evaluation. The description of the term 'quality of life' from the point of view of medicine and economics is the closest to this definition, since these fields use environmental indicators, indicators of health and disease, standard of housing, interpersonal relations, leisure time, possibilities to participate in the management of society, indicators of personal and collective security, social security and civil liberties to evaluate the quality of life.
- As a **slogan in a political programme** that draws attention of the general public to new tasks of society that go beyond material levels and military strength. The term 'quality of life' was introduced into politics in 1960s by the US presidents J.F. Kennedy and L. B. Johnson.
- As a **social movement** that aims to improve the quality of life. Such movements are usually created due to the initiative of environmental movements and anti-consumerism and anti-racism movements.
- As an **advertising slogan** that offers consumers new areas of consumption, especially leisure time, travel, housing, perception of art, and which draws consumers to the area of prestigious, demonstrative consumption.

Another view of the definition of the quality of life is given by the important Czech psychologist J. Křivohlavý<sup>27</sup>, distinguishing four levels of the quality of life:

- **Macro-level** – means a thorough reflection on the quality of life from the point of view of the absolute meaning of life, since this view is focused on the quality of life of large social units (e.g. of a certain country, continent, etc.). In this respect, the issue of the quality of life becomes a part of thoughts and practical work of politicians.
- **Meso-level** – describes the measurement of the quality of life in the context of small social groups (e.g. at school, in a company, hospital, etc.). In addition to respecting the moral value of a human, social climate and interpersonal relationships are also monitored at this level as well as sharing of values, dis/satisfaction of the basic needs of all members of the relevant group.
- **Personal level** – is focused on the life of an individual. At this level, the assessment of the quality of life stems from a subjective evaluation of one's health, pain, satisfaction, hope, and other similar indicators. With regard to the subjective nature of the information obtained, the fact that factors such as individual's personal values, ideas, expectations, beliefs, etc. are reflected in this evaluation must be taken into account as these factors are able to significantly influence the perception of the quality of life.

<sup>27</sup> Cf. KŘIVOHLAVÝ, J. Kvalita života: Vymezení pojmu a jeho aplikace v různých vědních disciplínách s důrazem na medicínu a zdravotnictví, 2004; KŘIVOHLAVÝ, Jaro. *Psychologie nemoci*, 2002, pp. 163-164.

- **Physical existence level** – the physical (bodily) existence of a person is in the foreground of interest here. This existence is assessed on the basis of observable behaviour of other individuals which can be objectively measured and compared.

The field of the examination, assessment and measurement of the quality of life has witnessed a turn to the subjective evaluation concept of this phenomenon in recent years. The objective perception of the quality of life leads to the description of the given condition or reality, and it is quite easily quantifiable (income, concentration of pollutants in the air, number of hours of free time). The subjective concept of the quality of life is a certain assessment of an objectively given condition, a reference to the satisfaction (satisfaction rate) with the given situation.

## 2.1.5 Definition of the Quality of Life and Personal Well-being

Již It has already been said that there are a number of definitions of quality. Their wording then reflects individual concepts or scientific disciplines. For example, Cummins (a psychologist) defined the quality of life as follows: *'The quality of life is both objective and subjective, both axes include seven equal domains: material well-being, health, productivity, intimacy, safety, community and emotional well-being. Objective domains comprise culturally relevant measures of objective well-being. Subjective domains comprise domain satisfaction weighted by their importance to the individual'*<sup>28</sup>.

*'The quality of life is a degree at which the experience of life satisfies individual psychological and physical desires and needs; it is the result of personal values and lifestyle that the individual uses to fulfil them'*<sup>29</sup>.

As promised in previous paragraphs, we are returning to elaborate on the definition of quality according to the ISO 9000 standard. After it has been analysed in detail, we would like to argue that whatever teams of scientists in the field of social sciences have failed to do for decades (i.e. create a uniformly accepted definition of quality in relation to life, the quality of life), 'technocrats' succeeded to do by enhancing the aforementioned norm for years. We will try to base this statement on the definition of quality according to the ISO 9000 standard, or the definition of requirement as the requirement is more important for our purposes. It is defined as the *need or expectations that*

<sup>28</sup> CUMMINS, R. A. *Comprehensive quality of life scale: intellectual/cognitive disability : manual*. 5th ed. 1997. p. 7.

<sup>29</sup> Kirby, Brooks, 1994 in Dragomirecká, Škoda, 1997, p. 104.

*are set, generally assumed or binding.* The need can be either objective or subjective. Expectations belong to rather subjective categories. If we were to decide how to understand the need or expectation, the definitions that specify these two terms are important. If I set the expectation myself, satisfaction will be its result and that means the category is subjective. Generally assumed expectations can be called a transitional category (a combination - includes both objective and subjective view). It is transitional because it can be influenced e.g. by culture, region, age. Finally, the word "binding" is perceived as something given or codified. (This does not necessarily mean legislation, it can be natural laws or regularities of a scientific discipline.) The term 'binding' therefore implies an objective category.

The term 'personal well-being' is often associated with the term 'quality of life'. *'This is a long-term emotional state in which the satisfaction of an individual with his/her life is reflected'*<sup>30</sup>. There are other terms that are related, such as 'welfare', 'success', physical well-being ('wellness'/'fitness'), or 'happiness'.

The model created by the Centre for Health Promotion of the University of Toronto in Canada is one of the most cited conceptual frameworks of the quality of life, probably for its multidimensional dimension. It deals with the quality of life in a complex way and divides it into three basic domains and nine sub-domains.

<sup>30</sup> Šolcová, Kebza In. Kvalita života, 2004, p. 21.



Tab. 1 Conceptual Framework of the quality of life by Centre for Health Promotion of the University of Toronto <sup>31</sup>

<b>BEING – personal characteristics</b>	
Physical being	Health, hygiene, nutrition, exercise, clothing, general appearance
Psychological being	Psychological health, cognitions, feeling, self-esteem, self-control
Spiritual being	Personal values, personal standards of conduct, beliefs
Physical being	Health, hygiene, nutrition, exercise, clothing, general appearance
<b>BELONGING - connection with a specific environment</b>	
Physical belonging	Home, school, workplace, neighbourhood, community
Social belonging	Family, friends, co-workers, neighbours (closer connection)
Community belonging	Job opportunities, adequate financial income, health and social services, educational and recreational possibilities and opportunities, social activities (wider connection)
<b>BECOMING – achieving personal goals; hopes and aspirations</b>	
Practical becoming	Domestic activities, paid work, school activities and hobbies, health care, social inclusion
Leisure becoming	Relaxing activities that promote stress reduction
Growth becoming	Activities promoting the maintenance and improvement of knowledge and skills, adaptation to changes

(Source: The quality of life model, University Toronto, Canada: [http://www.utoronto.ca/qol/qol\\_model.htm](http://www.utoronto.ca/qol/qol_model.htm))

<sup>31</sup> Cf. The quality of life model, University Toronto, Canada: [http://www.utoronto.ca/qol/qol\\_model.htm](http://www.utoronto.ca/qol/qol_model.htm)

## 2.2 Approaches of Selected Scientific Disciplines to the Quality of Life

Scientists participating in the study, description and measurement of the quality of life have aimed at creating a kind of universal model, more precisely a framework. To understand the issue better (its differences and intersections), we present several approaches to the quality of life from the viewpoint of different disciplines.

Tab. 2 Field of competence of individual scientific disciplines in terms of examining the quality of life<sup>32</sup>

QUALITY OF LIFE DIMENSION	EXTERNAL DIMENSION	INTERNAL DIMENSION
Specific conditions	<p><b>Economic, ecological, social and cultural conditions of the environment in a given society and region.</b></p> <p><i>Suitability of the environment for life.</i></p> <p>Fields: economics, ecology, sociology, political science, history, architecture, cultural studies, geography, etc.</p>	<p><b>Genetically conditioned physical and mental preconditions of an individual to experience a certain life.</b></p> <p><b>The obtained preconditions of an individual, i.e. the current state of health, human capital (knowledge, abilities, skills), social intelligence, non-moral properties, etc.</b></p> <p><i>Viability of an individual.</i></p> <p>Fields: anthropology, medicine, genetics, psychology, pedagogy, ethics, etc.</p>
Results Achieved	<p><b>External evaluation of usefulness (and influences) of a person, evaluation of the importance of his/her life for the society or community.</b></p> <p><i>Social necessity, price of life, value and appreciation of a person.</i></p> <p>Fields: philosophy, ethics, ideology.</p>	<p><b>Self-assessment of the achieved life goals, personal usefulness, personal benefits, meaningfulness and the formation of one's own life (leaving a certain "imprint" or "trace", continuation of the lineage, etc.).</b></p> <p><i>Self-reflection in the context of external and internal conditions, subjective well-being.</i></p> <p>Fields: psychology, social psychology, sociology.</p>

(Source: Adjusted in accordance with HEŘMANOVÁ, In. *Sociológia*, 2012, p. 421. Available at: <http://www.sav.sk/journals/uploads/09101219Hermanova%20-%20OK%20upravena%20studia.pdf>)

<sup>32</sup> Cf. HEŘMANOVÁ, In. *Sociológia*, 2012, s. 421 Dostupné z: <http://www.sav.sk/journals/uploads/09101219Hermanova%20-%20OK%20upravena%20studia.pdf>)

## 2.2.1 Medical Approach to the Quality of Life

Although we call this approach medical in the title of the chapter, it is not entirely accurate. The reason is its focus on health, which is not strictly a medical category. This categorization can be found in scientific literature, therefore, the chapter title is preserved. The term 'health' and the definition of the quality of life according to the World Health Organisation (WHO) are the key to this approach. WHO defines the quality of life as the individual's perception of his/her position in life in the context of his/her culture and value system as well as in relation to his/her goals, expectations, norms and concerns<sup>33</sup>.

It is worth noting that the definition does not only reflect the area of health, but it perceives a person and his/her life in a complex way. The same organization defines health as 'a state of complete physical, psychological and social well-being, not just the absence of illness or physical error'<sup>34</sup>.

In accordance with its mission, World Health Organization has defined a new area in relation to the quality of life, namely 'Health- Related Quality of Life' (HRQOL). The aim of this step was to try to encompass the entire complex of indicators of the patient's subjective experience of a disease. Last but not least, the HRQOL concept is widely used as a theoretical and methodological basis for evaluating (measuring) the quality of healthcare provided.

Tab. 3 HRQOL Domains and Indicators by WHO<sup>35</sup>

DOMAIN	WHOQOL INDICATORS
<b>Physical aspect</b>	<b>energy and fatigue, pain and discomfort, sleep and rest</b>
<b>Mental aspect</b>	<b>idea of a body scheme and appearance, negative and positive emotions, self-assessment, thinking, learning, memory, attention</b>
<b>Degree of self-reliance</b>	<b>mobility, everyday activities, dependence on medical care, workability</b>
<b>Social relations</b>	<b>personal relationships, social support, sexual activity</b>
<b>Living environment</b>	<b>financial resources, freedom, sense of physical security, health and social support, possibility of obtaining information and competences, physical environment, transport</b>
<b>Spirituality</b>	<b>religion, personal beliefs</b>

<sup>33</sup> Cf. WHO QUALITY OF LIFE ASSESSMENT GROUP. What quality of life? / The WHOQOL Group <http://apps.who.int/iris/handle/10665/54358>

<sup>34</sup> Cf. Praktický slovník medicíny, 1998, p. 487.

<sup>35</sup> Cf. WHOQOL-BREF. Available at: <http://www.who.int/blueprint/media/en/76.pdf>

(Source: WHOQOL-BREF. Available at: [http://www.who.int/mental\\_health/media/en/76.pdf](http://www.who.int/mental_health/media/en/76.pdf))

## 2.2.2 Sociological Approach to the Quality of Life

‘Generally, sociology determines the quality of life primarily by the antithesis to volume, economic and profit-related performance criteria and success of the social system. At the level of life of an individual, the quality of life is contrasted with a consumer lifestyle which tends to prefer ownership, which in itself cannot satisfy a person and compensate for the lack or absence of satisfaction of other needs, especially of spiritual character. Here, the quality of life goes beyond the scope of purely material needs that can be met through goods<sup>36</sup>.

In relation to the quality of life, sociology works with terms that cannot be confused, such as **living standard** - the degree of satisfaction of material needs, **way of life** – ‘category which characterizes the life of a person as a whole and depicts its character, content and structure’<sup>37</sup> and **lifestyle** – a manifestation of a particular way of life. They are closely related to the quality of life, but it is not possible to understand these terms as equal terms.

Another important term related to the quality of life is a **need**. Needs represent what is desirable for a person (an individual) or a group. Perhaps the most famous categorization (organization) of needs is presented by the American psychologist Maslow (1943) who argues that the needs are met gradually from the most necessary (biological) to those located at the very top of the pyramid (the need for self-fulfillment).

The last term in sociological point of view of the quality of life is the term **value** which Jesenský defines as ‘every phenomenon that is essential for the action and existence of a person’<sup>38</sup>.

There are clearly many factors influencing the quality of life. Veenhoven provides a comprehensive view which distinguishes the following social factors influencing the quality of life:

- material wealth - GDP, the purchasing power of a given currency compared to other countries,
- standard of living - nutrition, hygiene, housing,

<sup>36</sup> Velký sociologický slovník. 1996, p. 557.

<sup>37</sup> Vaďurová, Mühlpachr, 2005, p. 30.

<sup>38</sup> JESENSKÝ, J. *Andragogika a gerontagogika handicapovaných*, 2000, p. 36.

- protection of persons - safety, murder, violence and vandalism,
- freedom - political, respect for human rights, individual and personal freedom (abortion, homosexuality),
- social equality - equality between sexes, the status of minorities,
- cultural climate - access to education, information,
- social climate - tolerance, trust in institutions, elites, military expenditures,
- population pressure - increasing proportion of retired people in the population,
- modernization - urbanization, industrialization and individualisation.<sup>39</sup>

### 2.2.3 Environmental Approach to the Quality of Life

Environmental aspects are an integral part of multidimensional concepts of the quality of life because they have a direct impact on the life of the whole society, or an individual. In this context, the theory of sustainable development is at the forefront. Halečka<sup>40</sup> outlines indicators of the quality of life seen from this point of view:

- the condition of the economic system and its impact on the possibility of active employment of individuals and the creation of material and spiritual values
- the way in which work is rewarded in accordance with complex criteria of its difficulty (physical and in terms of qualification) and economic efficiency as a basis for ensuring a living standard and meeting basic human needs,
- employment level and social security in the event of unemployment,
- the level of ensuring healthy nutrition of the population,
- the level of health care,
- conditions for persons with disabilities to participate in social life and work,

<sup>39</sup> Veenhoven In: Vaňurová, Mühlpachr, 2005, p. 34.

<sup>40</sup> Cf. Halečka, 2001 In: Vaňurová, Mühlpachr, 2005, p. 34-35.

- environmental protection - the state of natural and social components of the environment,
- the level of family care and upbringing of children and care for children without proper family background,
- conditions for education - basic, vocational, higher and lifelong education - and possibilities for personal development,
- the level of ensuring adequate quality lives of the elderly,
- possibilities of free social activities of citizens and their participation in social life,
- the level of democracy in social relations and political system,
- the state of safety of citizens and protection of human life from aggression and violence,
- the level of security and protection of human rights,
- possibilities of leisure time, the level of possibilities of its use for rest, body regeneration, culture and other valuable interests,
- the level of social morality,
- the level of care for persons dependent on different forms of social assistance.

These were the key views on the issue of the quality of life. However, it is not a complete list of all areas. We can mention many others such as qualification and education, or a psychological approach primarily dealing with the terms of personal well-being, satisfaction and happiness.

## 2.3 Quality of Life Measurement

In the same period when the area of the quality of life became the subject of an examination in terms of the above mentioned (and not only these) disciplines, a compulsive need to measure this phenomenon emerged.

In general, measurement means the process of assigning a number to certain phenomena or objects. There are two basic groups of tools. These are the general and specific tools.

**General tools** for measuring the quality of life include utility measurement in individual areas and health profiles which are designed as questionnaires to identify the most important aspects of an individual's quality of life. These tools are multidimensional, they comprise a huge number of areas.

**Specific tools** for measuring the quality of life focus on aspects that are considered key to a given measurement area. The main advantage of these tools is their specialization (narrow targeting), which provides an opportunity to sensitively evaluate the specified area.

According to Křivohlavý<sup>41</sup>, the methods of the quality of life measurement can be divided into three groups:

- I. Methods of the quality of life measurement which use another person to evaluate this quality (**objective**)
- II. Quality measurement methods which use the person himself/herself as the evaluator (**subjective**)
- III. **Combined** methods resulting from a combination of I. and II. type methods

**Objective methods** are usually applied in medicine, their goal is to quantify the disease, the physical condition.

Currently, the SEIQoL method (Schedule for the Evaluation of Individual Quality of Life) introduced by C. A. O'Boyle, H. M. McGee and Joyce in 1994 has been the most popular **subjective method** of the quality of life measurement. It is based on the method of personal constructs, in other words, it points out that our thoughts and actions are the result of our personal ideas.

The last method presented is MANSA which represents **combined methods**. The MANSA method (Manchester Short Assessment of Quality of Life) is a short way of evaluating the quality of life. It was created in Manchester. The aim of this method is to create a clear picture of the quality of life of an individual at the present moment. The areas this method contains are as follows:

- health condition
- self-concept
- social relations
- family relationships
- security situation
- environment

<sup>41</sup> Cf. KŘIVOHLAVÝ, J. *Psychologie nemoci*, 2002; Křivohlavý, J. [http://www.volny.cz/j.krivohlavy/clanky/c\\_kv\\_ziv.html](http://www.volny.cz/j.krivohlavy/clanky/c_kv_ziv.html)

- legal status
- financial situation
- religion
- leisure time
- job<sup>42</sup>

The list of specific methods and tools for measuring the quality of life is very brief, there are hundreds of specialized measurement tools, which illustrates the wide range of approaches to the issue of the quality of life.



Regardless of the multidimensionality of the quality of life construct, there are still three basal directions of the interpretation of the quality of life. To remember them, let's revise:

- objective – understood as a summary of objective indicators (e.g. living conditions at a given location),
- subjective – understood as a summary of subjective indicators (e.g. satisfaction, feeling of success),
- combination – i.e. linking the previous two indicator groups and their interaction.

It is clear that activities that we can name as socially responsible primarily affect objective factors of the quality of life as these are "visible more easily". However, it would be a mistake - not only in the context of CSR - to ignore the subjective perception of the quality of life. Each activity, or its impacts, can be perceived differently by various interested groups, even if it is an activity with a demonstrably (objectively) positive impact.



1. Name five activities of an industrial enterprise in the vicinity of your house which can positively affect your quality of life.
2. Try to think of an activity that the enterprise can do and which will be perceived both positively and negatively by different groups of people.

<sup>42</sup> Křivohlavý, J. 2001, In: Vaňurová, Mühlpachr, 2005, p. 64.



3. Should companies be interested in the quality of life? If yes, please state the relevant reasons.



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## Chapter 3

# Business Ethics, Code of Ethics



After you have studied the chapter, you will be able to:

- Distinguish basic terms used in ethics
- Name general ethical principles
- Characterize business ethics
- Explain the importance of the ethical code for business practice
- Name the steps of the Model of ethical thought in ethical decision-making of a manager



Keywords:

ethics, culture, moral values, ethical principles, ethical standards, business ethics, code of ethics, ethical decision-making

### 3.1 Ethics - General Moral Values, Ethical Principles and Ethical Standards

Pro For CSR, generally valid moral values and ethical principles are the default principles.

In general, what does the value mean?

*Relationships:* Love? Faith? Hope? Esteem? Respect? Consolation? Peace? Justice? Well-being?...

*Characteristics:* Honesty? Loyalty? Sincerity? Humility? Patience? Diligence? Consistence? Goodness? Kindness?...

*Objects:* God? Friends? Homeland? Nation? Assets? Children? Parents? Partners? ...

*Institutions:* Family? School? Judiciary? Companies? Public administration? Social welfare institutions? Church?...

*Personal and social status:* Health? Success? Education? Wealth? Reputability? *Social status?*...

And which values are essential particularly for you?

Values are created as benchmarks for evaluating a particular phenomenon. The culture in which one grew up has an influence on the evaluation of social phenomena. Culture is the basis of human coexistence and the specific human way of organizing, realising and developing one's life. Culture is made up of the values that people endorse, the standards they follow and the material goods they create. Culture is handed down and maintained by assessing acceptable and unacceptable behaviour. Culture sets a system of values as well as the criteria and indicators that determine the values<sup>43</sup>.

For example, if you achieve something that your culture defines as a success, it will contribute to your positive view of yourself and vice versa.<sup>44</sup>

Each culture is determined by approximately three basic rings: The religious or idea ring (is the widest), the national ring – a historically formed community, and the ring of individual social entities –

<sup>43</sup> Cf. NOVÝ, I. et al. *Interkulturní management*. Lidé, kultura a management, 1996.

<sup>44</sup> Cf. DeVITO, J., A. *Základy mezilidské komunikace*, 2008, pp. 151-156.

families, schools, economic or other work organizations, professional organizations, etc. Corporate culture in relation to ethics will be discussed in chapter 3.3.

How important are the values:

- for individuals? Motivation to act (success) or fear of their non-fulfilment (conscience)
- for the community? Identification and evaluation of specific groups (decent, slackers...)
- for the society? Creation of standards, some of which will be rewarded and some punishable (morally and legally)

Each value has three components - emotional, cognitive and behavioural. In this view, values are distinguishable from feelings, approaches, goals, opinions, beliefs (i.e. value indicators). The general value direction of an individual is the attitude given by the culture of society, as mentioned above, the specific value direction of the individual is further modified by the genetic equipment of a person and his/her current situation.

Values are the regulator of efforts and actions, they allow us to assess the actions of others, they serve as a basis for assessing social benefits of both the individual members and social groups. Values determine the principles of the social hierarchy and determine general rules of social coexistence as well as specific patterns of behaviour. Patterns of behaviour established within a particular culture then decide how an individual defines and resolves certain situations so that he/she does not get into an interaction conflict.<sup>45</sup>

The range of objects that can turn into values can only be defined very generally. The definition can include a material or perfect object, ideas, institutions, real or imaginary object that brings help, protection. These objects give a person a sense of pleasure which disturbs the current distress, restlessness and anxiety in life and replaces it with strength, stability, and balance<sup>46</sup>. "Many psychologists emphasize desirableness as the most important attribute of a value"<sup>47</sup>.

Values give rise to general ethical principles, which means those principles that should be the basis of our every moral decision-making, i.e. not only in general, but also in a practical way in various areas of human action (school, company...). A principle means the basis, the policy, but also the origin on which the inference of further knowledge or subsequent action is based. The most famous principle is the **Ten Commandments** from the Bible (the Bible – Old Testament: You shall love God,

<sup>45</sup> Cf. ČIHOVSKÝ, J., SCHNEIDER, M. *Úvod do základů sociologie výchovy*. 1977, pp. 38-39.

<sup>46</sup> Cf. ROLLO, V. *Emocionalita a racionalita. Aneb jak ďábel na svět přišel*, 1993. p. 60.

<sup>47</sup> Cakirpaloglu, P. *Psychologie hodnot*. 2004, p. 354.

you shall not take the name of the Lord your God in vain, you shall remember the Shabbat day and keep it holy, honor your father and your mother, you shall not kill, you shall not steal, you shall not commit adultery, you shall not bear false witness, you shall not covet your neighbor's wife or anything that is your neighbor's), and the **golden rule of action** (the Bible – New Testament: Do unto others as you would have them do unto you. In modern times, the leading principles are those resulting from the social contract by Rousseau which links the necessary evil of the society and the natural condition of man by the so-called general will.<sup>48</sup> In all these principles, it is possible to find the two identical basic principles human society could not exist without: **to do good and not to do evil** (see beneficence and non-maleficence).

Ethical principles can be divided into:

1. *Ethical principles of fundamental decision*: doing good deeds (beneficence), non-maleficence, justice, autonomy
2. *Ethical principles of sustainable action*: Truthfulness and transparency, duty and responsibility, loyalty to principles and perseverance, focus on long-term goals and moral reputation.

The principle of doing good deeds (beneficence) — is based on the principle of 'you shall love your neighbor as yourself', as stated by the Old Testament which is also a part of the Christian Bible. (Leviticus, 3rd book of Moses, 19, 18) The principle refers to the moral quality of a person in relation to others and also lies in understanding one's own value.

The principle of doing no harm (non-maleficence) - not to do evil - forbids to harm, damage or even kill others. This principle takes precedence over the principle of beneficence. The aim of human life is to act in a way so that the risks of action must not exceed its benefits.

The principle of respecting autonomy – means respect for the self-determination and autonomy of every person. This respect for the freedom of decisions of others is expressed in the Charter of Fundamental Rights and Freedoms which is a part of the Constitutional Order of the Czech Republic. Article 1 states that 'People are free and equal in their dignity and rights. Their fundamental rights and freedoms are inherent, inalienable, non-prescriptible and irrevocable.' Article 3 states that 'Everyone is guaranteed the enjoyment of his/her fundamental rights and basic freedoms without regard to gender, race, colour of skin, language, faith and religion, political or other conviction, national or social origin, membership in a national or ethnic minority, property, birth, or other status.'

<sup>49</sup>

<sup>48</sup> Cf. OSBORNE, R. *Seznamte se... Filozofie*, 2006.

<sup>49</sup> Listina základních práv a svobod. Available at: <https://www.psp.cz/docs/laws/listina.html>

The principle of justice – a principle that is related to the distribution of resources. Resources can be: services and entitlement to them, various solidarity contributions and entitlement to them, finances, material resources, human resources, knowledge and information, but also time devoted to other people.

While the first two ethical principles are based on Judaism, antiquity, and Christianity (4<sup>th</sup> century BC), the principles of autonomy and justice are based on modern secularized thinking (17<sup>th</sup> century AD). As authors state, the first order ethical principles are independent of ethical theories, i.e. the theory a particular person supports. Their validity is evident.

Values are a more general level of standards. The same value may become the basis of various standards. For example, faithfulness is a general value and becomes a particular norm in marriage, in patriotism, in religion, in constant adherence to the norms of decent behaviour, labour standards, relation to nature...

## 3.2 Business Ethics, Code of Ethics

Ethics related to individual areas of human action is called applied ethics. It plays the part of practical philosophy mainly by focusing on practical 'current' problems and case situations of everyday life. It applies ethical knowledge, principles, and rules in the exercise of various professions. Many professions have their own ethics. This means the standards of joint activities of employees. These standards, or codes, are designed to maintain and promote a high standard of the particular profession as well as to form alliances among members of the industry community. The reason is to make sure that workers in a particular field do their job the best that they can, for the good of the whole community.

Business ethics as the ethics of a certain industry seeks to answer three basic ethical questions: What am I supposed to do? What should I know (before I start doing anything)? What can I expect (if I decide to do something)? It means that it specifies general ethical principles in business, it is direct. It studies and solves specific situations in business, business activities and, in particular, decision-making in business and management so that all of these are morally correct. Its importance lies in the fact that any unethical decision and the subsequent unethical conduct has an impact on direct stakeholders who participate in the business (management of the organization, employees, suppliers, customers, clients, the closest competitors), but also on indirect stakeholders (families of employees and customers or suppliers, environmental surroundings, social surroundings, location, entire society).

The consequences of unethical decisions have a more significant impact in large businesses, there may be consequences with a global impact. As Crane and Matten<sup>50</sup> point out, some of these consequences may be countable (job loss, contamination of a particular natural entity at some point, etc.), but they are largely uncountable (disappointment and other problematic lives of released employees, threat to their families, preservation of natural entities for the future...).

For a particular field or profession, or even a particular company, it is possible to draw up a set of ethical standards that correspond to recognised moral values and are based on general ethical principles (see chapter 3.1), but they respect the specificity of the particular organization (company). Such sets of standards and instructions for action are called codes. Codes should answer all three ethical questions: What am I supposed to do? What should I know? What can I expect?<sup>51</sup>

In order that the code is clear and comprehensible, certain principles must be followed when drawing it up:

1. An ethical code must be internally consistent and linked to the mission of the organization, its objectives, strategy and policy. It should include clearly formulated specific priorities, commitments and requirements as well as the definition of ethical roles.
2. The ethical code of conduct must be proportional. It cannot include everything, nor be too detailed or too general. Proportionality means a balance of rights and obligations, but also requirements for the behaviour of employees both inside and outside the organization.
3. The ethical code should identify key ethical issues or dilemmas that employees can encounter, and provide guidance on how to address them.
4. The code should pay specific attention to human resources management.
5. The ethical code should also provide the possibility of providing exceptions, especially for reasons of moral character (reduced requirements for disabled people or women during pregnancy, take people's allergies into account...)<sup>52</sup>

There are two basic options for drawing up codes of ethics:

- a) Scandinavian model: the emphasis is placed on the opinions of employees who take part in discussions on the content and form of the code;
- b) American model: in this case, the code is created by the managers of the organization.

<sup>50</sup> Cf. CRANE, A., MATTEN, D. *Business Ethics. Managing corporate citizenship and sustainability in the age of globalization*, 2010.

<sup>51</sup> Cf. IVANOVÁ, K. a D. BERNARDOVÁ. *Etika a CSR*, 2018.

<sup>52</sup> Cf. Bláha, Čermák, *Podnikatelská etika a CSR*, 2015.

Requirements for ethical behaviour of companies and employees imposed by customers, business partners and the wider social environment has been growing for a long time. This also increases the importance of the organization's code of ethics as a management tool and part of its culture. The code of ethics of an organization is thus of a much greater importance than its use for external or marketing purposes. Following the principles of ethical conduct makes working in any organization more pleasant and thus more productive. It also facilitates the acquisition and retention of quality employees who tend to be more sensitive to the company's adherence to ethical standards. However, the code of ethics of an organization makes sense mainly if it goes beyond the general ethical principles and is 'tailor-made' to the specific needs of the company.<sup>53</sup>

It is also important to understand the relationship of ethics and law when studying ethical codes. Ethics is a normative science and defines the scope of ethical laws. Ethical postulates respect dilemmas, law provides unambiguous postulates. Ethics says what should happen, law describes what should not happen. Ethics deals with violations of principles by moral condemnation, law suggests real restrictions (penalties). It can be argued that law is only an ethical minimum, but it should be based on ethics. The legitimacy of a statutory regulation is determined by its compliance with moral norms.

The ethical code of Moravian Business College Olomouc<sup>54</sup> is based on general values, accepts a specific corporate culture and, subsequently, specifies all ethical issues in accordance with the needs of the organization. It therefore meets all the requirements for creating the ethical code mentioned above:

<sup>53</sup> Cf. Urban, *Jak vytvořit etický kodex organizace*, 2011, dostupné z: <https://kariera.ihned.cz/c1-53354960-jak-vytvorit-eticky-kodex-organizace>

<sup>54</sup> Cf. Etický kodex Moravské vysoké školy Olomouc. Available at: [www.mvso.cz](http://www.mvso.cz)



### Value base

1. The base for our values consists of:
  - a. tradice traditions of Euro-Atlantic civilization - Christianity and Judaism, folk wisdom,
  - b. mission of the school which is formulated by the founder in the function and vision of the school,
  - c. synergy of the academic and business environment.
2. We are a public benefit company. The focus is on socially responsible behaviour.
3. The values are formed and shared by the academic community of the school, i.e. its staff and students.

### Corporate culture

1. The pillars the MBCO culture relies on include:
  - a. value frameworks given by the cultural environment,
  - b. tradition and dignity of the academic environment,
  - c. flexibility and social responsibility of the business environment.
2. A **person** is the key – it can be a student, client, employee, partner.
3. The values that we share and which are reflected in the culture of MBCO are:
  - a. respect and support for the individual;
  - b. transparency,
  - c. teamwork,
  - d. diligence,
  - e. thoroughness and responsibility,
  - f. focus on quality,
  - g. creativity,
  - h. involvement,
  - i. adaptability and continuous improvement.
4. The rules we share are formulated as follows:
  - a. **‘As you sow, so shall you reap.’** (‘First give something to the school, then the school can give you back.’)
  - b. **‘Every man is the architect of his own fortune.’**
  - c. **‘Cooperation brings development and success’.**
5. The corporate culture is constantly evolving, but it is always based on fundamental value bases.

**Code of ethics**

Employees	Students
<b>We honour, respect and create tradition.</b>	
<p>We honour academic traditions.</p> <p>We strive to be dignified role models for students in the behaviour of an expert, a scientist; models in the way of achieving results in studies and personal development.</p>	<p>We respect our teachers. We want to be good role models to our classmates.</p>
<b>We improve our skills and grow.</b>	
<p>We are constantly looking for opportunities for improvement and innovation. We approach the assigned tasks in a creative way.</p> <p>We are demanding to ourselves, our colleagues and students.</p> <p>We are ready for change.</p>	<p>We study to be successful.</p> <p>We set ourselves big goals.</p> <p>We try to make the most of our studies, get as much knowledge, skills and experience as possible.</p> <p>We approach our studies in a creative way.</p>
<b>We cooperate, communicate and we are honest.</b>	
<p>We make up one team and we support each other.</p> <p>We share information and know-how.</p> <p>We are available to our colleagues, students and business partners, we try to satisfy them. We help each other.</p> <p>We implement intergenerational cooperation.</p> <p>We communicate constructively and openly, we are objective, honest and true.</p>	<p>We communicate in a polite and straightforward way with our classmates and teachers, we are trustworthy.</p> <p>We are caring and ready to help.</p>
<b>We respect the economic dimension of our activities.</b>	
<p>We work efficiently and manage our resources well. We approach tasks responsibly and in such a way as to save costs.</p>	<p>In our studies, we try to make the initial investment as efficient as possible.</p> <p>We save the costs, time and energy of our own as well as of our classmates, teachers and family.</p>

<b>We keep and respect legality and authority.</b>	
We formulate acceptable rules and standard procedures. We are consistent in their application to our lives and lives of our colleagues and students. We respect equal access.	We respect standards and rules. We keep honest and fair approach to study and work. We always act according to the agreed rules.
<b>We represent our school.</b>	
We are loyal. With our work and actions, we spread the good name of our school. We are actively involved in the activities of the school.	Through our actions, behaviour and knowledge, we spread the good name of our school during study and after graduation.
<b>We are personally responsible for our own success as well as the success of our school and region.</b>	

Standard: Q3-P05-VAVV-003-02

Version: 2; Valid from: 1. 6. 2012; Processed by: Mgr. Vladimíra Sedláčková, school management;

Approved by: **RNDr. Josef Tesařík**, Director

### 3.3 Ethical Decision-making of the Manager

In general, ethical issues, conflicts, and decision-making dilemmas can be divided into three broad categories:

1. good versus evil,
2. better versus worse,
3. good versus good.

Conflicts of good versus evil: The lowest number of ethical problems is caused by making decisions between 'good' and 'evil'. However, such ethically clear problems are usually very rare, so this category is more often represented by intentional criminal acts.

Conflicts between better and worse: Making a decision between better and worse is not so easy. This is especially true when the units of values are different. A manager is the subject to such a decision e.g. when determining the salary or wage of an employee. If he/she approves a higher salary to one employee, there will be no conflict, but if he/she gives the other employee only a half of the

current salary, he/she will enter into conflict. Nevertheless, a significant part of the problems that executives face is exactly of this nature.

Conflicts between good and good: It is sometimes necessary to choose between two mutually exclusive devices, services or solutions, both of which are based on different motives and provably ethical principles. The problem is that each of these clearly good and beneficial actions excludes the other. This way, only one of two or more goods can be selected for production for example as a result of the ratio of available funds and price, although both or all of the goods are obviously based on good motives and clear ethical principles.

A manager who wants to provide ethical leadership and make ethical decisions should ask himself/herself the following questions: Can he/she fulfil the individual prerequisites for the introduction of managerial ethics? What does he/she have to learn to fulfil the prerequisites? How hard is that for him/her?<sup>55</sup> After a decade of consulting, the scientists have found out three most important ethical values, not only for business decision-making, but for general communication among people. These include:

Justice – impartial decision-making, recognition of one's own rights and also rights of others, i.e. 'fair play'.

Kindness – consideration for other participants of the meeting, i.e. empathy.

Responsibility – awareness of the duty and willingness to bear the consequences of one's decisions.

The Model of ethical thought in ethical decision-making of a manager:

- 1) What are the facts? *Understanding the facts*
- 2) What is the ethical problem? *Identification of an ethical problem (dilemma)*
- 3) Who are the participants in the situation? *Identification of all stakeholders*
- 4) What are the options, alternatives to the solution? *Take into account how other stakeholders would decide*
- 5) What will be the moral implications of these alternatives? *Understand the alternatives using moral imagination*
- 6) What practical pressures does the situation contain and who will be their victim? *Understand how the individual stakeholders will be affected by the decision*

<sup>55</sup> Cf. KRÁLOVÁ, J. Subjektivní předpoklady pro výkon manažerské práce, 2003.

7) What should be the final solution of the situation? ***Make a decision and monitor its process and learn from the result***<sup>56</sup>

The practical implementation of an ethical decision should use the following principles:

- clearly define the corporate values that led to your decision: they will be a clear and consistent guide to dealing with situations that cause dilemmas or conflicts of interest;
- ensure that the behaviour of your company truly correlates with your corporate values;
- be a role model yourself and follow rules consistently;
- invite other co-workers for the dialogue on corporate values;
- approach positively the interests and concerns of your employees, customers, suppliers and the municipality;
- provide information about your corporate values both internally and externally.

Despite all the contradictions of the natural predatory business environment and ethical demands, many entrepreneurs are well aware that they have to do the right things: treat customers and partners with respect, take care of their employees, take care of good relations with neighbours, protect the environment, and many others. Such behaviour will also bring benefits to the company. Recently, other reasons for responsible business have emerged, such as pressure and expectations from customers, the local community, government agencies, banks, creditors and insurance companies. Most of small businesses have already 'done right things'. As a rule, the behaviour of SMEs reflects moral values and principles of the owner/CEO.

Interest in business ethics is growing along with the globalization of the world economy. Putnová and Seknička<sup>57</sup> consider the year of 1974 as the birth of entrepreneurial ethics as a scientific discipline, as in that year the first conference on the subject took place at the University of Kansas in cooperation with the Philosophy Department and the College of Business. The purpose is to lead entrepreneurs to greater responsibility, including long-term planning and strategic decision-making while maintaining competitiveness. In 2001, the so-called 'Green Paper' entitled Promoting a European framework for Corporate Social Responsibility was published. This paper defines CSR as: 'The

<sup>56</sup> KRÁLOVÁ, J. Subjektivní předpoklady pro výkon manažerské práce. In GLADKIJ, I. et al. *Management zdravotnictví*, 2003. p. 183 – 207; Rolný, 1998, DesJardins, 2009, Ivanová, 2018.

<sup>57</sup> PUTNOVÁ, A., SEKNIČKA, P. *Etické řízení ve firmě*, 2007, p. 125.

term CSR refers to the voluntary integration of social and environmental aspects into everyday corporate operations and interactions with corporate stakeholders.<sup>58</sup> CSR values representing liability to stakeholders and the society are derived from the whole text above and include:

- Doing good deeds and non-maleficence
- Justice and respect to other people
- Truthfulness and transparency
- Duty and responsibility
- Loyalty to principles and perseverance
- Focusing on long-term goals, moral reputation

CSR means a combination of the external moral conduct of employers in terms of sustainable development and the actions respectful to individuals within their companies. The importance of economic activities is considered not only from the viewpoint of an economic benefit, but also according to the negative impact they can have. Conduct is moral if it brings fair payments, compensation, and benefits. CSR is a way of integrating the social, economic, and environmental interest of the society. It is manifested in transparent and predictable action, it establishes good practice within the company, creates wealth and supporting society. In accordance with CSR, moral decision-making of companies should include the following typical factors: common management policy, ethics program, health and environmental protection program, occupational safety, respect and attention to people within the enterprise, labour rights, attention to human resources outside the enterprise (which includes community interests), loyalty to principles for fair competition, anti-corruption measurement, readability, predictability, transparency, and, last but not least, responsibility for supplier relationships<sup>59</sup>.

Numerous authors<sup>60</sup> prove that it is only the integration of all CSR elements, created and postulated on the basis of corporate ethics, that brings the greatest benefit to companies and the societies. If,

<sup>58</sup> Ibid.

<sup>59</sup> Cf. ARINAITWE et al., *The Pursuit of CSR and Business Ethics Policies: Is it a Source of Competitive Advantage for Organizations?* 2009.

<sup>60</sup> Cf. JAFFE, PASTERNAK, 2006, p. 53, ARINAITWE, 2009, p. 255, VALENTINE, FLEISCHMAN, 2007, p. 658.

however, the introduction and promotion of ethical standards is not a substantial, fundamental, initial responsibility, strategy and interest, the advantages for the enterprise are not very high.<sup>61</sup>

But ethical conduct that can be found in all business activities brings undisputed competitive advantages. These lie mainly in differentiating the company from its competition. It can be assumed that companies that make moral decisions on the basis of everyone's consent receive benefits rather than companies that aim only for the competitive advantage. The manager is therefore expected to make decisions that are not only economically beneficial, but also ethically justifiable and can motivate others in their direction. The integration of ethical values and moral behaviour into organizations of all types is the basis for a responsible approach to future generations. This approach will enable organizations to meet their expectations and succeed in good and bad times.<sup>62</sup>



As a philosophical discipline, ethics determines what is moral and what is immoral. It is mainly Christianity and its ethical roots which is essential for Europe as it used to influence practical life. On the basis of these roots, Christianity seeks to take specific ethical positions, answer specific questions and tries to determine which actions are morally acceptable. The tradition of modern thought sums up human existential search into three topical questions: What do we know? What are we supposed to do? What can we hope for? Ethical norms are layered patterns of desirable behaviour. Values represent a more general level of ethical and legal norms. A value means a treasured non-material or material phenomenon or being. Values are of a moral and non-moral nature. Values determine general rules of social coexistence as well as specific patterns of behaviour. The system of values is determined by culture. Culture is the basis of human coexistence and it is handed down and maintained by assessing acceptable and unacceptable behaviour.

Ethics related to individual areas of human conduct is called applied ethics. There are several key players in the so-called business ethics: first, it is management of companies, and second, it is the government which creates legal standards and ethical recommendations. Justice can be described as a fundamental concept of ethical decision-making. Justice is one of the fundamental values of the European tradition which states that everyone should get what they are entitled to. Management and business ethics reinforces the sense of moral responsibility and strengthens the connection

<sup>61</sup> Cf. JAFFE, D. E. PASTERNAK, H. Moral Intensity as a Predictor of Social Responsibility. In *Business Ethics: A European Review*, 2006, pp. 53 – 63.

<sup>62</sup> Cf. IVANOVÁ, K. a D. BERNARDOVÁ. *Etika a CSR*, 2018.

between ethical and personal behaviour. A manager also directs the behaviour of his/her subordinates by showing his/her ethical attitude and motivates them to identify with the goals identified by the organization. The manager is therefore expected to make decisions that are not only economically beneficial, but also ethically justifiable. The manager decides in an ethical way when he/she makes decisions according to an ethical rule or standard. Thus, it is helpful to draw up an organizational code of ethics that should set ethical principles for typical work situations, identify key ethical dilemmas, and formulate principles on how to proceed.



1. What categories can be ethical principles divided into?
2. What principles should be followed when drawing up a code of ethics?
3. What are the 7 steps a manager must take when making an ethical decision?



### Readings:

- [1] BLÁHA, J., ČERNEK, M. *Podnikatelská etika a CSR*. Ostrava: VŠB-TU Ostrava, 2015. ISBN 978-80-248-3828-1.
- [2] IVANOVÁ, K., ZIELINA, M. *Etika pro vědecko - výzkumné pracovníky*. Olomouc: Moravská vysoká škola, 2010. ISBN 978-80-87240-34-2.
- [3] OLECKÁ, I., ZIELINA, M., IVANOVÁ, K. *Etika ve vztahu ke společenské odpovědnosti firem*. EMI, 2009, č. 1. s. 52-59. ISSN 1804-1299.





## Chapter 4

# Main Topics of the Social Responsibility Concept in Practice



After you have studied the chapter, you will be able to:

- Know concepts and terms related to social responsibility and CSR concept
- Briefly describe selected concepts and terms



Klíčová slova:

Sustainable development, corporate citizenship, work-life balance, stakeholders, triple CSR basis, business ethics, volunteer day, charity, philanthropy, social entrepreneurship, shared marketing, socially responsible investment, social audit, reporting and measurement methodologies, Business for society, Transparency International

## 4.1 Topics Related to CSR in Practice

- **Charity**
- **Philanthropy**
- **Donations (Donator)**
- **Good level of corporate citizenship (Citizenship)**
- **Business ethics**
- Ethical code
- Corporate culture, working environment culture (Workplace)
- Communication with stakeholders (Stakeholders)
- Environmental conduct
- **Volunteering activities (Day for Carrying, Volunteer Day, Community Partnership Day)**
- Human rights
- Gender
- **Stakeholders, stockholders, shareholders**
- Corporate identity
- Corporate image
- PR (public relation)
- Environment
- Fair-trade
- Matching fund
- 3-P (people-planet-profit) + Tripple Bottom Line
- Ecological footprint
- **Work-life balance + workplace**
- **Amnesty International**

- **Business for society**
- Business for Leaders
- GRI - Global Reporting Initiative
- Multi-stakeholder Forum
- Global Compact
- TOP Responsible Company 20??
- CSR Europe
- OECD and EU initiatives in the field of CSR
- Corporate Governance
- CED - Committee for Economic Development
- The Green Paper by the European Commission
- SOF - Responsible company standard (originally London Benchmarking Group)
- **SRI - Socially Responsible Investment**
- Balanced Scorecard as a CSR measurement tool
- IBLF - International Business Leaders Forum
- IMS - Integrated Management System
- ILO - International Labour Organisation

## 4.2 Explanation of Selected Terms

### **Sustainability**

In the context of human civilization, sustainability is defined as a practical ability to meet the basic needs of today without compromising the ability of future generations to meet their basic needs and maintain their standard of living. A sustainable society must be constructed in such a way that its lifestyle and business are not at odds with nature's inherent ability to sustain life. Sustainable

development is the organizational principle of sustainability. It covers four interconnected areas: ecology, economics, politics, and culture.

*Sustainable development* is a way of developing a human society that harmonizes economic and social progress with full environmental preservation. The main objectives of sustainable development include the preservation of the environment for future generations in the least modified form. It is built upon three pillars: social, economic, and environmental. Sustainable development was established and first defined in 1987 in the report named *Our common future* as: *'... development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'*

The European Parliament defines sustainable development as 'the improvement of living standard and welfare of citizens within the limits of ecosystem capacity while preserving natural values and biodiversity for present and future generations'.<sup>63</sup>

### **Stakeholders**

It is also common to define CSR using the theory of 'stakeholders'. From the perspective of stakeholders, CSR is presented as the aim to *'... verify and show interests in opinions and attitudes of stakeholders not only inside the company, but also external ones'*. In terms of this CSR approach, organizations act as an entity responsible for its actions and their consequences in relation to the stakeholders. Stakeholders are affected by the activities of organizations and they also affect this activity themselves. Stakeholders are groups with different interests in the activities of organizations. In essence, it concerns groups of entities, without support of which the organization could no longer exist. According to this theory, stakeholders must be first correctly identified, then a way to satisfy and harmonize their expectations must be found. From the perspective of theory, managers do not have the responsibility only towards the shareholders of the company, but also have the responsibility to the wider community, which means all customers, suppliers, employees, the local community.<sup>64</sup>

<sup>63</sup> OSN. *Naše společná budoucnost: Světová komise pro životní prostředí a rozvoj*, 1991.

<sup>64</sup> Cf. TRNKOVÁ, J. *Společenská odpovědnost firem*, 2004, pp. 7 – 10.

### Triple level of CSR - 3P, Tripple Bottom Line

CSR is interpreted as a transition in the perception of organizations and their social role from the level 'Profit only' to the level of **three Ps** – 'Profit, People, Planet'. The three Ps represent the request to focus the organization on social development ('People') and the protection of environment ('Planet') apart from its main economic activity ('Profit only'). An analogy of the three Ps interpretation is the so-called '*Tripple-bottom-line Business*'. This again means the designation of a triple base of entrepreneurship or activities with a focus on three areas - contribution to economic prosperity, environmental quality, and social capital.<sup>65</sup>

Pokorná, D.: Společenská odpovědnost organizací. Obsah – podstata – rozsah. 2012.

### Business ethics

The contemporary concept understands business ethics as a scientific discipline and, at the same time, a practical matter by the same authors. According to Putnova, economic behaviour cannot be seen as morally neutral and the evaluation of attitudes and decisions made at the level of a particular organization cannot be avoided. Two basic approaches to economically directed activities can be distinguished: ethical and engineering. The ethical approach takes into account ethical contexts, including problems of motivation, social problems, it also poses questions such as how we should live, what is a fair society, etc. Therefore, ethics is an integral part of the internal system. DesJardis characterizes the essence of business ethics as '*doing good and doing well*' and inserts - alongside with ethical theories applied to the field of business - also ethical rules for a particular CSR field, culture of an organization and ethical leadership, the importance and value of work for people, ethical regulations in the workplace, responsible employment relations, ethics of marketing, environmental ethics, issues of discrimination, ethics of international trade into the CSR content.

The importance of business ethics is growing along with the globalization of the world economy. Multicultural organizations face a number of ethical dilemmas. If managers do not respect the cultural specifics associated with ethical decision-making, they threaten not only the reputation of their organization, but also relations and cooperation with its *stakeholders*. From a different perspective, if we do not recognize the effects of cultural frameworks in the decision-making of organizations, we cannot fully understand their moral behaviour. Except for ethical norms, examples of different concepts of moral decision-making within different cultures can include the perception of issues of

<sup>65</sup> Cf. POKORNÁ, D. *Koncept společenské odpovědnosti. Obsah. Podstata. Rozsah.* 2012. p. 10-18.

gender, religion, law and ethics, geographical location, type of social consensus, political arrangement or control.

The mutual relationship of CSR and business ethics is clearly described by Sokáčová<sup>66</sup>: 'Entrepreneurial ethics requires that an individual or organizations behave strictly in accordance with ethics rules as social responsibility is the manifestation the possibility of business entities to influence interests of other groups in their surroundings by their activities. Thus, it can be stated that social responsibility takes the form of the so-called 'social contract' which the contracting party commits to follow in relation to its surroundings. On the other hand, entrepreneurial ethics represents a broader scope than social responsibility which is its inevitable part'.

### **Charity, philanthropy, donation**

**Charity** (from the Latin term *caritas* = compassion, mercy) usually refers to voluntary charitable events which help suffering people, the elderly, the socially weak, the sick, children and the like. In practice, it can take various forms, such as monetary and material donations or work done free of charge for a charitable, humanitarian organization or charity.

**Philanthropy** (from the Greek *filein*, love and *anthrōpos*, human – love for a person), or **humanitarianism** means humanistically motivated philanthropy, money, goods, time or effort to support a generally beneficial purpose, usually in the longer term and with clearly defined goals. In a more general view, philanthropy can be conceived as any altruistic act aimed at supporting good or improving the quality of life. A man known for his/her philanthropy is sometimes called a **philanthropist** (a **humanitarian**).

Especially in Europe, the term philanthropy is also widely used in the context of corporate donation, it is called the corporate philanthropy. It forms one of the fundamental CSR pillars.<sup>67</sup>

### **Volunteer Day**

Day for Caring, Volunteer Day, Community partnership Day - these are just different names for one and the same thing, that is an action day or volunteer day. The volunteer day reflects the participation of profitable organizations in non-profit events. For example, organizations can send their employees to tradeless urban works, they can do various craft works in terms of their philanthropy activities and many other non-profit but socially beneficial activities.

<sup>66</sup> Cf. SOKAČOVÁ, V. *Je spoločensky zodpovedné podnikanie výhodné?*, 2009, p. 32.

<sup>67</sup> Cf. Arcidiecézní charita Olomouc, *Ročenka 1994*, Olomouc 1994, p. 26-47.

Students can also participate in these days intended for voluntary activities. It is possible to register individuals or groups of people on certain websites. In the case of employment, it is always necessary to get the permission of the shift manager, and students need the permission from the school management. The day of volunteering is announced nationwide, but organized by regional authorities. Volunteer projects are organized in the region in which the organization is located or by the organization itself. It organizes the activities of individual workers in a given time schedule. However, co-operation with non-profit organizations is the most common way of organizing such an event. Profit organizations provide non-profit organizations with a range of their own, often internal resources. Not only do organizations make employees available, it is often also know-how, corporate infrastructure, financial and material resources, or corporate contacts that they provide.

In most cases, employee remuneration tends to be cash, material donations or the employee is credited, for example, in an internal magazine or on the Internet. There are also databases where volunteers can register and then receive information about planned events.

All these activities have common objectives. To improve living standards, beautify the environment we live in and improve relationships among people. By their commitment to these projects, organizations show their prestige and efforts to improve the environment, and they aim at publicity as well. Therefore, it is no wonder that the responsibility of organizations in the form of participation in a voluntary day has become more frequent in the Czech Republic in recent years.<sup>68</sup>

### **Corporate Citizenship**

It means the management of the complex relationship between the organization and the community in which the organization operates, at a local, national or global level (e.g. that the organization behaves responsibly to and is involved in the environment in which it operates like every citizen does).

- The term corporate citizen is often defined as corporate social responsibility.
- Some authors find corporate citizen and corporate social responsibility equal, or use the concepts interchangeably.

<sup>68</sup> Cf. PETŘÍKOVÁ, R. et al. *Společenská odpovědnost organizací*. 2008.

- The term corporate citizen is perceived primarily by generally beneficial activities of the organization towards the community.
- Active participation of the company in the negotiations on programs satisfying the well-being of the society is also perceived as being a good corporate citizen.
- Corporate citizenship describes what good deeds companies do for the society.<sup>69</sup>

### **Work-life Balance**

Work-life balance means searching for a balance between the personal and work life. It is about how to prevent the burnout syndrome. It is an important technique especially in workplaces where employees are engaged in communication with people, working with people and actively caring for others (healthcare, social disciplines, education, management). Organizations have introduced measures and given employees practical guidance on how to avoid stress, negative thoughts and how to gradually get employees' lives in balance.

For companies and organizations, introducing such harmonizing measures is a way to **maintain a quality workforce, streamline work performance, motivate their employees**, and reduce some human resources costs.<sup>70</sup>

### **Shared Marketing - Cause-related Marketing**

The more well-known English term cause-related marketing is sometimes referred to in Czech as 'shared marketing'. Its principle lies in linking a business and charitable entity to promote a particular product. This form of support means that a company links its commercial activities with philanthropic ones. A predetermined amount of money from sales is then transferred to the account of the non-profit organization (e.g. CZK 1,- from each bottle of product sold will be donated to handicapped athletes). Cause-related marketing was first used in the United States in the early 20th century when a sweets producer gave his share of the profits to children in an orphanage. These days, it is considered a common fundraising tool for non-profit organizations. For example, more than 58 million pounds was raised for charitable projects in Great Britain in 2004. Cause-related marketing programs that are well-designed and properly implemented can increase corporate credibility, profile the brand and strengthen the relationship of the company with its key stakeholders. Using this marketing tool plays an important role in a competitive market environment. This gives the product an 'added value', it is better perceived and evaluated by its end customer. According to the research

<sup>69</sup> Srov. <https://www.investopedia.com/terms/c/corporatecitizenship.asp>

<sup>70</sup> Cf. <https://www.worklifeplay.com/>; <https://www.pracenadalku.cz/work-life-balance>



recently conducted in the US, 76 percent of customers prefer to buy a product or service that is associated with a charitable cause rather than a similar thing without that extra value. In addition, CRM actively engages customers in the consumer decision-making process. Cause-related marketing uses advertising, PR, and other marketing tools. It enables organizations to differentiate themselves from competitors and increase sales, and it represents a new financial resource and visibility for non-profit organizations. This is a classic win-win situation.<sup>71</sup>

### **Socially Responsible Investment (SRI)**

Evaluation of investments and investing. This title represents investments in organizations that must meet the basic conditions of socially responsible organizations. These organizations do not only think about their own profit, but pay attention also to ecological, ethical and social behaviour. Socially responsible investment is more prevalent in Western European markets. ČSOB a.s. is an important representative of investments on the Czech financial market.

The criteria considered for assessing investments include, in particular, financial performance and safety guarantee, but also the ability of the corporation to respond to environmental and social problems and challenges. SRI represents investment decision-making that combines financial factors with environmental, social, and ethical factors.

An individual is a socially responsible investor. A university, hospital, nonprofit organization, church, endowment funds, insurance companies can be understood as such individuals. Pension funds contribute to the increased interest in SRI.

Funds that implement socially responsible investment must be exposed to control mechanisms, as there is a law that requires pension funds to publish information in order to show what environmental, ethical and social criteria are taken into account in their investment decisions.

Next, we can talk about **Social investment (SI)**, which is a very close term to Socially Responsible Investment (SRI). Social investment is a non-market investment of funds aimed at the community. This is an approach of corporations which also try to contribute to the improvement of the economic and social environment. This area includes the support of education, research or cultural projects.<sup>72</sup>

<sup>71</sup> Cf. A COLLECTIVE OF AUTHORS. *Napříč společenskou odpovědností firem*. 2005.

<sup>72</sup> Cf. **Společensky odpovědné investování** [online]. 2009 [cit. 2011-10-25]. *Český finanční a účetní časopis*. Available at: [http://cfuc.vse.cz/index.php?option=com\\_content&task=view&id=214&Itemid=29](http://cfuc.vse.cz/index.php?option=com_content&task=view&id=214&Itemid=29)

## Social Audit

Social audit is a means of measuring the social and ethical situation in a company and represents a tool for its change, or improvement.

Social audit objectives:

- control mechanisms evaluation,
- transparency,
- analysis of the social environment,

=> a means of checking if moral and social problems have been solved.

Benefits:

- employees – cooperation with management,
- shareholders – true information,
- managers – state of social situation,
- customers – ethics compliance,
- suppliers, community, state administration – informed about the company's activities.<sup>73</sup>

## Business for Society

Forum of responsible companies. The successor organization of the Donor Forum called Donosfórum. The platform brings together companies that do business in a way sensitive to their surroundings, pursuing prosperity and long-term development by doing so. It is composed of business owners, leaders, and important personalities. BfS now has about 40 members in the Czech Republic, out of which the smallest member company has 25 employees. It publishes the CSR Forum magazine.<sup>74</sup>

**Transparency International Czech Republic.** This non-governmental non-profit organization is one of the branches of the international organization. An international NGO focused on issues of

<sup>73</sup> Cf. PUTNOVÁ, A., SEKNIČKA, P. *Etické řízení ve firmě*. 2004.

<sup>74</sup> Cf. <https://byznysprospolecnost.cz/>

corruption and creation of anti-corruption programmes involving civil society, companies and governmental organizations.<sup>75</sup>

### Other topics

The content of the CSR concept is filled with activities that have their designations. The so-called **‘marketplace’** deals with an ethical way of doing business in relation to customers, suppliers, and purchasers, fulfilling the mission without breaking the law, transparent communication of information about its activities. Another area is designated as **‘workplace’**, i.e. the working environment maximizing the quality of working conditions of employees, equal opportunities in the workplace. For the next area, the term **‘local community’** is used, focusing on the local community and cooperation with non-profit organizations, schools. The term **‘environment’** refers to the respect to environment in the form of good management of resources and waste, recycling. The procedures and principles of the introduction of CSR into organizations is a separate CSR area; it is called **‘CSR implementation’** and includes giving advice to organizations interested in CSR strategic effects (see the following chapters). The area of **‘CSR reporting and communication’** (see the following chapters) is an important CSR area. It is an integral part of the strategic approach to CSR and involves creating and publishing specific documents as well as spreading the idea of CSR to other organizations.<sup>76</sup>



The CSR concept CSR is practically implemented in the form of activities and through initiatives that have different names with specific content designations. Most of the terms originate in the countries of origin and development of the CSR concept – the USA and the UK – therefore they have their original names in English.

CSR reporting and measurement methodologies in organizations comprise a specific group.



1. Learn more about the topics of International Business Leaders Forum (IBLF) and Business Leader Forum (BLF) of the Czech Republic. What is their mutual relationship?
2. What is a national food collection? Who organizes it and what is the effect?

<sup>75</sup> Cf. <https://www.transparency.cz/>

<sup>76</sup> Cf. POKORNÁ, D. *Koncept společenské odpovědnosti. Obsah. Podstata. Rozsah.* 2012. p. 34.

3. Search the website of Transparency International and its ranking of states by corruption rate/ corruption index. What is the rank of the Czech Republic? What do you think of this ranking?



### Readings:

- [1] *Byznys pro společnost* [online]. [cit. 2018-08-10]. Available at: <https://byznyspro-spolecnost.cz/>
- [2] PETŘÍKOVÁ, R. et al. *Společenská odpovědnost organizací*. Ostrava: DTO, 2008. ISBN 978-80-02-02099-8.
- [3] POKORNÁ, D. *Koncept společenské odpovědnosti. Obsah. Podstata. Rozsah*. Olomouc: Univerzita Palackého v Olomouci, 2012. ISBN 978-80-244-3348-6.



## Chapter 5

# CSR Specifics by Organization Type



After you have studied the chapter, you will be able to:

- Name different types of organizations that can actively achieve CSR goals
- Distinguish commercial and non-commercial types of organizations and their approaches to CSR
- Assess possibilities of CSR application in public administration



Keywords:

Non-profit organizations, social entrepreneurship, public administration

## 5.1 CSR and Non-profit Organizations

Regardless of its size, focus, or legal form, any organization can be socially responsible. It means that what applies to a 'typical company' also applies to any other organization. Now let's take a closer look at non-profit organizations.

*'We can look at non-profit organisations from two **points of view**. The first view states that a well-functioning non-profit organization must be managed like **any other company**. So it can be as responsible as any other company. The second point of view understands that a non-profit organization is seen by the company as an **interested party** that should be involved in some way – whether by receiving information or some form of co-operation. But as an interested party, it should also be responsible for spreading the CSR concept.'*<sup>77</sup>

In principle, non-profit organizations are founded as creators of good, so, to some extent, CSR is in the 'content of their work'. Thus, they naturally perform CSR activities, usually in one pillar, most often social or ecological. They carry out these activities either independently or become intermediaries that connect companies that do not have the resources (human, time, financial) to implement CSR themselves, and target groups (stakeholders) who are targets of these activities.

In the context of non-profit organizations, it would certainly be a big mistake to neglect the issue of social entrepreneurship.

*'The principle of social entrepreneurship is the use of local resources, which are limited in size, and thus help to compensate for the negative effects of globalization processes at least to some extent. It behaves environmentally friendly and has great potential for long-term sustainability. It can also improve the quality of life in rural areas.'*<sup>78</sup>

The following Table 4 clearly shows what social entrepreneurship (enterprise) means<sup>79</sup>:

<sup>77</sup> BAIEROVÁ D. Dobré zprávy se musí šířit, říká Zdenka Vymětalová z CSR Zlín. In: *Deník neziskovky* [online]. [cit. 2018-07-10].

<sup>78</sup> KURKOVÁ, Gabriela and Petra FRANCOVÁ. *Manuál: jak založit sociální podnik*, p. 7

<sup>79</sup> *Ibid.*, p. 7

WHAT IS A SOCIAL ENTERPRISE	WHAT IS NOT A SOCIAL ENTERPRISE
wants to do things differently and better, i.e. the primary motivation stems from a different value pyramid of the founders and management	not every employer who claims to be a social enterprise is really a social enterprise
knows how to do business and respects economic reality, entrepreneurship is a base of most of its financial resources	not every socially responsible company (CSR company) is a social enterprise as such companies are established in order to provide profit
the majority of profit is invested back into the company or donated to serve socially beneficial purposes	it is not a non-governmental non-profit organization (hereinafter as NGO) which adds to its profit by selling its products or services, but entrepreneurial acts of NGOs can be the basis for a social enterprise
respects the interests and individual needs of its employees, aims at their identification with the social enterprise	it is not a socially therapeutic workplace (usually an NGO) because this is basically a service for clients and does not include hiring employees in an economical point of view
usually employs disadvantaged people (integration social enterprise), however, this is not a must	not every employer with more than 50 per cent of disadvantaged people automatically becomes an integration social enterprise
is independent, co-operates with the local community and interested groups (stakeholders), acts as a partner	it is neither a transnational company nor its part or an enterprise dependent on such a company

It is clear from the table that a key idea of social enterprise is to bring positive effects to different stakeholders.

As far as the legal side is concerned, a social enterprise may be represented by a self-employed person, limited liability company or generally beneficial company, see Table 5<sup>80</sup>:

<sup>80</sup> Ibid., p. 11

LEGAL STATUS	ADVANTAGES	DISADVANTAGES	NOTES
limited liability company	easy management, trustworthy legal form for banks as well as accounting and tax advisors	initial deposit CZK 200,000	Most common legal form of social enterprises in Czechia. It can be established by a single person. In its base, it is a company 'for employees' who cannot influence its strategy very much.
joint stock company	has larger capital, trustworthy legal form for banks	high initial deposit – at least CZK 2,000,000	It is not a typical legal form for a social enterprise, however, there are several of this form in Czechia.
self-employed person	easy establishment, easy decision-making	self-employed person is liable by his/her own property if s/he goes bankrupt	The self-employed person can have employees.
co-operative	collective democratic form of decision-making – usually one vote per person (the law enables other distribution or combination of legal and natural persons membership), initial deposit only CZK 50,000	some banks and most lawyers have little experience with co-operatives, but their status is higher in public administration	Relationships, mutual interests and clear expectations of members are key. All employees don't need to be members automatically, the membership can serve as a motivation for new employees. The minimum number of members is 5 natural persons or 2 legal persons or a combination of the two options.
social co-operative	possible since 2014 in order to bring the principles of social entrepreneurship to life, it is basically a co-operative which can decide to act as a 'solely' social enterprise	transparent acceptance of a social enterprise's principles has not been reflected so far in advantages in the market or the support of the state, approaches of experts are conflicting, some conditions can represent a barrier for the business, there is very little experience in this field	According to the Act on Business Corporations of 25 <sup>th</sup> January 2012, which will come into force as early as in 2014. Members of a social co-operative include employees, volunteers and other people who can enjoy other benefits of the membership.
generally beneficial company	transparent legal form secured against misconduct, all potential profit goes back into the organization's main activity	quite a complex way of establishment and management, not a trustworthy legal form of business for banks	After 1 <sup>st</sup> January 2014, generally beneficial companies cannot be established, instead, departments can be founded. Activities of existing GBCs will continue.
department	established in order to do socially or economically beneficial activities, communication with board of directors is easier than in GBCs	no experience with this legal exists so far	In force since 1 <sup>st</sup> January 2014 in accordance with the new Civil code.
church juridical person	background	not a trustworthy legal form for banks in terms of business, management structure is not suitable for business	This is a very rare legal form for a social enterprise, however, there are a couple of them in the Czech Republic.
citizens association	it is an ideal base for a social enterprise along with functional local associations, if the citizens associations are big and stable, they have good background	citizens associations are not suitable for business, some donors and financial institutions do not provide them with financial support for their business activities, not a trustworthy legal form for business	A citizens association can do business only in terms of its side activities, if its main activity is beneficial its members. They fall under the Ministry of Interior which does not agree with the fact that citizens associations do business activities.

Note: The table does not reflect the current changes to the Civil Code, but we consider it sufficient to illustrate the legal forms.



Therefore, neither the legal form nor the focus of the social enterprise are important. The main element of social entrepreneurship is the positive impact on the quality of life of stakeholders, identically as the benefits of CSR activities carried out by 'classic companies'.

The specific effects of social entrepreneurship in the Czech Republic are shown in Table 5<sup>81</sup>:

Source: Study of social economics infrastructure in the Czech Republic – main output of the TESSEA project

Social enterprise principles	1. Social benefit	2. Economic benefit	3. Environmental and local benefit
<p><b>Characteristics</b> (comply with European idea of a social enterprise. Social enterprise should meet them or strive for them.)</p> <p>* not required.</p>	<p>a) Doing an activity beneficial to the society or a specific group (of disadvantaged) people. b) Staff and member participation in strategic direction of the company. c) Potential profit used preferably to develop the social enterprise and/or to achieve publicly beneficial objectives.</p>	<p>a) Doing a constant economic activity. b) Independence (autonomy) in managerial decision-making and leadership on external founders. c) At least a minimum share in total revenues from product and service sales profits and its dynamics. d) Ability to handle economic risks. e) Tendency to move towards paid work.</p>	<p>a) Preference for meeting the needs of the local community. b) Using preferably local resources. c) Preference for meeting the local demand. * d) Taking environmental aspects of production and consumption into account. e) Co-operation of the social enterprise with important local actors. f) Innovative approaches and solutions. *</p>
Integration social enterprise principles	1. Social benefit	2. Economic benefit	3. Environmental and local benefit
<p><b>Characteristics</b> (comply with European idea of a social enterprise. Social enterprise should meet them or strive for them.)</p> <p>* not required.</p>	<p>a) Providing employment and social inclusion to people disadvantaged on labour market. b) Staff and member participation in strategic direction of the company. c) Emphasis on developing work competencies of disadvantaged employees. d) Innovative approaches and solutions. *</p>	<p>a) Potential profit used preferably to develop the social enterprise and/or to achieve publicly beneficial objectives. b) Employees are supported in increasing work productivity on the basis of their possibilities. c) Independence (autonomy) in managerial decision-making and leadership on external founders. d) At least a minimum share in total revenues from product and service sales profits and its dynamics. e) Ability to handle economic risks.</p>	<p>a) Preference for meeting the needs of the local community. b) Using preferably local resources. c) Preference for meeting the local demand. * d) Taking environmental aspects of production and consumption into account. e) Co-operation of the social enterprise with important local actors.</p>

<sup>81</sup> Cf. KURKOVÁ, Gabriela and Petra FRANCOVÁ. *Manuál: jak založit sociální podnik*, p. 43 (appendix)

## 5.2 CSR in Public Administration

Public administration shows different tendencies in relation to CSR. Social responsibility in this area is not nearly as developed as in the case of commercial subjects, but it does not mean that CSR principles cannot be practiced in this field. In the Czech Republic, social responsibility has been mainly discussed in terms of its quality in connection with public administration in recent years. Similarly to CSR being closely related to the concept of the quality of life, social responsibility in public administration is related to its quality as well as the fact how stakeholders perceive it and how satisfied they are with public administration. Who are the involved parties from the point of view of public administration?

### External stakeholders:

- clients – direct customers of public administration,
- who deal with their life situations in terms of public administration agenda
- entrepreneurs
- citizens of the municipality – decision-making bodies in self-government (elections, referendum)
- citizens of the surrounding municipalities/regions
- allowance organizations
- customers of allowance organizations within the scope of self-government
- (schools, sanitary facilities, technical services, etc.)
- other public administration bodies
- service providers
- partners, media and others

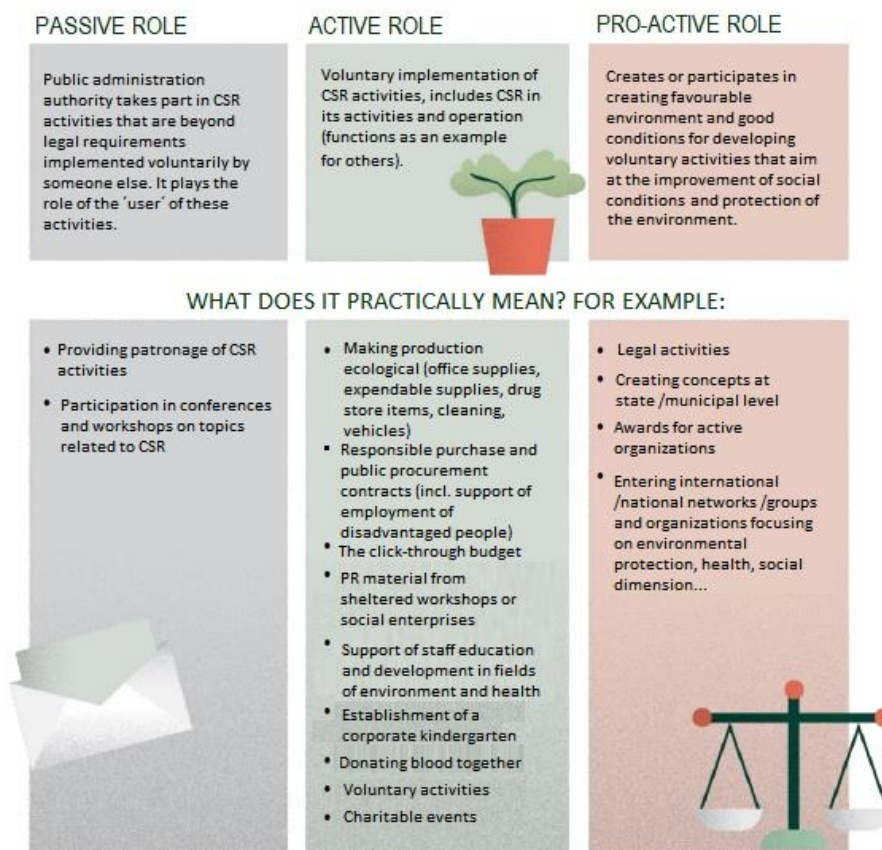
### Internal stakeholders:

- employees
- management of the authority
- elected representatives of the municipality / region

Social responsibility in public administration is one way to respond to public demands, which can be practically implemented, for example, by:

- enhancing the transparency via having a dialogue with all stakeholders and also by continuously providing information to the public on what is happening in the organization,
- involving stakeholders in decision-making,
- public recognition and appreciation of socially responsible bodies,
- implementing socially responsible purchases and public procurement,
- being involved in CSR support projects,
- supporting CSR education and research.<sup>82</sup>

In doing so, organizations can play one of the following roles (Figure 1)<sup>83</sup>:



<sup>82</sup> Cf. *Příručka CSR pro veřejnou správu aneb jak se chovat společensky odpovědně*, p. 8

<sup>83</sup> *Ibid.*, p. 13

In principle, the **benefits** of practicing social responsibility in public administration do not differ from the benefits in companies. In fact, it means:

- better 'neighbour' relations with the surrounding environment,
- enhancing credibility and image,
- recognition of and public satisfaction with a proactive approach to solving public matters,
- elimination of the risk of boycotting a decision by involving all actors concerned,
- more efficient use of public funds,
- improvement of the quality of public services provided,
- improvement of the ability to 'sell' results, higher participation of employees.<sup>84</sup>

The area of **public procurement and responsible purchases** belongs to the public administration field where CSR can be implemented. The basic principle of responsible public procurement is to take into account several aspects at once, in addition to the standard preferred lowest price, a specific social topic can also be 'requested', which the organization also wants to address<sup>85</sup>, e.g.:

- support for SMEs,
- employment of disadvantaged persons,
- decent working conditions,
- respect for social and workers' rights,
- promoting the health of employees,
- promoting education,
- emphasis on reducing the burden on the environment,
- health impact assessment, etc.<sup>86</sup>

<sup>84</sup> Ibid., p. 14

<sup>85</sup> Cf. *Příručka CSR pro veřejnou správu aneb jak se chovat společensky odpovědně*, p. 15

<sup>86</sup> Ibid., p. 15

This way the procurement submitter (public administration institution) will achieve additional benefits at the same price.

Of course, there are many other possibilities of implementing CSR elements into public administration, but the provided information is sufficient for primary understanding.



The CSR concept can be implemented in various types of organizations, and in many of them it has already been implemented. That is why we talk about 'social responsibility of organizations', not only the responsibility of companies ('Corporate' in the original name). Although non-profit organizations and public administration have many specifics compared to the corporate environment (legislation, focus, ...), nothing should prevent them from adopting the CSR concept as a whole and implementing it into their visions and strategies.



1. Try to find examples of good practice in the field of public administration.
2. Is social entrepreneurship in the Czech Republic currently regulated by law in some way?
3. Find the tools and initiatives associated with quality in public administration and describe their connection to CSR.



### Readings:

- [1] *České sociální podnikání* [online]. Ministerstvo práce a sociálních věcí ČR [cit. 2018-08-13]. Dostupné z: <https://www.ceske-socialni-podnikani.cz/>
- [2] KURKOVÁ, Gabriela a Petra FRANCOVÁ. *Manuál: jak založit sociální podnik*. Praha: P3 - People, Planet, Profit, 2012. ISBN 978-80-260-4042-2.
- [3] *Příručka CSR pro veřejnou správu aneb jak se chovat společensky odpovědně*. Praha: Národní středisko podpory kvality, 2016. ISBN 978-80-02-02702-7.



## Chapter 6

# Economic Pillar of CSR



After you have studied the chapter, you will be able to:

- Recognize CSR activity within the economic pillar;
- Describe the appropriate activities of the economic pillar of CSR;
- Identify the possibilities of implementing the elements of the economic pillar of CSR in the organization.



Keywords:

Economic pillar, code of ethics, relations with customers and suppliers, corrupt conduct.

## 6.1 Economic Pillar (Profit) - Scope and Impacts

The economic pillar of corporate social responsibility is the most difficult pillar to understand for most of the population. Although the term economic (profit) refers to the economy or the profit of the selected company, the view is not entirely accurate. The approach to this pillar is, or should be, broader. Overall, the concept of this pillar is based on the premise that if an organization treats its stakeholders as it should, then it will also have the desired financial effect. Oddly enough, this pillar is therefore partly based on compliance with applicable standards, legal, ethical and other standards. So it is not strictly drawn (as a whole) as an extension of activities that go 'beyond the law'.

### **Areas related to the economic pillar:**

- Generating profits
- Social demand for positive economic results
- Maximizing and optimizing profits
- Quality management approaches

### **Benefits of fulfilling the essence of the economic pillar:**

- Direct savings (in the longer term)
- CSR as a form of marketing communication
- Savings
- Competitive advantage

### **Stakeholders within the economic pillar:**

- Market
- Owners and investors
- Customers/consumers
- Suppliers and business partners
- Government institutions
- Media

**Examples of the economic pillar implementation:**

**1. Customers, clients, purchasers:**

- Responsible approach to customers
- Satisfaction surveys
- Handling complaints
- Loyalty programs
- Approach to disadvantaged groups
- Quality certification
- Quality labels
- Customer approach training

**2. Suppliers:**

- Selection of suppliers with the same ethical focus
- Monitoring of supplier practices
- Taking care of supplier relationships
- Timely payment of invoices, liabilities

**3. External environment of the company:**

- Fair approach to business
- Transparency
- Regular publishing of financial and non-financial information

**4. Uncategorized, other:**

- Establishing a code of ethics
- Application of the principles of good governance
- Denial of corruption
- After-sales service



- Quality and safe products and services
- Marketing and advertising ethics
- Socially responsible investments
- Protection of intellectual property
- Sustainability

**Indicators for measuring CSR performance in the economic area:**

- Trends in economic development
- Publication of economic indicators achieved
- Code of ethics and its compliance
- Volume of financial sponsorship
- Success in enterprise-funded projects (foundation-funded)
- Public benefit projects funding
- ISO certificates, quality prizes, quality labels
- New orders, new customers
- Number and pace of innovations
- Number of cases of failing to make payment on due dates
- Number of customer complaints
- Results of the customer satisfaction survey
- Measuring customer loyalty

## 6.2 Economic Pillar (Profit) – Examples of Good Practice

As stated above, it is evident that the scope of the economic pillar is really wide. It seems, and most likely it is the case, that it does not matter whether an organization demands primarily profit or wants to behave socially responsibly. Either way, both approaches will sooner or later generate both profit and good in accordance with CSR.

The following text provides examples of several companies and their approaches to the economic pillar. Those with sufficient resources and experience with the issue have been deliberately selected. It is not always clear that these activities are part of the economic pillar, it is often difficult to pinpoint their impacts precisely. Ideally, one CSR activity is transmitted in multiple areas, or CSR pillars. The assessment is left to the reader.

### **O2 Czech Republic: *Business principles***<sup>87</sup>

#### **Our business principles**

We want to be a successful and trustworthy company. That's why we do things simply with an emphasis on meaningfulness, personal responsibility of each of us and a fair approach. To achieve this goal, we have adopted Our business principles that apply to all of us in O2. More detailed rules governing the individual areas of our activity must be based on this document. These principles are intended to provide practical guidance for our daily work and we are obliged to follow and honour them. Each of us is personally responsible for the results and reputation of our company. Board of Directors O2 Czech Republic. We are always available...

#### **1. Our customers and we**

1.1. We offer our customers innovative, reliable, and quality products and services at a reasonable price.

1.2. We are fair to our customers. When promoting our products, we always provide them with true, clear, useful, and accurate information. The products and services we offer have the characteristics required by the law and described in our promotional materials.

1.3. We are available to our customers to resolve their questions and possible complaints.

<sup>87</sup> Cf. Naše zásady podnikání. O2 [online]. [cit. 2018-08-11]

1.4. We provide customers with appropriate information about how we store their personal information and how we work with it. We also inform them about how to access their data and the possibility of correcting them.

1.5. We store all personal data with appropriate security measures. If their safety is threatened, we act quickly and responsibly to ensure that adjustments are made.

## **2. We're fair... Our business and we**

2.1. We're a fair competitor. We believe that open and free markets are beneficial for consumers and for the whole society.

2.2. We provide shareholders with all necessary information for investment decisions without delay and in a non-discriminatory manner.

2.3. We apply appropriate control mechanisms for risk assessment and management for the sake of our company, our employees, and our reputation.

2.4. We keep financial and accounting records of our business in a faithful and conclusive manner.

2.5. We do not accept or offer gifts, invitations or other kinds of benefits that could be understood as a reward for a certain decision made or could affect it. We never misuse our position or our contacts to benefit ourselves or a third party.

## **3. We trust and respect... Our staff and we**

3.1. When selecting employees, making employment contracts, training and career progression of employees, we base our approach on clear criteria such as abilities, skills, experience, and work results.

3.2. We support and create equality of opportunities in the workplace. We build upon mutual trust and respect among employees.

3.3. We create a safe working environment for our employees.

3.4. We guarantee the right of our employees to join a trade union of their own choice. We do not tolerate any kind of sanction or disadvantage against employees who join a trade union.

3.5. We inform our employees about the rules of evaluation of their work and we expect their active participation. Based on this evaluation, we want to improve work and increase motivation.

## **4. We support sustainable development... The outside world and we**

4.1. We contribute to social, technological, and economic development. We invest in telecommunication infrastructure, create jobs, and develop services that improve the quality of life.

4.2. We commit to sustainable development, environmental protection, and reducing the negative impacts of our activities on the surrounding environment.

4.3. We actively and responsibly participate in discussions with state authorities and other organizations regarding upcoming legislation and regulation that may affect our legitimate business interests.

4.4. We neither support political parties nor give donations to any groups whose activities are linked to politics.

4.5. We respect the Ten Principles of the UN Global Compact in the fields of human rights, labour, environment, and fight against corruption.

#### **5. We fulfil our obligations... Our suppliers and we**

5.1. We strive to obtain services and goods under the best available conditions for our company.

5.2. We base our relationships with suppliers and other partners on transparency in negotiation, objectivity in business decisions, and equality of opportunities.

5.3. We meet our obligations agreed with suppliers.

5.4. We require our suppliers to comply with the laws and regulations that apply to them when doing business.

5.5. We support our suppliers in applying ethical principles similar to ours.

#### **How do we ensure these principles in O2?**

- These principles are binding on all employees as a part of employment contract and internal regulations.
- The Board of Directors ensures that these principles are applied within the entire company, including an annual assessment of their compliance.
- Executive staff shall be responsible for establishing more detailed rules in accordance with these principles. They are also responsible for application of these principles when guiding their subordinates, including examples of how to use them in their daily work. • Employees can ask a question, ask for advice or an interpretation of issues related to compliance with these principles through the helpline available on the intranet.
- In the event that an employee suspects violation of these principles, confidential assistance tools are set up in order to report such behaviour to a Compliance Officer. The notification shall always be handled confidentially and the employee who does so will not be exposed to any harm due to the notification.
- These principles are publicly available and accessible to all O2 employees. Staff are regularly trained to understand, accept, and apply the principles.

**Vodafone: Anti-corruption code<sup>88</sup>****Single provision for suppliers**

1. Compliance with relevant legislation on bribery and corruption is of paramount importance to Vodafone.
2. Each of the contracting parties, including its employees, representatives, consultants, suppliers, and subcontractors, commit to:
  - a. act in accordance with all applicable legislation on bribery and corruption;
  - b. not do or fail to do anything that is likely to cause the other contracting party to infringe any of the legal acts referred to in Article 2.a;
  - c. not give, promise, accept or ask for any bribes (financial or in the form of any other advantage), in particular in relation to public persons;
  - d. put in place adequate and effective anti-corruption measures (including those relating to gifts and hospitality) designed to ensure compliance with the legislation referred to in Article 2.a including monitoring their fulfilment and detecting their violations;
  - e. provide the other contracting party with adequate co-operation in order to comply with the obligations relating to the anti-corruption legislation referred to in Article 2.a at the party's request and its costs.
3. The supplier shall allow the Vodafone company, whether it is the company itself or its representative, to audit the records and information related to meeting a supplier's obligations under this Agreement and collected by the supplier or its subcontractors or any other relevant person;
4. For the delivered goods or services, the supplier shall receive payment from Vodafone to a bank account administered in the supplier's name only by cash or through another detected instrument;
5. The supplier shall promptly notify Vodafone of any allegation of fraud, bribery, corruption or other illegal practices brought against the supplier in the context of judicial, arbitration or administrative proceedings or investigations initiated in connection with such allegation at any time during the period of validity of this Agreement;
6. Each contracting party (the 'non-performing party') shall ensure that no other party, its directors, managers, employees, representatives, or related parties will become a subject of any losses that they can suffer as a result of a breach or alleged breach of this Article by a non-performing party.

<sup>88</sup> Cf. Protikorupční kodex: Budoucnost je krásná. *Vodafone.cz* [online]. [cit. 2018-07-20].

7. If Vodafone (acting in good faith) determines that there has been a violation of this provision by a supplier, Vodafone will have the right to terminate this Agreement without affecting its rights under this Agreement or under the legislation.

**T-mobile: Ethical code: 02 Business relations** (selection)<sup>89</sup>

#### 2.1 ACTIVE CORRUPTION

In order to maintain the trust of customers, business partners, shareholders, and the public, Deutsche Telekom firmly rejects any form of corrupt behaviour and avoids all activities with a hint of corruption. This means, in particular, that Deutsche Telekom's employees are not allowed to offer, promise or provide benefits to public officers or private economic sector officers in our country or abroad who are responsible for making decisions if the aim were to obtain an advantage or influence the decision-making process in favour of Deutsche Telekom. Deutsche Telekom employees must also follow this principle when making donations and decisions concerning invitations to business lunches/dinners and social events.

#### 2.2 PASSIVE CORRUPTION

Deutsche Telekom's employees do not accept promises or offers of any advantage or enjoy any benefits if the benefit provider could give the impression that this could affect the employee's business decisions. At the same time, Deutsche Telekom's employees never require personal benefits for themselves or third parties.

#### 2.3 PUBLIC PROCUREMENT

Public administration is an important customer of the Deutsche Telekom group. Deutsche Telekom's employees comply with the rules to prevent improper influence in public tenders and to ensure fair competition.

#### 2.4 BUSINESS CONTROL

Deutsche Telekom maintains international business relations. It actively participates in international trade in goods and services and promotes free world trade. The company also complies with the relevant business controls and regulations applicable to import and export controls as well as to trade embargoes.

#### 2.5 PURCHASE

Both Deutsche Telekom's Purchasing Department and the authorised business units are responsible for the purchase of goods and services under optimal purchasing conditions in favour of the

<sup>89</sup> Cf. Etický kodex T-Mobile. *T-Mobile.cz* [online]. [cit. 2018-08-22].

Deutsche Telekom group. All purchases are made in accordance with the law and applicable legislation of the countries in which Deutsche Telekom operates. Circumvention of the purchasing process can lead to a disadvantage to Deutsche Telekom group.

Therefore, the Purchasing Department is responsible for all purchasing activities.

## 2.6 SUPPLIERS

Deutsche Telekom maintains honest and trustworthy relationships with its suppliers. However, it expects its suppliers to treat Deutsche Telekom with the same respect and integrity. Suppliers are often also our customers. Deutsche Telekom does not use this fact to obtain inadmissible benefits and, in principle, separates purchasing activities from sales activities. Reciprocal agreements require approval by the relevant purchasing officer accountable in the matter.

## 2.7 COMPETITION

Deutsche Telekom and its employees endorse free economic competition in all business relations. They ensure that no agreements on prices, divisions of markets or areas in order to restrict free competition are signed with competitors, customers, and suppliers. This applies in particular to selection procedures. Business decisions are made independently and without sharing sensitive information with competitors. Deutsche Telekom does not spread misleading information about competitors' products and services, nor does it seek to obtain competitive advantages in an inadmissible or inappropriate manner.

## 2.8 TRANSPARENT FINANCIAL REPORTING

Financial reporting is conducted in accordance with local and international regulations applicable to financial statements, and it reflects the real situation of assets, finances and revenue of the Deutsche Telekom group.



The economic pillar of CSR affects a wide range of activities of organizations. This is not just a purely economic area, the elements of quality management, approach to customers, purchasers, cost reduction and other fields are also taken into account. The scope of this pillar has been embedded in the valid legislative frameworks.



1. Name the stakeholders of the economic pillar of CSR.
2. From the point of view of the economic pillar, is it possible to consider compliance with the valid laws as a CSR activity?
3. Identify at least 10 suitable activities of the economic pillar for a small business of a self-employed person, a craftsman.



## Readings:

- [1] KAŠPAROVÁ, Klára a Vilém KUNZ. *Moderní přístupy ke společenské odpovědnosti firem a CSR reportování*. Praha: Grada, 2013. Management (Grada). ISBN 978-80-247-4480-3.
- [2] KUNZ, Vilém. *Společenská odpovědnost firem*. Praha: Grada, 2012. Expert (Grada). ISBN 9788024739830.
- [3] PETŘÍKOVÁ, R. et al. *Společenská odpovědnost organizací*. Ostrava: DTO, 2008. ISBN 978-80-02-02099-8.





## Chapter 7

# Environmental Pillar of CSR



After you have studied the chapter, you will be able to:

- Recognize CSR activity within the environmental pillar;
- Describe the appropriate activities of the environmental pillar of CSR;
- Identify the possibilities of implementing the elements of the environmental pillar of CSR in the organization.



Keywords:

Environment, ecology, protection of natural resources.

## 7.1 Environmental Pillar (Planet) – Scope and Impacts

The environmental pillar is the second segment of CSR. It is clear that many of our actions have negative environmental impacts. At first glance, it might seem that the problem only affects selected industrial segments (mining industry, heavy industry, transport and the like). However, we must not forget about agriculture (soil management, water protection, fertilization) and other industries and services (packaging materials, disposable plastic utensils, etc.). So who are the actors of the environmental pillar and what is the impact of its application?

### **Examples of CSR activities in terms of the environmental pillar (in general):**

- Corporate volunteering
- Promoting the quality of life
- Employment development
- Development of local infrastructure

### **Specific activities in terms of the environmental pillar:**

- Recycling program
- Energy and water saving
- Waste management
- Packaging and transport
- Restrictions on the use of dangerous substances
- Compliance with norms and standards (ISO, EMAS and others)
- Organic production, products, services
- Protection of natural resources

### **Stakeholders in terms of the environmental pillar:**

- Public sector (Ministry of the Environment, regional authorities...)
- Local government

- Environmental groups
- Non-profit environmental organizations
- Other environmental spokesmen
- Citizens, public

### **Economic benefits of the environmental field:**

According to the 'balanced scorecard' methodology, it is possible to define the following segments which are influenced within the environmental pillar:

#### **1. Financial area**

- reduction of costs by increasing the efficiency of the production process/recycling
- higher appreciation of company shares
- more efficient use of resources, use of other (better, cheaper) materials
- capital cost reduction, increased access to resources (some creditors include sustainability in the financial health index)
- higher yields: higher margins or higher volume of goods sold

#### **2. Customer area**

- increased loyalty to a responsible society
- brand empowerment: recognition and responsibility
- new customers (new market segments)
- increased readiness to enter new markets
- better position to gain a higher market share
- expansion of the product portfolio with organic products

#### **3. Improvement of internal processes**

- improvement of process and distribution design
- new sources and/or materials
- innovated packaging

- improvement of waste management
- reduction of energy consumption
- risk reduction in the production process
- recycled materials
- reduction of legislative risk
- better supply chain management
- reduction of noise, risk of radiation, dustiness, vibrations...

#### 4. Employees and innovations

- better ability to attract new talents
- higher satisfaction and/or motivation of current employees
- higher productivity of current employees
- better ability to retain current employees

After reading the previous text, you may wonder why the economic benefits are dealt with here and why more attention is not paid to the very nature of the activities. The reason is simple. Social responsibility is not a charity - if companies are willing and able to invest in environmental protection more than the legal framework requires, then they also expect some economic benefits. We should get used to the fact that the word 'profit' is not a swearword or an offensive expression.

## 7.2 Environmental Pillar (Planet) – Examples of Good Practice

For better understanding, the examples provide information on how various organizations declare and implement environmental activities, from large corporations to small businesses.

**Veolia<sup>90</sup>****Environment**

*The Veolia group's activities are inherently connected with the environment, which is why Veolia places the environmental area among its priorities under the CSR strategy and seeks to minimize the environmental impact of its activities. The Environmental Management System (EMS) was introduced in the Veolia group in 2002 at many levels - from individual fields of activity to regional companies and their individual plants. In 2014, this system was extended to 100% of the plants of the Veolia group's Water and Energy divisions in the Czech Republic in the form of ISO 14001 certification or internal methodology.*

**BIODIVERSITY**

The protection and restoration of biodiversity (natural diversity) is one of the nine key sustainability commitments made by Veolia group's top leadership. Veolia group companies have been engaged in protecting the environment and supporting the diversity of natural species for several years. They focus primarily on monitoring and evaluating the impact of our activities on local ecosystems and implementing measures to preserve biodiversity and support ecosystem services. Veolia co-operates with the Czech Union for Nature Conservation (ČSOP) in order to increase natural diversity in the operated areas. It removes obstacles and dangerous elements for animals, builds watering-places, installs nest boxes or cavities for insects, and regulates the lawn maintenance system. An equally important part of the activity is also to inform, train, and raise awareness of employees and the public in the field of biodiversity ([www.biodiverzita-veolia.cz](http://www.biodiverzita-veolia.cz)).

In cooperation with the Czech Union of Nature Conservation, Veolia supports the creation of an ecological visitor centre by the Želivka dam (Švihov) called Water House ([www.vodni-dum.cz](http://www.vodni-dum.cz)).

**ENERGY SELF-SUFFICIENCY OF PLANTS**

Because the cleanest energy is the one that did not have to be consumed, the Veolia Czech Republic group tries to get maximum electricity savings in all areas of its activity. Waste treatment sludge is an essential by-product of the wastewater treatment process. Efficient behaviour from both economic and environmental point of view aims to minimize the production of these wastes while utilizing their energy potential. Biogas, which is produced in the process of anaerobic stabilization, is only a by-product. Veolia not only uses this renewable energy source, but also intensifies the whole process; our aim is to produce more biogas, more clean electricity, and thus increase the energy

<sup>90</sup> Životní prostředí. *Veolia.cz* [online]. [cit. 2018-08-11].

self-sufficiency of the plants. Biogas produced at wastewater treatment plant is incinerated in co-generation units. Almost all wastewater treatment plants of the Veolia Czech Republic group had their operations optimised so that all possible amount of biogas produced is used as efficiently as possible.

The use of hydropower plants represents another great opportunity to support energy self-sufficiency. Selected water facilities of the Veolia group were assessed to find suitable locations where the gradient and volume flow could be efficiently used to install a small hydropower plant, mainly water reservoirs and several intermittent chambers. In the Czech Republic, the Veolia group operates a total of 19 small hydropower plants with a total installed power consumption of 4.2 MW. Where appropriate, the Veolia group also installs photovoltaic power plants.

## **INNOVATIONS**

The world and its seven billion people face the great challenges of the future. As a part of efforts to provide sustainable answers to these challenges and to maintain the planet's delicate balance, Veolia develops innovative technologies, creates alternative solutions, and proposes effective ways of using resources to support the compliance with the environment. The IDEO project is a global project of the Veolia group to promote innovation. Employees have the opportunity to design an innovation related to any activity or work process of the company. Since 2008, their projects have brought improvements in working procedures mainly in the field of operation, and annual savings have reached millions of crowns.

The Veolia group is also dedicated to the implementation of SMART technologies worldwide. SMART networks (the so-called SMART grids) are power electric and communication networks that allow to regulate the real-time electricity generation and consumption both on a local and global scale. Their principle lies in interactive two-way communication on current possibilities of production and consumption of energy between production sources and consumers or directly appliances. The network allows us to share the real-time information about the load, delivery quality or interruptions in delivery. It allows customers to efficiently manage consumption, such as turning on the water heating, washing or charging batteries at times with excess production capacity. In the Czech Republic, the Veolia group introduces, for example, SMART metering – smart records of billing meters, or SWIM – fully integrated control of Prague water and sewage systems.

## **HORNBACH<sup>91</sup>**

HORNBACH still places great emphasis on co-operation with suppliers who meet the requirements of strict environmental and sustainability directives. Therefore, when buying wooden products (e.g.

<sup>91</sup> Ochrana životního prostředí. *Hornbach.cz* [online]. [cit. 2018-08-01]

houses made of wood planks, terrace wood boards, garden fences, brushes, etc.), look for the following quality seal:



FSC® is an international, public benefit organization, the ultimate objective of which is to ensure sustainable forestry. That is why FSC® has created a uniform standard for the management of forest areas where a significant proportion of the world's forests is managed in a model way. The FSC logo indicates to the customer that it is a wooden product that comes from a sustainable use of a forest fund or saves forest resources.

The FSC standard prescribes that the ecological functions of the forest must be preserved. Protection from the extinction of endangered animal and plant species is in the spotlight. In addition, it ensures the rights of indigenous forest residents and workers. The FSC-certified forest is managed according to strict principles and criteria to keep the forest ecosystem for the long term. This brings long-term benefits not only to the forest ecosystem and the fauna in it, but we humans also lay the cornerstone for a sustainable and green future.

No tropical wood from illegal mining: with love for the environment!

**Search for products with FSC® certification.** In 2007, HORNBACH received a highly prized FSC® certificate (license number FSC-C010062) as the first large-scale building and garden shop for its involvement and original initiative in the field of ecologically and socially viable forest management since 1996. If you used to buy wood with the FSC® certificate only in a few specialized stores, you now have all HORNBACH stores throughout Europe with several thousand FSC® certified wood products guaranteed at consistently low prices available to shop with a clear conscience.

**Sustainable management – protection of the environment!** HORNBACH cares about nature! Of course, our commitment to the gentle and long-term sustainable use of natural materials extends to our entire product range. Natural products such as fences made of sticks that belong to our family of 'Natural Garden' products or also our bamboo fences from fast-growing raw materials.

The project of MBCO students<sup>92</sup> (short version)

**DETAILED PLAN OF THE CSR PROJECT IMPLEMENTATION**

<b>PROJECT TITLE</b>	Planting trees
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<b>Abstract (briefly and concisely describe the project's content in English)</b>	<p>The goal of this project is to plant new trees, to organize some team building activities for the employees of the AlfaPOL company and also to give the students of Moravian University College Olomouc some insight into planning and realization of CSR projects. The costs of the project are estimated to be approximately 4 000,- CZK and the project itself should be carried out from December 2015 to April 2016. The main stakeholders of the project are the AlfaPOL company, the employees of AlfaPOL company, the traders selling trees, the residents of Havířov municipality and the students of Moravian University College Olomouc.</p> <p>This project should result not only in an increase of the landscape value by planting new trees. It also aims to strengthen the work relations in the AlfaPOL company and, last but not least, the project gives the students of Moravian University College Olomouc an excellent opportunity to gain new experience with CSR projects.</p>
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<b>AUTHOR OF THE PROJECT</b>	
<b>MINIMUM NUMBER OF PARTICIPANTS (students / business partners or their employees)</b>	2/2
<b>MAXIMUM NUMBER OF PARTICIPANTS (students / business partners or their employees)</b>	3/7

<b>PROJECT OBJECTIVE (the SMART rule must be followed)</b>
Planting new trees to reverse the forced cutting down due to human activity and restoration of the ecological system. Landscape treatment for the public benefit. Tree planting will also be a teambuilding exercise (outdoor event) for employees of AlfaPOL company who will deepen their relationships in the workplace. The aim of the project is also to teach the MBCO students to plan a project and make them participate actively in the realization of the project.

<b>INCORPORATION OF THE PROJECT INTO CSR AREAS (highlight in bold one of the CSR areas below; for more detailed information, see ISO 26 000)</b>					
Human rights	Labour practices	<b>The environment</b>	Fair operating practices	Consumer issues	Community involvement and development angažovanost

<sup>92</sup> Internal material of the Department of Social Sciences and Law



**BENEFITS FOR INDIVIDUAL STAKEHOLDERS** (first, list all possible groups involved in the project (actively and passively), then, describe each group's involvement and the benefits that the implementation of your project will bring to them, and, finally, characterize the profile of the most suitable partner who the proposed project could be realized with, e.g. a company, non-profit organization, municipal office, self-employed person, etc.).

**AlfaPOL company** – is the sponsor of the event and one of the project implementers. By implementing the project, it will fulfil its social responsibility in the field of ecology, improve relations in the workplace with teambuilding exercises. The aim of this teambuilding exercise will be to bind the working team, which should lead to higher efficiency, and therefore work productivity. The company also aims at getting promoted in the local newspaper, which could lead to gaining greater public awareness.

**Employees at AlfaPOL company** – tree planting will also act as a teambuilding exercise for employees, giving them the opportunity to improve their mutual work relationships and teamwork in a situation that is different from their normal workload, while helping to restore the ecosystem. On average, AlfaPOL company organizes 2 or 3 days of the so-called 'Company days' which serve to improve mutual relations of employees in their workplace. For 2016, they chose the implementation of this CSR project as one of the Company Days.

**Traders selling trees** – they are going to make money from the tree sales. The trees will be purchased from a local vendor/gardener who has his shop in the village where the project is going to be implemented, which will lead to the support of the vendor/gardener as a local businessman.

**Residents of Havířov** – they are going to benefit from the improved environment and picturesque landscape in their place of residence.

**MBCO students** - they are going to learn how to plan a project and participate actively in the realization of the CSR project. They can use their acquired knowledge and experience in their professional life.

AlfaPOL company (<http://www.alfapol.cz/cz/>) was chosen as the most suitable partner. The subject of its business is the construction of buildings, their modifications and removals, project activities in construction, production, trade and services not specified in Annexes 1 to 3 of the Trade Licensing Act. In terms of construction, this company mainly specializes in the construction, modification and removal of road bridges, railway bridges, engineering networks, roads, etc.

**PROJECT JUSTIFICATION** (Is there a social demand for this type of project? Has anyone else implemented another similar type of project yet; map the 'competition' in the project location, or the existence of similar projects. What makes your project unique?)

AlfaPOL company has to face a minor environmental problem from time to time as a part of its business activity. It often happens that the employees must cut down some trees or get rid of a bush within the framework of the specified project documentation in order to comply with all the technical and safety conditions of the construction activities and buildings. From a social point of view, this activity is necessary since it would be impossible to build e.g. a railway bridge if the trees were not cut down. Nevertheless, the agent of the AlfaPOL company regrets that this way he depletes our landscape of trees and bushes, so he would like to respond effectively to this problem. Since it is mostly older trees that are cut down, it is advisable to preserve the wooded areas of our landscape for future generations, but they also need to be gradually restored. For this reason, AlfaPOL company would like to participate in my proposed project of planting new trees in terms of which it intends to plant one new tree (about 20 trees) for each tree that has been cut down in the territory of a particular municipality (the municipality of Havířov was preliminary chosen) where cutting down was necessary. When mapping the area of the project implementation, no similar activity of construction companies was detected (survey data came directly from competing companies, survey was also carried out in nearby municipalities).

AlfaPOL company also wants to use tree planting as a teambuilding exercise (outdoor activity) for their administrative staff. They are used to solving problems together only in offices within the subject matter their work. Therefore, AlfaPOL company aims at ensuring that these administrative staff jointly carry out tree planting outside, thus facing a completely different environment and problems that they will have to solve together within the implementation team. This should deepen their relationships in the workplace, workers should try teamwork in a different area and in circumstances other than their usual office workload.

**DETAILED DESCRIPTION OF THE PROJECT IMPLEMENTATION** (verbal description of the procedure and continuity of activities)

- In order to implement the project, it will be necessary to communicate continuously with representatives of AlfaPOL company. The initial communication with the company's agent has already taken place and he agrees with the project implementation. Mrs Wanderburgová, an assistant, has been chosen as the contact for communication with the company.
- It will be necessary to communicate continuously with the management of the specific municipality (or the landowners concerned) where the project is going to take place. The city of Havířov has been preliminary chosen because AlfaPOL company is currently carrying out construction activities in its territory.
- It will be necessary to ensure the purchase of trees which will be planted in the amount of about 20 pieces.
- It will be necessary to provide working equipment for planting (spades, buckets, etc.) either by purchase or by renting.
- The utility water for the first watering of trees must also be ensured.
- The possibility of reaching out to other sponsors or other companies that would like to participate in this project as a part of their corporate social responsibility aimed at ecology.
- The actual realization of the project – Planting Day.
- Cleaning and evaluation of the event.
- Another subsequent tree watering will take place about three weeks after the implementation of the project.
- Then the project will be defended in front of the committee at MBCO.
- About a month after the implementation of the project, the planted trees will be checked to find out whether they struck roots or not.



Ecology is one of the key - if not the most important - elements of sustainable development. In the short term, a 'healthy' approach to ecology brings competitive advantages to organizations (companies) and, in the long term, it helps the organizations to 'survive'. The economic impact of not respecting the environmental approach can entail insolvable additional costs for companies, not to mention environmental impacts. Therefore, the ecological perception of doing business is not only relatively simple to apply (waste sorting, energy saving, ...), but also unconditionally necessary, which is the fact that also organizations in countries where ecology is definitely not in the centre of attention have begun to realize.



1. Name the stakeholders of the environmental pillar of CSR.
2. Try to find out who is the biggest environmental polluter nearby your place of residence.
3. What environmental activities do you do yourself? Is there any space for improvement?



### Readings:

- [1] KAŠPAROVÁ, Klára a Vilém KUNZ. *Moderní přístupy ke společenské odpovědnosti firem a CSR reportování*. Praha: Grada, 2013. Management (Grada). ISBN 978-80-247-4480-3.
- [2] KUNZ, Vilém. *Společenská odpovědnost firem*. Praha: Grada, 2012. Expert (Grada). ISBN 9788024739830.
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## Chapter 8

# Social Pillar of CSR



After you have studied the chapter, you will be able to:

- Name stakeholders of the social pillar of CSR;
- Describe suitable activities of the social pillar of CSR;
- Identify the possibilities of implementing the elements of the social pillar of CSR in the organization.



Keywords:

Benefit, workplace safety, local community

## 8.1 Social Pillar (People) – Scope and Impacts

The last CSR pillar, but not in terms of importance, is the social pillar. This pillar is the easiest one for most organizations to handle. It covers a wide range of areas and activities. To simplify, two basic areas are defined: The area of **working environment** and the area of **the local community**. The above-mentioned facts determine the key **stakeholders** of the pillar:

### Working environment

- employees
- trade unions

The success of the organization is directly dependent on the approach of its employees. The work affects the quality of their private and family life and often affects their health, they also spend a significant part of the day at work, so it is extremely important that the employer creates the best possible working conditions.

### Local community

- non-profit organizations
- public

At the time when an organization starts its (business) activity, it becomes the part of the community. A business that is actively involved in the local community can identify business opportunities and strengthen the loyalty of its customers. Moreover, the support of community significantly helps to build goodwill of the business, the organization.<sup>93</sup>

Only some **CSR activities** are listed to illustrate the options:

### External (towards the local community):

- external corporate philanthropy
- dialogue with stakeholders

<sup>93</sup> Cf. HANZL, Daniel. *Společenská odpovědnost středních a velkých firem v sociální oblasti v Kraji Vysočina* [online]. [cit. 2018-08-01], p.

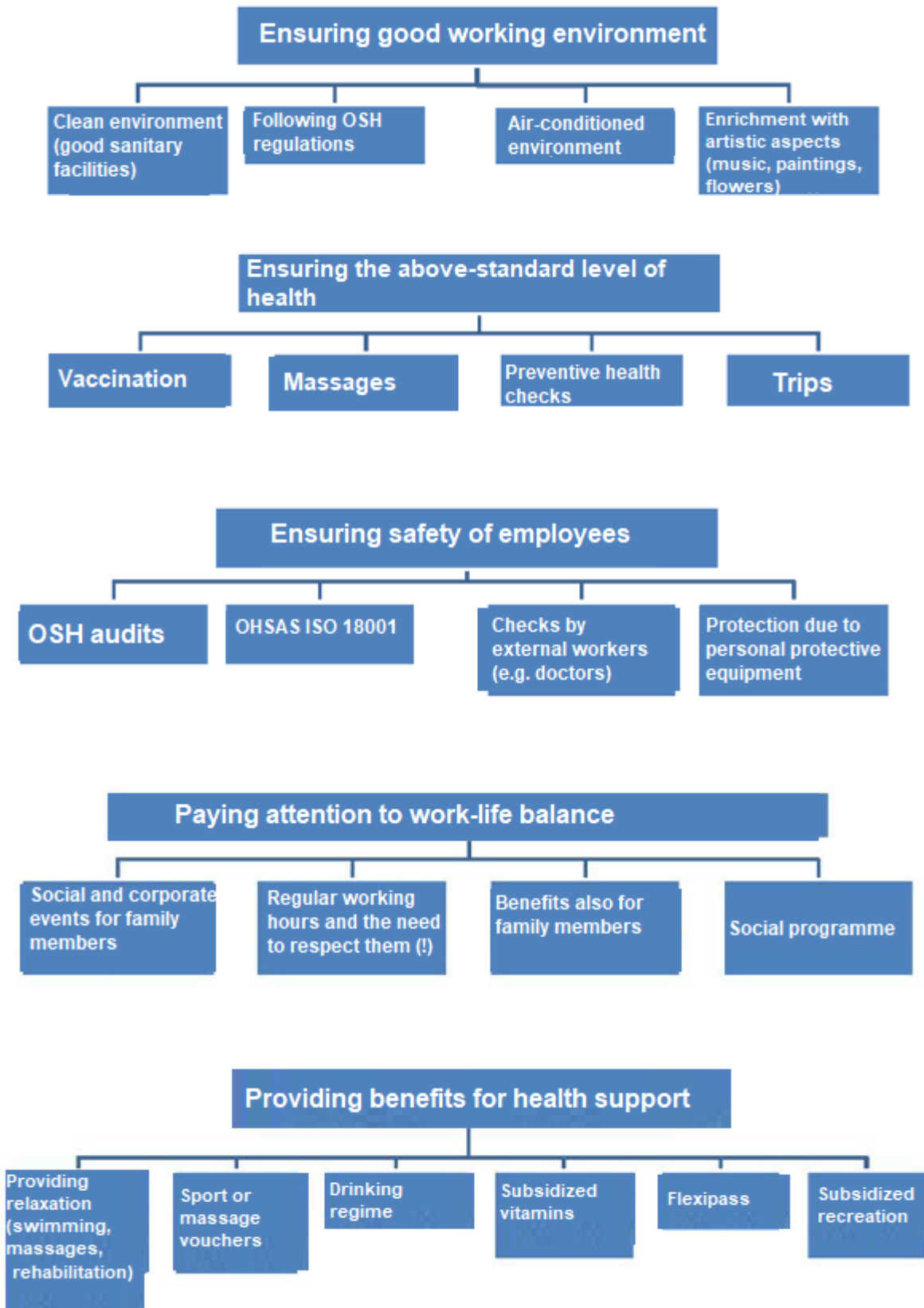
- support for activities of local associations
- prioritising local staff in recruitment and selection procedures
- employment of handicapped and otherwise disadvantaged persons
- corporate volunteering
- promoting the quality of life
- increase in employment
- development of local infrastructure

**Internal** (mainly in relation to employees):

- health and safety
- education and development
- work-life balance
- equal opportunities
- social integration
- diversity in the workplace (women, ethnic minorities, handicapped and older people)
- support for released employees
- involvement of employees in decision-making
- flexible working hours
- fair remuneration

Schemes 1 and 2<sup>94</sup> show examples of approaches to employees

<sup>94</sup> HANZL, Daniel. *Společenská odpovědnost středních a velkých firem v sociální oblasti v Kraji Vysočina* [online]. [cit. 2018-08-01], p.



The performance of given activities can be monitored (measured) within the social pillar as well as in other CSR areas. To provide a basic idea, several possible **parameters** (criteria) are presented:

- certificates
- the extent of donation and volunteering (absolutely, in proportion to profit)
- equal opportunities indicators (% of women in management, wage ratios)
- cases of discrimination
- fluctuation indicators
- number of the activities of co-operation with stakeholders
- human capital development (amounts, ratio to gross wages, % of trained employees, average wage)
- care given to released employees (number of retrained employees or new posts)

It would be pointless to provide more and more theoretical examples of the activities of social pillar. How different organizations do such activities will be described in the next subchapter.

## 8.2 Social Pillar (People) – Examples of Good Practice

**AGROFERT company** (short version)

**Social area**<sup>95</sup>

GROUND MACHINES, TECHNOLOGY, AND TRANSPORT: We're going in the right direction

Although it does not seem like it, our business could not do without logistics and transport services. Agriculture or food industry, in particular, is dependent on functioning machinery, ground technology and timely transport of feeding assortment, commodities, and fresh products. Almost 1400

<sup>95</sup>Sociální oblast. *Agrofert.cz* [online]. [cit. 2018-08-11].



employees are needed to operate the entire transport chain in the AGROFERT corporation and they welcome around 60 trainees and interns every year.

#### AGRICULTURE, PRIMARY PRODUCTION, AND FORESTRY: We rely on the young generation

Czech agriculture, primary production, and forestry need experienced experts who can take care of the landscape of the Czech Republic. This is the case in the AGROFERT corporation. All over 2800 employees have our deep respect for their work in these fields. Year after year, we try to show students and school graduates the beauty of agriculture, forestry, and primary production. That is why we actively co-operate with vocational training schools and universities. Between 2014 and 2015, we recruited 683 trainees and interns.

#### FOOD INDUSTRY: Food can help

Food companies of the AGROFERT corporation are mainly active in the regions of the Czech and Slovak Republics, where they contributed the amount of CZK 1.6 million to the development of people and regions in 2012 and 2013. AGROFERT corporation companies also help vulnerable groups of the population through food donation.

#### CHEMISTRY: Fire brigades help the surrounding areas

Every chemical plant of the AGROFERT corporation has established a professional fire brigade. These brigades provide our colleagues from the chemical industry with technical assistance, assistance in working with fire or combustibles or in the disposal of hazardous substances. Firefighters of the AGROFERT corporation are also a part of the integrated rescue system and help the general public in fighting fires, dealing with floods, but also in carrying out tactical exercises or training of youth. Their work is priceless. This is also shown by a number of out-of-work activities organised for local communities in their regions. In 2014 and 2015, a total of 155 professional firefighters worked in the AGROFERT corporation.

#### **Philanthropic activity<sup>96</sup>**

##### Helping others is normal

In the AGROFERT corporation, we try to be successful, but we always think about others as well with whom we are happy to share our results. We develop a number of activities for vulnerable groups of the population, for communities in places where we do business, but also for our own employees

<sup>96</sup> Filantropická činnost. *Agrofert.cz* [online]. [cit. 2018-08-11].

or the general public, with whom we want to share the joy of life, for example, during sports activities.

Main activities in the field of philanthropy are carried out by the AGROFERT Foundation which kindly helps wherever possible thanks to its projects and the main themes of activities for each year. We understand that the world cannot be saved, but we have tried to help, for example, single parents who found themselves in a difficult social situation, but are actively trying to get out of it. We have established Sport Centres of the AGROFERT Foundation in Czech schools so that children from lower-income families can freely play sports. We regularly contribute to food banks to help those at risk of food shortage, including retired people or multi-member families in particular. Employees of the AGROFERT corporation are also happy to join in these activities, for example in the form of a regular collection of gifts for children in children's homes.

The support of our companies provided directly to regions and communities is very important in all places where AGROFERT corporation companies do their business. It is represented by the education of young firefighters, organization of balls and cultural events, or help with snow removal thanks to the use of our machines – we want to be an active member of society and improve the living conditions of the inhabitants of the Czech Republic. Our help is provided for free. Because we like to be good neighbours.

## **TS BOHEMIA<sup>97</sup>**

### **We support:**

#### ***Veteran Arena***

T.S. BOHEMIA company is the general partner of the museum of classic cars called Veteran Arena. This Olomouc museum wants to honour the technique and art of the First Republic era, and that is why it is opening a uniquely distinctive art gallery as a part of its exhibition closely connected also with motorization and the region (more than a hundred of period vehicles especially of Czech pre-war production in a first-class restored state).

#### ***Children's home Olomouc***

The entire profit from fees on using payment cards in our e-shop are donated to children's homes in the Czech Republic. In 2010, we delivered a cheque for CZK 102,300 to a children's home in Olomouc.

<sup>97</sup> Podporujeme. *TSBOHEMIA.cz* [online]. [cit. 2018-07-19].

***Motorsport Janík***

We support the professional racing team Janík Motorsport which specializes in hill climbing.

***Women's Handball Team HC Zlín***

We support the handball team of female students under HC Zlín.

***Tennis Academy***

We financially support young promising tennis players aged from 5 to 10 at the Pavel Svoboda Tennis School.

**MOTOR JIKOV GROUP<sup>98</sup>****BENEFITS AND CARE FOR EMPLOYEES**

MOTOR JIKOV GROUP offers employees a number of interesting benefits which are focused on both work life and leisure activities.

**We have a sophisticated system of benefits and we present some of them:**

- Work on modern machines and equipment
- Work with high tech computing systems
- Good salary conditions including wage supplements and bonuses
- Possibility of higher wage supplements than required by law
- Additional wage supplements resulting from the union contract
- Remuneration for fulfilling the business plan indicators
- 5 weeks vacation
- Remuneration for blood donors without allowance
- Support of sports activities of employee groups
- Benefit vouchers to support leisure activities and health care
- Remuneration for working loyalty to the company

<sup>98</sup> BENEFITS AND CARE FOR EMPLOYEES. *Motorjikov.com* [online]. [cit. 2018-07-30]

- Contribution to additional pension insurance
- Social assistance in emergencies
- More benefits in days off work beyond the law requirements
- Interest-free loans for residential purposes
- Possibility of further education and qualification improvement
- Career growth development programme
- Possibility of accommodation in a hostel
- Contribution for meals in company cafeteria
- 7.5 hours of working time



The social pillar of CSR is a set of activities that have a direct or mediated impact on individuals and whole groups of people. The simplest way to divide stakeholders is into two groups: internal (employees) and external (communities, nonprofits, and others). Enlightened managers are aware of the importance of human resources as well as the needs of people within their organization who cannot carry out the desired activities to improve the quality of life by themselves for many reasons.



1. Name the stakeholders of the social pillar of CSR.
2. What benefits would you prefer when deciding on your job?
3. What social activities do you do yourself? Suggest one.



### Readings:

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## Chapter 9

# CSR Implementation into an Organization



After you have studied the chapter, you will be able to:

- Know the conditions for implementing CSR into organizations
- Know the rules of implementing CSR into organizations
- Understand the ISO 26 000 standard as a CSR implementation tool



Keywords:

CSR implementation, game actors, attitudes, managers, stakeholders, ISO 26 000

## 9.1 Support of CSR Implementation into Organizations

The implementation of the CSR concept in organizations is an integral part of the interest of entire society. Therefore, a number of initiatives are being developed aimed at supporting CSR in organizations, organizing events which raise CSR awareness between organizations, creating various incentives for the implementation of CSR into organizations.

What is the situation in Europe? An international organization called **CSR Europe** operates on the 'old continent'. Its only goal is to raise awareness of this modern trend in business. It cooperates with many national, equally oriented institutions. It provides services and information primarily to organizations that are interested in the CSR concept and co-operate with CSR Europe.

The **European Union** started to act in the field of CSR as early as in 2000 and joined the UN's idea that promoting such entrepreneurship was necessary at least to maintain the current situation.

In addition, the **Multistakeholder Forum** was established to support the spread of CSR. This forum brings together associations of entrepreneurs as well as unions of employees and non-profit organizations. Unlike CSR Europe, the Multistakeholder Forum is aimed at supporting small and medium-sized businesses.

The structure of the initiatives described above was not enough to cover all types of organizations according to their type, size and focus, yet was aware of their social responsibility, and therefore the European Alliance for Corporate Social Responsibility was also established. Any organization interested in CSR can enter this Alliance. The European Alliance will help them set goals and find the right means to meet them. In order to encourage the organizations, annual competitions for an organization with the best CSR strategy are also announced – e.g. TOP responsible company. It compares mainly the setting of the given socially conscious goals and their subsequent implementation. These competitions take place all over the world so they also exist in our country. They monitor both big players in all markets, but also small businesses. The currently recognized businesses include FedEx, Petrol, IMB, Intel, Shell and others<sup>99</sup>.

<sup>99</sup> Cf. Business leaders forum [online]. 2008 [cit. 2011-11-05]. CSR - Co je CSR?. Available at [www: <http://www.csr-online.cz/page.aspx?csr>](http://www.csr-online.cz/page.aspx?csr). CSR Europe [online]. 2011 [cit. 2011-11-05]. CSR Europe. Available at [WWW: <http://www.csreurope.org/>](http://www.csreurope.org/)

## 9.2 Implementation of CSR through 'Game Actors'

The level of social responsibility is measured by the way organizations consider all their decisions with regard to the impacts on their surroundings (employees, community, local associations and organizations). This requires a different approach than just an entrepreneurial one. Acceptance of CSR always requires a shift of the perspective on one's own social role from the level of *profit only* to a broader perspective in the context of three Ps – *people, planet, profit*. Moreover, it is the case of recognizing the ethical dimension of business. Although CSR is anchored in documents, EU provisions (Green Paper), these cannot be implemented without the implementation of CSR into internal ethics, code of ethics, organization, manager's actions. The reason is that social responsibility goes beyond the law. It is not unified in any way and, therefore, it cannot be enforced by law. Its rate thus varies in individual organizations, corporations, regions, and states. The voluntary implementation of CSR activities is based on the internal belief of individuals in the management of organizations that such behaviour is right. They are called '**game actors**'.

Now let's focus on those phases that fall within the **solving issues at the level of 'game actors'**. It is a view of CSR **through individuals** who are in the position of employees, managers, or, in the broader context, of the previously mentioned 'stakeholders' interested in whether and how the organization will participate in the CSR process. In order to implement the specific CSR activities of the organization, specific decisions must be made by individuals to follow this direction in business. Decisions governing the conduct of the entire organization are always based on the decisions of a larger or smaller group of individuals. In fewer cases, it can be based on the decision of one individual only (e.g. small organizations, self-employed persons). **Thus, a decision on the change of behaviour must be made.**

Under what conditions do individuals choose to change their actions? If organizations are to move from the traditional '*profit only*' approach to a broader view of business in the already-mentioned context of the *three Ps*, it is necessary to **influence the attitudes of individuals in the organization**, preferably key figures with decision-making competence (including the need to influence other individuals). In addition to quality information, attitudes are significantly influenced by previous experience and emotions.

How to influence key figures in organizations to make changes in their actions? A simple answer is offered. At the information level, we already have sufficient resources and incentives for understanding why and how to act in the current business conditions. We can find a lot of inspiration in other countries (UK, France, the Netherlands, etc.). We have a number of positive examples in our

country - the Czech Republic - as well, e.g. in local representations of large international corporations (e.g. Nestle Czechia, Vodafone Czech Republic, supermarket chains, etc.). In the syllabuses of both secondary and higher education institutions of economic character, the topic of social responsibility in business is marginally emerging. In developed countries such as North America or Western Europe (e.g. the United Kingdom), CSR even appears as a separate study programme for university education as well as an MBA programme or commercial training courses for managers. It is a quality theoretical education at the level of knowledge acquisition. If we want managers of organizations or other individuals to change their attitudes, we must look for effective ways to influence all elements of attitudes in addition to their education. And this is the situation when the classical forms of institutionalized education are no longer enough.

If we look at CSR as a process taking place in practice in the environment of specific companies, we can sort the previous views on solving CSR issues into the following continuum:

personality of an individual – environment in the organization – decisions of individuals in the organization – CSR activities of the organization – success of the organization

The continuum shows the view that:

- At the beginning of the whole process, there is the **personality of an individual** with his/her values, personal attitudes, personal social responsibility. According to the previous categorization, we stand at the micro-level of solving CSR issues.
- In a particular **environment of the organization** where the individual's personality enters into interaction, there operate the existing norms or emerging norms in the form of ethical codes, organizational culture itself, and influences of other personalities.
- The **decision in the organization** whether they will apply the business with CSR intentions and in what form is then the result of the interaction of individual personalities and the environment of the organization. Although such decisions are turned into the form of an organization strategy and specific activity plans, they are always decisions of individuals in the organization.
- Only at the next stage, **specific activities** can be carried out by the organization (activities of an economic, ecological or social character).
- In the part characterizing the essence of CSR, it was already clearly stated that the purpose of the whole process of business with CSR intentions is to increase the profit, success of the organization in the long term. The conclusion of the whole continuum can therefore be seen at this stage. It consists of the environment, a framework in which the described continuum operates and enters it at all stages in the form of idealistic, information and legislative incentives



of the wider business environment, i.e. corporations, states, in our conditions of the European Union<sup>100</sup>.

## 9.3 Procedure and Requirements of CSR Implementation into an Organization

If the organization decides to implement CSR, Steinerová<sup>101</sup> proposes the following:

1. First, management should publicly declare its support for responsible business and commit to measures that will lead to the improvement of corporate impacts on the market, working environment, local community, and environment.
2. The organization should first identify its key stakeholders and, subsequently, involve them in almost all stages of CSR implementation.
3. CSR should be based on values that are important to the organization in relation to each key stakeholder. The key values should be included in the wording of the organization's mission and communicated to all employees of the company and to the public.
4. The next step requires thorough self-evaluation. This brings an understanding of the current state of CSR in the enterprise, inspires further activities and motivates to achieve a systematic approach to CSR.
5. Organizations identify goals in each CSR field that should correspond to company values and principles. Companies usually set targets for a period of one year. After the year is over, they evaluate if they were fulfilled successfully.
6. The next step requires to create an action plan, i.e. the identification of CSR activities that will lead to the achievement of the set objectives. Practical information such as: allocation of resources, powers and responsibilities, and timetable should also be specified.
7. At the implementation stage, the organization follows a pre-created action plan, thus introducing CSR into the daily life of the organization.

<sup>100</sup> POKORNÁ, D. *Koncept společenské odpovědnosti*. 2012, p. 28.

<sup>101</sup> STEINEROVÁ, Magdaléna. *Společenská odpovědnost firem* [online]. 2008. Available at [http://www.blf.cz/doc/brozura\\_CSR\\_web\\_CZ.pdf](http://www.blf.cz/doc/brozura_CSR_web_CZ.pdf). Downloaded on 16.2.2009 [www.mhinternational.com](http://www.mhinternational.com)

8. In the next step, the organization conducts performance evaluation using a set of quantitative and qualitative indicators, which provides management with the data needed to make further decisions.
9. In the reporting stage, the organization provides a complete picture of CSR performance through a CSR report or presentation on a website. The report should not lack information on the achievement of the objectives set in the previous year and setting of new targets for the next period.
10. In the last step of the implementation cycle, the organization proposes measures to improve CSR performance, expands its responsible activities, or possibly changes the CSR strategy.

According to **ISO 26 000**<sup>102</sup>, the organization should act as follows when implementing it:

Because social responsibility deals with the impacts and possible impacts of activities and decisions of the organization, the constant and regular activities of the organization represent the most important behaviour that requires special attention. Philanthropy (donation to charitable purposes) can have a positive impact on society. However, it should not be used by organizations to avoid the necessity to deal with the impacts of activities that are essential for the purpose of the organization's existence.

The impacts of an organization's activities can be greatly influenced by its relationships with other organizations. An organization may sometimes need to work with other organizations to be able to carry out its responsibilities. This can include partner organizations, competitors, or organizations that are a part of the value chain in CSR.

The organization should be responsible for:

- results of the organization's decisions and activities, including unintended or unforeseen essential contexts and the fundamental impact of the organization's decisions and activities on stakeholders.

The organization should be transparent in terms of:

- the way it decides, implements and conducts reviews, including the identification of roles, responsibilities and powers for all functions that exist in the organization;
- standards and criteria which the organization uses to assess its performance;
- the purpose of its existence, nature of its activities and locations where they are carried out;

<sup>102</sup> ČSN ISO 26 000:2011: Pokyny pro oblast společenské odpovědnosti.

- the known and likely impacts of its decisions and activities on others and whoever the organization considers to be its stakeholders.

Organizations should actively promote ethical behaviour by:

- encouraging and promoting the respect for standards of ethical behaviour;
- setting and communicating the ethical behaviour standards necessary for workers, in particular those who have the opportunity to significantly influence the values, culture, integrity, strategy, and operation of the organization; minimizing conflicts of interest throughout the organisation;
- establishing bridging mechanisms and management elements to monitor and enforce ethical behaviour;
- establishing mechanisms to facilitate reporting of breaches of ethical standards that reduce concerns about repression and the identification and treatment of situations when local laws and regulations do not exist or such laws and regulations are in conflict with ethical behaviour.

As far as stakeholders are concerned, the organization should:

- identify stakeholders on the basis of who can be influenced by their decisions and activities;
- be aware of and respect the interests and needs of stakeholders and respond to the expressed interests of stakeholders;
- take into account the different capabilities of stakeholders to contact the organization and engage in its activities;
- take into account the relationship of stakeholder interests to broader interests of the society and sustainable development as well as the relationship of stakeholders to the organization;
- consider the views of stakeholders that might be affected by the decision, even if they have no formal role in the management of the organization or are not aware of their interests in the organization's decisions or activities.

In terms of law, the organization should:

- comply with the requirements of laws and regulations in all areas in which the organization operates;
- ensure that its relations and activities operate within the intended and relevant legal framework;
- comply with its own statutes, policies, rules, and procedures and apply them fairly and impartially;

- identify the legal rights and legal interests of stakeholders;
- be kept informed of all their legal obligations and regularly review compliance.

In the area of human rights, the organization should:

- respect the rights set in The Universal Declaration of Human Rights;
- accept that these rights are universal, i.e. that they are applicable in all countries, cultures, and situations;
- should do its best to respect human rights in situations when they are not protected, and to avoid benefiting from such situations. When legislation ensuring the protection of human rights does not exist, is inadequate or not respected, the organization should implement measures to influence laws and regulations and their application in a way that they comply with internationally recognised human rights.

**Basic CSR topics according to the ISO 26 000 standard:**

Organization management and administration (informal structures, transparency, non-corruption, democratic decision-making processes)

**Human rights**

- due diligence (impact assessment of measures, elimination of the identified negative impacts)
- discrimination and vulnerable groups
- civil and political rights (right to life, freedom, association, information...)
- economic, social, and cultural rights (making equipment available, connecting with other organizations, making products and services available to poor people)
- basic principles and rights at work (extension of mandatory legislation)

**Work relationships**

- Employment and labour relations (refuse utilitarianism, making work available to both men and women, pro-family measures)
- Working conditions and social protection (work-life balance, social benefits)
- Social dialogue (enable informal dialogue in the workplace)
- Occupational safety and health (anti-stress measures, occupational hygiene measures, health care)

- HR development and education in the workplace (events outside compulsory training, socially interesting topics, care for dismissed employees)

### **Environment**

- Pollution prevention (use of technology, careful purchasing policy)
- Sustainable use of resources (recycling...)
- Mitigation of and adaptation to climate change
- Nature conservation, habitat restoration

### **Business ethics**

- Fighting corruption
- Responsible political involvement
- Fair competition
- Promotion of CSR in the value chain
- Respect for property rights

### **Consumer protection**

- Fair marketing
- Protecting the health and safety of consumers
- Sustainable consumption
- Customer service
- Protection of business data and consumer privacy
- Access to basic services
- Education and raising awareness

### **Community engagement and development**

- Engagement
- Education and development
- Job creation and increase in qualification

- Technological development and access to technologies
- Wealth and income creation
- Health
- Social investment



The CSR concept is practically implemented in the form of activities and through initiatives that have different names with a specific description of content. Most of the terms originate in the countries of origin and development of the CSR concept – the USA and the UK – they thus have their original names in English.

CSR reporting and measurement methodologies in organizations comprise a specific group.



1. Enter Corporate Social Responsibility in a search engine. What links to the topic do you find? What issues are addressed in the links?
2. Search for information about the TOP responsible company competition. What categories are announced in the competition? Which organizations are the winners in individual categories?
3. In your opinion, is the ISO 26 000 standard suitable for implementing CSR even in non-profit organizations?



### Readings:

- [1] ČSN ISO 26 000:2011: *Pokyny pro oblast společenské odpovědnosti*. Úřad pro technickou normalizaci, metrologii a státní zkušebnictví. 2011.
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## Chapter 10

# How to Communicate CSR?



After you have studied the chapter, you will be able to:

- propose a communication plan for the project,
- use appropriate forms and channels of marketing communication for the CSR project,
- create a promotional leaflet.



Keywords:

marketing communication, publicity, promotional material, communication plan

## 10.1 Publicity of CSR Projects/Activities

Publicity is a part of CSR. It is the main tool for spreading not only the CSR idea, but also examples of good practice towards other organizations. When preparing and creating any CSR project in the organization, it is therefore necessary to also plan and carry out the **publicity of the project** in addition to all organizational matters.

In a positive sense, we understand publicity (or PR, Public relations) as information that enhances the image (reputation, goodwill) of an individual, company, organization, etc. It is an active influence on public opinion or opinion of another specific target group in order to gain consent among citizens. The consent can be represented by the purchase of advertised goods, service, choice, etc.<sup>103</sup>

Even the best project will not be successful if no one knows about it. CSR as a voluntary activity of organizations based on a creative approach is reliant on PR that helps its spread. Examples of CSR activities of organizations are a source of inspiration for other organizations, a call to follow, a guide to implement.

Therefore, a **communication plan (for students of MBCO it is included in the CSR project preparation)** should be a part of the socially responsible activity in the organization.

The communication plan answers the following questions:

- **WHY** (analysis of the situation and setting communication goals)
- **to WHOM**
  - What are our **target groups** – who will help us best to achieve our goals?
  - Which groups of residents do we need to reach out to? What age are they? Where do they live? Where do they get information?
- **WHAT** (setting key messages - ideally for each target group)
  - What do we want this group to know? What do we want to change for this group?
- **HOW** (selection of tools, techniques, channels, and media)
- **WHEN** (timetable)

<sup>103</sup> FTOREK, J. *Public relations jako ovlivňování mínění: Jak úspěšně ovlivňovat a nenechat se zmanipulovat.*



- **FOR HOW MUCH** (budget)
- How can we get **feedback** and evaluation of communication success effectively.

### Communication channels

When marketing CSR activities/project, we can use the following most suitable communication channels:

- media
  - printed or electronic (regional journals, municipal newsletters, company magazines)
  - PR (paid or unpaid)
  - advertising (paid or it is possible to use barter, i.e. 'exchange' service for service)
- **Internet** - websites of the organization and partners, blogs, discussion forums
- **social networks** – Facebook, an event on Facebook, Instagram, YouTube. Make the most of our 'digital era' and your own activity or knowledge of social networks. Social networks provide many opportunities for free advertising and promotion. Take advantage of your circle of friends, ask them to co-operate.
- **direct e-mailing, newsletter** - customers, employees
- **printed materials** – leaflets, brochures, posters, distribution of marketing materials to mailboxes or, for example, on a bulletin board in the organization, etc.
- **public events** – discussions, lectures, conferences, patronage of a famous / important person, cultural days, open door days, sponsorship
- **channels of the school, its partners.**

A few notes on communication channels:

- Take advantage of the communication channels of the participating organizations in the project. Each of them has a website, social networks, maybe a corporate magazine.
- If it is a municipality, use the municipal radio, municipal magazine, bulletin board.
- Don't be afraid to reach out to regional media editors.
- Use databases and event calendars on the Internet.

## 10.2 Forms of How to Communicate the Information

**The most common forms of communication** - PR tools that we can use when communicating our project:

- article
- interview
- video
- photos
- leaflet
- advert
- infographic
- etc.

### **Article / Press Release**

The press release (PR) must be attractive to the media and understandable even to the lay public. It is therefore necessary to clearly explain the terms used.

### **Recommended structure:**

- caption - attractive, concise and brief,
- subtitle - to clarify the topic,
- lede – the first paragraph as a short and fast cross-section of the entire content (summarising the fundamentals),
- PR body – detailed information sorted in paragraphs using the method of an 'inverted pyramid', i.e. from the most important facts to additional and more precise information,
- background - the last paragraph covering the history, development and other contexts of the issue,
- credit - identification of the PR author and author of the image material,
- contacts – always include your mobile phone number and e-mail in the PR.

A well-chosen picture is worth a thousand words.

## 10.3 Principles for Creating Promotional Materials

Creating a leaflet about the event is one of the key tools of CSR project publicity. Creating a leaflet is not easy, several rules can help us.

Before creating a promotional material, think again about who you want to reach and how and where you will distribute the material. (What format should we use? What material should be used?)

When creating a leaflet about the event, it is good to **accept several rules**:

1. Provide only **essential** information – WHAT, WHEN, WHERE, WHO + contact for more information. Further information (e.g. programme, project detail, etc.) can be provided only very briefly or on the next page or in a separate document, link, etc. The leaflet should also include a call to action. We need to realize: what is the purpose of the leaflet? What exactly are people supposed to do? Come somewhere? Do something? What's the next step? You should state this here, do not rely on the recipients to infer it themselves.
2. Raise **interest** – use a slogan, distinctive photo, picture, appropriate colour scheme. A headline doesn't always have to be the name of an event, it can be the main idea, slogan, etc.
3. Use appropriate fonts:
  - rather sans serif,
  - consider readability (the resulting print format can be different than you see on your computer)
  - beware of multiple font styles — individual styles can be combined, but they must always match together (be from one 'family' of fonts, etc.) and more than 2 styles, or a maximum of 3, should not be used.
4. Think of **contrast** – text vs. background, choose the appropriate shading or frame for problematic images.
5. Follow **CIM** (corporate identity of the company). Each organization should have its own corporate identity manual. It clearly defines what colours and fonts the organization should use. It

contains rules for using the logo as well as usage templates. It is absolutely necessary to strictly follow this manual.

6. Use **related colours**. Each colour has a certain 'tinge', it affects the recipient in a particular way. Therefore, we consider colours corresponding to the nature of the product or services. We consider using pastel colours vs. bright colours.
7. Use the correct images.
  - Always use quality photos (printing requires high resolution photos), quality logo resolution.
  - Always use 'legal' images or photographs, i.e. with the consent of the author or images clearly marked for free use.

**Tip:**

How to obtain a 'legal' image, i.e. a picture with the consent of the author?

1. Take your own photo
2. Use the 'free' databases, e.g.:
  - Pixabay ([www.pixabay.com](http://www.pixabay.com))
  - Unsplash ([www.unsplash.com](http://www.unsplash.com))
3. Use the database 'Google Images', but beware, always actively use the search tool 'Rights of Use'



It is very important to communicate every CSR project/activity as much as possible, i.e. to give it the necessary publicity. Publicity should be planned in advance, avoid retroactively 'looking for a place to write about the project' after it has been realized. Properly scheduled publicity can significantly help reach out to the company partner of the project. CSR projects can and should bring positive publicity to companies, which is very much appreciated when building the company's reputation.

Nowadays, social media and digital marketing give us a large number of free and very effective marketing communication channels.

When creating promotional materials, it is necessary to follow certain rules. The most important rule is to accept and adhere to CIM, i.e. the company's manual of corporate graphic identity.



1. Prepare the design of the poster for the Christmas Fair organized at MBCO. What information will you provide? What visual form will you choose? Give reasons why — what effects you want to achieve by using individual information and visual elements.
2. Write a short press release about the realized Christmas Fair at MBCO. Justify the importance of the provided information.
3. How (where) do you get a suitable image for the promotional material? What are the consequences of unauthorized use of an image for the promotional material?



### Readings:

- [1] FREY, P. *Marketingová komunikace: nové trendy 3.0.* 3., rozšířené vydání. Praha: Management Press, 2011. ISBN 9788072612376
- [2] FTOREK, J. *Public relations jako ovlivňování mínění: Jak úspěšně ovlivňovat a nechat se zmanipulovat.* 3., rozšířené vydání. Praha: Grada, 2012. ISBN 9788024776385



## Chapter 11

# CSR Concept Standardization and its Performance Measurement



After you have studied the chapter, you will be able to:

- Name the standards and norms relating to CSR;
- Justify the benefits of CSR standardization;
- Distinguish exact, index, and benchmarking methods of CSR evaluation.



Keywords:

Standard, norm, ISO 26000, measurement, reporting.

## 11.1 CSR Standards

There are many reasons for implementing the CSR standards into the organization. These standards are becoming the important tools in the development and spread of CSR ideas. The standards have played the role of tools for both internal and external assessment of the CSR level in organizations, they can be also helpful in the process of implementing the CSR concept in the company (organization) to a certain extent. Using standards can be motivated, for example, by attempts to:

- distinguish the company from competitors,
- improve the reputation in public,
- meet stakeholders' demand for standards,
- demonstrate accountability to stakeholders,
- acquire new information and education of employees,
- avert the risk of introducing further legislation,
- maintain the business licence,
- improve internal and external communication,
- increase productivity and product quality,
- prevent crises,
- reduce the risk of fines imposed by state authorities.<sup>104</sup>

**International CSR tools and standards according to the National Information Portal on CSR<sup>105</sup>:**

### **A 1000 Accountability/Assurance Standard**

AA 1000 is a generally applicable set of standards from 2008 for all types of organizations (both private and governmental). Its aim is to verify the credibility of organizations – principles, rules of dialogue with stakeholders and requirements for the corporate social responsibility management system, including the quality of CSR reports in the field of economic, environmental, social, and

<sup>104</sup> KAŠPAROVÁ, Klára a Vilém KUNZ. *Moderní přístupy ke společenské odpovědnosti firem a CSR reportování*, p. 45

<sup>105</sup> Mezinárodní nástroje a standardy CSR. *Národní informační portál o CSR* [online]. [cit. 2018-08-02]

ethical responsibility. The standard is owned by Account Ability, a non-profit organization based in England. It aims to promote fair business.

### **Global Reporting Initiative (GRI)**

The Global Reporting Initiative is an organization that has developed a set of indicators suitable for the implementation and comparable measurement and evaluation of corporate social responsibility. GRI is a large international organization with experts in many countries of the world. Its centre is in Amsterdam. Methodologies for publishing sustainability (Sustainability Reporting Guidelines) are the cornerstone of the system. GRI-based sustainable development reports can be used to compare behaviour of organizations with respect to laws, norms, ordinances, standards of conduct and voluntary initiatives. They can also compare behaviour of organizations over time. The reports prove the commitment of organizations in the field of sustainable development in specified areas. Basic prerequisites for using the GRI methodology in practice:

- CSR is a part of the management system of the organization.
- CSR is built in three pillars – economic, environmental, and social.

### **ISO 26000**

The ISO 26000 standard – Guidelines for social responsibility present a comprehensive description of the whole concept of the social responsibility management system. It includes generally accepted CSR principles, possible areas for selecting activities, their implementation and evaluation. It can be considered a 'cookbook' for those who do not know or are not sure how to apply the principles of social responsibility. This standard is neither used to evaluate the CSR level, nor intended for certification, but it means a set of information and recommendations for CSR application in the company. The standard has several basic objectives, mainly:

- provide guidance to organizations on building CSR;
- identify and attract stakeholders;
- increase the credibility of CSR Reports;
- increase customer satisfaction;
- stress the need for performance growth;
- be consistent with existing system standards.



### **SA8000 Standard**

SA 8000 is a certification standard that determines requirements in the fields of child labour, forced labour, OSH, discrimination, working hours, right of assembly and remuneration. It also sets the basic requirements for the management system. The non-profit NGO Social Accountability International (SAI) in the USA created the standard. This organization has gained great experience in this issue and strives to maintain high international prestige. Certification under this standard can be carried out only by certification bodies accredited by SAI. Several companies are certified according to this standard in the Czech Republic. In the opinion of the Quality Council of the Czech Republic, however, the standard contains most of the requirements that have been fulfilled in Czech conditions without problems for a long time (child labour, forced labour, etc.), system requirements are then addressed by standards of the ISO 9000, ISO 14000, and OHSAS 18000 series.

### **OECD Guidelines for Multinational Enterprises**

In 2000, the OECD (Organization for Economic Cooperation and Development) published the latest version of its Guidelines which contain a number of recommendations on the responsible conduct of multinational corporations formulated by governments. This version was updated in 2011 in the form of an amendment. The recommended topics include organization policy, organization management, transparency and openness, employee relations, environment, fight against corruption, organization economic results, risk management, fair competition.

In order to implement the OECD Guidelines at the national level, the National Contact Point (NKM) was established by the government decree No. 779 of 16th October 2013 as a permanent working group at the Ministry of Industry and Trade.

The aim of NKM is to: raise awareness of the Guidelines among the public concerned; deal with questions relating to the Guidelines; assist in finding solutions in the so-called specific cases which concern the implementation of the Guidelines (a specific case means the notification submitted to NKM in terms of Guidelines infringement in a multinational company); co-operate with other national contact points when dealing with specific cases or any other matter relating to the Guidelines.

### **Tripartite Declaration of Principles on Multinational Enterprises and Social Policy**

The International Labour Organization has prepared the Tripartite Declaration of Principles on Multinational Enterprises and Social Policy (MNE Declaration), which provides guidance for businesses that wish to follow the principles anchored in international labour standards in addition to their legal obligations. At the same time, it is a valuable tool for trade unions to use in their efforts to preserve and improve the situation of workers. The aim of the MNE Declaration is to 'promote the positive contribution that multinational enterprises can make to economic and social progress and

to minimise and resolve the problems that their activities may cause, taking into account UN resolutions advocating the establishment of a new international economic order'.

A handbook for the MNE Declaration has also been prepared to help trade unions to define and implement the policies and principles contained in the Declaration, while also contributing to greater involvement of the International Labour Organization and its branches in the Declaration implementation.

### **UN Global Compact**

UN Global Compact is an international network of companies and organizations that have decided to unite their mission and day-to-day activities with ten generally accepted principles of social responsibility in the fields of human rights, working conditions, environment, and corruption. UN Global Compact co-ordinates socially responsible activities of individual companies through national networks which are currently located in 85 countries worldwide.

The Global Compact National Network of the Czech Republic was established in April 2015 and has spread the basic principles of this international initiative in the Czech environment.

### **UN Guiding Principles on Business and Human Rights**

The UN Guiding Principles on Business and Human Rights is a comprehensive framework of human rights principles that states and businesses should follow. The aim of these principles is to prevent and stop adverse effects of commercial activities on human rights. The principles can be divided into three basic pillars:

- responsibility of the state to protect human rights,
- responsibility of businesses to respect human rights,
- compensation for violations of human rights by both actors.

CSR standards determine the direction of how CSR can be implemented into an organization, what areas to address, and in many cases, they also represent the base for reporting, or measuring CSR performance in the organization, in other words how beneficial it is to all stakeholders.

## 11.2 CSR Measurement

Although social responsibility represents a set of voluntary activities, organizations also expect something in return for these activities (prestige, recognition, loyalty of employees and customers, etc.). Therefore, it is very clear that there are initiatives which would be able to distinguish or evaluate which organization is 'more socially responsible'. If there is a concept and its standards, then it is only logical that methods (methodologies) how to measure CSR exist as well. As stated by Pavlík and Bělčík<sup>106</sup>, it is possible to define two groups of CSR measurement, the **exact and index** methods and **benchmarking** methods.

### Exact methods

The most popular exact methods of CSR measurement are:

- Corporate Responsibility Index;
- ISO 26000;
- EFQM, modified CAF model in the case of public administration;
- OECD Guidelines for Multinational Enterprises;
- AA 1000 AccountAbility/Assurance Standard;
- SAN (Social Audit Network);
- ETHIBEL (Ethibel Quality Label);
- SA 8000 (Social Accountability International);
- Global Reporting Initiative (GRI);
- **London Benchmarking Group** (Responsible Company Standard in the Czech Republic);
- Dow Jones Sustainability Index;
- FTSE4GOOD.

<sup>106</sup> Cf. PAVLÍK, Marek a Martin BĚLČÍK. *Společenská odpovědnost organizace: CSR v praxi a jak s ním dál*, pp. 100-102

It is clear from the list that many CSR standards also function as a methodology on how to measure CSR. Below, an example of one of the methods - **LBG** - is presented.

The London Benchmarking Group methodology was introduced in the Czech Republic in 2005 by the Forum of Donors organization under the name Responsible Company Standard. In the context of corporate donation, the essence of the LBG methodology is to assess both cash value of all costs (called inputs) and the immediate results (called outputs) and to define long-term effects (called impacts). The methodology evaluates the short- and long-term benefits from the perspective of the organization as well as the local community. The advantage of the methodology is the ability to compare organizations with one another (benchmarking). The model distinguishes three forms of engagement of an organization in voluntary activities to support the local community:

- **corporate donations**

Irregular support for public benefit events and projects. Donations are provided without the right to get a benefit for the company in return. All forms of corporate donation belong to this category.

- **corporate investment in the local community**

Long-term strategic engagement of the organization in the local community and partnerships with non-profit organizations. Organizations choose entities they wish to support in accordance with the vision and in order to ensure long-term benefits, most importantly to enhance the image and reputation of the organization.

- **commercial activities in the local community**

Commercial activities of the organization connected with community support, presentation of the company brand in the context of partnership with a non-profit organization. The company expects a direct competitive advantage from its activities. For example, these include sponsorship or shared marketing (using marketing activities to promote the company together).

**LBG model inputs and outputs:**

**Inputs**

- Financial donations made directly or through a non-profit organization.
- Material contribution provided in the form of products, equipment or use of premises.
- Employee time paid by the company, but spent on supporting the community.
- Management costs associated with organizing and communicating the project.

## Outputs

- Increased contribution in the form of additional resources obtained for the project due to the direct impact of the company (government and EU subsidies, contributions of employees, customers or business partners).
- Community benefits resulting from corporate support (e.g. the number of people who have used the new service).
- Benefits for the company resulting from community support (e.g. brand awareness).<sup>107</sup>

## Index and benchmarking methods

### Measurement based on the content analysis of annual reports

The data for the chosen approach are relatively easy to access, so the measurement approach seems relatively simple. In practice, however, there can be inaccuracies in the measurements given mainly by the inconsistent approach of individual organizations to creating annual reports. The complexity and credibility of annual reports can also be an issue.

### Measurement based on findings from questionnaires

As a rule, the methodology used is the key element of these methods. If a questionnaire is inaccurately or incorrectly compiled, the outputs can be distorted.

### Pollution indices

This approach is relatively objective, the evaluation is usually carried out by independent organizations. A certain limitation of the approach from the point of view of the sector in which the organization operates represents a disadvantage.

### Indices assessing a company's reputation

Most often, indices reflect the opinions of various stakeholders of the organization. However, the possible subjectivity of these opinions can be problematic. Critics of this approach also point out that it is mostly large firms which are placed at the top in similar rankings, but their rank does not necessarily reflect CSR, but rather the general public awareness of the company.

<sup>107</sup> PAVLÍK, Marek a Martin BĚLČÍK. *Společenská odpovědnost organizace: CSR v praxi a jak s ním dál*, p. 105

### Information obtained from credit rating agencies

'To a large extent, it is a synthesizing evaluation of various areas of socially responsible behaviour provided by credit rating agencies, which is a guarantee of the validity and objectivity of the conclusions presented.' The fact that credit rating agencies do not usually publish an accurate methodological procedure because they consider it to be their internal know-how makes this method, or evaluation, not entirely transparent. To some extent, this fact complicates the possibility of comparing organizations on the basis of this rating information and indices.

There are other ways how to indirectly measure - or evaluate - CSR of organizations. They include participation and winning good ranking in various competitions and lists, existence of implemented ISO standards (9001, 14 001), awards in connection with quality and the like.<sup>108</sup>



CSR standardization and measurement has experienced unprecedented development in the last period. Organizations hope to get another competitive advantage using these approaches. In particular, large corporations are moving in this direction. This is mainly due to the access to resources and the interconnection of CSR with the company's strategy. CSR performance evaluation is not an unconditional condition for the success of an organization, but the truth is that a high CSR rating can make it easier for companies to obtain a bank loan, new investor, state guarantees for new projects, and so on.



1. In your opinion, what are the main benefits of ISO 26000?
2. In which areas does the CAF model correspond to CSR ideas?
3. What social responsibility awards are provided in the Czech Republic?



### Readings:

- [1] ČSN ISO 26 000:2011: *Pokyny pro oblast společenské odpovědnosti*. Praha: Úřad pro technickou normalizaci, metrologii a státní zkušebnictví, 2011.
- [2] POKORNÁ, Dana. *Koncept společenské odpovědnosti: obsah, podstata, rozsah*. Olomouc: Univerzita Palackého v Olomouci, 2012. ISBN 978-80-244-3348-6.

<sup>108</sup> Cf. PAVLÍK, Marek a Martin BĚLČÍK. *Společenská odpovědnost organizace: CSR v praxi a jak s ním dál*, pp. 106-107

- [3] KAŠPAROVÁ, Klára a Vilém KUNZ. *Moderní přístupy ke společenské odpovědnosti firem a CSR reportování*. Praha: Grada, 2013. Management (Grada). ISBN 978-80-247-4480-3.
- [4] PAVLÍK, Marek a Martin BĚLČÍK. *Společenská odpovědnost organizace: CSR v praxi a jak s ní dál*. Praha: Grada, 2010. Management (Grada). ISBN 978-80-247-3157-5.



## Chapter 12

# Examples of Good Practice and CSR Projects of Students



After you have studied the chapter, you will be able to:

- Describe how organizations approach social responsibility;
- Explain what specific steps can organizations take in order to implement some CSR topics;
- Clarify how organizations present their CSR activities;
- Describe CSR activities in small and medium-sized organizations;
- Formulate the objective of a CSR project according to the SMART rule;
- Prepare a viable CSR project.



Keywords:

CSR project, project objective, SMART, benefits, CSRExchange



## 12.1 Examples of Good Practice in CSR of Small and Medium-sized Organizations

We already know that CSR is not a domain of only big organizations. Below, you can see an example of a presentation covering socially responsible behaviour of the company Hennlich<sup>109</sup>:



<sup>109</sup> Internal material of the company provided to MBCO for study purposes



HENNLICH

# Strategies?

Other things are also important for us



TRADITIONS



INTUITION



PEOPLE



HENNLICH

## WHY?

1922, Duchcov, North Bohemia



H.A. Hennlich



**A remark of national administrators from 1945:**

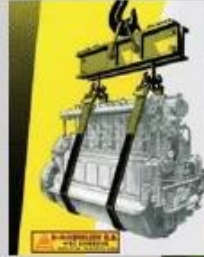
*'As far as we know, Mr. Hennlich always treated the Czech citizens as best as he could and, if possible, he helped them as well.'*



HENNLICH

### WHY?

1946, Schärding, Austria



H.A. Hennlich



1947

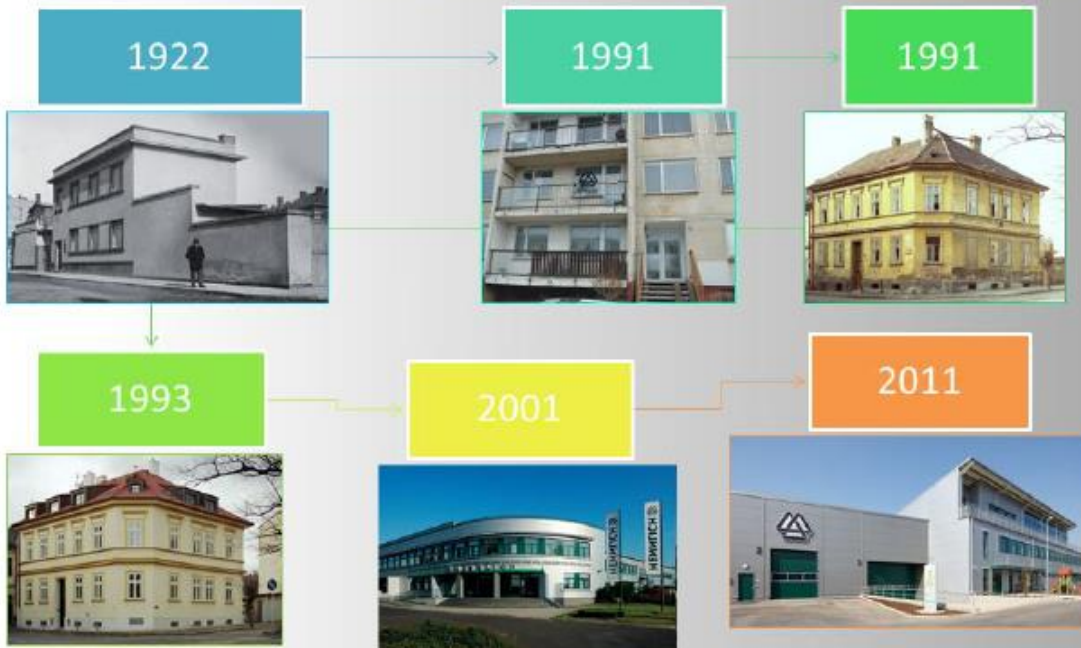


H.W. Zebisch

1989



HENNLICH





HENNLICH

## WHY?

**Martin, we come from Litoměřice,  
let's bring a part of our success  
back here.**



of the system is formed by our management and  
our people

[www.hennlich.cz](http://www.hennlich.cz)



HENNLICH

## WHY?

**II.**

**In addition, we are ready to accept a higher degree  
of responsibility for our surroundings beyond our  
obligations set by the law. We are driven by our  
conscience and possibilities.**





HENNLICH

## 3 PILLARS OF CSR



We live in harmony...

we are socially responsible

- ➔ REGION and WE
- ➔ NATURE and WE
- ➔ PEOPLE and WE

[www.hennlich.cz](http://www.hennlich.cz)



HENNLICH donation fund

## REGION and WE

### HENNLICH DONATION FUND

In terms of the programme 'Litoměřice - live city is you' we support non-profit activities of young people living or studying in Litoměřice

- ➔ 2006 via The Ústí Community Foundation
- ➔ 120 projects supported
- ➔ more than CZK 750,000 distributed
- ➔ educational purpose

MANAGEMENT: the agent evaluates projects, participates in announcements





HENNLICH

## NATURE and WE



**The lowest possible impact on the environment**

- Heating the premises using heat pumps
- Ecological cooling of the premises in summer
- Our own system of rainwater collection and infiltration



**An ecological production program**

- heat pumps
- flue gas heat exchangers
- biogas stations
- ORC units

**MANAGEMENT: a lifelong task**

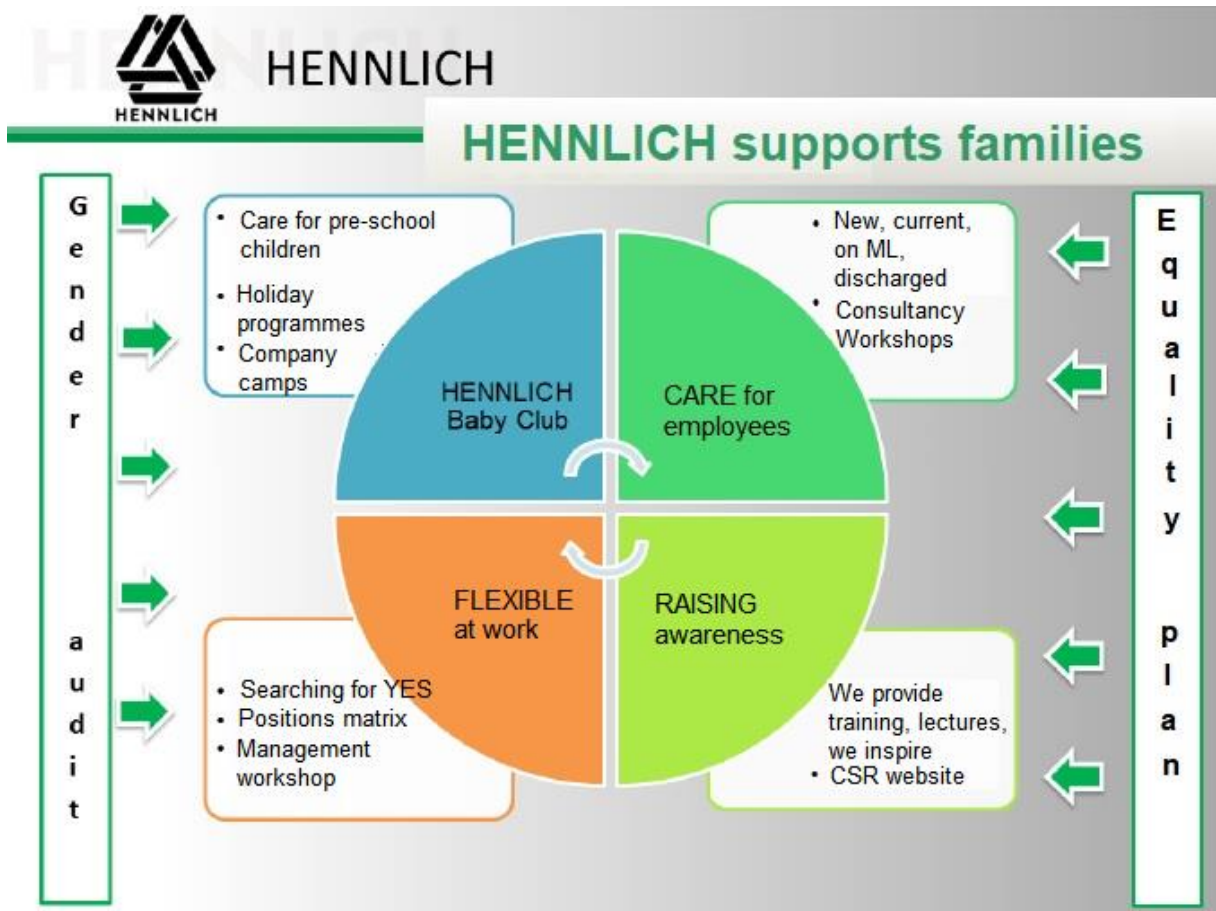


HENNLICH

## PEOPLE and WE



**MANAGEMENT: workshops, consultations**



**HENNLICH**

## HENNLICH Baby Club

**We look after the children of our employees.**

Ecology, the Montessori approach, family, logopedics  
We want our care to be worth it.



HENNLICH

## FLEXIBLE AT WORK

We respect various life phases and situations that may occur



Training & education of managers

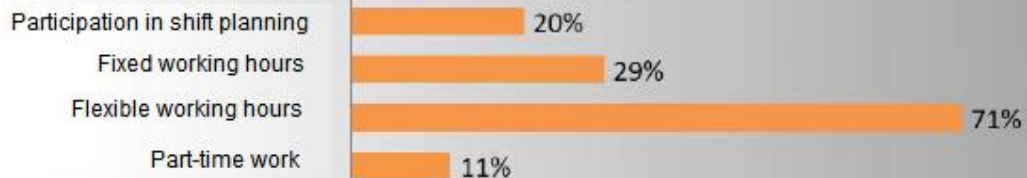
Why?

Looking after children, Studies  
Looking after an elderly member of the family  
Illness, Other interests

Flexible working hours  
Shift planning  
Part-time work, contracts of service  
Home/Mobile-office

How?

Positions matrix

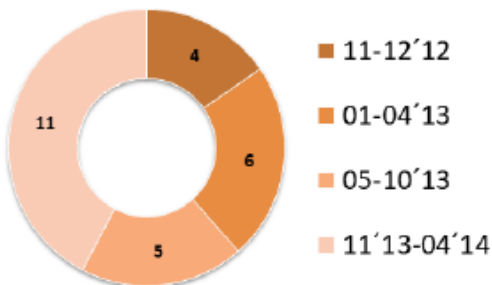


HENNLICH

## HENNLICH SOS line

There can be situations in our lives when we have to rely on urgent professional help

26 consultations provided



Don't be alone with your problems!



365

7

24

- relationship problems
- upbringing of children
- serious illness
- addictions
- loss of a close person
- workplace problems
- burnout syndrome
- financial problems
- legal consultancy

Everything can be solved...





HENNLICH

### WLB OFFICE

Discussions & consultancy



Mobile workplace & kids corner



Silence & relaxation area



Boardroom & company library



HENNLICH

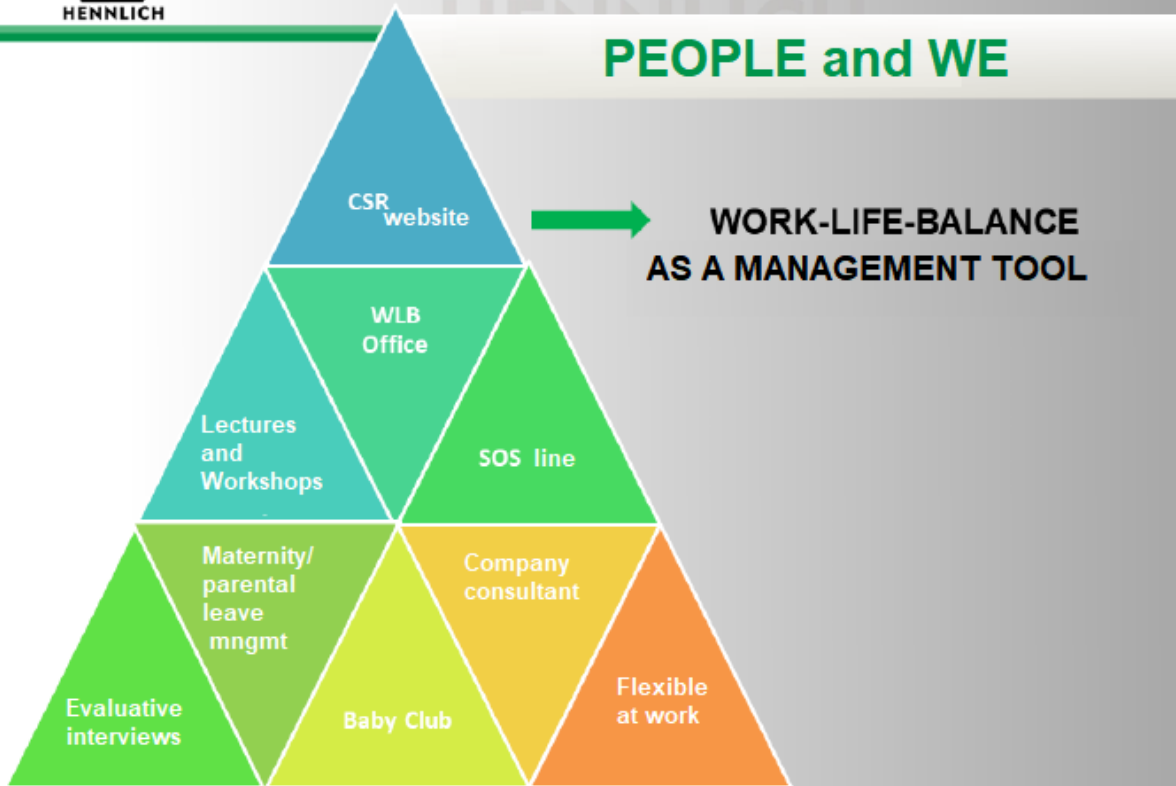
### ML/PL MANAGEMENT





HENNLICH

## PEOPLE and WE

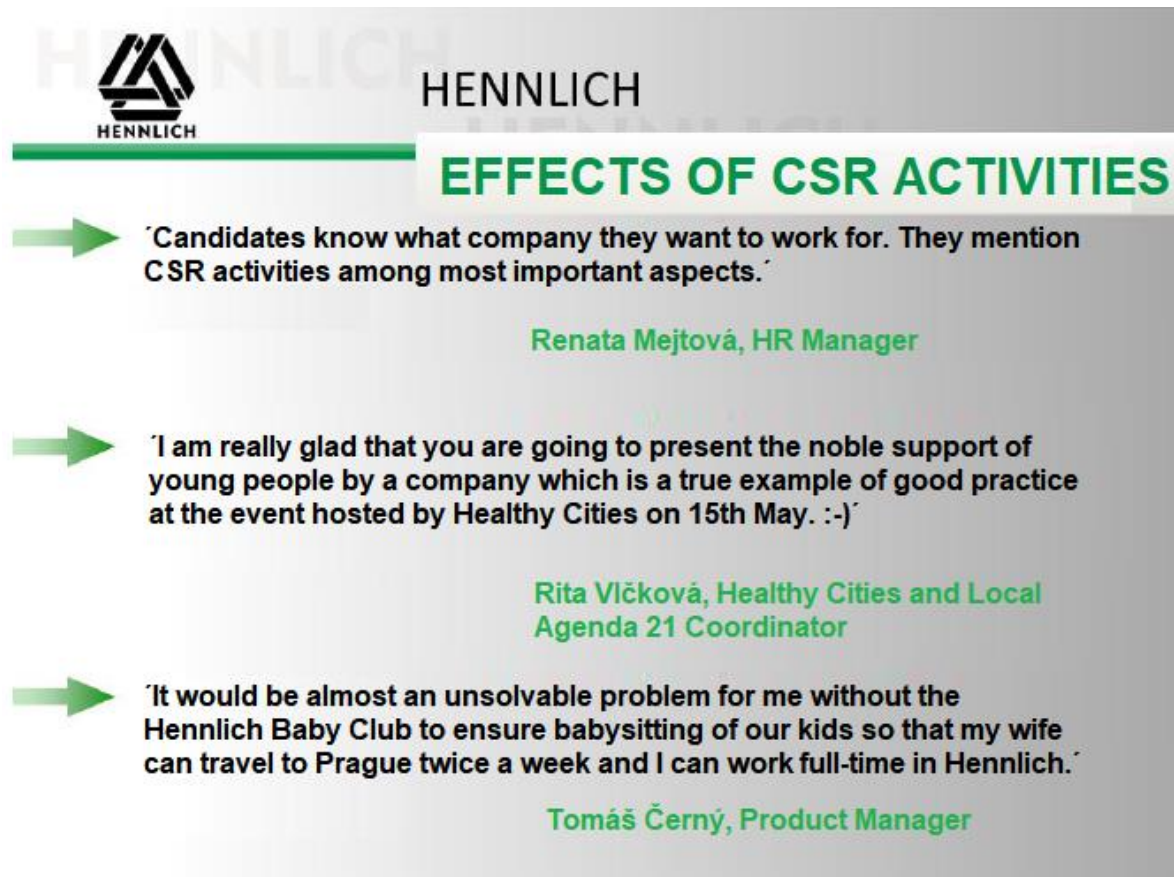


HENNLICH

## HOW DOES IT BENEFIT US?

- keeping qualified staff
- stabilization of staff with heavy workload
- parents return sooner from parental leave
- lower absence, less errors
- keeping healthy fluctuation
- increase in loyalty, motivation, satisfaction and performance of employees
- higher competitiveness when searching for new co-workers
- lower cost of searching for and training of new employees
- improved company image, better position on labour market, goodwill
- following the policy of equal opportunities, respecting company values
- increase in profit and value of the company in the long term





HENNlich

THANK YOU FOR YOUR ATTENTION



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## 12.2 Examples of Good Practice: Student Projects and Guidelines for CSR Project Processing

### 1. MANUAL FOR THE PREPARATION OF CSR PROJECTS AT MBCO

#### What CSR means

*'... a voluntary integration of social and environmental aspects into daily corporate operations and interactions with corporate stakeholders'. Green Paper by the European Union, 2001.*

*'Corporate social responsibility means creating a strategy of an organization that successfully links the main activities of the company with other voluntary activities. In addition to its legal obligations, the company engages in public life and, at the same time, it sensitively responds with voluntary activities to the problems of the local community and the entire society.'* Dana Bernardová.

### Benefits of implementing CSR projects

**Students:** When implementing projects, you will use your knowledge gained in classes (especially classes on management) in practice. You will use your teamwork skills and develop your communication and presentation skills. You will be in direct contact with company partners. You will understand business from a different perspective.

**Companies:** CSR projects will enable companies to raise their profile and save money by co-operating on the project with students. Due to the project, companies will get an idea of what CSR means and what form the CSR project can take, they can expand their activities with CSR and help in their surroundings.

**MBCO:** Thanks to CSR projects, we develop project teaching and continue to co-operate with companies. We create a database of successful projects and collect data for research activities. The projects also enable us to introduce our students to the public. MBCO also participates in many projects and thus includes CSR in its own activities.

### 3 basic areas to focus your CSR projects on

**Economic:** e.g. transparency, rejection of corruption in the company, loyalty programs for clients, preference for local suppliers, measures for disadvantaged customers, advertising ethics, rules of conduct ...

**Environmental:** e.g. saving natural resources, regulating energy and material consumption, transport of employees to work, waste management, ecological production ...

**Social:** e.g. support of workers' health, safety, disadvantaged groups, non-profit interests, social activities, equal opportunities, education of employees, healthy lifestyle,...

### Procedure of the project preparation

**Done:**

- |   |                          |
|---|--------------------------|
| 1. First, choose the company which you will prepare the project for.                | <input type="checkbox"/> |
| 2. Specify the target group. Who will the project be targeted at?                   | <input type="checkbox"/> |
| 3. Specify the recipient of the activity result. Who will benefit from the project? | <input type="checkbox"/> |
| 4. Analyze the company's strategy and evaluate its needs.                           | <input type="checkbox"/> |
| 5. Identify and analyze stakeholders.   | <input type="checkbox"/> |
| 6. Propose your own CSR project in the detailed implementation plan form.           | <input type="checkbox"/> |

**Detailed CSR project implementation plan - see the form below**

This document is designed to help you think about the project and prepare your detailed project proposal.

Fill in all items according to the instructions in the document.

Please pay special attention to the objectives of the project (SMART)!!!

When planning, be specific and focus on a specific business, location, time of implementation.

The plan must be prepared in such a way that it is feasible in the summer semester! That is why it is necessary to communicate with the selected company during the preparation of the project proposal and plan the implementation of the project together.

**Conditions for submitting project proposals**

- **At least 1x mandatory personal consultation with the assigned supervisor.**

*(see current name list of students with assigned supervisors).*

Arrange a consultation with the supervisor - you will present your project proposal (prepared in the form of a detailed implementation plan) and your idea of the implementation procedure in a particular company to him /her.

**The procedure for processing proposals (submitted to STAG) is always precisely set in the following logic and sequence:**

- you will submit your first project proposal **by the first** deadline.

After this date, we recommend a personal consultation with your supervisor.

- you will submit the modified project proposal **by the second** deadline.

Comments and suggested edits that you have consulted with the supervisor will already be included in this proposal.

- You will submit the **final proposal by the third** deadline.

**Submit the final project proposal after processing comments from the supervisor!**

**Information on the progress of CSR projects (summer semester)**

During December and January, supervisors will select the best of your project proposals. In the second half of January, you will be able to enter for the selected project through the CSR Exchange website ([www.csr-exchange.eu](http://www.csr-exchange.eu)). You will implement selected projects in teams. At the end of the project implementation, each team will prepare a final report according to the instructions and defend their project in front of a committee.

### Criteria for evaluating projects multiplying socially responsible benefits

- Acquisition of another business partner /multiple business partners;
- Maximizing socially responsible effects of the CSR project
- Finding more staff than the number of members of working groups (i.e. in fact, more people are actively involved in the activity than promised in the plan);
- Publishing an article /report on the implementation of the project in the press and on a website;
- Creation of PR video (approx. one minute long);
- Publishing in national media (e.g. radio, television);
- Presentation of the project results at the conference;
- Spreading information on the progress of the project on specialized CSR sites (e.g. CSR forum, www.csr-online.cz etc.);
- Education of corporate partners in CSR topics, creation of a CSR section on the company partner's website;
- Students' own ideas.

#### 1. DETAILED PLAN OF CSR PROJECT IMPLEMENTATION - an extract<sup>110</sup>

<b>PROJECT TITLE</b>	Cleaning of the 'Bystřice' river
<b>Abstract (briefly and concisely describe the project's content in English)</b>	<p>Honeywell Aerospace Olomouc makes parts to airplane engines. The company has more than 1100 employees. The main part of business is machinery manufacturing which usually produces a lot of waste. The company has complex waste management and own sewerage plant and it emits cleaning water to the river Bystřice. The company, which is situated in Hlubočky – Mariánské Údolí, has a big influence on surrounding environment. The river Bystřice, which flows along the building of Honeywell company, springs in district Bruntál and after 56 kilometers it flows to river Morava in Olomouc city.</p> <p>The river is important part of our local nature and every year a lot of rubbish regularly appear in the river and riverbed because of senseless habits of other people.</p>

<sup>110</sup> Internal material of the Department of Social Sciences and Law

	<p>This project is targeted at the environment - more precisely at engagement of the company and its employees in protection of the near environment which is influenced by industrial production.</p> <p>In this project, the company can support the event called Cleaning of river Bystřice by material and promotional items. Honeywell Employees will make active teams and will be involved in cleaning. Company will help with promotion of the event and spreading knowledge about nature in our neighborhood.</p>
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<b>AUTHOR OF THE PROJECT</b>	
<b>MINIMUM NUMBER OF PARTICIPANTS (students / business partners or their employees)</b>	1/20
<b>MAXIMUM NUMBER OF PARTICIPANTS (students / business partners or their employees)</b>	5/30

<b>PROJECT OBJECTIVE (the SMART rule must be followed)</b>
<p>S - Specific: Organize together a benefit event aimed at improving the environment around the Bystřice river. Organize a one-day Cleaning of the Bystřice River in 2018. Connect the company and the local community through promotion, material, and direct physical assistance of the company's employees in the collection and disposal of garbage and waste accumulated in the Bystřice riverbed.</p> <p>M – Measurable: Publish a minimum of three articles in the newsletter for Honeywell employees (measure: printouts) before the event; Submit an application to the Honeywell Hometown Solution Foundation for a grant to purchase material for the event or promotional items (proof: completed grant application); Have employee representation at the event (name list of participants with signatures + joint photo taken at the event); River cleaned from waste (measure: local association report)</p> <p>A - Achievable: The company has an employee at its disposal who will deal with this; the sponsorship budget is pre-approved and co-operation on this activity fits into the company participation strategy (proof: the strategy of Honeywell Hometown Solution on the website: <a href="https://citizenship.honeywell.com/hometown-solutions/habitat-conservation-programs/">https://citizenship.honeywell.com/hometown-solutions/habitat-conservation-programs/</a>)</p> <p>R - Realistic/Relevant: Connecting the business firm with the community to improve life in the vicinity of the company fits into the concept of social responsibility.</p> <p>T – Time-specific - one-day event held on 19th May 2018. A report on the success of the event will be obtained by 30th May 2018.</p>

**INCORPORATION OF THE PROJECT INTO CSR AREAS** (highlight in bold one of the CSR areas below; for more detailed information, see ISO 26 000)

Human rights	Labour practices	<b>The environment</b>	Fair operating practices	Consumer issues	Community involvement and development
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**BENEFITS FOR INDIVIDUAL STAKEHOLDERS** (first, define all possible groups affected by the project (both actively and passively), then, describe each group's involvement and the benefits that the implementation of your project will bring to them, and, finally, characterize the profile of the most suitable partner who the proposed project could be realized with, e.g. a company, non-profit organization, municipal office, self-employed person, etc.).

Local citizens involved in the event: improving the environment in the place of residence

Municipality and local community: support from the largest company in the municipality regarding the promotion and donation of material and the increased number of people involved.

Company: positive PR, people's awareness of the company in its surroundings, publicity of the Honeywell Olomouc branch in the EMEA region.

MBCO students: Practical experience in completing a grant application and creating advertising for an event with a focus on How to motivate employees to help the local community and the environment. Understanding legal issues of sponsorship or donation (a sponsorship agreement with the local association will be signed).

**PROJECT JUSTIFICATION** (Is there a social demand for this type of project? Has anyone else implemented another similar type of project yet; map the 'competition' in the project location, or the existence of similar projects. What makes your project unique?)

The river is clogged with waste and garbage every year. We have already agreed to participate in the event with the local association (Václav Břeha). They ask for people's help in order to clean up as much of the river as possible. They also ask for help with refreshments and promotional materials, or small promotional items and souvenirs such as T-shirts, badges, etc. This is a non-profit event, but they would like to appreciate local citizens who will come to help by offering small gifts.

**DETAILED DESCRIPTION OF THE PROJECT IMPLEMENTATION** (verbal description of the procedure and continuity of activities)

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PROJECT IMPLEMENTATION ITEMS					
No.	ACTIVITY NAME	DURATION (from - to)	VERIFIABLE OUTPUT	METHOD OF VERIFICATION	RESPONSIBLE PERSON
1.	Grant application from Honeywell Hometown Solutions	1st - 15th Jan 2018	Grant application completed	Response from the foundation saved	Stanislav Švec
2.	Selection and purchase of promotional items	15th Mar - 15th Apr 2018	Order in the system	The order and invoice archived	Stanislav Švec + purchasing department rep
3.	Writing articles	15th Apr - 30th May 2018	Articles finished	Three individual copies of the newsletter saved	Stanislav Švec
4.	Creation of a poster and ad placed on the company's Intranet	1st May - 18th May 2018	Graphics created	The printscreen of Intranet website saved	Stanislav Švec
5.	The event takes place, the company's employees participate	19th May 2018	Name list of participants, photos	Saved photos, attendance list	Stanislav Švec
6.	Data collection and evaluation	19th - 30th May 2018	Organizer's report	Printed report and comparison with records from last year	Václav Břeha
7.	Defence of the CSR project	June 2018	Presentation	Entry in STAG	Stanislav Švec

**PROJECT SCHEDULE**

YEAR	2017							
Activity number	1.	2.	3.	4.	5.	6.	7.	8.
1.								
2.								
3.								
4.								
5.								
6.								
7.								

(Gantt chart/GanntProject, MS Project v PDF, SmartDraw, MS Visio)

FINANCIAL DEMANDS OF THE PROJECT (budget)			
No.	ACTIVITY NAME	HOW THE ACTIVITY IS FUNDED	TOTAL COST OF ACTIVITY (CZK)
1.	Purchase of material and promotional items	Grant or budget for PR activities	10,000
2.	Activities to promote and advertise the event	Promotion budget	1,000
3.			
4.			
5.			
6.			

OVERALL VERIFIABLE PROJECT OUTPUTS (see project objectives, project value added)
<p>Saved photos from the event</p> <p>Attendance list of company employees who took part in the event</p> <p>Reports of the event organizer and the number of participants compared to last year</p> <p>Documents of the budget expenditures</p>

PROJECT RISKS				
R.	RISK	PROPOSED RISK ELIMINATION MEASURES	DEADLINE FOR ELIMINATING THE RISK	RESPONSIBILITY FOR ELIMINATION
a.	Insufficient financial resources	Preliminary approval of the branch's budget for PR activities in case of non-approval of the grant from the Foundation	7th Feb 2018	Švec Stanislav and company leaders
b.	Unwillingness of employees to participate in the event	Direct addressing of individual department managers and request for their support of the event	30th Mar 2018	Švec Stanislav
c.				
d.				
e.				
f.				

NOTE (final comment; what you consider important to mention outside the specified boxes)

## **2. EXAMPLE OF A STUDENT ACTIVITY - Code of ethics for students /CSR project processors**

The provisions of this Code of ethics are used to promote ethical behaviour and decision-making. It therefore helps to improve both external and internal behaviour of our group (i.e. the 2nd year at MBCO). The goal is 100% success rate of our group and quality of developed topics.

### General provisions:

- The Code is and will be enforced in the MBCO 2010 group.
- The Code serves as a helpful mentor in 2011.
- Compliance is highly recommended.

### Specific provisions:

- Always treat all members of the group nicely, vulgarity and similar behaviour will not be accepted!
- Meet the specified deadlines!
- Follow the specified ranges and completeness of the developed topics!
- Communicate with each other!
- If you are not sure, contact the appropriate person /people!
- Every problem has its own or alternative solution!
- Everything you do, do it honestly, directly, friendly, dynamically, with a good mood and try to do more than they expect of you!
- Develop teamwork!
- Respect each other!

### 3. CSR PROJECT PROPOSALS TO BE PROCESSED (offer from 2014)

#### MBCO projects

Focus: proposals of events for the benefit of life in the city, region, MBCO publicity

- Following the success of MBCO event On a Bike to Work, advance to the national level
- Donating blood or bone marrow
- Olomouc Picnic, how to involve the city of Olomouc in a nationwide event <http://www.piknikjakobrna.cz/>
- Design processing of waste materials
- MBCO at the half marathon in Olomouc – using the event for publicity, establishing co-operation, MBCO people as flag-bearers

Focus: event proposals for staff, pupils, and students with a socially useful impact

- Charity exchange or fair in spring 2014
- Sports events such as competitions, teambuilding, trips in spring 2014
- 4th year of running to the 18th floor for mixed teams of students and corporate partners in terms of the sports day of PU and MBCO in May 2014
- Thematic sleepovers of pupils in a school

#### Projects for the Little Noah Foundation

Focus: processing of proposals for the foundation

- Design of the foundation mascot for marketing purposes of the foundation.
- Creation of a name for arranging adoptions of children in an orphanage in Zambia and the way of securing adoptions of children in the Zambia orphanage (elaborate on remote adoption - new ideas, new name, find adoptive parents).
- Overall marketing strategies of the foundation.
- Suggest a way to get sponsors of new trees and propose a programme of a tree planting event in an existing location in the Little Noah Park.
- Organization and programme of a charity concert in the locality of Háje Malého Noe near the village of Velký Týnec planned for 24th or 25th May 2014.

- A proposal to arrange the programme of a charity concert for Africa.

### **Projects of the Olomouc University Hospital**

Focus: processing of the planned events of UH into the form of a project

- Continuation of the Clean Hands event
- Continuation of the event For a More Beautiful World of Children in closed departments of the Olomouc University Hospital

### **Association of Wheelchair Users (generally beneficial company)**

Focus: processing of proposals

- Obtaining contracts for digitization of documents
- Obtaining contracts for the call centre
- Marketing strategies

#### 4. FINAL REPORT OF THE REALIZED CSR PROJECT - short version<sup>111</sup>

## MORAVIAN BUSINESS COLLEGE OLOMOUC



### CSR - Sport for Children

**Author:** Roman Konečný

**Implementation team:** Roman Konečný, Ladislav Mauci, Helena Richterová,  
Veronika Ryšková, Petr Šmehlík, Ondřej Krejčí

**Partners' names:**

The municipality of Vrbátky Decathlon

Sports clubs in the municipality

Grand - Dubany bakery Štětovice Kindergarten

Dubany, Vrbátky Kindergarten and Primary school

**Supervisor:** Mgr. Martin Fink

**Academic year:** 2017/2018

**Defence date:** 6th August 2018

<sup>111</sup> Archive of the Department of Social Sciences and Law

## 1. Introduction

This project was created on the initiative of the project author (Roman Konečný) who wanted to attract more children to sport. Children from Vrbátky and its surroundings should be involved in this project; they can try one of the sports and find out if they would like to do the particular sport actively in the future in cooperation with one of the local clubs.

## 2. Project assignment

PROJECT TITLE	Sport for children
Abstract (briefly and concisely describe the project's content in English)	Event for children who can try more than 6 different sports. 10 members in my realization team. Minimal budget = 10,000 CZK. Stakeholders: families, children, Decathlon, sport club in Vrbatky. Sport for everybody.

AUTHOR OF THE PROJECT	Roman Konečný
MINIMUM NUMBER OF PARTICIPANTS (students / business partners or their employees)	4/4
MAXIMUM NUMBER OF PARTICIPANTS (students / business partners or their employees)	6/6

PROJECT OBJECTIVE (the SMART rule must be followed)
Attract families from local municipalities to the event held in May 2018 so that their children get into sports, as the Czech citizens are becoming more overweight according to the survey. Approximately 2300 inhabitants live in the surrounding villages which fall under the Vrbátky municipality. There are 3 kindergartens and one elementary school with 1st and 2nd level, the project targets children from the 1st level. The goal is therefore to attract 150 or more children with their parents to the event. I will be organizing the event in co-operation with the municipality of Vrbátky and Decathlon company. The event consists of presenting several sports and the possibility for children to try them; children can possibly also establish co-operation with local or other clubs, thus making the children start doing one of the sports.

INCORPORATION OF THE PROJECT INTO CSR AREAS (highlight in bold one of the CSR areas below; for more detailed information see ISO 26 000)

Human rights	Labour practices	The environment	Fair operating practices	Consumer issues	<b>Community involvement and development</b>
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**BENEFITS FOR INDIVIDUAL STAKEHOLDERS** (first, define all possible groups affected by the project (both actively and passively), then, describe each group's involvement and the benefits that the implementation of your project will bring to them, and, finally, characterize the profile of the most suitable partner who the proposed project could be realized with, e.g. a company, non-profit organization, municipal office, self-employed person, etc.).

Families in municipalities – an opportunity for parents to make their children spend time outside and give them a chance to find out that even exercise can be entertaining

DDsport – a local sports equipment company that is an integral part of any local sports event, it would therefore gain some publicity in the village once again by a sponsorship donation

The municipality of Vrbátky – Vrbátky has recently expanded its sports grounds (a sports hall, gym, workout playground), so the objective of this project coincides with the goal of the municipality which would only provide its premises and the event for the citizens would be organized under its name. The event can contribute to the satisfaction of citizens.

Štětovice Kindergarten, Dubany, and Vrbátky Elementary School and Kindergarten – these institutions can support this event and, at the same time, become partners. Schools and kindergartens gain more prestige by becoming partners of such events, even if only their pupils take part.

Vrbátky Football Club – engaging children in a funny way and motivating them to play sports in the given club

Vrbátky Volleyball Club – engaging children in a funny way and motivating them to play sports in the given club

Dubany PE Club Sokol – engaging children in a funny way and motivating them to play sports in the given club (floorball, kick-boxing)

Vrbátky Sports Club - engaging children in a fun way and motivating to join a sports club in the village (petanque, badminton, ping-pong, 50m sprint, baseball)

Vrbátky Voluntary Firefighter Association – engaging children in a funny way and motivating them join this association

Grand Vrbátky – a delicatessen that can prepare also healthy food and could do a PR activity in the form of CSR providing a healthy diet for young participants of the sports day

**PROJECT JUSTIFICATION** (Is there a social demand for this type of project? Has anyone else implemented another similar type of project yet; map the 'competition' in the project location, or the existence of similar projects. What makes your project unique?)

It is a project I want to use to make children do more exercise. Nowadays, many children go out of the house less often because they sit at their game consoles or computers. 15 years ago, we were fighting for a place in the playground, today, for example, this playground (renovated) in our village is empty. The project will be unique because there will be several sports available to try and so the greater the chance that children will like at least one of them and will continue doing it. In addition, there will be people who understand a lot of sports and can possibly approach some young talents to pursue sports at their club.

DETAILED DESCRIPTION OF THE PROJECT IMPLEMENTATION (verbal description of the procedure and continuity of activities)
In the local municipal office, I will find out the free dates of sports facilities in spring 2018. I will arrange assistance of local clubs (sports equipment, volunteers). Afterwards, I will reach out to DDsport and Grand to co-operate in the form of sponsorship donations for the event. I will find workforce among athletes from my surroundings and from the Vrbátky Football Club in particular (20 members in the club – participation promised by at least 10 of them). Then, I will select a free date and book sports grounds. We will use marketing to promote the event using leaflets, local public address speakers, posters, etc. (schools, kindergartens, bus stops, train station...)

PROJECT IMPLEMENTATION ITEMS					
No.	ACTIVITY NAME	DURATION (from - to)	VERIFIABLE OUTPUT	METHOD OF VERIFICATION	RESPONSIBLE PERSON
1.	Booking premises	11/2017-1/2018	Agreement including a written confirmation of the mayor of Vrbátky	municipal office	Roman Konečný
2.	Sponsors and volunteers	11/2017-1/2018	Contracts, agreements (Decathlon, DDsport, FC Vrbátky, VC Vrbátky, Dubany PE Club Sokol, MBCO students)	Meetings	Roman Konečný
3.	Other volunteers	1/2018-4/2018	From among friends if necessary (by appointment)	Meetings	Implementation team
4.	Marketing	2/2018-4/2018	Posters in schools, local public address speakers, presentations in kindergartens and 1st level of elementary schools	Checking	Implementation team
5.	Event schedule - creation	3/2018-4/2018	Schedule prepared	Checking	Implementation team
6.	Realization	5/2018	Number of new members in individual clubs	Member analysis	Implementation team

PROJECT SCHEDULE

activity number	2017		2018							
	11.	12.	1.	2.	3.	4.	5.	6.	7.	8.
1.	X	X	X							
2.	X	X	X							
3.			X	X	X	X				
4.				X	X	X				
5.					X	X				
6.								x		

(Gantt chart/GanttProject, MS Project v PDF, SmartDraw, MS Visio)

FINANCIAL DEMANDS OF THE PROJECT (budget)			
No.	ACTIVITY NAME	HOW THE ACTIVITY IS FUNDED	TOTAL COST OF ACTIVITY (CZK)
1.	Rental of premises	The municipality of Vrbátky	6,000
2.	Sports equipment	Sports clubs in the municipality	12,000
3.	Refreshments for athletes	GRAND, Dubany bakery	8,000
4.	Refreshments for volunteers	GRAND	2,500
5.	Refreshments - sale	FC Vrbátky	30,000

OVERALL VERIFIABLE PROJECT OUTPUTS (see project objectives, project value added)
After this day, I will find out how many children have decided for any sport and whether they will pursue it at any of the local clubs. The municipality will have a poll on its website asking about the event and whether the citizens were satisfied with it. Earnings from selling refreshments

PROJECT RISKS				
R.	RISK	PROPOSED RISK ELIMINATION MEASURES	DEADLINE FOR ELIMINATING THE RISK	RESPONSIBILITY FOR ELIMINATION
a.	Bad weather	Book an alternative date for sports grounds	throughout the project	Konečný R.
b.	Lack of co-operation from local businesses and clubs	Rental of equipment and limited refreshments for athletes	2/2018	Konečný R.
c.	Poor estimate of possible visit due to refreshments	Gaining information from other organizers of similar events in the village (children's day, etc.)	3/2018	Konečný R.

NOTE (final comment; what you consider important to mention outside the specified boxes)
This project will be profitable mainly due to selling refreshments during the day. The main goal is to give children the desire to play sports. The non-profit involvement of companies in a CSR activity will be represented by Decathlon which will provide its equipment for children for a sports day, donate things that will be competed for in the form of a raffle which will be based on numbers young athletes will get before the start of each sport. All costs, except for the buffet costs, are essentially theoretical, because the municipality will let its property (sports grounds) for free, we will get sports equipment for the event through local municipal clubs and Decathlon, and I will find workforce among the volunteers of the clubs. They will watch the children play sports during the day and possibly approach them to become members of these clubs. I also have the opportunity to reach out to several employees from Decathlon. This should be beneficial for all parties.

### 3. Stakeholders in the project

Families in municipalities – an opportunity for parents to make their children try sports and give them a chance to find out that even exercise can be entertaining and beneficial.

DDsport – a local sports equipment company that is an integral part of any local sports event, it would therefore gain some publicity in the village once again by a sponsorship donation which would improve its reputation in the village and its surroundings.

The municipality of Vrbátky – Vrbátky has recently expanded its sports grounds (a sports hall, gym, workout playground), so the objective of this project coincides with the goal of the municipality which would only provide its premises and the event for the citizens would be organized under its name. Due to this project, the municipality could introduce some of its new sports grounds to the public and persuade citizens to use them in the future as well. The event can contribute to the satisfaction of citizens.

Štětovice Kindergarten, Dubany, and Vrbátky Elementary School and Kindergarten – these institutions can support this event and, at the same time, become partners. Schools and kindergartens gain more prestige by becoming partners of such events, even if only their pupils take part. This project could also help schools and kindergartens to expand activities for children.

Vrbátky Football Club – engaging children in a funny way and motivating them to play sports in the given club, which could lead to an increase in the number of pupils doing the sport actively, and this would also bring more funding for the club.

Vrbátky Volleyball Club – engaging children in a funny way and motivating them to play sports in the given club, which could lead to an increase in the number of pupils doing the sport actively, and this would also bring more funding for the club.

Dubany PE Club Sokol – engaging children in a funny way and motivating them to play sports in the given club (floorball, kick-boxing), which could lead to an increase in the number of pupils doing the sport actively, and this would also bring more funding for the club.

Sports Club Vrbátky - engaging children in a funny way and motivating to join a sports club in the village (petanque, badminton, ping-pong, 50m sprint, baseball), which could lead to an increase in the number of actively playing pupils and this would also bring more funding for the club.

Vrbátky Voluntary Firefighter Association – engaging children in a funny way and motivating them to do the sport in this association, this could lead to an increase in the number of members in this association and greater safety in the municipality (fire safety) in the future.

Grand Vrbátky – a delicatessen that can prepare also healthy food and could do a PR activity in the form of CSR providing a healthy diet for young participants of the sports day. This could convince children that even healthy food can be tasty. Good advertising should bring new customers to the company.

#### **4. Implementation plan**

Author: Roman Konečný

Helena Richterová – selection based on friendship and her reliability.

Veronika Ryšková – selection based on friendship and her reliability.

Ladislav Mauci – selection based on friendship and his reliability.

Petr Šmehlík – selection based on friendship and his reliability.

Ondřej Krejčí – selection based on friendship and his reliability.

Main criteria of the members: Communication skills, reliability, hard work.

Powers: The ideas of each individual team member are discussed within the team. The powers are not steadfast. During the implementation of the project, they were changing continuously and adapted to the situation and circumstances.

#### **5. Preparation and implementation of the project**

The entire implementation team participated in the preparation of the project and met at three work meetings (see minutes). At work meetings, we set tasks and then carried out their control. The most important stage was to establish co-operation with stakeholders. All those approached agreed to co-operate and supported the project from the start.

In the next stages of the project, we selected sports activities which children could compete in and which would be attractive to them. This selection was really successful, which got proved during the realization of the sports day. We proposed the layout of individual sites, their role and staff, and the method of evaluation. It was also important to determine the communication strategy, i.e. how we will inform the general public about the event. We created an interesting poster that we distributed to the public.

Sports Day took place on June 29, 2018. We imported sports equipment from Decathlon and deployed it in the sports ground. Next, we prepared other activities, face painting, painting pictures and, last but not least, we prepared refreshments. At 3.30pm, the event was launched. Children with parents formed endless queues at sports sites. Each child was scored after the activity and also received some sweets. At the end of the event, 5 children were drawn in the raffle and received prizes from Decathlon. In the second part of the day, there was a party for children, almost all of them participated, then sausage roasting followed. Afterwards, the summer cinema was the highlight of the day. The sports day was not only full of sunshine, but also children's smiles.

## **6. Project ending and conclusion**

On 29 June 2018, the project was completed by its implementation and it must be said that its evaluation expressed by both participants and stakeholders was very positive. The sports day was very varied thanks to the amount of activities it offered.

## **7. Results achieved**

The project objective has been met

- More than 150 children took part in the sports day
- All stakeholders supported the action
- Children were lured from their homes to do sports activities

## **8. Project benefits**

- Children and their parents enjoyed the day full of games and sports activities
- From the enthusiastic faces of the children, it was clear that sports clubs in the village would gain new members
- The municipality of Vrbátky - development of culture and sport in the village, giving information to the public from surrounding municipalities about the renovated sports complex
- Decathlon - presentation of the company
- Grand Bakery - presentation of quality products

## **9. Experience gained and advice for the future**

Planning and realization of this event was not an easy task. We have gained a lot of new experience in the course of the project, from planning to implementation. Firstly, it was teamwork, communication with partners and then the real implementation of the project at the end. We made a good team from the very beginning. Each member of the team dealt with the tasks entrusted to them responsibly and great teamwork during the implementation of the project was a highlight. It was not easy to entertain more than 150 children.

Communication with stakeholders was an important part of the project. It should be noted that all stakeholders were interested in the project and therefore acted accordingly.

When planning the project, we identified the risks of possible failure of the project. The identified risks did not occur and the project was successfully completed.

We believe that this project enriched the citizens of Vrbátky and its surroundings and brought some young children to sports that they could try as a part of the sports day.

**6. EXAMPLE OF AN OFFER CREATED BY STUDENTS WHO IMPLEMENTED A CONTINUOUS CSR PROJECT – INTERNAL OFFER FOR FRESHMEN STUDENTS**

An advert – Clean Hands event – PPT presentation (student work from 2013)<sup>112</sup>



**CLEAN HANDS PROTECT YOUR LIFE 2013 Project introduction**

**PROJECT 2013**  
**Educative workshop focused on correct hand hygiene in households and med. services**

- Event focused on all ages.
- Side educative and entertaining events, chance of some treatments /consultations for free.
- Inclusion of the project in the CSR format - Unviersity Hospital Olomouc, MBCO, Medical High School and others as suggested by PM.
- Project publication on website of WHO in terms of events for World Hand Hygiene Day on 5th May 2013.
- An entry in the Czech Book of Records - see ideas...

**Idea no. 1**

- Creation of a huge hand made of gloves.
- Collection of spare/odd gloves from households in Olomouc region
- A glove as a ticket to side events.

**Idea no. 2**

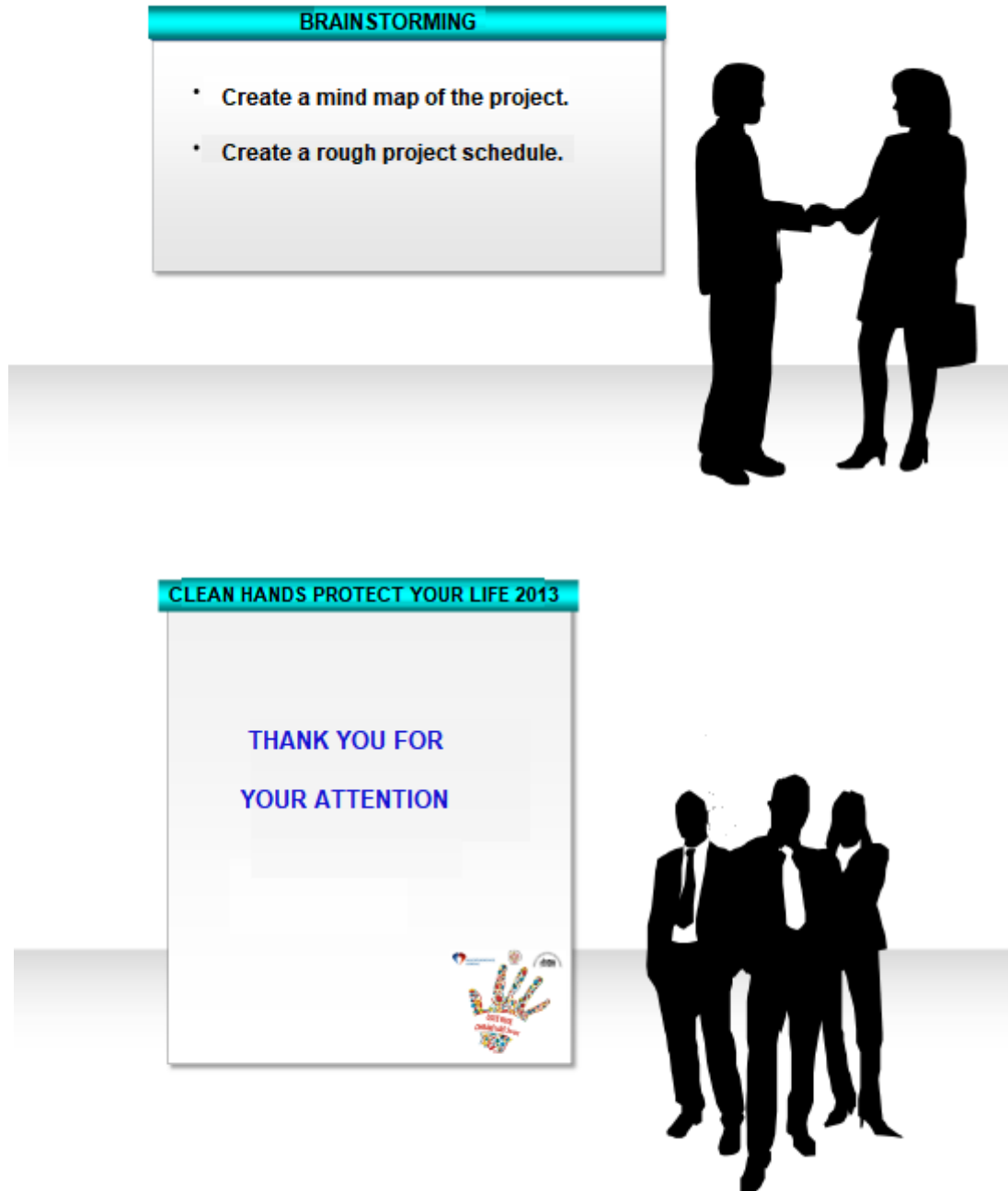
- As many people as possible doing sanitary desinfection of hands in one place.

<sup>112</sup> Archive of the Department of Social Sciences and Law





## ● APPLICATION FOR THE PM POSITION



Hennlich company is one of the CSR organizations. That means it has been implementing social responsibility programmes for a long time. Hennlich is an example of an organization that implements partial CSR activities according to the current needs of the organization and its stakeholders.

The preparation and implementation of CSR projects at MBCO takes place in terms of two consecutive semesters. In the first semester (usually winter), CSR projects are

prepared in writing, in the second semester (usually summer), the projects are carried out. Completing the CSR project takes the form of a personal defence of the final written report in the form of a presentation.

To prepare the projects, students use set requirements and rules, receive support in the form of written manuals, personal consultations. For each project, a personal consultant from among the teachers and professional staff of MBCO is assigned. Students choose the topic of the project and process it into the prepared form of a detailed plan.

The realization of CSR projects that have been selected for implementation takes place in teams of students. Each project is monitored by a supervisor from among the teachers and professional staff of MBCO. Students prepare the final report according to the provided framework structure. The success of the project is also evaluated according to the level of fulfilment of the recommended prerequisites maximizing the CSR effect of the realized project. Students can supplement the project implementation with other suitable outputs of their own choice and creativity, such as a code of ethics or an appeal to other students to continue with an activity that has been introduced in co-operation with a company partner.



1. What are the target groups of employees the Hennlich programme focuses on?
2. What feasible topics of CSR projects can you think of?
3. Create a list of concerns about the implementation stage of a CSR project (at least 10). For each written concern, write at least one measure that eliminates that concern.

# Readings and Works Cited

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