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Corporate Social Responsibility in the Context of National Awards for Social Responsibility in the Slovakia and Czech Republic

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Abstract

Between current trends belongs ever increasing pressure on companies to respect the principles of corporate social responsibility (CSR). If companies want to be successful on the markets with strong competitive pressure, they have to focus their attention not only to make a profit, increase market share, but also to increase protection of the environment, or help the local community. It is important to operate responsibly towards all stakeholders and apply the principles of CSR. The aim of the paper is to point on the benefits for companies from participating in national awards for social responsibility and to compare the approaches used in the evaluation within national awards in the Slovakia and Czech Republic. Results are based on analytical research. It can be concluded that purpose of these awards is to increase interest in the CSR problematics not only among companies (organizations and industrial enterprises), but also between citizens.

Keywords: corporate social responsibility; stakeholder; award;

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1. Introduction

Between current trends belongs ever increasing pressure on companies to respect the principles of corporate social responsibility (CSR). It is important to operate responsibly towards all stakeholders and apply the principles of CSR. Authors, governmental and nongovernmental organizations have been dealing with the issue of CSR from many points of view for many years (Holme, Watts, 2000; WBCSD, 2000; Koppl, Neureiter, 2004; Fuchs-Gambock, Langmeier, 2006; Government of Canada, 2006; Herchen, 2007; Hohnen, 2007; Friesl, 2008; Geicke, 2008; Lotter, Braun, 2010; Werther, Chandler, 2010; Remisova, 2011):

- Social responsibility refers (Bowen, 1953) to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.
- Keith Davis in 1960 described business social responsibilities as "the businessman's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Davis, 1960).
- Perhaps the best way to understand social responsibility is to think of it as „good neighborliness“. The concept involves two phases. On one hand, it means not doing things that spoil the neighborhood. On the other, it may be expressed as the voluntary assumption of the obligation to help solve neighborhood problems (Eilbert & Parket, 1973).
- Corporate Social Responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behavior influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighboring communities (Jones, 1980).

The aim of the paper is to point on the benefits for companies from participating in national awards for social responsibility and to compare the approaches used in the evaluation within national awards in the Slovakia and Czech Republic.

2. The National Award of the Slovak Republic for Social Responsibility

Social responsibility goes hand in hand with the Quality Management, creates conditions for competitiveness and positive perception of the organization by its own employees, customers, partners, to the citizens of the city in which it operates. Impact of the organization on their environment is different and depends on the nature of the organization's activities. We can find organizations where corporate responsibility is part of the strategy of the organization, otherwise the implementation of the ad hoc activities and somewhere it is applied very limited. Today there is already a number of tools for the systematic management and assessment of the implementation of social responsibility. Exactly in order to assess the achievement rate of CSR application in the Slovak Republic is from 2014 organized National Award of the Slovak Republic for Social Responsibility (NPKSR, 2014).

The mission of the National Award of the Slovak Republic for social responsibility is the involvement of the widest possible range of organizations from the business and public sector in the promotion and visibility of the principles of social responsibility and publicly recognize those organizations that claim compliance with the principles of social responsibility (UNMS, 2016).

2.1. Methodology of the national award

The Award is based on self-assessment using the ZET model of social responsibility from 2015, in the 2014 was used KORP model (see section 3).

ZET model was created by the enunciator as the specific tool for assessing the level of social responsibility in private and public organizations. Maximal number of points which organizations can achieve is 600 (UNMS, 2016).

ZET model emphasizes the commitment of management to implement elements of social responsibility in organizational management from the strategic level to the operational activities. Assesses the activities of the organization aimed at ensuring sustainable development, transparency, ethical behavior to all stakeholders of the organization, participation in community development and responsible environmental behavior (UNMS, 2016).

ZET model is based on (UNMS, 2016a):

- The EFQM Excellence Model,
- The CAF Model,
- GRI4 - Sustainability Reporting Guidelines,
- STN ISO 26 000 - Guidance on social responsibility.

Name of the model was created based on the first letter of the words (in Slovak): Z – responsible (zodpovedny); E – effective (efektivny); T – transparent (transparentny). Model is based on four criteria: management of social responsibility, economy, environment and social area (Figure 1). Criteria are structured in accordance with the triple-bottom line principle (profit - planet - people). Each criterion is further broken down into a list of sub-criteria. The 20 sub-criteria identify the main issues that need to be considered when assessing an organization in the area of social responsibility (UNMS, 2016).



Figure 1. ZET model
Source: UNMS, 2016a

ZET model is divided into two parts - the **enablers** and **results**. By this simple breakdown, the organization through self-assessment demonstrates access to social responsibility (**enablers**), as it is incorporated into the management of organization, strategy and daily operations. Emphasis is laid on demonstrating a systematic approach to the effective management of the organization in terms of PDCA cycle in all aspects of social responsibility. On the other side of the ZET model are concrete data specifically expressed in the achievement of objectives, in showing positive trends for the several

years (*results*), that the organization achieved through an approach described in the enablers. This demonstrates the effectiveness, transparency and sustainable development of organization. Activities represent a description of the planned and implemented actions of organization in the area of corporate social responsibility, based on evidence. The results demonstrate what the organization by described and realized activities achieved (UNMS, 2016).

3. The National Award of the Czech Republic for Social Responsibility and Sustainability

National Award is organized by Quality Council of Czech Republic from the year 2009. To the formulation of requirements for applicants for the award was developed Czech model KORP (Fig. 2), which fully affects both the area of enablers and results. Requires the formulation of objectives and trends. The National Award of the Czech Republic for Social Responsibility and Sustainability is held annually and is intended for organizations both of business and public sector (Rada kvality CR, 2016).

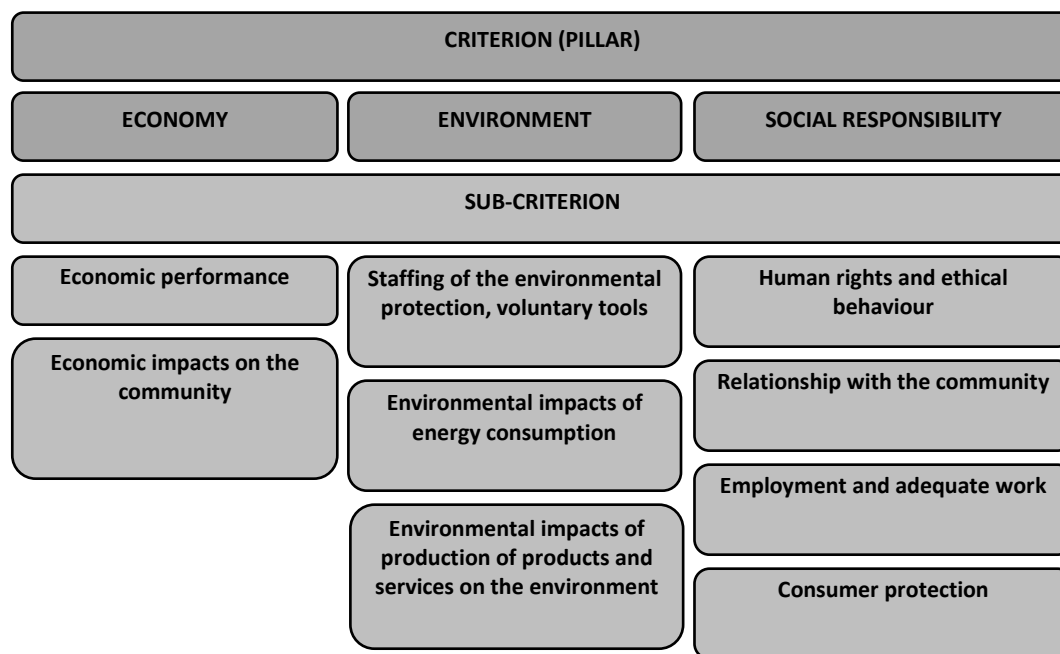


Figure 2. KORP model
Source: Rada kvality CR, 2015

3.1. Methodology of the national award

The Award was based on self-assessment using the KORP model of social responsibility. The level of requirements in the area of CSR was assessed on three pillars – *economy, environment and social responsibility*. Assessed were not only results, but also the enablers - what assumptions organization creates for longevity and functionality of CSR as a part of organization's management system.

KORP model is based on (Rada kvality CR, 2015):

- The EFQM Excellence Model,
- The CAF Model,
- GRI (Global Reporting Initiative) and
- Sustainability Reporting Guidelines.

Since 2016, the award is based on assessment using the model Committed to Sustainability (C2S) developed by the European Foundation for Quality Management (EFQM) in cooperation with UN Global Compact (Fig. 3).

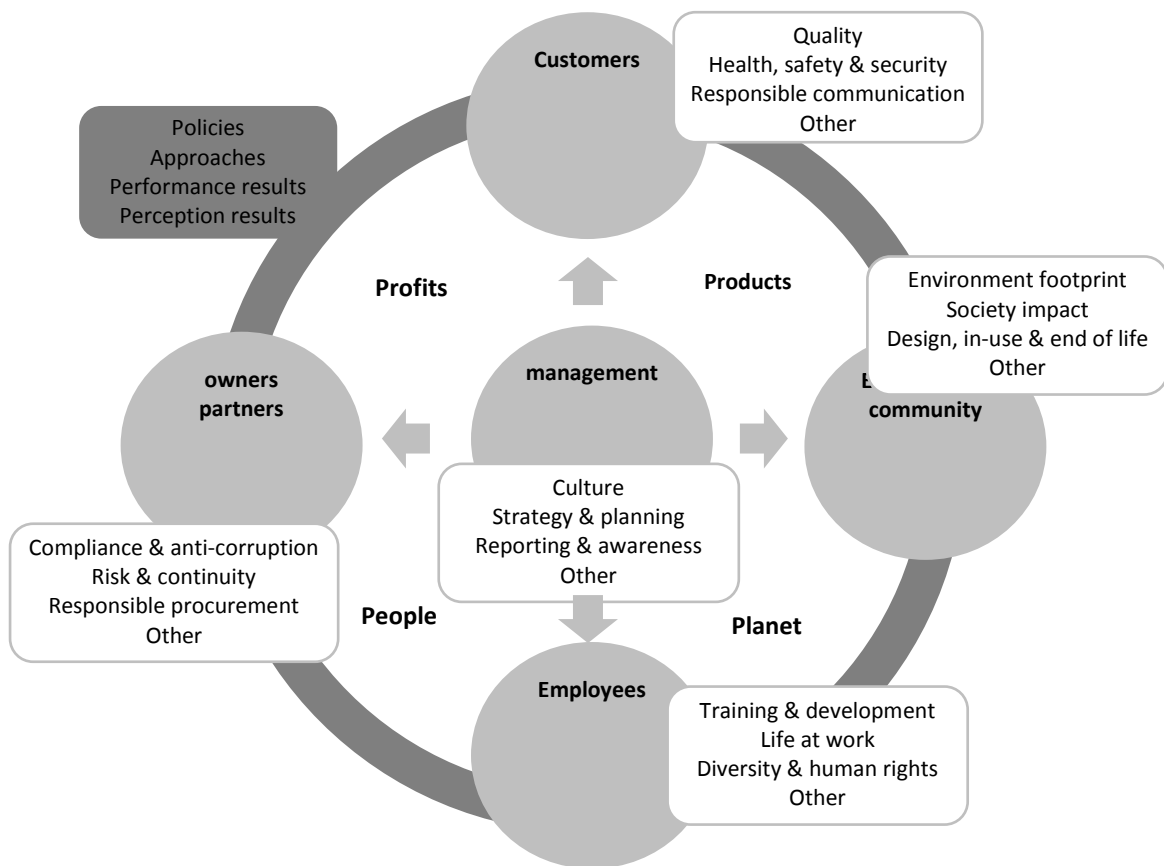


Figure 3. EFQM Committed to Sustainability Assessment
Source: EFQM, 2016

Maximal number of points which organizations can achieve is 500. The assessment explores 4 themes; *People, Planet, Profit and Products*, with the integration of the 10 principles of the UN Global Compact into the assessment framework (Shteawi, 2014).

EFQM Committed to Sustainability Assessment has been designed to provide a holistic assessment of an organization's sustainability strategy. The assessment has been built around 5 Themes and 20 topics (EFQM, 2016):

- **Management:** Understanding the organization's sustainability strategy, how it is integrated in the existing management practices.
- **Employees:** Analyzing how responsibly employees are managed in order to create a sustainable work environment.
- **Environment, Community:** How organizations manage their environmental impact and positively contribute to the wider society.
- **Owners, Partners:** Analyzing how responsibly the organization interacts with owners and partners, in order to ensure a sustainable business result.
- **Customers:** Analyzing how responsibly customers are treated in order to create a sustainable relationship.

4. Conclusion

Among the common features of models ZET and KORP we include the fact that is based on:

- The EFQM Excellence Model,
- The CAF Model,
- GRI (Global Reporting Initiative) and
- Sustainability Reporting Guidelines.

Criteria of both models are structured in accordance with the triple-bottom line principle (*profit - planet - people*). EFQM Committed to Sustainability Assessment is a model which in itself, in opposite to previous models, integrate also the 10 principles of the UN Global Compact into the assessment framework, and also expands its point of view not only on the triple-bottom line principle (*profit - planet - people*), but also on the products. The assessment concentrates also more on stakeholders.

Participation at National Award brings several benefits, such as (EFQM, 2016; NPJ, 2016; Rysanek, 2016):

- Creating enthusiasm for improvement in CSR and sustainability area.
- Developing a culture of excellence and sustainability.
- Receive independent feedback on organization strengths and opportunities for improvement in sustainability.
- Increasing the impact of organization sustainability strategy.
- Information, what needs to be carry out, that the organization can declare that meets the requirements of sustainable development (sustainability) accepted at the EU level.
- Motivation for further development.

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