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## Corporate social responsibility in corporate strategy in the globalised economy

### Spółeczna odpowiedzialność biznesu w strategii przedsiębiorstwa w globalnej gospodarce

**Streszczenie:** Celem artykułu jest podkreślenie rosnącej roli społecznej odpowiedzialności biznesu (CSR) jako elementu branego pod uwagę przy wycenie wartości przedsiębiorstwa. Zwrócono uwagę, że wskazanie miejsca przedsięwzięć CSR w strategii przedsiębiorstwa pozwala nie tylko ocenić stopień zaawansowania rozwojowego danej korporacji jako organizacji społecznie odpowiedzialnej, ale także wnioskować o pozycji zajmowanej przez nią w systemie globalnym. Wynika to z faktu, że we współczesnej opartej na wiedzy gospodarce umiejętne współgranie z otoczeniem (znajdujące odzwierciedlenie w obszarach CSR) stanowi podstawę tworzenia nowych wartości ekonomiczno-społecznych, czyli jest jednym z kluczowych elementów decydujących o długookresowej konkurencyjności. Kongruencja z otoczeniem stanowi bowiem fundament trwałości zdolności do kreacji wartości dodanej.

**Słowa kluczowe:** CSR, interesariusze, konkurencyjność, strategia przedsiębiorstwa, zrównoważony rozwój, wartość dodana

**Abstract:** The objective of the paper is to emphasize the role of Corporate Social Responsibility as an element taken into account in the valuation of a company and assessing its potential for development. The authors note that an indication of CSR projects in a corporate strategy cannot only assess the progress and development of the company as a socially responsible organization, but also indicate its position in the global system. On the basis of literature study and own observations the authors think that congruence among a company and an environment (reflected in the areas of CSR) is the foundation for the creation of a permanent capacity for added value. The implication for modern companies is that they should implement CSR, compatible with the ISO 26000 standards (the new approach to CSR). The organizations implementing such a business model are determined to hold leading positions in the global system, because due to the use of the multidimensional potential of capital they are capable of continuous creation of added value. According to the authors the concept of creating added value with the use of CSR is very important and requires dissemination.

**Keywords:** CSR, stakeholders, competitiveness, corporate strategy, sustainable development, added value

## Introduction

The purpose of the paper is to focus on the increasing role of *Corporate Social Responsibility* (CSR), as an element taken into account in the valuation

of a company and assessing its potential for development. It has been noted that an indication of CSR projects in corporate strategy can not only assess the progress and development of the company as a socially responsible organization, but also note its position in the global system. This is due to the fact that in today's knowledge-based economy, skillful interplay with the surrounding environment (as reflected in the areas of CSR) is the basis for the creation of new economic and social values, which is one of the key elements for long-term competitiveness.

To compete and develop in the long term, companies must operate according to the conception of strategic congruence (E-V-R Congruence). This conception includes three sets of variables: opportunities and threats in the environment, values and resources (strengths and weaknesses) of the enterprise, which must be balanced to create a good, successful corporate strategy<sup>1</sup>. Moreover congruence with the environment is the foundation for the creation of a permanent capacity for added value<sup>2</sup>. The way in which the organization behaves towards its stakeholders is a part of its strategy whereas a majority of the companies think that strong and socially responsible relations with the stakeholders increase their competitiveness<sup>3</sup>. Relations with the stakeholders have an influence on the opinion about the company that is its market image. What is more the stakeholders create the conditions in which a company operates, creating chances or threats for its survival and development. That is why the company must take into consideration their needs, preferences, motives and ways of operating both in current activities and in defining the mission and strategy. One can also distinguish current stakeholders (already existing) and the potential stakeholders (the so-called amorphous) which can be created as a result of joining the different stakeholders if it is required by the market situation<sup>4</sup>.

The paper has been divided into four parts. The first is a discussion on some theoretical issues related to CSR – congruence with the environment as a base of Corporate Social Responsibility and Sustainable Development. The second part presents CSR according to ISO 26000 standards – the basic rules of the new approach of CSR. The third part examines the stages of CSR inclusion with corporate strategy. The conclusion focuses on the juxtaposition of the concept of creating added value with the use of CSR.

### **Congruence with the environment as a base of Corporate Social Responsibility and Sustainable Development**

To begin, it is vital to emphasize the fact that the ordinary meaning of CSR is virtually synonymous with the concept of Sustainable Development

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<sup>1</sup> Machaczka J., *Podstawy zarządzania*, Wydawnictwo Akademii Ekonomicznej w Krakowie, Kraków 2001, p. 85.

<sup>2</sup> Urbanowska-Sojkin E., *Kongruencja cech otoczenia i kultury organizacyjnej przedsiębiorstw*, [in]: Kaleta A., Moszkowicz K. (ed.), *Zarządzanie strategiczne w praktyce i teorii*, „Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu” nr 260, Wrocław 2012, p. 491-503.

<sup>3</sup> Coulter M., *Strategic Management in Action*, Pearson Prentice Hall, New Jersey 2005, p. 49; Hussey D., *Strategy and Planning. A Manager's Guide*, John Wiley & Sons, Chichester 2000, p. 32.

<sup>4</sup> Penc-Pietrzak I., *Competitive Strategy in Turbulent Environment*, Lodz University of Technology, Lodz 2014, p. 51–53.

(SD). It results from the rule that a company which implements the CSR concept must be oriented on three aspects defined as 3P concept: people, planet and profit. They constitute a basis of company Sustainable Development which means making strategy and actions taken by a company dependent on its needs and on the needs of its stakeholders, at the same time protecting and increasing the value of human resources and of natural resources for future needs<sup>5</sup>.

In fact, the concept of social responsibility is primary to the one in focus; the first definition was formulated in 1967 and had reference to microeconomic principles – attention was put on the issue of ethics in business and proceedings that were contrary to its principles. The oldest definition of sustainable development (SD) is about two decades later (1987) and takes a macroeconomic approach – it draws attention to the need for management in such a way as not to jeopardize development opportunities in the future. CSR can therefore be seen as the instrument for achieving the objectives of SD<sup>6</sup>.

CSR should be understood as rejecting a threefold model: maximum profit, respecting the law and possible charity – *Shareholders Strategy* focused solely on the interests of the owners of capital. It is the realization of *Stakeholders Strategy*, indicating the desire to reconcile the expectations of stakeholders, that takes us from M. Friedman to R. E. Freeman<sup>7</sup>. This strategy takes into consideration that the company supports the interests of a wide group of companies which co-create it and its stakeholders as partners who cooperate with it, creating both a social and economic value. The business role does not only mean generating profits but is a kind of service understood as a necessity to fulfill expectations of a company and to balance the interests of different groups which function in it<sup>8</sup>.

From the point of view of the corporate strategy, the most important will be the stakeholders which operate in the competitive environment that is closer to the external ones such as competitors, suppliers, intermediary clients, final clients, partners. A certain importance can also be played by the external additional stakeholders such as e.g. a government, parliament. Apart from the external stakeholders (the closer and the further ones), there are also internal stakeholders (president, board, accountant, employees, trade unions and so on). Another division is into primary stakeholders (in other words active stakeholders) who have a direct influence on the company and into secondary

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<sup>5</sup> Gołaszewska-Kaczan U., *Zaangażowanie społeczne przedsiębiorstwa*, Wydawnictwo Uniwersytetu w Białymstoku, Białystok 2009, p. 140.

<sup>6</sup> Anam L., *Kanon wymagań i kompatybilność – trendy w standaryzacji CSR*, Odpowiedzialny Biznes w Polsce 2011, p. 19.

<sup>7</sup> Friedman M., *A Friedman Doctrine – The Social Responsibility of Business is to Increase its Profits*, „The New York Times Magazine” 1970, September, p. 32–33; Freeman R.E., *Strategic Management: A Stakeholder Approach*, Pitman, Boston 1984, <http://www.istheory.yorku.ca/stakeholdertheory.htm>; Jonker J., Rudnicka A., Reichel J., *Nowe horyzonty. Przewodnik po społecznej odpowiedzialności i rozwoju zrównoważonym*, Centrum Strategii i Rozwoju Impact, Łódź 2011, p. 43–46.

<sup>8</sup> Howaniec H., *Marka społecznie odpowiedzialna – wpływ stosowania CRS na wartość marki*, [in:] Brzozowska-Woś M. (ed.), *Marketing. Ujęcie relacyjne*, Politechnika Gdańska, Gdańsk 2010, p. 193.

stakeholders (passive stakeholders) who have an indirect influence<sup>9</sup>.

It is necessary to identify the stakeholders, describe their type and strength of the pressure exerted by them on the companies and present a possible evolution of this influence on the nearest future. From this point of view one can differentiate<sup>10</sup>:

- the stakeholders who are not very much involved in company issues and who have little influence on it and who require minimum attention from the management;
- the stakeholders who are very much interested in the issues of the company but those which exert small impact and those who must be informed about the company's issues on an ongoing basis;
- stakeholders with very low interest in the company's issues but who exert significant influence on it which means that it is necessary to take care of an appropriate level of their satisfaction from the operation of the company;
- key stakeholders, very much interested in company issues who have a lot of influence on it, who require much attention from the management as well as taking their needs and requirements in the company's strategy.

The external stakeholders expect not only the implementation of the tasks which refer to the effectiveness and profitability (investors) but also the implementation of social activities (clients, employees, local communities). The company should get to know the features, aims, motives and mechanisms of the stakeholders activities and react properly to their needs and expectations. Relations with the most important stakeholders should be taken into consideration in the CSR-strategy in order to strengthen and use their positive influences and to avoid, or at least limit the negative ones<sup>11</sup>.

The relationship of the company with different stakeholders has a very big influence from the point of view of the concept of Corporate Social Responsibility. CSR derives from business ethics and states that organizations, besides their economical responsibility and legal liability, are obliged to take actions which help to protect and increase social standards<sup>12</sup>. It is consistent with P. Drucker's opinion when he states that "each company is fully responsible for its influence on the local community and societies in which they operate"<sup>13</sup>. So in a practical approach CSR means taking responsibility for the consequences of business activities which violate the rules, or protect the moral and legal rights of the company's stakeholders<sup>14</sup>.

The essence of change when we take *Stakeholders Strategy/Model of*

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<sup>9</sup> Wheelen T.L., Hunger J.D., *Concepts in Strategic Management and Business Policy*, Pearson Prentice Hall, New Jersey 2006, p. 60; Finlay P., *Strategic Management*, Prentice Hall – Pearson Education, Harlow 2000, p. 14.

<sup>10</sup> Johnson G., Scholes K., *Exploring Corporate Strategy*, Prentice Hall Europe, London 1999, p. 215–217.

<sup>11</sup> Aluchna M., *Spółeczna odpowiedzialność biznesu: zachowanie konsumenta, strategia i regulacja*, „Przegląd Organizacji” 2012, nr 2, p. 48.

<sup>12</sup> Kuszał-Milewska M., *Instrumenty informatyczne szansą dynamicznego rozwoju CSR*, [in:] Kowalczewski W. (ed.), *Ewolucja czy rewolucja? Czas przemian – czas wyzwań. Zmiany w teorii i praktyce zarządzania*, Wydawnictwo PRET S.A., Warszawa 2012, p. 208.

<sup>13</sup> Drucker P., *Spółeczność kapitalistyczna*, PWN, Warszawa 1999, p. 87.

<sup>14</sup> Bartkowiak G., *Spółeczna odpowiedzialność biznesu w aspekcie teoretycznym i empirycznym*, Difin, Warszawa 2011, p. 25.

*Sustainable Development* is to strive for the achievement of long lasting economic value while minimizing the social and environmental costs – giving appropriate value to non-economic issues in the business model. It is the perception of the complexity of social needs, that is to care for the development of local communities (the ability to reconcile activity with a local approach – globalization), minimizing losses in the environment that may arise as a result of the development of a business organization (the 'ecological business model') and also showing concern for the health and high levels of employee satisfaction and other production co-partners (appropriate organization)<sup>15</sup>. It is crucial to enter the CSR model on a permanent basis so that all aspects of the business could be considered worthy of the title "best practices" and "ethical culture". The assessment must be multidimensional and involves at least four levels: economic, sociological, ethical, ecological<sup>16</sup>.

Concluding, CSR/SD is a complex business model based on building long term relations with all members of the socio-economic system, taking into account their diversity and development needs. Equalizing the interests of participants in the system allows a balanced development of all stakeholders. Thus, socially responsible business foundations should include:

- focus on long term development – business practices, using different forms of cooperation to achieve the highest standards of good practice in the industry;
- globalization – global business model with potential "local" norms and values;
- organizational culture based on the interests of all stakeholder groups (employees, suppliers, customers, etc.) – their growth, satisfaction and health;
- the „ecological” concept of doing business – respecting the natural laws of development, not only those connected with the environment, but also family or social issues; a total ban on harmful practices (including child labour) avoiding morally questionable incidents (scandals cultural, social, political).

The presented CSR elements correspond to a set of areas indicated as "sensitive" in the *Universum Topical Report CSR*. CSR is "ethical behaviour in relation to society" of a permanent nature, which means to contribute to economic development while demonstrating concern for the quality of life and strengthening relationships with employees and their families, local communities and other stakeholder groups<sup>17</sup>. In this sense, corporate social responsibility can be associated with added value, that is the difference between the sum of production costs, including the costs of economic, social, ecological and obtained results. Creating added value in this sense, however, requires that all activities of the entity are consistent and have a systemic character. That is the reason why only appropriately selected programmes of *Cause-Related Market-*

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<sup>15</sup> Dąbrowska A., Janoś-Kresoła M., *Etyka działalności przedsiębiorstwa a etyka postępowania konsumentów*, „Marketing i Rynek” 2012, nr 1, p. 10–11.

<sup>16</sup> Adamczyk J., *Spółeczna odpowiedzialność przedsiębiorstw. Teoria i praktyka*, Wydawnictwo PWE, Warszawa 2009, p. 44–46; Marzęda K., *Proces globalizacji korporacyjnej*, Oficyna Wydawnicza Branta, Bydgoszcz–Warszawa–Lublin 2007, p. 268–269.

<sup>17</sup> Kuraszko L., *Nowa komunikacja społeczna wyzwaniem odpowiedzialnego biznesu*, Wydawnictwo Difin, Warszawa 2010, p. 82–83.

ing (CRM) are a vital element of CSR<sup>18</sup>. An unclear relationship between the donor and the sponsored entity, such as the lack of convergence of goals of the participants can be counterproductive<sup>19</sup>.

In conclusion, CSR is an expression of a kind of innovative development based on the creation of added value, which means creating multiple values: economic, social, ecological, for all stakeholders. It appears that one may use the concept created by M. E. Porter and M. R. Kramer to refer to CSR as creating socio-economic value – *Creating Shared Value (CSV)*<sup>20</sup>.

### **Corporate Social Responsibility according to ISO 26000 – the basic rules of the new approach of CSR**

The ISO 26000 standards, that is the social responsibility guidelines (presented at the end of 2010) are a reflection of the new approach to CSR. They imply acting in accord with further regulations such as the *OECD guidelines for multinational companies* (May, 2011), recommendations of the United Nations Human Rights Council for companies – *Protect, Respect and Remedy* (June, 2011) and the agreement between the *Global Reporting Initiative (GRI)* and the *UN Global Compact* and *International Organization for Standardization (ISO)*<sup>21</sup>. The essence of ISO 26000 is to move away from thinking that business should be forced to behave in a socially responsible manner, beneficial to communities and move to the perception of CSR as a societal orientation, a set of recommendations of almost universal character. This formed the new definition of CSR as "the responsibility for the impact" of undertaken actions and decisions (on society and the environment), as transparent and ethical behaviour in social and economic life, should serve long-term development reflecting the expectations of all stakeholders. It should take into account international standards and local laws and customs. The "New CSR" thus has a glocal character, because it forces the reconciliation of the 'global' with the 'regional'. In addition, its important features must include durability and multi-dimensional projects, which exclude any spectacular actions done *ad hoc* including PR-based social activity. In conclusion, CSR is business ethics and conduct, committed to transparency in all phases and activities, respecting written and unwritten rules and customs, social innovation, the implementation of the idea of civil society (including within the organization), respecting human rights and care for the environment with everything being done continuously and systematically. It is therefore important to set strategic CSR projects, as this makes them an integral part of sustainable development.

<sup>18</sup> van den Brink D., Odekerken-Schroder G., Pauwels P., *The Effect of Strategic and Tactical Cause-related Marketing on Consumers' Brand Loyalty*, „Journal of Consumer Marketing” 2006, Vol. 23, No 1, p. 15–25.

<sup>19</sup> Hoeffler S., Keller K. L., *Building Brand Equity through Corporate Societal Marketing*, „Journal of Public Policy & Marketing” 2002, Vol. 30, p. 556–579; *Universum Topical Reports. Package 2010*, November/December 2010, *Universum\_Topical\_Report\_CSR\_2011.pdf*, p. 434–446.

<sup>20</sup> Porter M. E., Kramer M. R., *The Big Idea: Creating Shared Value*, „Harvard Business Review” 2011, No 89 (1/2), p. 62–77; Porter M.E., *Porter o konkurencji*, Wydawnictwo PWE, Warszawa 2001, p. 93-101.

<sup>21</sup> Anam L., *Kanon wymagań i kompatybilność – trendy w standaryzacji CSR*, Odpowiedzialny Biznes w Polsce 2011, Forum Odpowiedzialnego Biznesu, Warszawa 2012, p. 14.

A closer analysis of the principles of CSR according to the ISO 26000 standard seems to confirm that, in fact, they show organizations the way to create added value. They indicate a model of conduct and areas that can provide "benefits" by focusing attention on issues previously ignored and undervalued.

The basic rules of the new approach of CSR include:

- accountability – proceedings in accordance with the highest adopted (industry) standards, the use of certification schemes, reporting, international accounting standards; enables positioning the subject and its offer in reference to the competition;
- transparency – transparent policy in all areas of activity, such as the presentation of financial results in the form of standardized metrics; constant sharing of reliable information and consistent with the best knowledge of the entity on the measures taken, results and prospects for the purpose of publicity;
- ethics – covering matters of governed behaviour, including respect for customary and statutory law, the systematic implementation of international standards, with emphasis on respect for human rights, the protection of "vulnerable" and socially sensitive areas, the use of so-called good practice and promoting that among partners, creating more and more new models of such behaviour, overtaking the competition, thanks to the introduction of "pro-social innovation"
- versatility – indicating the formation of economic and social value, or multiple values simultaneously and thus obtaining the effect of reconciling divergent objectives of many diverse groups of stakeholders, building on the model of common values (congruence).

The aforementioned aspects appear to be the foundations of a business model of the future, that is a strategy taking into account all layers of organizational capital required for building its competitiveness in a knowledge based economy<sup>22</sup>.

Accountability enables the assessment of market potential. Transparency warrants continuing monitoring of the financial area and predicting the condition of the object in the future by analyzing its performance in relation to the sector or region. Ethics in this context refer to a layer of innovative capital; it becomes almost a dimension of "technology" because the use of new practices in the field of pro-social innovation allows one to get ahead of the competition. Versatility includes issues related to the layers of organizational and institutional capital.

The idea is to assume that there are certain values, principles, that can be balanced and normalized to international recognition. They are the "organizational and institutional framework", which becomes a commonly acceptable standard around which it is possible to construct "local varieties" based on organizational patterns, specific areas of individual institutions. In this concept of CSR it is important to recognize that the creation of new solutions does not

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<sup>22</sup> Rosińska-Bukowska M., *Rozwój globalnych sieci biznesowych jako strategia konkurencyjna korporacji transnarodowych. Przypadek sektora motoryzacyjnego*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź 2012, p. 103–108.

mean negating the standard, but to serve its enrichment, leading to the establishment of a systemic network of corporation relations, using the synergy that comes from the diversity of the participants gathered around the universal output model.

Key areas for the modern approach to CSR are:

- organizational order – principles of contracts, building intra-organizational relationships, health and safety, approaches to professional development and non-professional staff;
- fair practice – action with regard to anti-corruption education, promoting social responsibility programmes creating standards of "good practice";
- human rights – constant monitoring of human rights of the 1st, 2nd and 3rd generation (freedom, equality, solidarity), that is, not only fundamental rights, but also social and living rights and cultural-educational ones; detecting situations which may give rise to the danger of breaking any of these laws, especially taking constant supervision of vulnerable groups (gender, nationality, religion, etc.);
- the environment – refers to the prevention of pollution, mitigating the effects resulting from the organizations activity and adapting production systems to the occurring climate change; it encompasses the ISO 14001 norm as well – including: „establishment of environmental policies, identifying environmental aspects and impacts and management, planning environmental objectives and measurable implementation of programmes to achieve these objectives<sup>23</sup>”;
- consumer issues – honest marketing, including the implementation of educational promotional and advertising campaigns excluding those that mislead the consumer, the implementation of programmes aimed at promoting sustainable patterns of consumption, protection of the consumers or even care about the availability of products and product-related services, spare parts and consumables for goods already sold;
- commitment to social and community development – activity in the region (such as creating new jobs and improving the quality of life of employees already working for the organization), to support local initiatives, philanthropic activities targeted especially at the most vulnerable members of the community.

### **Stages inclusion of CSR with corporate strategy**

It would appear that the new guidelines for CSR are in fact nothing insightful or really new, but a set of recommendations adapted to the new requirements of the environment; the so-called appropriate measures in dynamically changing environments. It needs to be mentioned that they are not the standard for a management system, which can be certified – this aspect should be considered new. The key issue seems to be the issue to highlight the need to integrate social responsibility. Organizational excellence at one point can not be a "cover" for breaking the rules in other areas. One can not compensate for

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<sup>23</sup> Jonker J., Rudnicka A., Reichel J., *Nowe horyzonty. Przewodnik po społecznej odpowiedzialności i rozwoju zrównoważonym*, Centrum Strategii i Rozwoju Impact, Łódź 2011, p. 123.



the damage to the environment or human rights violations with a multitude of philanthropic projects or 'erase' unethical conduct with charitable donations. In addition, it should be noted that the incorporation of CSR into the strategy of an organization is not a single act, but is usually a complex and multilayer process<sup>24</sup>:

- awareness – pointing the attention of every department and labour group in the organization to the issues of CSR; raising the level of awareness of what CSR is and why it is so important for the image of the company and using it to build its competitive advantage; is often the result of external pressure, hence the activities focus on external communication;
- discovery – implementation of the first CSR project, experimentation based on a variety of initiatives, testing capabilities and attempting to evaluate achieved effects; at this stage we see an approach based on charity; the company aims to contribute to social development, but usually outside the realm of their business operations; the primary manifestation involves *after profit* actions, that is giving something back to the local society thanks to which the organization achieved success;
- implementation – systematic and planned implementation of CSR projects in further areas of activity of the organization; characterized by the uneven emphasis on relations with different stakeholders, which means that there are areas of outstanding "ethics" and areas of business activity with lower levels of social engagement; this step is based on the already rooted CSR action in the identity of the organization, its organizational culture and is connected to the display of its "ethical nature";
- fixation – reaching maturity in CSR; recognition of the fulfillment of CSR standards as one of the key competences; ranking CSR as an area within the organization that can continually create added value and through such actions become an industry leader; the approach can be called innovative or interactive as it is based on treating CSR as a base for the formation of distinctive competence through actively obtaining information coming from the environment and using that to generate permanent value; the multi-level environment, both internal and external causes that impulses are generated continuously, which allows for continuous improvement of the business model.

In the course of its development, a company matures to consider CSR as an essential part of creating added value and it builds its competitiveness on that foundation. Dynamically changing conditions force the participants to adapt, which is usually the result of getting a clearer perception of the need to "interplay" with the environment and therefore develop with the respect towards many different stakeholder groups. In this way, in order to improve its market position, particular subjects involuntarily become more socially responsible. The analysis of the evolution of business models of the most powerful transnational corporations provides specific examples.

In order to improve their competitive position, the evolved, replacing the competitive quantitative model based on the strength of economic capital, that

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<sup>24</sup> Ibidem, p. 62–64.

is the financial and market desire for the creation of added value based on the intellectual potential of the organization; in other words innovation – the organizational complexity and institutional wisdom<sup>25</sup>.

The enterprise seeing the results of their CSR activities systematically intensified them. Based on its recommendations, changes were made in management and then a set of new competitive strategy aims were presented, namely: focus on meeting customer expectations, expanding service to offer product-related issues to better meet the needs of particular groups of customers, the introduction of high-tech products (including, 'environmentally friendly').

The following became the essence of building a network of connections:

- emphasis on improving relationships with all stakeholder groups – total focus on customer needs, focusing on expectations and responding to them;
- maximizing the coherence of internal processes by appealing to common values – measures aimed at improving the functioning of constituent units through mutual understanding and trust, establishing appropriate standards and incentive mechanisms rather than rigid control and restrictive supervision;
- aiming to increase company actions in different segments through the introduction of high-tech products – the implementation of sustainable development, the creation of socio-economic values, which is based on technologies and processes to minimize harm to the environment, a systematic withdrawal from the production of high 'energy-consuming' goods, the substitution of hazardous technology with that considered to be more environmentally friendly.

All of this, of course, was to indicate corporate social responsibility, but most importantly, it contributed to a fundamental change in the perception of the same factors that determine an organization's competitiveness in the long term. As a result, is now strategy, which is based on four fundamentals: being global, innovation, networking and experience.

Being global should be seen as an attempt to meet the needs and expectations of a variety of customers through the creation of an offer for almost every aspect of life (e.g. GE – from light bulbs through financial services to space technology and medical service). A highly diversified business, which is to contribute to improving the quality of life in any of the supported areas is possible thanks to its global scale of activity.

Innovation is striving to achieve the advantage of being a leader in technological and organizational or social innovation. Network functioning draws attention to the role of building relationships, and thus the establishment of partnerships with customers and business partners for long-term sustainable development. It is the philosophy of networking, within which TNC acts as an 'orchestrator', creatively combining functions of the leader-promoter, coordinator-manager and conductor-manager<sup>26</sup>. Experience is the accumulated eco-

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<sup>25</sup> Rosińska-Bukowska M., *Rozwój globalnych sieci biznesowych jako strategia konkurencyjna korporacji transnarodowych. Przypadek sektora motoryzacyjnego*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź 2012, p. 248–316.

<sup>26</sup> Brown T.E., Davidsson P., Wiklund J., *An Operationalization of Stevenson's Conceptualization of Entrepreneurship as Opportunity – based Firm Behavior*, „Strategic Management Journal” 2001, No 22,

conomic capital, which appears to be the leverage for development. The corporation considers this not only as accumulated wealth of material nature, which is reflected in the accumulated value of assets or the volume of sales, but most of all ownership of intellectual capital, including the knowledge of employees, capital behind the brand and the built social relation systems.

The recognition of those very qualities, the factors which are determinants of sustainable development, certainly indicates the appreciation of the importance of CSR in the business model and even assigning them to specific strategic roles. There are many examples of corporations using CSR strategies to build their organizational value. This is confirmed by the analysis of various charts and reports prepared by the companies; these show their activity in different areas and is treated as determinant of social responsibility.

## Conclusion

The purpose of the paper was an attempt to draw attention to the growing importance of CSR in business strategies as a consequence of the fact that the creation of added value is that which decides the competitive ability of the company. This means that any organization wishing to secure long-term development is obliged to add new values to the generally applicable standard or otherwise create goods and services (economic value), while maintaining standards of "best practice", allowing its social actions to be dubbed responsible (socially valuable). In an attempt to identify areas in which projects implementing added value may be realized, certain theoretical issues related to corporate social responsibility were named, with reference to the latest guidelines in this area. Its essence is an indication that CSR is a new way of thinking, which is based on understanding the effectiveness of corporate social responsibility strategies and, more broadly, what one should pay attention to when assessing the development potential of different organizations. It is vital to mention that resources (financial and market capital), used for the creation of economic value are only competitive potential, which needs to be constantly refined and adjusted to the changes occurring in the environment; this happens thanks to its innovative capital, organizational and institutional, in order to be able to consistently deliver value, which is socially acceptable. That is how the concept of socio-economic value is created, as a new category of goods that customers require. In this way, the special role of intellectual capital (soft) as a value is shown, without which the accumulated economic capital (hard) is rapidly devalued. It can therefore be said that in the course of economic development and especially the growth of social knowledge, progress has been made as a result of which competition moved to a new, higher level – added value to the already existing standard, yet it is a fact that at this stage it's not technology innovation but rather, organizational, social, environmental, etc.

To a large extent, the creation of added value is decided on by the effectiveness of the relationship that is established between the various subsystems

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p. 953–968; Hagel J., Brown J. S., *The Only Sustainable Edge: Why Business Strategy Depends on Productive Friction and Dynamic Specialization*, Harvard Business School Press, Boston 2005, p. 141-162.

of the organization (internal factors) and congruence with the environment (external factors). The so-called “architecture of relations”, consisting of intra-organizational relations and contact with the outside world seems to be of prime importance; these decide on the strength of the subject, as next to reputation and innovation, they belong to the so-called ‘single out abilities’ of the subject<sup>27</sup> and additionally they reduce risk<sup>28</sup>. Integration of social strategy and its implementation in individual operations is reflected by the organization to achieve the highest stage of development (as in the example of GE). This is a kind of change in the approach to management and is understood as glocalization and cooperation. One can venture to say that organizations implementing such a business model are determined to hold leading positions in the global system, because due to the use of the multidimensional potential of capital they are capable of continuous creation of added value. Maturity in the field of CSR can attest to the overall maturity of organization, which is why the analysis of aspects of corporate social responsibility are becoming more and more part of the development potential of the assessment and valuation of companies.

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<sup>27</sup> Kay J., *Podstawy sukcesu firmy*, Wydawnictwo PWE, Warszawa 1996, p. 29–30, 99.

<sup>28</sup> Fukuyama F., *Zaufanie. Kapitał społeczny a droga do dobrobytu*, Wydawnictwo PWN, Warszawa–Wrocław 1997, p. 359–362.

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