Social behavior of companies in Slovakia and their support by European Union

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Abstract

Social responsibility in the business presents conception where firms take its responsibility for the situation and functionality of the whole society. According the conception firms fill their economical goals with goals, orientated to the environmental and social views and according such goals they modify their vision and strategy. In other years social responsible business had become decisive tool of business, as well as public policy of the European Union countries that support business by its strategic documents. Firms that want to be successful are demanded to be in great measure participating at the every stakeholder’s participation to the social responsible business. In spite that successful firms in the world apply such conception yet several decades, in Slovakia it is different. Contribution points to the present experiences of conception CSR installment in the Slovakian firms. Acquisition of its principles by managers and employees is conceived as a base for increasing of life quality and sustainable development of the country.

1. Introduction

Sustainable development of Slovakia, Europe, as well as global society demands innovative access to management, in which there is regarding except of economical performance of the companies and organizations also development of social, environmental and ethical aspects of business. Social responsible business in present period resounds not only in the environment of international institutions, but it remains subject of interest in the frame of interest of European Union strategic goals, as well as governments of its individual countries, including Slovakia. Positive business environment, motivating to the business is one of the key tools, providing long term competitiveness and sustainable development of any country (Antošová, 2012, s. 318).

As it seems, installing of social responsibility principles in business to the practice of the companies presents not simple event. It means their including to the firm’s values, business strategy and processes at every level of management. But success will be achieved only after long term horizon mainly only in case when it will have permanent support from the side of the firm’s management.

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2. Beginning of support social responsible business in Europe

During period after War World II there were developed in Europe two parallel systems, in which there was emphasized different role of state during solving of social problems. In west Europe companies had been expected due to the sense of economical liberalism that „they would fill their social responsibilities mainly through observing of laws, taxes payment and providing of working posts“ (CSR Europe, 2010, s. 2-3). By contraries in social states of middle and Eastern Europe free market did not exist and companies presented integral part of state’s planned economy, which should serve as a whole to the political goals. In spite there were existed also exceptions in states, which permitted small private business, care for public wealth had been exclusively in the hand of state’s organs. After revolution period there was tendency to give smaller attention to the environmental and social problems against important economical problems, connected with transition to the market economy. In Slovakia beginning of business had been characterized by ravening and not transparent business environment, connected with privatization and lack of skilled and educated people in area of business and management.

According different historical development in western and Eastern Europe concept of social responsible business is therefore in post communist block applied differently then in Western Europe countries, similarly as it was also in many other areas.

According Loew (2004) conception of social responsible business in the world had gradually draw near to discussion about sustainable development. In present time in the frame of European Union it reached phase, when it became one of the tools for achievement of total economical, environmental and social goals of European Union. As we can see at the figure, discussion about social responsibility is holding in the world yet during decades, similarly there is discussed how to provide permanent sustainability of world’s economy. European Union had participated through its members at the global forums and many legal activities (mainly recommendations and aspects) and it is trying to enforce ideas of competitiveness and sustainability.

3. Social responsible business from the view of European Union

How European Union think about social responsible business? What activities and initiatives does European Union realize for support of social responsible business? What are assumed trends to the future? There can be more questions in this connection and every one of them deserves attention and explanation. In the paper we will concentrate to the present trends of support of social responsible business and activities of European Union to the next period.

Modern history of social responsible business (SRB) is dating from 50-ties of last Century, when the concept started to be theoretically processing, mainly in USA. In present time basic arguments of SRB are not social or environmental problems, but more pragmatic declaration speak about SRB support to long term success of companies and sustainable growth of economy. It is not arguing only by charitable goals that means liberal opinion integrated to the concept of SRB to certain measure. For example in the European Report about competitiveness from 2008 there are included research, if SRB increases competitiveness of the company and general result is as follows: "......due to the growing number of companies in more and more branches SRB has become competitive necessity. Moreover SRB must be part of basic business strategy with aim to become competitive advantage. Companies, in which SRB becomes marginal concern, mainly in the frame of relations with public, they have tendency to miss possibility for increasing of competitiveness" (EK, 2008, s.12).

Definition of SRB appeared firstly in Green Book of EC in 2001 (EK, 2001), European Union uses the definition till present time, in following status: "Social responsible business means concept, in which companies integrate social and environmental tasks to their business activities and to their relations with stakeholders according voluntary base" (EK, 2001, s. 8). Our interest is not to deal with SRB explanation in detail; therefore we will limit mentioned definition of EU. Reviews about concept development and its definition provide literature, for example Carroll (1999) in the study Corporate social responsibility: Evolution of definitional construct.

After 1993, when J. Delors challenged European companies to connection to the European declaration against social exclusion and in 1995, when J. Delors and 20 business leaders had accepted European business declaration against social exclusion, we can speak about principle activities in SRB support that EU had done, as it is illustrated at Figure 1.
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>1996</td>
<td>Rising of European business net for social cohesion.</td>
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<tr>
<td>2000</td>
<td>European business net for social cohesion created at CSR Europe.</td>
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<tr>
<td>2001</td>
<td>European Commission published Green Book about support of European frame for social responsible business.</td>
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<tr>
<td>2002</td>
<td>First communication of EC about SRB with title „Contribution of the companies to the sustainable development.“</td>
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<td>2004</td>
<td>Rising directions that enable rank SRB criteria to the public acquisition.</td>
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<tr>
<td>2006</td>
<td>Second communication of EC about SRB with title „Europe as a pillar of highest quality in area of SRB“ and rising of European Alliance for CSR.</td>
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<tr>
<td>2008</td>
<td>European Union published File of tools for competitive and responsible Europe.</td>
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<td>2010</td>
<td>EC published document „Strategy of Europe 2020“.</td>
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<tr>
<td>2010</td>
<td>CSR commenced initiative „Enterprise 2020“.</td>
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Social responsible business is view in EU as a tool that EC has an interest to enforce also in Slovakia in the frame of cooperation with its partners. Resulting from second strategy of SRB support there had been defined mission, including eight areas of activities: (EK, 2006, s. 6-7)

a) Increasing of awareness and change of good example about SRB with emphasis to SMEs and new member states.
b) Support of SRB education.
c) Support of multi stakeholder’s initiatives.
d) Support of SRB in small and middle companies.
e) Cooperation with member states through high representatives for SRB.
f) Strengthening of international SRB dimension.
g) Transparent information for consumers.
h) Interdisciplinary research about SRB in the frame of 7th research frame program.

4. Strategy Europe 2020 and Enterprise 2020

European Commission in the last period is fighting mainly with serious economical situation that had been caused by financial crisis. In March 2010 European Commission accepted so-called „Strategy 2020“, in which there is obligation to „renew strategy EU for SRB support as a key tool for providing of permanent trust of employees and consumers“ (EK, 2010, s. 17). In Strategy 2020 there is emphasis importance of SRB due to the competitiveness of economy and installment of measurements for decreasing of negative impacts of industry to the living environment.

Main priorities that have to lead to “European social market economy” are market as strategic goals Europe 2020 are as follows:

1. Intelligent growth – the goal is to invest furthest till 3% GDP to the research and development, meanwhile more private research has to be supported, till 40% of population has to be whole university educated
2. Sustainable growth – carbon emission has to decrease furthest, energetic effectiveness has to increase, as well as the rate of renewable energy sources.
3. Inclusive growth – number of people, living in Europe under limit of poverty has to decrease yet about quarter and high level of employment has to be supported that will achieve yet 75% of population in active age 20-64 years, women have to be integrated better, as well as older people and immigrants.

CSR Europe reacted to this after crisis ambitious strategy by initiative, orientated specially to the companies with title „Enterprise 2020“. Initiative lock to the previous activities and backwardly it challenges companies to cooperate, but in certain different context. Such initiative had been opened in October 2010 in Brussels’s, and it is supported by every member of CSR Europe and also by its national partners in 23 countries. In official documents
with the same title CSR Europe emphasizes that SRB extending in Europe remains still important challenge and it supports EC goal with aim EU has been center of excellence in SRB. In document there is emphasized that companies are influenced more and more by global problems, mainly demographical changes, climatic changes, lack of natural resources, globalization of business, social differences, technological acceleration, etc. (Fig. 2).

Figure 2. Enterprise 2020 put into practice

Common vision of EU and CSR Europe is ideal „firm of the future“ that „acts profitably through responsibility and transparency and it innovates solutions for planet and its inhabitants in narrow cooperation with stakeholders. They lead commonly to the change towards knowledge, sustainable and inclusive society“ (CSR Europe, 2010, p. 2-4). Enterprise 2020 serves also as a platform for schools and universities with aim to cooperate with companies and to realize commonly research in area of responsible management (Drienková et al., 2011, s. 156).

Vision followed up by European Union through SRB supporting, is included in document Enterprise 2020 that had been prepared by CSR Europe as an answer to the EU strategy for closest decade with title „Europe 2020“. CSR Europe discussed directly basic long term goal – sustainable and inclusive society, based on the knowledge and it indicates it in connection with SRB. According CSR Europe vision is „firm of the future“ that „acts profitably through responsibility and transparency and it innovates solutions for planet and its inhabitants in narrow cooperation with stakeholders. They lead commonly to the change towards knowledge, sustainable and inclusive society“ (CSR Europe, 2010, s.4).

It is obvious that SRB support in Europe is orientated to the global trends and it obtained international context. It is departing from the definition looking and from the effort to balance opinions of the individual stakeholders to the concrete solutions in the sense of whole world problems. Enterprise 2020 has to provide according new context basis for „renewed partnership among companies and European Commission, Council and Parliament“ and also international cooperation and common research projects in cooperation with academic world. EU policy plays in SRB support still higher task.

Trend in SRB support in the frame of European Union is enforcing of SRB to the context of global challenges, as well as effort to extend SRB also to the markets outside EU, at which European companies make their business. Last but not least important trend is comparing of the individual companies with economical and social impacts of the crisis. It is reflecting in the pressure to the transparency during communication of economical, social and ecological performance of the companies and their social responsible activities. Great emphasis of EU is given also to the
innovation and competitiveness increasing, mainly in small and middle organizations, mainly through political support or co financing of concrete projects, etc.

5. Conclusion

Goal of EU is to be at the top as for the SRB, since it is considered as one of the tools for filling of its strategies, in past time Lisbon strategy and its renewed version and in present time strategy Europe 2020. EU supports considerably efforts of the companies and not profitable organization to enforce SRB, mainly through co financing of projects, orientated to the strengthening of SRB task, awareness extension, sharing of good examples and installing of yet existing tools. Meanwhile weak part presents support of SRB education due to the fact that creation of schemes at basic, middle or high school s are in the competence of member states and there is not possible central installing of yet existing tools. Meanwhile weak part presents support of SRB education due to the fact that creation of projects, orientated to the strengthening of SRB task, awareness extension, sharing of good examples and considerable efforts of the companies and not profitable organization to enforce SRB, mainly through co financing in past time Lisboan strategy and its renewed version and in present time strategy Europe 2020. EU supports informing, for example by the way of young people education at all level of education that can influence by their EU vision in area of SRB. Similarly also awareness about SRB can help, as well as increasing of publicity and SRB concept extension by over national companies in the world.

Challenge to the future for the companies in Slovakia will be mainly working with factors that limit realization of EU vision in area of SRB. Similarly also awareness about SRB can help, as well as increasing of publicity informing, for example by the way of young people education at all level of education that can influence by their behavior activities of the companies that want to be competitive in the future.

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