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Faculty of Business and Economics**

Corporate Social Responsibility in Automotive Industry

Diploma Thesis

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Statutory declaration

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Abstract

Bc. Bím, M. Corporate Social Responsibility in Automotive Industry. Diploma thesis. Brno: Mendel University, 2016.

This diploma thesis deals with the topic of Corporate Social Responsibility (CSR), which encompasses responsible behaviour towards society in economic, environmental and social area. The aim of the thesis is to provide suggestions of strategies for small and medium-sized enterprises (SMEs) of Czech automotive industry. The recommendations are based on results of quantitative and qualitative research conducted among Czech SMEs in automotive industry. The research examines their awareness, knowledge and usage of CSR principles. The results show decent awareness of CSR. Czech SMEs operating in automotive industry are to certain extent knowledgeable and partly apply CSR principles. Reserves can be found in establishing, conducting and communicating of CSR strategy. The recommendations contain generally applicable CSR principles for the whole industry and practical example in form of the case study. Suggested CSR strategies help Czech based SMEs to be more competitive and overcome barriers of understanding and successful functioning of CSR.

Keywords

Corporate Social Responsibility (CSR), Small and medium-sized enterprises (SMEs), Automotive industry, Stakeholders, Strategy, ISO 26000

Abstrakt

Bc. Bím, M. Společenská odpovědnost firem v automobilovém průmyslu. Diplomová práce. Brno: Mendelova univerzita v Brně, 2016.

Tato diplomová práce se zabývá tématem Společenské odpovědnosti firem (CSR), které zahrnuje odpovědné chování vůči lidské společnosti v oblasti ekonomické, environmentální a sociální. Cílem práce je navrhnout strategie pro malé a střední podniky (MSP) automobilového průmyslu v České republice. Navržená řešení jsou založená na výsledcích kvantitativního a kvalitativního výzkumu provedených mezi českým MSP automobilového průmyslu. Součástí práce je zjistit jejich povědomí, znalosti a uplatňování principů CSR. Z výsledků vyplývá, že české MSP automobilového průmyslu mají solidní povědomí o principech CSR, do určité míry disponují znalostmi a částečně využívají principů společenské odpovědnosti. Nedostatky lze spatřit v zavádění, vedení a komunikaci CSR strategie. Navržená řešení obsahují zobecněné principy platné pro celé odvětví a praktický příklad ve formě případové studie. Navrhované strategie CSR pomohou českým MSP k vyšší konkurenceschopnosti a překonání překážek k pochopení a úspěšnému fungování CSR.

Klíčová slova

Společenská odpovědnost firem (CSR), malé a střední podniky (MSP), automobilový průmysl, zájmové skupiny, strategie, ISO 26000

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1 Introduction

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently" Benjamin Franklin (GoodBusinessSense, 2012)

Concept of social responsibility in today's world acquires more importance than ever before. Our society lives in a highly competitive environment. Everything needs to be faster and precisely tailored with a high demanded quality. This creates a strong pressure on most of the companies. However, it is not just a profit itself that needs to be focused on. There is broader spectre of objectives through which can company fulfil its business purpose. Although corporate social responsibility (CSR) is sometimes criticized, and it is necessary to admit that in many cases justifiably, if conducted properly, it brings additional benefits. There have been conducted many researches on the merit of CSR, which proved its legitimacy.

Many business practises have already switched from voluntary based activities under the legislative norm. Most visible area is the environmental protection. Organizations are forced to make an extra effort in order to protect our environment for future generations. For instance, European Parliament adopted in 2014 regulation for large organizations; they are now obliged to issue CSR report which will be in force for Czech organization in April 2017. (Ministry of Industry and Trade, 2014) These changes towards sustainable approach are demanded not just from governments but more and more often from the stakeholders involved in activities of a company. Employees, customers or society itself observes more thoroughly the way, how an organization operates.

Despite the fact that CSR concept is primarily used in large organizations, in a narrower scope with tailored specification there are possibilities to adapt the concept also to small and medium-sized enterprises (SMEs). Each particular SME might be a small "drop in a sea" but as a sum of these businesses it has a major global effect. Their contribution to social issues is undeniable.

In the Czech Republic, compared to Western European countries or Scandinavia, was the concept of CSR until recently perceived as a costly burden which decreases part of a profit. CSR in the last century in Czech did not get much attention. However, as the Czech Republic and its economics evolves, nowadays Czech based enterprises start to find favour with socially responsible activities. In many cases they have already experienced the benefits such as enhanced reputation, cost savings or innovation. This growing importance of CSR among Czechs confirmed the research of Ipsos (2015), in which people expect from the companies more activities towards

CSR (protection of environment, fair operating practises or safe and healthy working conditions for employees). In 71 % respondents stress that CSR influences them during their decision making process before purchase. Even higher importance 85 % means CSR for employed people.

Czech automotive industry can be considered as a symbol of growing Czech economics. According to Automotive Industry Association (2015) GDP contribution represents 7,4 % of total and employment more than 3 % of total employment Together with other important contributions to economic development, it is one of the most important industry in the Czech Republic. And it is manufacturing companies especially in automotive industry, which feel more pressure on responsible behaviour in economic, environmental and social area. In order to remain competitive and successful they need to bear in mind increasing importance of CSR within a strategy. The results of this thesis can help automotive SMEs in their efforts to be more responsible and to remain respected and successful components of automotive industry.

2 Objectives and methodology

2.1 Objectives

The main goal of the thesis is to provide recommendations for small and medium-sized enterprises (SMEs) of Czech automotive industry in a field of Corporate Social Responsibility (CSR). For the purpose of reaching the objective of the thesis is conducted analysis of the current situation among Czech SMEs involved in automotive industry. The analysis examines their awareness, knowledge and usage of CSR principles. The results of quantitative research are supported by qualitative research of selected enterprises. Following recommendations are based on these results. Economic interpretation and generalization for the whole industry is provided. Proposed recommendations will help Czech based SMEs to overcome barriers of understanding and successful functioning of CSR.

2.2 Methodology

The thesis comprises of the literature review and results. Part of literature review provides description of “Corporate Social Responsibility” (CSR) concept, its relationship with stakeholders and tools for implementation. Moreover, the part contains position of CSR among small and medium-sized enterprises (SMEs). Ultimately the review compares different CSR standards, norms and guidelines. As an optimal standard for purpose of this thesis is chosen guideline ISO 26000. The comparison and reasons for ISO 26000 are explained in a chapter CSR Norms and Standards.

Analysis of position of automotive industry in EU, Czech Republic and in respect to small and medium-sized enterprises is initial part of results. The analysis is supported with statistical data. Furthermore, for the purposes of results’ part, there is conducted quantitative and qualitative research.

Quantitative research is conducted among Czech automotive SMEs that belong under classification NACE 29 (further described). The enterprises are selected through database system Amadeus based on the selected criteria:

- All active companies and companies with unknown situation
- In country: Czech Republic
- Number of employees: max=250, exclusion of companies with no recent financial data
- NACE 29: Manufacture of motor vehicles, trailers and semi-trailers

Quantitative research is distributed to selected enterprises in form of questionnaire. The questionnaire is for the purpose of simplicity created in Czech language, contains 21 questions (and several sub-questions) and is focused on the areas of:

- Awareness of CSR,
- Knowledge of CSR,
- Usage of CSR

For the verification of the hypothesis there are applied statistical methods using program MS Excel. The hypothesis is verified through contingency table 2X2 with Fisher's exact test using two-tailed P-value. Contingency table is a type of table in a matrix format that displays the (multivariate) frequency distribution of the variables. Fisher's exact test of independence is used for two nominal variables for small samples. Level of significance was set on 95%. (Agresti, 2012)

Tab. 1 Contingency table 2x2

	0	1	Totals
1	a	b	a+b
0	c	d	c+d
Totals	a+c	b+d	n

Source: Lowry, 2016

Method of calculation of Fisher's independence test:

$$p = \frac{\binom{A+C}{A} \binom{B+D}{B}}{\binom{N}{A+B}} = \frac{(A+B)!(C+D)!(A+C)!(B+D)!}{A!B!C!D!N!}$$

Cells are counted through absolute and relative frequency. Frequency indicates how many values of the character can be found within the statistical file. They can be described in absolute numbers or relatively to the total number of elements of the file. Absolute frequency n_i indicates how many times the value x_i of character x occurs in the set. The set n is a sum of these occurrences. Relative frequency characterized by x indicates a percentage of the whole set x_i .

The last part of quantitative research uses arithmetical mean. Arithmetical mean represents equality to the sum of the numerical values of each

and every observation divided by the total number of observations. (Medhi, 1992)

$$\text{Arithmetical mean: } \bar{x} = \frac{x_1 + x_2 + \dots + x_n}{n} = \frac{1}{n} \sum_{i=1}^n x_i$$

The last part of the research is qualitative research, which evolves from the quantitative and its purpose is to obtain more detailed information. At the very end, additional research for secondary data on the companies' websites is made. Results received from both researches serve as foundations for recommendations. Suggested recommendation are economically interpreted.

3 Literature review

“Corporate Social Responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing us to do it ... because it is good for our business” Niall Fitzgerald, Former CEO, Unilever (GoodBusinessSense, 2012)

3.1 Definition and meaning of CSR

Despite all attempts for broadly accepted specification, CSR remains a continuous debate amongst businesses, society and in the field of academics. The term “Corporate Social Responsibility” (CSR) is not assigned to universal specification; instead there is multitude of different definitions. CSR covers many assorted interpretations.

According to some studies the origins of CSR reach tens of years backwards; as far back as the 1850s (Balza and Radojicic, 2004; Doane, 2004; Smith, 2003).

First real signs of CSR definitions arose in the middle of 20th century. Bowen in 1952 represents probably the very first author, who used term “Corporate social responsibility” and in his thoughts defined CSR as a need for social welfare while managing organization.

Another American writer Davis in 60s added necessity of economic and legislative part (Carroll, 1999). In late 70s Carroll (1979) summed up social responsibility into four basic responsibilities in order to increase business performance:

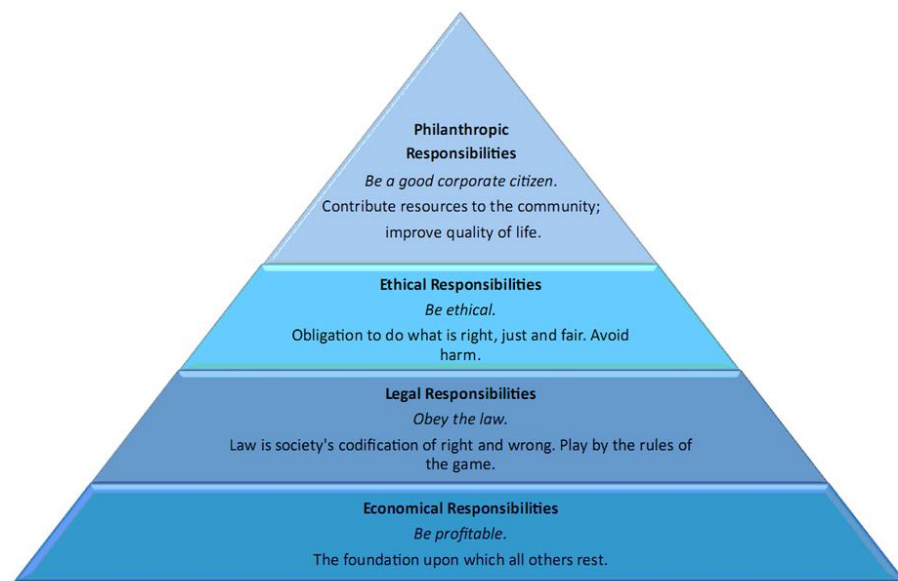


Fig. 1 The Pyramid of Corporate Social Responsibility
Source: Carroll, 1991

Many national and supranational organizations strive to define borders of CSR. Among those belongs for instance European Union. European Commission (2014) in its renewed EU strategy 2011-14 briefly explains CSR as: *"The responsibility of enterprises for their impact on society."*

More complex definition used Holme and Watts in the publication for The World Business Council for Sustainable Development (2000): *"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."*

International Institute for Sustainable Development (2013) points out that economic aspect is no longer isolated. The views on company's profitability and competitiveness are revised and completed with environmental protection and well-being of employees, community and public now and also in future.

Business leader forum of Czech Republic (2010) then stresses the substance of voluntarism in company's behaviour.

Also statement of Iivonen and Moisander (2015) declares CSR as a voluntary commitment driven by company's understanding and acknowledgment of moral responsibilities with respect to stakeholders.

Nevertheless, CSR has to be seen as a key marketing and branding exercise for most of large enterprises. The CSR then seems a bit controversial.

When for instance petroleum or tobacco focused businesses claim responsible behaviour and actively invest into CSR policies with respect to people and environment and meanwhile perform their business, which in fact quite often harms both. (Fleming and Jones, 2013)

Blowfield and Murray (2008) describe CSR as a common belief of a company for a public good.

Baker (2016) adds importance of company's managing processes as a crucial tool how to increase positive impact on society.

Werther and Chandler (2011), however, see it differently. They argue that corporate social responsibility is not solely about creating sustainable processes for a public well-being. The point is not to reduce emissions or support local communities; rather CSR is more connected with core product and all around its production.

Frederick (2006) agrees with Baker's opinion on society: "*Corporate social responsiveness refers to the capacity of a corporation to respond to social pressure.*"

Likewise sees it Government of Canada (2015), with addition of multi-national aspect of CSR. Companies those apply CSR principles in international context not only enhance their chances for a higher success in business at home country, but also help to gain benefits for foreign economics in which they actively participate.

Research conducted by Dahlsrud (2008) showed, that CSR is created from five different parts. In his analysis, which he made among tens of definition from diverse authors; he defined those five most important elements with the highest occurrence (four of them appeared in more than 80 % of definitions).

Dimensions	The definition is coded to the dimension if it refers to	Example phrases
The environmental dimension	The natural environment	'a cleaner environment' 'environmental stewardship' 'environmental concerns in business operations'
The social dimension	The relationship between business and society	'contribute to a better society' 'integrate social concerns into their business operations'
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	'contribute to economic development' 'preserving the profitability' 'business operations'
The stakeholder dimension	Stakeholders or stakeholder groups	interactions with their stakeholders' 'how organizations interact with their employees, suppliers, customers and communities'
The voluntariness dimension	Actions not prescribed by law	'based on ethical values' 'beyond legal obligations' 'voluntary'

Fig. 2 Corporate Social Responsibility and Environmental Management
Source: Dahlsrud, 2008

The work of Cetindamar and Husoy (2007) correspond with results of Dahlsrud (2008) by pointing out 3 important aspects of CSR. Beside terms stakeholders and principle of voluntarism mention also the term networking. Networking as a part of CSR initiatives is a form of relationship between private and public actors. To establish a functional collaboration and communication is in mutual interest.

According to European Commission (2014) being socially responsible is a daily routine, nothing special, excited or difficult. It is a part of everyday business activities.

Petříková (2008) sees under CSR all activities performed over legit obligations and also all activities, which lead to better understanding and higher satisfaction of all stakeholders involved.

Savitz and Weber (2006) distinguish between terms "responsibility" and "sustainability". In their opinion "responsibility" stresses benefits to social groups outside the business while "sustainability" emphasizes same importance for people from outside the company so as for a company itself. Furthermore, core of "sustainability" lies in respecting interdependence of living beings and their natural environments, various elements in society (respecting needs of local communities, educational and religious institutions, public, workforce etc.) and other human values (family life, personal growth, moral development etc.)

Argenti (2016) broadens Savitz's and Weber's (2006) terminology for other terms, which can carry the same meaning as "corporate social responsibility". Those include among others "corporate responsibility", "corporate sustainability", "corporate citizenship" or "conscious capitalism".

Probably the most quoted definition of CSR was coined by Elkington in 1994 called "triple-bottom line" (TBL).

Three different lines can be simply described by three "P"; Profit, People and Planet. The traditional bottom line "profit" reflects profit and loss account and measure financial situation of a company over a certain period of time, while the second bottom line shows effort in terms of social responsibility. Finally, the third bottom line "planet" deals with environmental responsibility. (Cannibals with forks, 1997 Elkington)

Most of the authors Kašparová and Kunz (2013) Benn and Bolton (2011), Adámek (2013) share the same opinion about contribution of TBL. Their thoughts are summed up in a following table:

Tab. 2 Areas of CSR

Economic area	Social area	Environmental area
Combating corruption,	Focus on employees, customers and public	Lowering emissions (CO ₂)
Transparent corporate behaviour	Volunteerism	Water and forest protection
Providing information to their stakeholders	Philanthropy	Reduction of waste
Maintain good relationships within the suppliers	Sponsorship	Recycling
Fighting against bribes	Corporate ethics	
	Work-life balance	

Source: Kunz (2012), Kašparová (2008), Benn and Bolton (2011) and Adámek (2013)

Some authors (Epstein, 2014; Savitz and Weber, 2006) are not just consistent with three main areas of responsibility (economic, social, environmental), but they place same magnitude to each particular part. All three areas, therefore supposed to have equal level of importance.

Approach of Vartan Group, Inc. is based on a notion of world's scarcity. The planet has limited resources and investing a sustainable maintenance of those resources is a must. For better understanding Vartan Group, Inc. (2016) presented a graph connecting social, economic and environmental

area, including bearable, viable and equitable boundary areas, whereas the sustainability is the core and aim of CSR activities.



Fig. 3 Areas of CSR according to Vartan Group, Inc.
Source: Vartan Group Inc., 2016

Despite of generally positive reputation of TBL among some authors, is TBL subject of critique. For instance, Hindle (2008) calls the Triple Bottom Line in a question, saying that is difficult to measure all three accounts the same way – by profit, more precisely in form of cash. While the profit account serves for economic responsibility; social (e.g. teaching children in Africa) and environmental (e.g. protecting rainforests) accounts can be hardly measured in same units of account.

Some other authors (Sridhar, Jones 2013) add even more critical arguments against TBL. They expressed concerns not just about measuring of TBL, but also about non-systematic approach and compliance mechanism.

3.2 Stakeholders and CSR

Stakeholders represents individuals or organizations with an interest in any activity or decision made by an organization. (ISO, 2015)

According to Blowfield and Murray (2011) stakeholder is represented by any person or organization with power to influence decisions and activities of a company. They distinguish a significant difference between stakeholders and shareholders. Whereas the latter word states for investors and their value of shares on company's profit; stakeholder theory offers an alternative view saying that company has also other material and moral rea-

sons to consider towards its relationships. The shareholder theory prevailed in the last century, however, stakeholder theory is getting more importance nowadays.

Pavlík and Bělčík (2010) continue when say that stakeholders are key part for CSR concept. Every organization should thoroughly map its most crucial partners, counterparts and all other organizations related to its business activities before creating a CSR strategy. The stakeholders are supposed to be involved in the whole process of implementing CSR. Their influence can be either positive or negative towards organization objective. It is also important to recognize the crucial ones and their interest.

Rapid development of the CSR concept and influence on stakeholders can be observed in the last decade of the last century. Platforms and initiatives dealing with responsibility played a significant role in creating further awareness among the general public and experts - stakeholders. For instance, the European Union started to take an interest in the second half of the 90s. (Putnová, Seknička 2007)

Some authors like Freeman (2010) distinguish between primary and secondary stakeholders. The primary stakeholders are those directly effective with company's activities and are essential for survival. Among those can be included customers, investors, suppliers or employees). On the other side stands secondary stakeholders – people and organizations effected indirectly such as media, banks or competitors. More attention companies with respect to CSR is usually paid on primary stakeholders, nevertheless, companies should not underestimate relationship with secondary stakeholders as their activities can also significantly change the companies' position in both ways negative and positive.

Stakeholders in CSR concept can be seen from two sides. First is connected with level of influence of a stakeholder on organization (low, high). Second deals with level of interest (low, high) of a stakeholder. Obviously the most important part on a function of organization play the stakeholders with high level of interest and high influence. These have to be treated with high respect and mutual constant communication is a necessity. (Pavlík, Bělčík, 2010), (Steinerová 2008)

Level of interest	High	Continuously inform	Lead a dialog
	Low	Answer questions	Ensure a satisfaction
		Low	High
		Level of influence	

Fig. 4 Distribution of stakeholders for CSR strategy
 Source: Author's elaboration based on Steinerová, 2008

Steinerová (2008) points out that in order to effectively implement CSR principles, company needs to understand the value that brings the involvement of stakeholders. Responsible business is therefore not just about proclaiming corporate values and principles but more about understanding expectations of those, who have an influence on the company and those, who are influenced by a company. Stakeholders can be divided into 3 groups according to Triple-bottom-line principle (see table Stakeholders involvement).

Tab. 3 Stakeholders' involvement

CSR area	Stakeholders
Economic area	<ul style="list-style-type: none"> • Owners and investors • Customers • Business partners • Suppliers • Competitors • Government
Social area	<ul style="list-style-type: none"> • Employees and their families • Labour Unions • Public • Media • Non-profit organizations • Educational institutions
Environmental area	<ul style="list-style-type: none"> • Non-profit organizations • Governmental institutions • Public

Source: Steinerová (2008)

3.3 Implementation of CSR – PDCA

Due to a fact of ambiguity in explanation of term Corporate Social Responsibility, it is hard to transform the concept into the real praxis. Many organizations try to create one common accepted standard of implementation, however, those efforts often lead to even higher ambiguity. The most common accepted concept of implementation seems to be the PDCA created by International Institute for Sustainable Development (IISD). Under the acronym PDCA is hidden: Plan, Do, Check and Act. Those four parts set the framework for CSR implementation. Each part is comprised of specific tasks connected to given steps. PDCA cycle is a method used for improvement of processes in variety of business areas. (Kašparová and Kunz, 2013)

First part of cycle “Plan” consist of evaluating the CSR activities. Often companies already apply some CSR principles, although they do not realize it. Successful CSR implementation needs support interconnected on all levels within an organization. Hence in a CSR team a manager, owner as well as employee has to be involved. Only if companies know and are able to define their CSR involvement, then can proceed to second step of planning – creation of CSR strategy. In the process of creation is important to analyse behaviour of other competitors and also cooperate with CSR associations, which can bring necessary experience, contacts and information.

The second part is represented by word “Do”. This phase also includes two particular steps. The developing of CSR commitments comes at first and comes out of already created CSR strategy. Explicit formulation of commitments is important because if different parts of organization are involved in implementation process, they need to proceed unanimously, with respect to these set commitments. CSR commitments are instruments and policies that firm develops to indicate what the firm should do in order to make a social and environmental impact. CSR commitments are developed at the point when a firm is shifting from planning phase to doing phase. The next step – implementation of CSR commitments – contains eight tasks. Here is described a decision making structure, implementation into a business plan or employees’ engagement and their training. Last but not least it is important to go public. In order to decide whether commitments are fulfilled, supportive measures such as SMART¹ goals have to be established. (Hohnen, 2007)

The third part contains only one step – assuring and reporting on progress. The aim of the CSR is to increase a performance in areas that adjusts. That is a reason for reporting and assessment of information leading to progress. The assessment of progress is a measurement conducted in many possible ways, e.g. industry reviews, shareholders review, professional third-party audits or internal audits.

Reporting means communication with stakeholders regarding to economic, social and environmental managerial issues of a firm and its performance. It addresses intensity of societal trends and effect on a company and contrary how company’s activities affect society. (Kašparová and Kunz, 2013)

The last phase mentioned by Hohnen (2007) for IISD is called “Act” or “Improve” and contains three tasks. Firstly, company evaluates its performance, then identifies opportunities for improvement, followed by effort to engage stakeholders. An evaluation, based on learning tracks an overall progress of an organizational CSR approach. It also forms basis for potential modifications within CSR strategy and improvement. The information derived from verification and reporting help to set an organization into a good position and allows it to rethink its current approaches and make adjustments.

It is important to mention an irreplaceable role of stakeholders during all four phases of PDCA process. They not just contribute to social, economic and environmental affects within planning process and execution but also are integral part of assessment, reporting and ultimately bring suggestions

¹ SMART is an acronym for “Specific”, “Measurable”, “Achievable”, “Realistic”, “Time-related”, attributes when setting goals.

for future improvement. The Plan-Do-Check-Act is a continuing and evolving process including four main steps with six associated tasks and twenty-nine checkpoints. (see the figure Implementation framework).






When? (Conceptual phase)	What? (Task delineation)	How? (Checkpoints on the journey)
Plan 	1. Conduct a CSR assessment	<ul style="list-style-type: none"> Assemble a CSR leadership team; Develop a working definition of CSR; Identify legal requirements; Review corporate documents, processes and activities, and internal capacity; and Identify and engage key stakeholders.
	2. Develop a CSR strategy	<ul style="list-style-type: none"> Build support with CEO, senior management and employees; Research what others are doing, and assess the value of recognised CSR instruments; Prepare a matrix of proposed CSR actions; Develop ideas for proceeding and the business case for them; and Decide on direction, approach, boundaries and focus areas.
Do 	3. Develop CSR commitments	<ul style="list-style-type: none"> Do a scan of CSR commitments; Hold discussions with major stakeholders; Create a working group to develop the commitments; Prepare a preliminary draft; and Consult with affected stakeholders.
	4. Implement CSR commitments	<ul style="list-style-type: none"> Develop an integrated CSR decision-making structure; Prepare and implement a CSR business plan; Set measurable targets and identify performance measures; Engage employees and others to whom CSR commitments apply; Design and conduct CSR training; Establish mechanisms for addressing problematic behaviour; Create internal and external communications plans; and Make commitments public.
Check 	5. Assure and report on progress	<ul style="list-style-type: none"> Measure and assure performance; Engage stakeholders; and Report on performance, internally and externally.
Improve 	6. Evaluate and improve	<ul style="list-style-type: none"> Evaluate performance; Identify opportunities for improvement; and Engage stakeholders.
Cross-check: One cycle completed 		Return to plan and start the next cycle.

Fig. 5 Implementation framework

Source: Hohnen, 2007

3.4 CSR in Small and medium sized enterprises (SME)

According to European Commission, Small and medium-sized enterprises (SMEs) represents more than 90 % of all businesses in EU. (European Commission, 2015)

In order to classify a company under SME classification 2 factors need to be fulfilled (in the EU recommendation 2003/361):

- 1) **Staff headcount** and
- 2) Either **turnover** or **balance sheet total**.

Tab. 4 SMEs classification

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Source: European Commission, 2015

In the past smaller businesses were considered irrelevant for application of responsible principles. The CSR principles served as a universal advice for all companies, no matter their size was. (Blowfield and Murray, 2011)

Moreover, CSR practices were simply taken over from multinational corporations and applied to much smaller companies. (Elkington and Hartigan, 2008)

However, those times changed with rise of new business concepts, start-up and other entrepreneur activities with focus on societal outcomes especially. Smaller enterprises appeared to be not just relevant but unique contributors to social responsibility. (Jenkins, 2009)

Many of SME enterprises comprised CSR principles into their regular business activities. Quite often those principles are used unconsciously. SME enterprises consider responsible actions as a natural part of their being. It is a certain sense of “good behaviour” towards their employees, customers and other involved stakeholders as well as towards nature and society itself.

It is important to bear in mind that the sector of SME comprises of businesses from various different fields. This endless heterogeneity of business’s focus makes the categorization of SME, in terms of CSR, under one roof very difficult. For instance, small software engineering company from Europe will have different opportunities and visions about responsibility

than small Asian shoemaker. On the other hand, there are obviously some common features such as size of company or a fact that all those entrepreneurs start small. (Blowfield and Murray, 2011)

The importance of role of SME for CSR proved the research for European Commission (2013). People trust more SMEs in their effort for better social environment than bigger companies: 71% of European respondents say that SMEs make effort to behave in socially responsible ways, compared to just 48% in favour of large companies.

Hohnen and Potts (2007) mention a difference in demands to large and SMEs. Often, due to a lack of resources SMEs do not find strength to actively conduct CSR principles. The press of time or insufficient amount of money represent challenges that SMEs have to face, and those challenges seem to be greater difficulty than the same for larger corporations.

Sandling (2014) states reasons why some SME are not willing to adopt principles of CSR management. One of the reasons, as mentioned above, is the vagueness of the term "Corporate Social Responsibility". Furthermore, the term "corporate" leads to dismiss of the principles, as SME entrepreneurs see it as irrelevant for their business. Other critique stems from lack of platforms for collaboration, the feeling that CSR is more philanthropic activity than anything else or entrepreneurs simply do not see benefits of adopting CSR.

The same was confirmed in a research made in United Kingdom in 2006, which shows that 71 % of the SMEs feel uncomfortable with the use of the term CSR for SMEs. (Rahman and Ramos, 2011)

3.5 CSR Norms and Standards

In order to implement, evaluate and report CSR activities, the norms, standards and guidelines need to be set. Agencies together with governmental and non-governmental organizations all around the world participate on creation process of these norms. (Kunz, 2012)

A number of directives have a character of recommendations, no binding rules are applied, and therefore directives cannot be certified (e.g. OECD Guidelines for multinational enterprises). Other directives (e.g. SA 8000) enable to measure CSR. (Yang and Rivers, 2009)

Putnová et. al (2007) divides standards into three categories:

- Norms with normative framework – activities, which should be done (e.g. OECD Guidelines for multinational enterprises)
- Norms with procedural framework – criteria for evaluation and communication (e.g. AA 1000 or GRI)
- Norms of management system – specify criteria for management system (e.g. ISO 14 001 or SA 8000)

Other classification sorts out the methods between:

- Exact methods – can be evaluated directly (e.g. ISO 26 000, OECD guidelines etc.)
- Benchmarking methods – based on comparison with other companies (e.g. Benchmarking based on annual reports, rating agencies etc.) (Empress, 2016)

Vagueness of CSR concept enabled creation of many different standards, which causes difficulties for companies to choose the right one. Most of the certificated standards bring necessity of certificated audit together with high financial resources, therefore experts consider some of these standards useable only in large companies. (Kašparová and Kunz, 2013)

As a one of the most worldwide used guidelines can be considered UN Global Compact. The mentioned is a world largest sustainable initiative represented by 10 principles covering 4 principles focused on labour, human rights, environment and anti-corruption. Its mission is to support companies in alignment of their strategies with those principles and enhance actions to strengthen targets of society. (UN Global Compact, 2016)

Other often used standard is a Global Reporting Initiative (GRI), created in 1997 from an initiative of American non-governmental agency CERES (Coalition for Environmentally Responsible Economies). GRI is constantly revised and updated. Its main objective is to provide user-friendly guidance for reporting responsible principles and reach comparability in economic, social and environmental area. It comprises among others from Ethics, Anti-corruption or Supply Chain Standard Disclosures. Its methodology is freely available, however, evaluation is charged. Moreover, GRI guideline is difficult to process, which makes this guideline unpleasant for small enterprises unlike to ISO 26 000 or KORP. (van Wensen et. al, 2011)

Behind the KORP method stood the Fair business association together with the Association for CSR Quality Award. In contrast to other CSR norms KORP is a solely Czech national methodology that enables to conduct external and internal evaluation resulting in CSR report. KORP is applicable for small businesses, supports methodological approach towards CSR and provides a framework for unification of CSR evaluation. This framework is applied through Deming's cycle of PDCA (Plan-Do-Check-Act). In fact, KORP is a combination of other methods. More precisely, it uses the system of GRI indicators as well as CAF self-assessment methodology 2006 (quality management tool for public sector) and EFQM Excellence Model (Kunz, 2012)

The EFQM is an abbreviation of the non-profit organization "European Foundation for Quality Management". EFQM Excellence Model was founded in 1988 and in 2015 is applied in more than 500 member organizations in more than 55 countries and 50 industries. A structure of EFQM Excellence

Model is close to ISO 26 000; it consists of nine criteria divided into two categories: “Enablers” and “Results”. Five “enablers” cover what an organisation does and a way it does it. The four criteria in “results” cover what an organisation achieves. (EFQM, 2016)

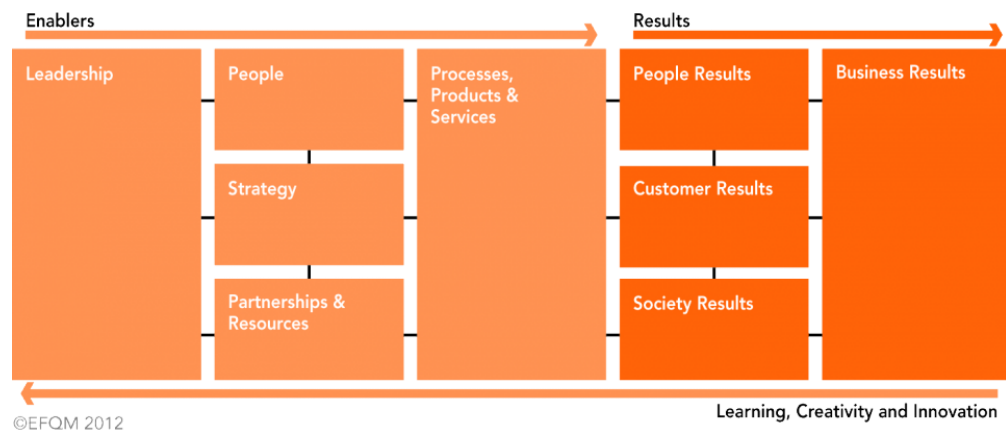


Fig. 6 Model EFQM,

Source: EFQM, 2016

Another model providing framework for evaluation of CSR is CAF Model. Compared to other models, CAF Model is the only one which is specifically created for a public sector. Its core lies in self-assessment of strengths followed by ability to use those strengths in a long term.

To one of a few certified norms belongs multinational norm called SA 8000. This norm does not have a broad scope of authority as the methods like GRI or ISO 26 000 have. Opposite to it, it focuses on improvement of working conditions. This global codex is applicable in all countries and more suitable for larger companies. Labour law needs and needs for managerial system are included, for this reason the SA 8000 is also a verification system. Nine areas include among other: working hours, remuneration, child labour or discrimination. (IISD, 2013)

The norm that governments are obliged to follow represents the OECD Guidelines. While it is compulsory for governments it remains voluntary for multinational enterprises. For corporations are not legally binding and are employed in countries that are signatory to the Declaration on International Investment and Multinational Enterprises including the Guidelines. The recommendations provide guidance to conduct responsible business in areas connected with human and labour rights, environment and information disclosure, combating bribery, intellectual property, consumer interests, competition and taxation. The OECD Guidelines define standards for socially and environmentally responsible corporate behaviour and try to prevent dispute between corporations and the communities or individuals,

which might be potentially victims of unfair corporate activities. Opposed to SA 8000 norm, OECD guidelines serve especially to large supranational corporates; hence their usage for SMEs is limited. (OECD, 2012)

There are other methods of evaluation and reporting of CSR which are subject of International standardization such as ISO 9001 or ISO 14001, representing quality management systems or environmental issues. Last but not least more and more private companies endeavour for creation of their own new methods. Among those belong for instance Account Ability (AA) 1000, Ethibel or London Benchmarking Group – LGB. (Kuldová, 2010)

A significant overlap and convergence of the topics they cover can be seen between ISO 26000 and the GRI Guidelines (IOS, 2014).

According to researches Ortová (2011) the ISO 26000 is a standard on rise, European enterprises are well informed and prepared to implement this standard into praxis. However, due to its newness the wide implementation will take time.

Under the biggest advantages of ISO 26000 comes the fact that it covers all aspects of CSR – triple bottom line (economic area, social area, environmental area) ISO 26000 standard is quite easy to apply for SMEs in comparison with GRI. Moreover, concept of CSR is evolving rapidly, that needs an updated standard. ISO 26000 is a new advanced concept based on latest information. It is derived from UN Global Compact, however, it is more specific. Unlike to ISO 26000, the UN Global Compact and the OECD Guidelines do not specify methods that should companies follow, they are rather minimal requirements of CSR. Last but not least ISO 26000 serve as a tool for improvement of risk management. (Kašparová and Kunz, 2013)

One of many reasons of choosing the ISO 26000 is that it aims at all types of organizations regardless their size or location. It is quite easier to apply thanks to its unbinding guideline character and simplicity (compared to GRI method).

3.5.1 ISO 26000

ISO 26000 represents the leading international guidance on social responsibility

for organizations. According to International Organization of Standardization (2015, p.2) *“ISO 26000 gives guidance on social responsibility and is intended for use by organizations of all types and sizes, in all spheres, in order to assist them in their efforts to operate in the socially responsible manner that society increasingly demands.”*

Since ISO 26000 does not cover any requirements it cannot be considered as a certification is more a guidance on a voluntary basis. It contains concepts, terms, definitions and principles of CSR as well as core issues,

practices, information about implementing, communicating commitments, engaging with stakeholders or other information related to CSR. ISO 26 000 also shortened the term “Corporate social responsibility” to “Corporate responsibility” in order to reflect the broader scope of this concept.

ISO 26000 addresses 7 core subjects, each of them cover several different issues:

1. Organizational Governance – represents a central core of ISO 26000 and stands for a system which organizations use in order to make their decisions and implement actions to achieve their objectives.
 - 1.1. Accountability – organization’s acceptance of appropriate scrutiny and also acceptance of a duty to respond to this scrutiny. It includes responsibility to legal authorities and actions to prevent from wrong doing and repetition.
 - 1.2. Transparency – organization should abide by the transparency in its decisions and activities with an impact on society and the environment. Such as purpose, nature and location of those activities.
 - 1.3. Ethical behaviour – organization governs according to principles of values of honesty, equity and integrity. Acting ethically also means identifying and applying standards and control mechanisms of ethical behaviour.
 - 1.4. Respect for stakeholders’ interests – this process starts with identification of stakeholders through understanding of their interests to engagement of them.
 - 1.5. Respect for the rule of law – it refers to organization’s understanding of rule of law – no individual nor company stand above the law. Law always prevails and company’s activities should comply with legal requirements.
2. Human Rights – cover two types of rights: political and civil rights (freedom, life, equality) and economic, cultural and social rights (food, work, health).
 - 2.1. Due diligence - proactive process with sense to identification of the current or potential negative social, environmental and economic impacts of an organization's decisions that tries to avoid and mitigate negative impacts.
 - 2.2. Human rights risk situations – ability to see and solve situation that can harm human rights such as activities that can affect or involve children, failure of democratic system or absence of civil rights.

- 2.3. Avoidance of complicity - complicity is connected with aiding and abetting an illegal act or omission. It covers legal (jurisdictions) and non-legal (expectations of behaviour) aspect.
- 2.4. Grievance resolution – procedures that are a means of dispute resolution used by a company to address complaints by stakeholders; can be also informal.
- 2.5. Discrimination and vulnerable groups – demand for company’s active approach in order to ensure equal opportunity, respect for all individuals and application of non-discrimination principles. Related to children, women, people with disabilities etc.
- 2.6. Civil and political rights – include absolute rights of every human being, right to live, right for freedom, right to own property, right for security, right to express opinion etc.
- 2.7. Economic, social and cultural rights – complete above mentioned rights – right for education, health, standards of living, food, housing, employment etc. Basically all rights connected with human dignity and development.
- 2.8. Fundamental principles and rights at work – concerning human rights in labour issues, specified by ILO (International Labour Organization).
3. Labour Practices – monitor a level of observing of actions and policies related to the work done by the organization. They extend beyond internal relationships (e.g. health, safety, working time or remuneration).
 - 3.1. Employment and employment relationships - rights and obligations which should both parties (employers and employees) with interest of both the organization and society, follow. Among other employers are expected to treat employees in a sense of equality, recognize their effort and ensure security.
 - 3.2. Conditions of work and social protection – the protection embraces areas wages and other forms of compensation, working time, rest periods or holidays. Furthermore, includes maternity protection and welfare matters such as safe drinking water, sanitation, canteens and access to medical services.
 - 3.3. Social dialog – social dialog means all possible types of negotiation, consultation or exchange of information among representatives of governments, workers, employers related social and economic interest.
 - 3.4. Health and safety at work – it is effort to maintain the physical, mental and social well-being of workers at the highest level. It also

- deals with working conditions and protection of workers from risk to health.
- 3.5. Human development and training in the workplace – main concern is to provide employees help in their work experience with access to skills development, training and opportunities for their career advancement.
 4. The Environment – this subject focuses on activities with impact on better environmental conditions such as reducing the waste, pollution, effective use of resources etc.
 - 4.1. Prevention of pollution – organizational improvement in terms of environmental performance by preventing pollution. It includes actions and measurements towards discharges of water, waste management, use and disposal of hazardous and toxic chemicals and all other identifiable forms of pollution.
 - 4.2. Sustainable resource use – identifying, measuring and implementing of policies which aim on efficient usage of energy, water and all materials related to organization’s activities.
 - 4.3. Climate change mitigation and adaptation – most important focus binds to greenhouse gases and their reduction. Organization should decrease the climate change vulnerability.
 - 4.4. Protection of the environment, biodiversity and restoration of natural habitats – last part of environmental chapter stresses valuing and protecting biodiversity and ecosystems, sustainable usage of natural resources goes together with urban and rural development.
 5. Fair Operating Practices – Practises which answer the question “how ethically companies drive their business” and their relationship to other organizations
 - 5.1. Anti-corruption – all possible ways which fight the occurrence of corruption, e.g. prevention, corruption-risk identification or stakeholders’ anti-corruption encouragement.
 - 5.2. Responsible political involvement – raising political awareness, encouraging the development of public policy or be transparent in terms of lobbying, those are principles of responsible political involvement.
 - 5.3. Fair competition – all activities consistent with competition law, supporting anti-trust and anti-dumping practices and all other activities related to promotion fair competition.

- 5.4. Promoting social responsibility in the value chain – track importance of potential impacts or unintended consequences of organization’s procurement and purchasing decisions on other organizations with objective of minimization of those negative impacts.
- 5.5. Respect for property rights – covers lawful and accountable treatment of physical property, intellectual property and other physical as well as assets, copyrights, patents, geographical indicator rights, funds, moral rights and other rights.
6. Consumer Issues – covers all issues of company’s behaviour towards its customers and consumers with regard to provide proper product or service
 - 6.1. Fair marketing, factual and unbiased information and fair contractual practices – ensure to provide correct and understandable information about product or service to customers.
 - 6.2. Protection of consumers’ health and safety – to assure a product/service safety anticipate potential risk and avoid any possible danger.
 - 6.3. Sustainable consumption – offer consumers environmentally and socially beneficial products/services, empower customers to behave sustainable or designing products in a sustainable way that belongs among activities supporting sustainable consumption.
 - 6.4. Consumer service, support, and complaint and dispute resolution – consist of mechanisms which an organization uses to address the needs of consumers after buying products or services.
 - 6.5. Consumer data protection and privacy – main task is to limit the types of gathered information and establish ways in which such information can be obtained, used and secured.
 - 6.6. Access to essential services – state ensure basic human needs, however, sometimes is not able to ensure essential utility services such as gas, water, electricity, drainage, waste, sewage and communication; organization should therefore endeavour to supply those services.
 - 6.7. Education and awareness - initiatives that enable consumers to be well informed, conscious of their rights and to be provide knowledge for responsible purchasing and consuming.
7. Community Involvement and Development – represents relationship between organization and community and impact of the first mentioned on community involvement and development.

- 7.1. Active community involvement – proactive approach towards actors of community, includes preventing and solving problems, fostering partnerships with local organizations and stakeholders.
- 7.2. Education and culture - promote and support education at all levels hence contribute to social cohesion and development.
- 7.3. Employment creation and skills development – activities that make a contribution to reduce poverty level and promote social and economic development.
- 7.4. Technology development and access – ensure that authorized members have a safe access to modern technology with consideration of contribution to low-cost, innovative technologies and consider engaging in partnerships.
- 7.5. Wealth and income creation - depend on a fair distribution of the benefits of economic activity. Among organization's tasks belong giving preference to local suppliers of products and services, considering presence in partnerships, initiatives and other help to community.
- 7.6. Health – actions and expectations that seek to eliminate negative health impacts and increase awareness about health threats and major diseases.
- 7.7. Social investment – investing resources and initiatives to improve all aspects of community life (includes philanthropy). (IOS, 2015)



Fig. 7 Core subjects of Social Responsibility

Source: International Organization of Standardization, 2015

3.5.1.1 ISO 26 000 and Small and medium-sized enterprises (SMEs)

According to International Organization of Standardization (2010) SMEs can integrate principles of social responsibility through undertaking quite simple and cost-efficient manner. Therefore, the implementation does not need to be too complex or expensive. SMEs also, compared to larger organizations, possess an advantage of flexibility. Their relatively small size enables them to react in a faster, more innovative way and in fact provide good opportunities for socially responsible behaviour. Another aspect of flexibility can be seen in terms of organizational management. Thanks to the close proximity to local people have activities of SMEs undoubtedly higher influence on the local communities.

Important part of social responsibility is an integrated approach towards managing the organization's activities and their impact. When monitoring their impact, each organization should bear in mind the size of an organization. While for smaller companies might be execution of a remedy

possible immediately, the larger ones would have to fight harder negative consequences of their decisions. ISO 26000 can serve as a good management tool for SMEs in a field of social responsibility.

However, some researches showed that this does not necessarily have to be true. For instance, the research of Perera (2008), disputes the usage of ISO 26000, saying that 89 percent of the respondents see ISO 26000 too complex as a tool for management in smaller organizations. Too broad-spectrum and non-concreteness of specification leads to need of repackaging if it aspires to be used for SMEs worldwide. The researches furthermore stresses the role of flat management in smaller organization. SMEs do not need too formal approach towards CSR. Another way, rather than documentation and deep reporting, they emphasize interpersonal relationships. Moreover, there is no need for mapping and reporting the CSR performance, it is more about an intuition, seizing an opportunity and owners' opinion. The ISO 26000 as a guidance for social responsibility has the potential to serve as a comprehensive guide for SMEs, however, export-oriented companies or companies aware of a need for protecting environment will find it more useful than their counterparts. And they will need to adjust the guidance in order to serve to their business purposes.

4 Results

4.1 Automotive industry in EU

According to European Commission (2016) the automotive industry falls under classification NACE 29:

C29 - Manufacture of motor vehicles, trailers and semi-trailers

- C29.1 - Manufacture of motor vehicles
 - C29.1.0 - Manufacture of motor vehicles
- C29.2 - Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
 - C29.2.0 - Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
- C29.3 - Manufacture of parts and accessories for motor vehicles
 - C29.3.1 - Manufacture of electrical and electronic equipment for motor vehicles
 - C29.3.2 - Manufacture of other parts and accessories for motor vehicles

The automotive industry is one of the most crucial sectors for Europe's prosperity. More than 12,1 million people employed within automotive Industry stand for 5,6 % of total employment in EU. It accounted for remarkable 4 % of GDP of EU in 2014. Automotive industry has therefore important influence as a multiplication also on other industrial sectors. (ACEA, 2015)

The automobile production can be divided into four segments. Passengers car represent the majority and the largest part of automotive industry. Second part of the production is dedicated to commercial vehicles. Those can be split into three categories based on a weight. Light commercial vehicles are described by a weight up to 3,5 t, while medium commercial vehicles fall into a range from 3,5 t to 15 t and heavy commercial vehicles are over 15 t.

Tab. 5 EU motor vehicle production by type

Type of motor vehicle	Share on EU motor vehicle production
Passenger cars	87 %
Light commercial vehicles	10 %
Medium commercial vehicles	1 %
Heavy commercial vehicles	2 %

Source: ACEA, 2016

Automotive industry worldwide was affected by a financial crisis, which led to extensive decrease in production and sales. EU was not an exception. The crisis which started in 2008 was caused by global economic downturn and lasted for more than 2 years. The decline of 7,8 % in 2008 in EU was followed by even larger decline of 12,2 % in 2009. However, major economic improvement enabled automotive industry to grow in next 5 following years (2010-2014) by 2,32 % in average. In 2014 EU belonged, with more than 17,1 million produced motor vehicles, which states for approximately 23 % of global production, among the world's biggest motor vehicles manufacturers. Moreover, in terms of passenger cars there was a significant growth of 6,2% in 2015. This result confirmed the EU's position as world's second largest passenger cars producer right after China (both approx. 25 % of global production).

In a reaction to falling sales in EU's automotive industry from 2008 to 2012, EU decided to set intelligent, balanced and targeted actions, without harming the competition, in order to bring back the automotive industry to the path of growth. This led to adoption of a project CARS 2020 in 2012. By this European Commission is aiming for reinforcement of the industry's competitiveness and to tackle climate, environmental, and societal challenges. The project stands on four main areas: financing innovations, improving market conditions, responding to change and facilitating internalisation. (European Commission, 2014)

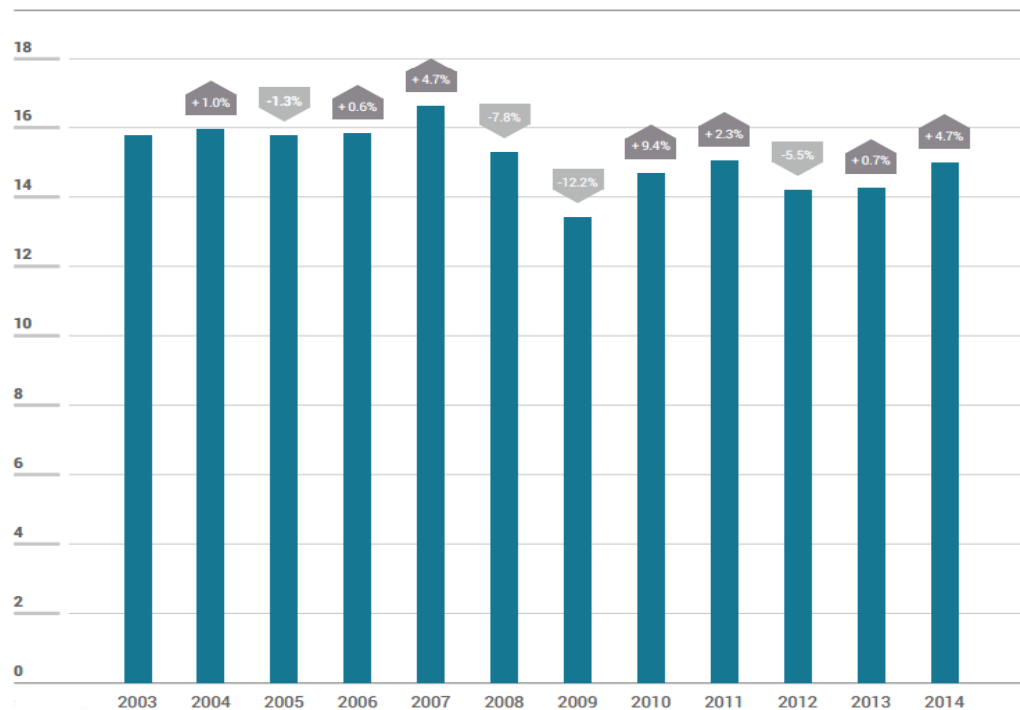


Fig. 8 Development of passenger car production in EU (in million units)

Source: ACEA, 2015 (based on statistics of IHS)

In Western Europe the main production countries recorded modest growth in 2015, the UK (+2.8 %), Germany (+1.8 %) and France (+2.1 %). Spain (+16.5 %) and Italy (+53.7 %) posted far more than double-digit percentage gains, thanks to strong domestic demand during the year 2015. The increase in production of passenger cars of Central European countries, Czech Republic (9,8 %), Slovakia (5,4 %) Hungary (18,7 %) and Poland (17,3 %) countries in 2015 was also significant. (ACEA, 2016)

Considering the new passenger car registration, which represents base for statistics of sales, in 2014 EU registered 14,4 million out of 89,3 million of new cars, which accounted for 16 % of global motor registration/sales. Latest statistics from 2015 about passenger car registration say that EU market recorded a year-on-year growth 9,3 %. All main European markets grew for more than 5 %, highest change was noticed in Spain (+20,9 %) and Italy (+15,8 %).

	2015	2014	% change 15/14
Germany	3,206,042	3,036,773	+5.6
United Kingdom	2,633,503	2,476,435	+6.3
France	1,917,226	1,795,885	+6.8
Italy	1,574,872	1,360,578	+15.8
Spain	1,034,232	855,308	+20.9
EU ⁷	13,713,526	12,551,204	+9.3

Fig. 9 New passenger car registration in EU

Source: ACEA, 2016

4.2 Automotive industry in Czech Republic

Czech classification of economic activities follows the same structure as European Commission and characterizes group NACE 29 as: *“Manufacturing of all motor vehicles (except motorcycles), trailers and semitrailers. This NACE division includes the manufacture of motor vehicles for the transport of persons or goods. It also includes the manufacture of various parts, accessories and trailers.”* (CZ Nace, 2016)

Automotive industry plays a crucial role for the Czech Republic. This role is even strengthened year by year. According to Automobile Industry Association (AIA, 2015) was the year 2015 in Czech Republic a breakthrough in terms of total sales. The total sales increased by 14,7 % in comparison to the year 2014 and reached more than 991 billion of Czech Crowns. Moreover, more than 5 million cars totally were registered in 2015 which states for another new record. In total share of Czech industrial production, the automotive industry stands for nearly one quarter; 24,7 %. On the GDP is participating by 7,4 % of total. The aggregate number of 1 328 788 totally produced cars (1 305 330 motor vehicles and 23 458 trailers) in 2015 stands for the highest amount in history of Czech Republic and Czechoslovakia and holds 16th position in the world. Without any doubts automotive industry represents one of the most important industries in Czech Republic.

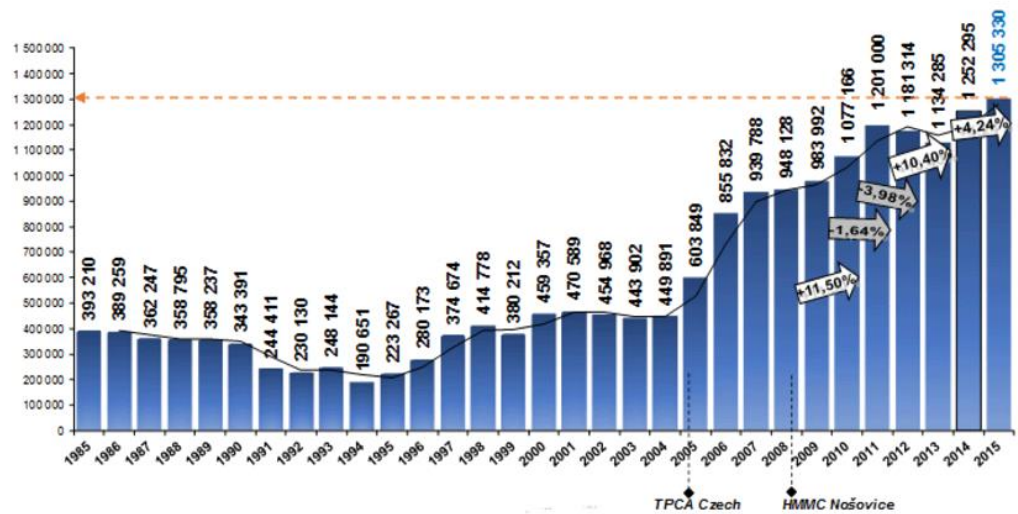


Fig. 10 Production of motor vehicles in Czech Republic (1985-2015)

Source: AIA, 2015

In terms of car production and vehicles per capita the Czech Republic has maintained its exclusive position among world automotive leaders with yearly production of 107.5 vehicles per 1,000 inhabitants in 2014 and with 118 cars per 1000 inhabitants in 2015 is the second highest in Europe (after Slovakia). In a volume of car production, The Czech Republic belongs to top 15 largest passenger car producers in the whole world. (Czech Invest, 2015) According to AIA and employment statistics of their members, Czech automotive industry in total employs more than 155,000 people when this number arose for 4,2 % from the year 2014 to 2015 and nowadays represent more than 3 % of total employment in Czech Republic. Automotive industry also accounts for more than 23% of both Czech manufacturing output and Czech exports. Furthermore, the salary is on a constant rise. Compared to pre-crisis years 2006-2007, the average monthly wage by half from 22 591 CZK in 2006 to 33 274 CZK in 2015, and yearly changed for + 3,6 %. This was enabled thanks to increased productivity of labour which subsequently led to constant growth in wages. In 2015 was the average monthly wage in Czech Republic 25 903 CZK, compared to 33 274 CZK in automotive industry, which creates difference of 28,5 % and makes this sector very attractive for employees. (AIA, 2016)

Tab. 6 Czech Automotive industry statistics for 2014

Production: 991 bn. CZK Production growth: 14,7 %		Export: 845 bn. CZK Production growth: 15,2 %	
Share on Czech industry production: 24,7 %	Share on GDP in Czech Rep. (est.): 7,4 %		Share on total Czech export: 23,4 %
Average wage: 31 515 CZK Growth: 2,7 %		Total employment: 155 550 employees	

Source: AIA, 2015

Czech automotive industry registers three passenger car manufacturers:

- Škoda Auto – the largest Czech car producer Škoda Auto is based in Mladá Boleslav and Kvasiny. In total company has 13 factories in 6 countries in Europe and Asia. Škoda exports to more than 100 countries and in Czech Republic possess more than half of the market share. Company has a long history, strong position and high influence to all stakeholders involved in Czech automotive industry.
- Hyundai – company based in Nošovice, started its production in 2008 and produced more than 300 000 passenger cars in 2015. Part of its production goes to sister's company Kia Motors in Slovakia.
- Toyota Peugeot Citroën Automobile (TPCA) – automotive group focused on production of small city cars with low emissions. Factory in Kolín is able to produce more than 300 000 passenger cars in a year. Tight connection to Czech suppliers is visible in more than 80 % of material deliveries, while 99 % of final production is dedicated to export to Germany, Italy, France, UK or Netherlands.

Beside the production of passenger cars, there are 4 enterprises manufacturing in Czech Republic with focus on busses and commercial vehicles:

- SOR Libchavy – leading Czech bus and coach producer, manufacturing over 550 vehicles annually. Its export accounts for 50 % of total production.
- Tatra – TATRA TRUCKS a.s. is one of the oldest vehicle manufacturers all around the world. It has a long tradition and has always been situated in Czech town called Kopřivnice.
- Iveco Bus – largest factory of the Iveco Group, the second largest bus manufacturer in Europe. The company focuses mainly on production of intercity buses.

- Škoda Electric – leading global manufacturer of electric drive units and traction motors for trams, trolley-buses, locomotives, underground trains, etc. with long tradition commenced at the beginning of 20th century. (Czech Invest, 2015)

4.2.1 Stakeholders in Czech automotive industry

- Employees – skilful employees are for the automotive industry very important and hardly replaceable. Statistic is a clear-telling indicator, 3 % of total employment and 155 500 in total in Czech Republic. Need for engineers, technicians, people with managerial skills, administrative employees and especially skilled blue-collar workers is so essential, so the average monthly wage raised up to 33 274 CZK in 2015 and together with yearly increase by + 3,6 % make the automotive sector as one of the most developed and growing industry. Requirements of employees are supported by Czech-Moravian Confederation of Trade Unions. (AIA, 2016) (CMKOS, 2016)
- Suppliers of automotive parts – firms delivering crucial components for manufacturing of car products. This area includes enterprises with various focus from paintings production through parts for seating, engines, chemical substances etc. Majority of suppliers are business oriented. The supply chain often starts with components from specialized SMEs and ends with large car, bus and trailer manufacturers or more precisely final customers (individuals or firms).
- Customers – customer as the last part of supply chain determines trends in automotive industry. 5 110 452 million of registered cars in Czech Republic means that nearly every second Czech inhabitant falls on one car. This makes Czech car market very significant and customer very powerful.
- Passenger cars and commercial vehicles manufacturers – 3 car manufacturers (described in previous chapter) share the whole production of Czech passenger cars market. The highest market share 56,8 % of total production belongs to Škoda Auto a.s., Hyundai Motor Manufacturing Czech s.r.o. is second with 26,4 % of total production and TPCA (Toyota Peugeot Citroën Automobile) third with 16,9 % of total production. Related to bus production, there are 4 bus manufacturers based on Czech market: SOR Libchavy, Tatra – TATRA TRUCKS a.s. Iveco Bus and Škoda Electric (description provided in previous chapter).
- Owners and shareholders – represent a group, or organization that owns one or more shares in an enterprise. Many enterprises involved

in automotive industry fall under foreign holdings. Related to the three above mentioned passenger car manufacturers, each belongs under the power of a different international shareholder. Škoda Auto is under the sole shareholder German-owned Volkswagen Finance Luxembourg S.A., Hyundai is under Korean holding Hyundai Motors and Toyota Peugeot Citroën Automobile under Japanese Toyota. (AIA, 2016)

- Automotive Associations
 - Automotive Industry Association (AIA) – Most important association of the Czech automotive industry is the Automotive Industry Association (AIA or Auto SAP), which comprises 13 car manufacturers, 103 suppliers and 32 purpose-built organizations possessing about 85 % of sales in the sector. The aim of AIA is to promote the interests of its members, speak with one voice to the government and keep statistics about the industry updated. (AIA, 2016)
 - European Automobile Manufacturers Association (ACEA) operates on the European level and represents the interest of 15 Europe-based car, van, truck and bus makers and has established relations with 29 national automobile manufacturers' associations in Europe. Its purpose is to maintain a dialogue in terms of international issues with automobile associations around the world. (ACEA, 2016)
 - International Automotive Task Force (IATF) – consists of members from the ranks of carmakers and industrial unions. This group of automotive manufacturers and their respective trade associations was formed to provide improved quality products to automotive customers worldwide. It strives for developing policies for members and creating consensus in international quality standard systems for the automotive industry ISO/TS 16949. (IATF, 2016)
- Government – as for any other business, government has the power to directly influence the automotive industry through setting rules and implementing regulations. For the Czech government the automotive industry represents a crucial sector in terms of economic power when it provides vast working opportunities, significantly contributes to the tax system, supports export and foreign direct investments (FDI) or indirectly supports other industries.
- Non-governmental organizations Community groups – those stakeholders can be oriented on principles of management such as the Czech Association of Interim Management, or technical aspects, especially major

technical universities cooperating with associations involved in automotive industry or directly with product manufacturers. Among other non-governmental associations belong Associations focused generally on CSR such as Association of social responsibility or Business Leader Forum. Community groups are usually locally based.

- Media – media has its indisputable influence. Beside the largest Czech newspapers publishers (Mafra or Ringier Axel Springer) and TV media (public and private televisions) there are specialized media like Infocube, publishes magazine Automotive industry focused on news from automotive area.

4.2.2 CSR in Automotive industry

Referred to standards of management and quality of manufacturing processes belongs the automotive industry to the most developed industries. The need for quality controlling, compared to some other industries, is set on a very high level. What is more, the automotive industry is the absolute leader in quality management and implementation of modern management methods.

Requirements for assurance of quality were one of the most influencing factors for developing system standards and development of the whole automotive industry. In the early 60s, each country introduced its standards for quality management in the automotive industry (such as TQS, VDA, etc.). Further development regarding the harmonization was influenced by completing the requirements of ISO 9001 formed by international working group for the automotive sector International Automotive Task Force (IATF). In 2009 was then established a technical specification ISO/TS 16949 designed for automotive industry derived from ISO 9001. (IATF, 2016)

The certification of ISO 16949 ISO/TS is specifically determined for all suppliers of automobile industry and can be applied throughout the whole supply chain. A key requirement of ISO / TS 16949:2009 is to fulfil all particular-customer requirements, set up by the automotive manufacturer in addition to the quality management system of their suppliers. The certification is valid for three years.

Most recently the automotive industry standards went through many important changes. Among the most significant regulatory issues belong environmental and safety standards, both based on the standards created by EU. In the case of environmental standards (according to EU regulation no. 333/2014), the newly manufactured passenger vehicles in 2015 should not emit more than 130 grams of CO₂ per kilometre. In 2021, the new passenger cars would not be able emit more than 95 g CO₂ per km. Concerned safety standards, EU established requirements for mandatory safety equipment, airbags, ABS and ESP - electronic stability control system e-call. From April

1, 2018 all new passenger cars will require to have this systems, which in fact will need large investments. (Česká spořitelna, 2015)

European Commission (2016) also created new regulations from incentive of Volkswagen revelations of emission, which happened in 2015. Legal framework is anchored in Directive 2007/46/EC on the common legal framework for the type approval of cars, vans trucks, buses and coaches, as well as specific legislation such as Regulation 715/2007/EC on emissions limits. The regulation has three aims:

- To reinforce the independence and quality of testing that allows a car to be placed on the market
- To introduce an effective market surveillance system to control the conformity of cars already in circulation
- To reinforce the type approval system with more European oversight (EC, 2016)

According to ACEA (2015) automotive industry in EU embodies the major innovator and investor in Research and Development of all economic sectors, when investing into automobile and parts sector annually around €41.5 billion Euros. The tax contribution of motor vehicles accounts for €396 billion in tax contribution in the EU15, which is truly significant so as EU trade balance with a €95.1 billion surplus.

TNS Sofres (2015) elaborated for Organization of Motor Vehicle Manufacturers (OICA) a study of automotive image², which measured the state of the industry's reputation on an international scale. In terms of social responsibility, the main drivers of good reputation were:

- Innovative (80 % of positive answers)
- Future oriented (79 %)
- Products adapted to consumers' needs (78 %)
- The industry can be trusted in a long term (73 %)
- Reducing CO₂ emissions (70%)

Statistics of environmental impact of automotive industry in EU shows significant decreases in related issues. Statistics of volatile organic compounds (organic solvents mainly emitted from paint shops), showed decline by 38,7 % per Kg/car from 2005 to 2014. In the same period of time dropped also energy consumption per unit produced by 12,4 %, water per unit produced 39,2 % CO₂ emissions per unit produced for 25,4 % and waste during the production process by 2,7 %. All of those decreases in consumption sign

² The study was conducted in 2014 in 18 countries worldwide and comprised of more than 14 000 interviews.

successful efforts of enterprises towards sustainability. European manufactures have therefore significantly reduced the environmental impact of vehicle production over the last decade. (ACEA, 2015)

4.3 Results of quantitative research

4.3.1 Structure of quantitative research

Research was conducted during the first half of April in 2016 in a form of online questionnaire using Google document form. The questionnaire was translated into Czech language and delivered to 341 Czech SMEs operating in production sphere of automotive industry via e-mail. Contact addresses were obtained through Amadeus Database of enterprises at the university. In total 37 responses were collected, which makes response rate of 10,9 %.

4.3.2 Awareness of CSR

The level of awareness of CSR was one of the main examining parts of the thesis and showed that nearly two thirds of SME respondents have come into contact with CSR, more precisely 62,2 % are familiar with this term. This number indicates quite high awareness of CSR among Czech small and medium-sized enterprises in automotive industry. Detailed analysis of CSR awareness and its dependency on a size of an enterprise and geographical scope are described below as a part of hypothesis H0.

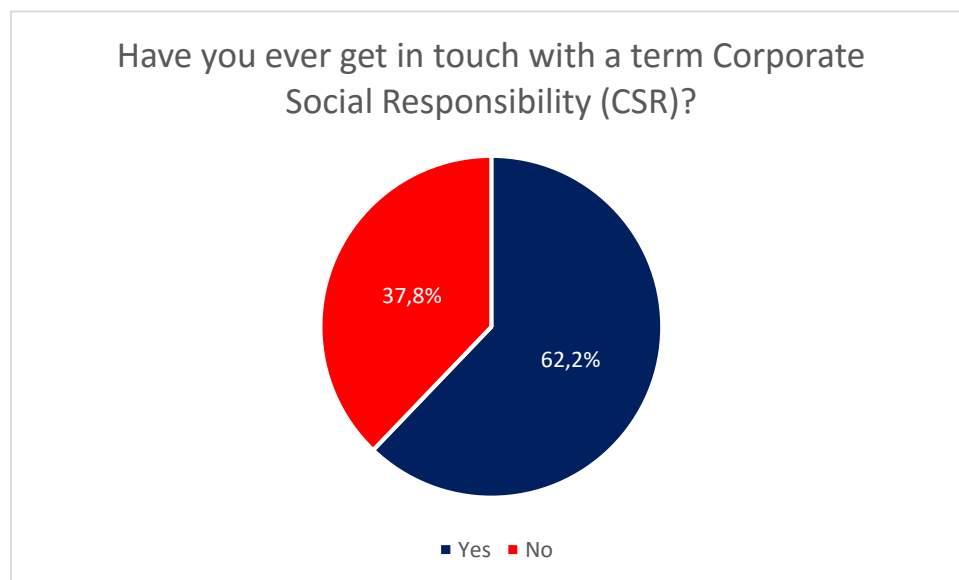


Fig. 11 Awareness of CSR
Source: Author's research, n=37

- H0: Awareness of CSR among selected enterprises does not depend on the area of operating.
- H0a: Awareness of CSR among selected enterprises is dependent on the area of operating.

The part of research analysing the awareness showed slightly higher awareness of CSR for enterprises operating internationally compared to locally (nationally and regionally) operating companies. The first mentioned claimed their awareness in 12 out of 16 cases, while the latter mentioned in 11 out of 21 cases. These results were statistically verified.

By using contingency table and Fisher's exact test of independence calculation it resulted in following table:

Tab. 7 Awareness about the term Corporate Social Responsibility (CSR)

Frequency	Companies operating locally	Companies operating internationally	Absolute frequency - columns in total
Awareness	11	12	23
Non-awareness	10	4	14
Absolute frequency - rows in total	21	16	37

Source: Author's research, n=37

$$\alpha = 0,05$$

$$p = \frac{23!14!21!16!}{1!12!10!4!37!}$$

After applying Fisher's test in MS Excel, the received value on the significance level of 95 % is:

P-value (two-tailed): 0.1908

P-value > 0,05 → statistical insignificance

The hypothesis H0 is verified, there is independence between enterprise's area of operation and awareness of CSR. According to test statistics, it cannot be said that internationally operating enterprises have higher awareness than enterprises operating on local market or visa-versa.

Quite similar results can be seen in relationship between **awareness and size** of a company. 77,8 % of medium-sized enterprises (51-250 employees) claimed that they have met the term CSR, whilst small and micro enterprises (1-51 employees) scored just 57,1 %. The research thus shows a difference in perception of CSR based on the size of a company. In other words, the larger organizations showed better awareness than the smaller enterprises.

Due to a fact that most of the examined (more than 81 % of respondents) claimed existence of respective enterprise to be longer than 16 years, the connection between size of an enterprise and awareness cannot be statistically verified.

The most common **channels** were “media” (14 out of 37 responses) followed by “customers” (10 out of 37 responses). Other options: “trade fairs” “as a part of inter-company education”, “from suppliers”, “non-profit organizations” and “reference literature” were quite insignificant. It incites that channels through which the CSR awareness can be obtained are at the first place **media, followed by information from customers**. National and EU organizations promoting principles of CSR, seem to be efficient in their activities.

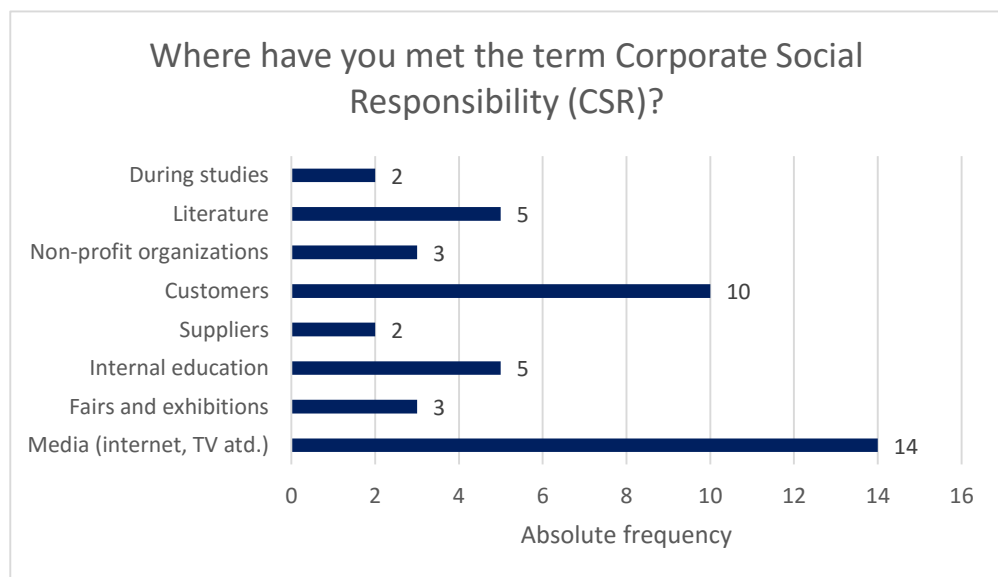


Fig. 12 Channels of CSR awareness

Source: Author's research, n=37

4.3.3 Knowledge of CSR

Second crucial part of the research is dedicated to the knowledge of CSR principles. It examines whether the analysed companies are not just aware of existence of CSR, but if they are able to understand those principles and know a nature of CSR.

The survey asked, what respondents perceive as the biggest benefits of CSR, and should reveal a motivation which they see behind decisions to commit resources to CSR.

The highest evaluated benefit was clearly **“improved reputation”** with 30 positive answers and 81,1 %. Far behind were **“better and more qualified workers”** with 13 votes (35,1 %). 10 respondents (27 %) also believe that it brings **“competitive advantage”**.

Only 3 positive responses got **“higher profits”**. Taking into account the fact that according to survey 83,7 % conveyed positive answer (45,9 % said **“yes”**, 37,8 % said **“rather yes”**) on a question: **“Does your company behave socially responsible?”**; it shows that **companies make an effort in CSR**, however, they do not often connect their effort with profit directly. They rather see an advantage of CSR in gaining a positive image, which can subsequently bring economic results.

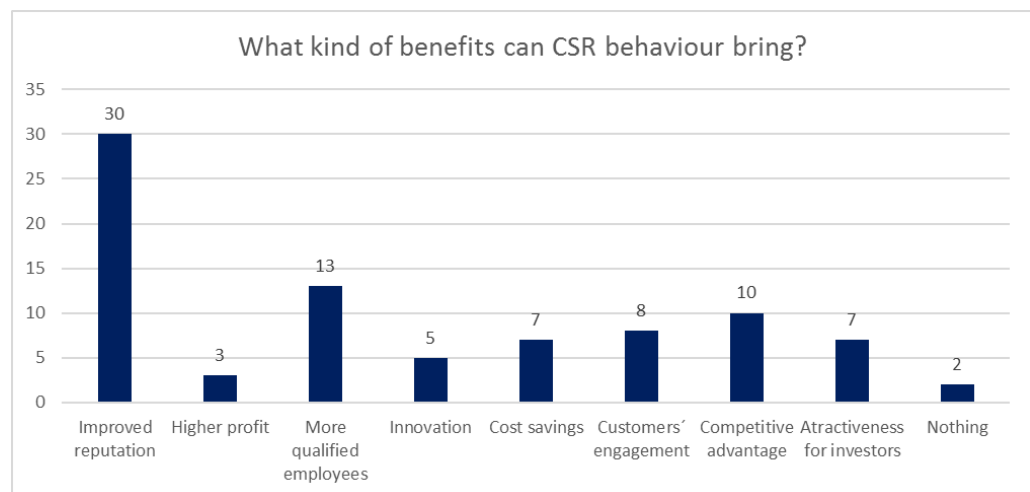


Fig. 13 Perceived benefits of CSR

Source: Author's research, n=37

Very positive answers brought the question about responsible behaviour. In 45,9 % respondents highlighted the **“yes”** answer and 37,8 % then decided for **“rather yes”** makes 83,7 % of positive responses. Only 2 (5,4 %) respondents determined their behaviour as a non-responsible. It implies that even if more than one third of respondents have never got into contact

with term “Corporate Socially Responsibility”, **most of those are yet applying principles of responsible behaviour**. However, there is quite often a missing strategy in terms of CSR. This was a part of a next question related to the hypothesis H1.

- H1: More than 50 % of selected SMEs in automotive industry claim some kind of CSR strategy.
- H1a: Not more than 50 % of selected SMEs in automotive industry claim some kind of CSR strategy.

While the strong majority of respondents is persuaded of acting in responsible way, the establishment of such sustainable strategy is not by a long sight incorporated in many of examined enterprises. Solely planned CSR strategy have only 2 enterprises, whilst 18 claimed the CSR strategy is part of their general strategy, compared to 16, who stated that they do not have any CSR strategy at all. The questions revealed very **slight difference between companies which have a strategy and those which do not have**. Nevertheless, since some kind of CSR strategy appeared in 54 % of cases, the **hypothesis H1 is verified**.



Fig. 14 CSR strategy as a part of enterprise’s strategy

Source: Author’s research, n=37

Furthermore, similarly to the first question which deals with awareness, also here, the answers showed a slight trend that the size of an enterprises matters. Two thirds of medium-sized enterprises (51-250 employees) have some kind of CSR strategy, compared to 52,4 % of small-sized and 42,9 % of micro-enterprises. Declining trend depending on the size of the enterprise is visible. The amount of respondents is not sufficient for statistical verification a higher absolute frequency of answers would be needed.

Tab. 8 CSR strategy with respect to a size of enterprise

Size of an enterprise	Absolute frequency Total	Absolute frequency of Yes	Absolute frequency of No	Relative frequency of enterprises having CSR strategy (%)
Medium	9	6	3	66,7
Small	21	11	10	52,4
Micro	7	3	4	42,9

Source: Author's research

- H2: At least two thirds of the respondents share an opinion, that the concept of CSR should be a part of a strategy of all enterprises.
- H2a: Less than two thirds of the respondents share an opinion, that the concept of CSR should be a part of a strategy of all enterprises.

Important fact about the perception of CSR among the SMEs in Czech automotive industry was detected in the following: "Should be the concept of CSR part of activities of every enterprise? It turned out that the **issue of CSR has high importance among respondents**. Only 1 single case claimed "no", in 5 case was marked out answer "I do not know", but the majority answered positively. In 19 cases (51,4 %) was the answer "rather yes", the strong confidence in the incorporating of CSR activities have 12 respondents (32,4 %). This question **verified the hypothesis H2**.

In total 83,8 % is convinced that the concept of CSR should have its place in activities of every single enterprise. SME in Czech automotive industry therefore do not condemn the concept but consider it as a significant part of their business activities.

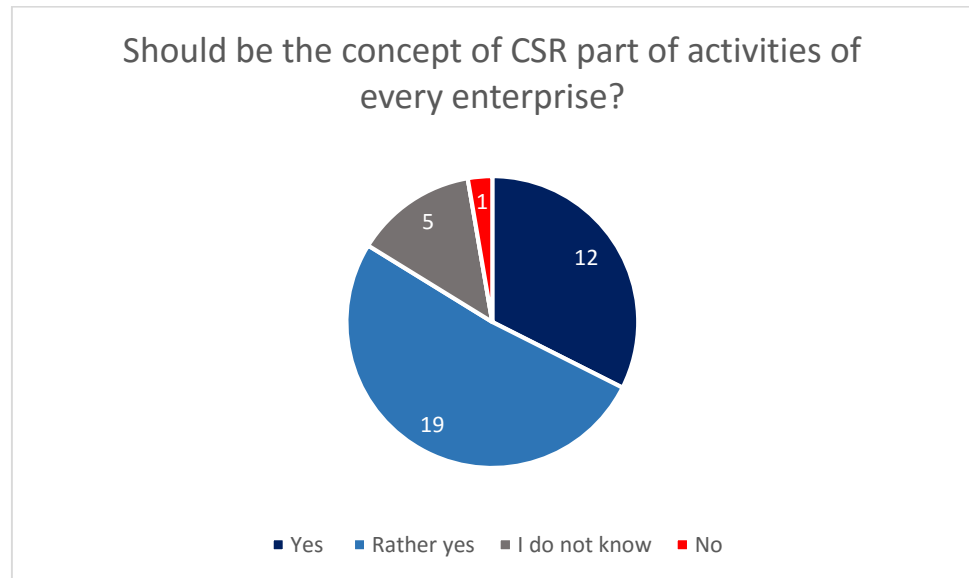


Fig. 15 CSR concept as a part of strategy

Source: Author's research

Figure number 16 describes the reasons which discourage enterprises to behave in more responsible way. **"Lack of time"** spotted on the first place as it was mentioned in 13 responses. Second spot is reserved for **"lack of financial resources"** with 10, followed by **"lack of knowledge"** and **"indemonstrable results"** both scored 9. The results showed interesting thing in relationship between the obstacles for applying CSR and enterprises without any specified strategy of CSR. In the answers of enterprises, which do not have any strategy of CSR (16 in total), appeared one significant issue. The enterprises, without CSR strategy, do not consider as a large obstacle "financial resources" (3), "employee interest" (2) or "indemonstrable results" (2) but as the biggest obstacle was considered "lack of knowledge" (8), as the second one then "lack of time" (6).

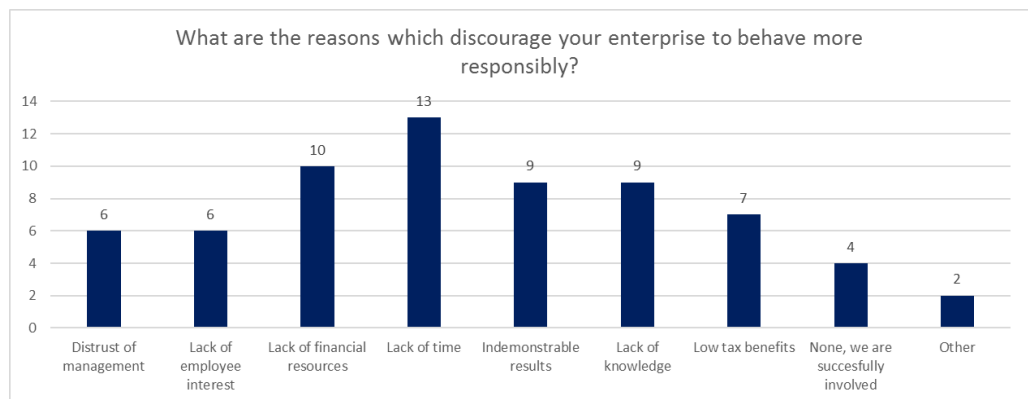


Fig. 16 Reasons that discourage enterprises to behave more responsibly

Source: Author's research

Question concerned the ISO 26 000 did not bring surprisingly high awareness. More than three quarters (75,7 %) do not know this guideline. However, 24,3 % signs certain awareness about mentioned standard. Organizations claiming their responsible behaviour (83,7 %) in CSR then either use different guidelines, ISO standards or do not proceed their CSR activities according to any norms.

Importance of each section of triple-bottom-line was examined within question number 9, stating: "At which part of CSR should be enterprises of automotive industry focused at most?" giving three possible outcomes. The results appeared to be very tight, when the first place gained environmental issues with 40,5 % just ahead are economic issues with 37,8 % and social issues with 21,6 % in their tail. Despite the fact that environmental area is considered as the most important in the field of car manufacturing, this question shows that generally there is no such a sole area that should be automotive enterprises focused on. Instead, enterprises are not united in their opinions in terms of most important area.

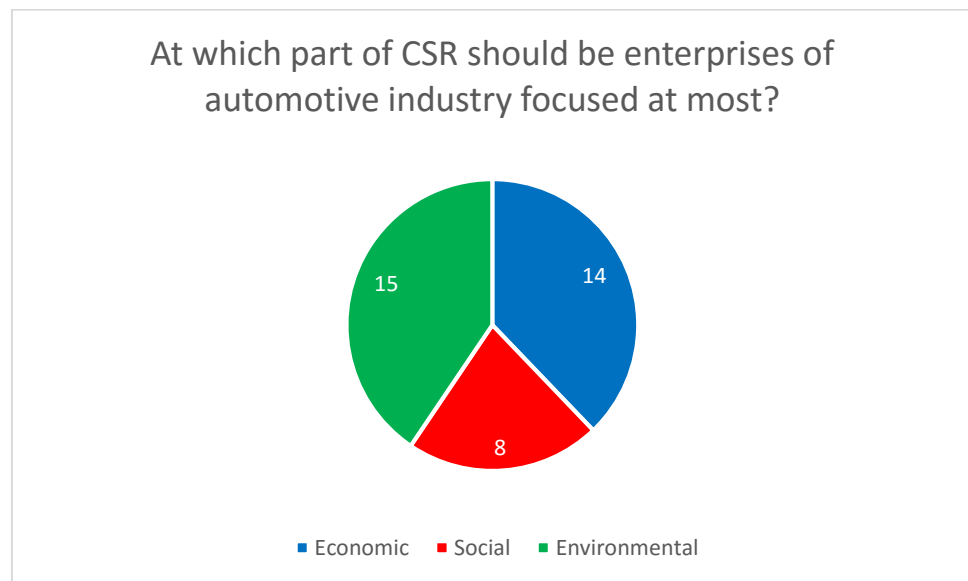


Fig. 17 Preferred area in CSR

Source: Author's research

This proclamation is strengthened by results of next question which comprised main sections of ISO 26 000 in general. When the respondents had a chance to choose specifically areas they would like to focus on, their decision was related to all three dimensions of triple-bottom line. As a representative of economic area was voted improvement of management system. Together with protection of environment both received 17 votes. Right after, 16 votes, was improvement of working conditions which is a part of social area. 14 votes received applying of ethical principles, 12 received improvement of relationship with customers and only 7 scored support of local community. Surprisingly, not a single vote was given to compliance with human principles. As was seen detailed in further questions, analysed enterprises take this issue as a commonplace and do not give it much attention.

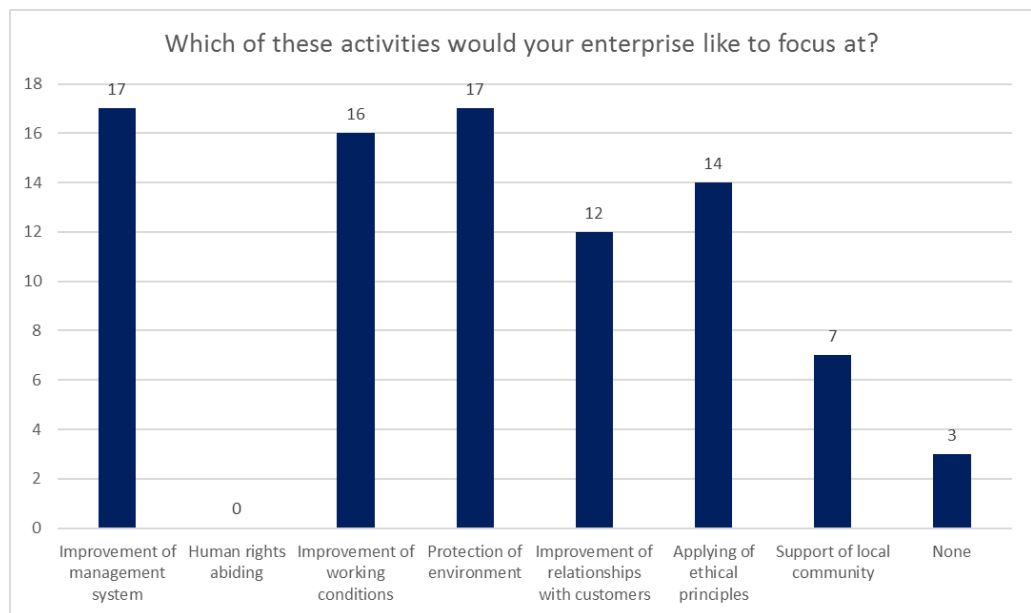


Fig. 18 Focus of CSR activities

Source: Author's research

4.3.4 Usage of CSR

This section completes first two parts of questionnaire; awareness and knowledge. The usage of CSR was analysed through seven core subjects, which in total represent ISO 26 000 guideline. Each particular subject consist then from several different sub-questions, which create detailed picture about applying responsible principles.

Organizational Governance

Organizational Governance is a central core of ISO 26 000 and is directly related to all other parts of this standard. The initial question about a "general opinion to social responsibility" confirmed findings from the question number three, as nearly half of respondents (48,6 %) on the scale from 0 to 5 (when 0 means "not at all" and 5 means "completely") declared rating 4. Other six respondents even gave value 5, so they are convinced that their company strives for maximal support of responsible activities.

Other findings related to organizational governance revealed that enterprises consider themselves to be transparent in their behaviour; 15 answers with maximum value, accompanied by 12 answers for second highest option. The question whether enterprises "act ethically" brought almost identical result, so firms tend to behave ethically. Regarding to "abiding the law" issue the positive response was even higher with 23 answers with maximum amount of points, especially medium-sized enterprises showed

77,8 % of completely positive answers. However, the same did not happen, in the “promoting social responsibility among stakeholders”. Here was the result rather negative, when 22 answers (59,5 %) scored for a value 2 or less on the scale, which makes an arithmetic average at value 2,2. Moreover, the minimum value “0” checked the most of the respondents – 9 answers.

Tab. 9 What kind of values does your enterprise apply in management processes?

Rating (0= not at all; 5= totally)	Behave responsibly	Be transparent	Behave ethically	Promote responsibility among stakeholders	Law abiding
0	1	1	1	9	0
1	1	1	2	4	2
2	3	2	1	9	4
3	8	6	5	4	2
4	18	12	12	8	6
5	6	15	16	3	23
Arithmetic Average	3,6	3,9	4,0	2,2	4,2

Source: Author’s research, n=37

Human Rights

The part concerning human rights showed the fact that firms do not see difficulties in compliance. It also confirmed the results of question number 10, in which none of respondents checked a field that a firm would like to focus at this issue. One of the reasons for this is that in most cases they do not “meet abuse of human rights”, in total 86,5 % scored 2 or less. Similar results exist for question whether enterprises “do have established standards which would fight human rights abuse”, when more than half (51,1 %) gave the minimal value 0. However, nearly one third (32,4 %) claimed having certain methods against human rights abuse (recorder rating 3 or more). Responses to “initiative in acting against human rights abuse” were very disunited, both extremes scored at most (0 received 12 votes; 5 received 8 votes). Rather negative results appeared in a question: “Do you show your interest in activities of your business partners related to human rights?”. When 73 % do not show interest (value 2 and under) and 37,8 % is not interested at all (value 0). It is worth to mention that it does not mean that enterprises would not be interested, they just do not actively search for information or do not analyse thoroughly their business partners.

Tab. 10 What is your enterprise's attitude in terms of human rights? (first part)

Rating (0= not at all; 5= totally)	Meeting with human rights abuse	Interest in partners' business activities related to human rights	Standards to fight human rights abuse	Active involvement in abiding human rights
0	22	14	19	12
1	5	5	4	6
2	5	8	2	3
3	2	5	3	3
4	1	1	5	5
5	2	4	4	8
Arithmetic Average	0,9	1,6	1,5	2,2

Source: Author's research, n=37

"Active solving of complaints and efforts to prevent discrimination" had positive results with 22 answers for the first two highest options. Last three sub-questions explain respondents' opinion in "respecting economic, social and culture rights" so as "respect to civil and political rights" and "respect to basic working rules". All of those showed to be fulfilled with very positive results. They scored 3 or more in 81,1%; 83,8 % and 86,5 % of cases. Enterprises do not regard any troubles in terms of respecting human rights.

Tab. 11 What is your enterprise's attitude in terms of human rights? (second part)

Rating (0= not at all; 5= totally)	Active involvement in solving complaints and fighting discrimination	Respect civil and political rights	Respect economic, cultural and social rights	Respect basic working rights
0	5	1	2	1
1	2	3	3	1
2	4	2	2	3
3	4	3	2	4
4	7	4	7	7
5	15	24	21	21
Arithmetic Average	3,4	4,1	3,9	4,1

Source: Author's research, n=37

Labour Practices

Six question summarized enterprises' approach towards labour practices. "Good relationship between employees and employer" claimed all respondents (only one scored lower than 3) and identically health and work safety. Regarding to "level of communication at a workplace" and "possibility of employees to tell their opinion" the results were predominantly positive in 89,2 % in the first one and 94,6 % in the latter one. In terms of "workplace's quality" the answers were favourable as well, when two highest options received more than three quarters of votes. The only doubtful question of this section seems to be "employees' training and development". In spite of the fact that highest amount of respondents says they make enough effort in this field; 59,5 % for the best two option, the rest is not so convinced. The 16,2 % scored below-average at values 1 and 2. Generally enterprises confirm high standards of labour practises. If there is a gap for improvement, it is related to training and development.

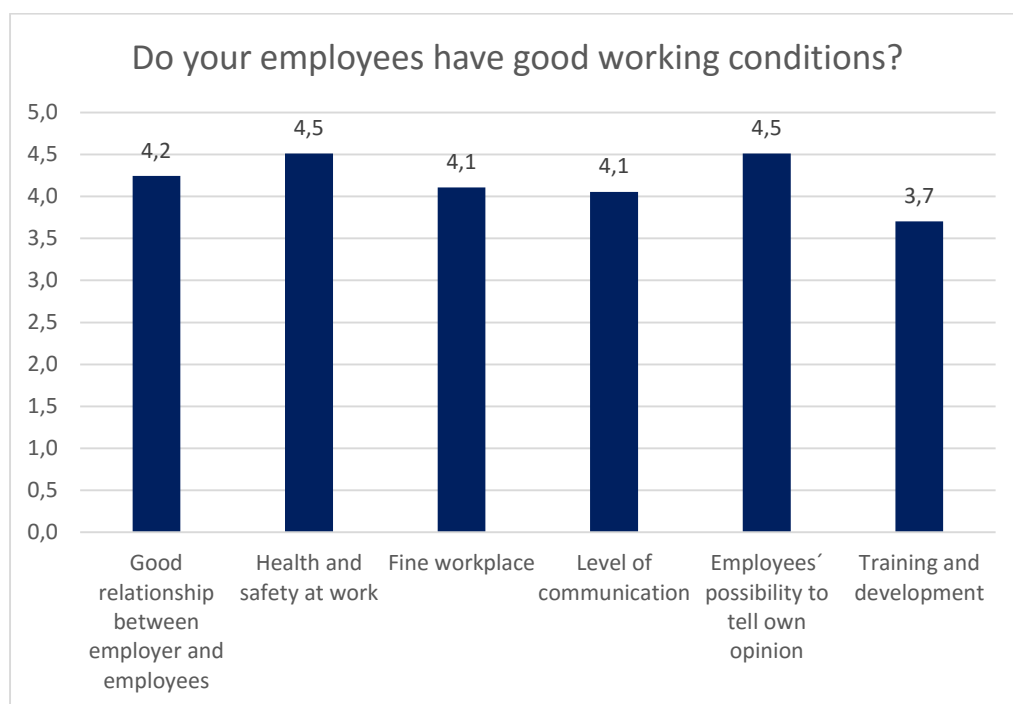


Fig. 19 Working conditions

Source: Author's research, n=37

The Environment

"Program against the pollution of environment" conducts majority, however, 3 enterprises do nothing in this issue. Opinion on "respecting norms and standards regulating the climate change" show positive signs when 83,8 % are values above average. Slightly worse results brought the question whether enterprise "protects and regenerates natural environment" with 8 rather negative answers. The last question related to "usage of renewable resources in long term" showed that 15 respondents recorded value 2 or lower sharing a negative point of view. The average rating is 2,7; which in comparison with other indicators signs lower value and the fact that enterprises in a long term do use renewable resources on average.

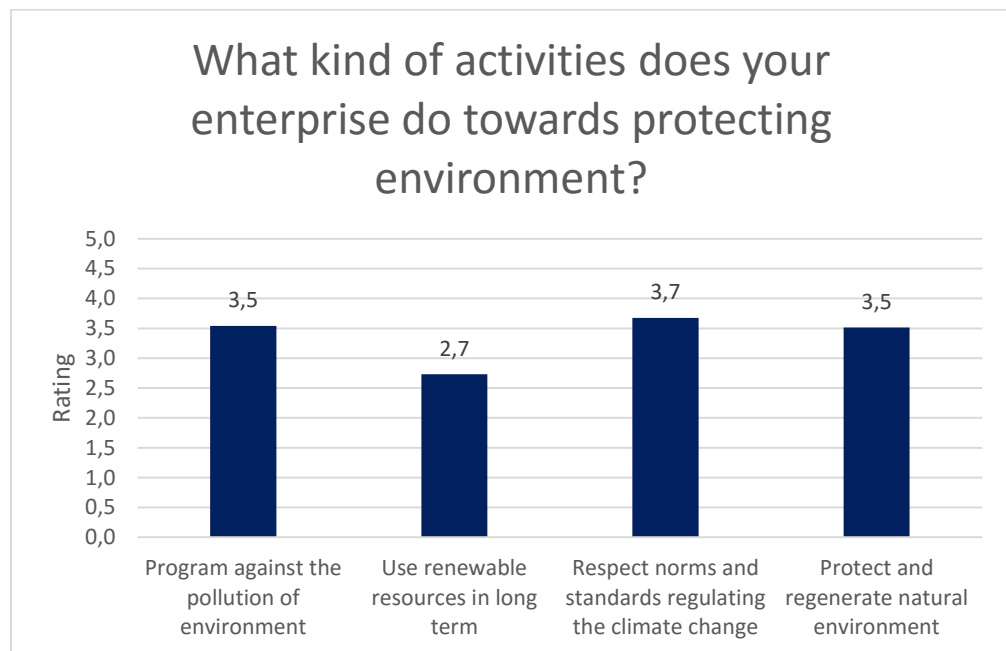


Fig. 20 Activities for environment protection

Source: Author's research, n=37

Fair Operating Practices

Very strong preference and average rating 4,6 with 27 strongly answers of maximal value, gave respondents in "respecting property rights". Clearly positive opinion was described in terms of "combating corruption" (only 3 negative answers) and quite the same is held in "usage of principles of fair competition". Enterprises consider themselves to be fair in their business practices relationship towards competitors. Nevertheless, this section also revealed their non-engagement in political responsibility. Nine respondents do have absolutely nothing common with politics and with other 10 below-average answers, it makes 51,4 % of negative answers and average of 2,2. Compared to above mentioned statistics, quite negative signs are visible in terms of "supporting responsibility in partner enterprises". Here 16 answers were dedicated to lower values and represented 43,2 % of enterprises which rather not support their partners to behave in more sustainable way. It is also worth to mentioned that according to research it does significantly matter either a firm operates locally or internationally nor their size, results are not affected.

Tab. 12 How fair are your management principles in respect to competition?

Rating (0= not at all; 5= totally)	Combat corruption	Responsible political involvement	Apply principles of fair competition	Support responsibility in partners' enterprises	Respect property rights
0	1	9	2	2	0
1	1	6	2	7	0
2	1	4	1	7	0
3	4	10	7	4	4
4	12	2	9	7	6
5	18	6	16	10	27
Arithmetic Average	4,1	2,2	3,8	3,0	4,6

Source: Author's research, n=37

Consumer Issues

Most of the replies connected to consumer issues – “providing information to consumers”, “protecting health and safety of consumers”, “efforts for sustainable consumption”, “protecting consumers' data” and “providing service and support to resolve complaints” – all were strongly positive with generally more than 90 % favourable answers. The results of “helping consumers to ensure basic human needs” scored 35,1 % and average rating 3,2 and “provide consumers with education and information” 16,2 % of negative answers and average rating 3,6; so both had slightly worse results than previous questions but still positive. In general, according to responses, SMEs in automotive industry give consumer high importance and treat him with respect.

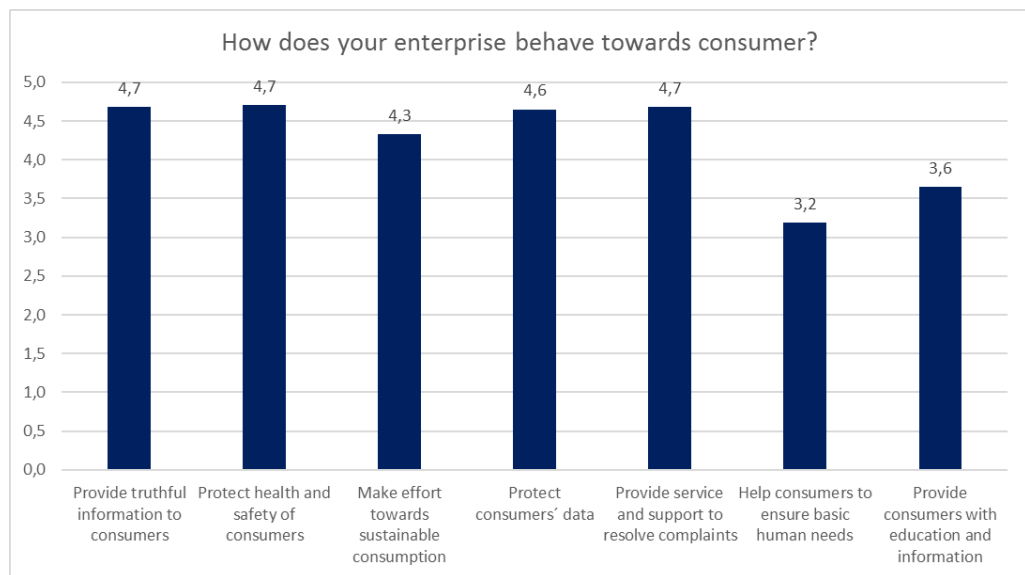


Fig. 21 Behaviour towards consumers

Source: Author's research, n=37

Community Involvement and Development

The last section discovering the usage of CSR was Community Involvement and Development. It turned out to be Achilles heel of responsible behaviour of the enterprises. "Active involvement in local community programs" is some form present only in 40,5 % (gave value 3 or more) of selected enterprises and basically the same is valid for "educational and cultural activities" and "development of technologies", all scored low values of 2,0 and 2,1. In terms of "creating new job opportunities" and "development of skills" is the opinion rather neutral with average 2,6 and 2,7 and prevails rather strong preference, in both cases rating 3 or more gave 32,4 % respondents. The "health support" and "support of property and income growth" showed that firms have very disjoint opinions, nevertheless, they involve themselves in those activities slightly above average. The worst results were obtained in investments to social area, where nearly half of the respondents voted for non or very low involvement.

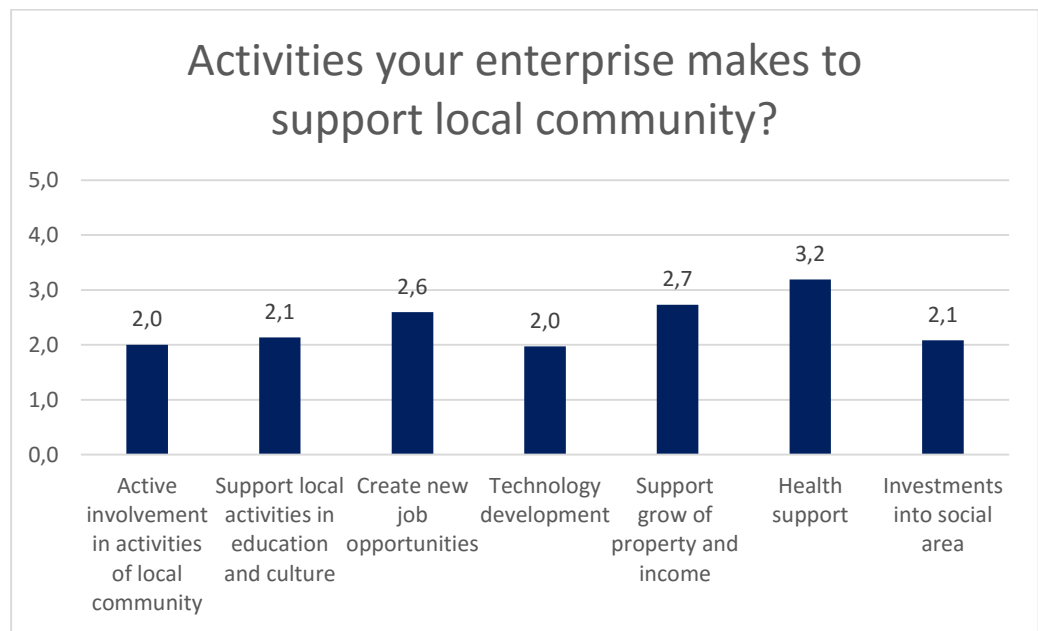


Fig. 22 Activities for local community

Source: Author's Research, n=37

4.4 Results of qualitative research

Respondents of quantitative research were asked to participate in more detailed qualitative research. In case of interest, they provided e-mail address at the last section of quantitative research. After evaluation of quantitative, they were contacted for the purpose of gaining additional information valuable for the thesis recommendations. At the end, 4 of selected respondents were contacted. They participated on research through the interview or scheduled phone calls. The qualitative research was based on the semi-structured questionnaire and proceeded from the results of previously conducted quantitative research. Two of the selected enterprises belong to the medium-sized segment (51-250 employees), other two represent the small-sized segment (11-50 employees), three of them operating internationally, one regionally. Questions given to respondents wanted to reveal practical usage of CSR principles in selected enterprises. Moreover, the qualitative research strived for formulation of economic merit of applied CSR.

Firstly, it is worth to mention that three out of four respondents showed interest in CSR topic and would be open to deepen their knowledge, nevertheless the CSR does now belong among their priorities. All contacted companies also agreed that CSR is an important part of every enterprise and should be incorporated in business activity.

However, one of the respondents was a bit sceptical in terms of implementation, saying that in their case it very depends on decision of their mother company based in Japan. They do not have freedom of choice and has to strictly follow commands. The manager of this company also raised concern in terms of working conditions of their employees, claimed that the main driver for the foreign owner is profit and unfortunately they do not care about the social needs of own enterprise. Others agreed that not only financial part but especially time and effort needed for implementation of CSR is very important.

One of the main issue solved during interviews was the importance and influence of stakeholders.

As an absolutely crucial stakeholders were, by all of the selected suppliers of automotive industry highlighted, their **customers**. They do not only buy the products from suppliers but also has an impact on the final design, quality and specifics of a product. When considering highly competitive environment, then customers significantly influence all business activities of SMEs suppliers in automotive industry.

Other crucial stakeholders are **owners**. Respondents agreed on a high influence from owners. Two of the selected companies belong under foreign owner and there is a need to follow owner's rules (as mentioned in case above). Owners have control over the functioning of selected enterprises and also can significantly influence preference of the area of CSR.

As was agreed by all four respondents, **Czech government together with EU** represent powerful institutions. By using regulations and norms they can affect business of SMEs. Nonetheless, they stated that often is this effect indirect and comes from the customer, which has to react on these regulations.

Another stakeholder are **automotive associations**. But they have more informational character and seem to be more important for larger organizations as the respondents proclaimed.

Employees are the most influenced stakeholders with high interest in enterprise's activities. Therefore, the effort for CSR activities should be directed to them especially.

Car producers in many cases influence SMEs in automotive industry indirectly, since they are not the following in the closest partner supply chain. However, they can also stand in direct line and represent customers. According to interviews, all participants highlighted high influence of car producers. One of respondents said that they have very strong position and negotiating skills. And basically whatever they ask for, their enterprise needs to react quickly and be always ready for change, otherwise it can lead to loss of crucial business.

Suppliers of automotive parts – some of them are also competitors, offering similar types of products. Two of the respondents mentioned that their production is specific and their suppliers are specialized in certain type of products, therefore would not be easy to change supplier. On the other hand, the other two perceive quite high competition among its suppliers in automotive industry and admit they have more negotiating options.

Media – do not play significant role for SMEs. None of the respondents give significant relevance to them, one mentioned that they have more influence on larger organization.

Non-profit organization – none of the selected respondents give relevance to non-profit or non-governmental organizations. In their opinion they dispose with low influence.

One section of semi-structured interview was dedicated to activities which enterprises do. In terms of focus on particular area, the answers are very individual – two would like to preferably focus on economic area, one on environmental and on one social area.

In terms of concrete social activities, one respondent mentioned material help to local municipal authority providing necessary equipment. Other respondent talked about contribution to local school and children project. In two answers appeared sponsoring of sport. Despite the fact that it does not really have an effect on company activities and it is more volunteering activity or hobby. Motivation program for employees appeared in two responses. All respondents claim equal chances for employees and three of them support education (through soft-skills and language courses).

Related to economic activities all enterprises behave transparently with fair practices towards consumers. They also operate without debts and pay their liabilities in time. Only two, however, have code of conduct for employees.

Responses on environmental activities revealed potential for improvement, when none of the companies has a system for waste minimization, for traveling cost minimization nor for saving electricity. Two of them recycle, and make preventive activities against pollution. One recycle in limited extent (glass, paper) other mentioned ecological waste incineration. One respondent stated that they are switching to different chemical substance. Even if it supposed to have positive environmental impact, in his opinion it is only illusion and it would lead to even larger harm to environment.

The activities of CSR done in selected enterprises can be summarized as follows:

Social area

- Providing equal chance for employees and prospective

- Sponsoring
- Support of local community (municipal authority, school)
- Employee education (language course, soft-skills courses)
- Motivation system for employees

Economic area

- Transparent behaviour
- Timely paid liabilities
- Operating without debts
- Application of ISO 9001
- Code of conduct for employees

Environmental area

- Application of ISO 14001
- Recycling
- Ecological waste incineration
- Prevention against pollution

Three respondents mentioned that EU in automotive sector applied quite strict regulations in order to protect environment and also admitted that the Volkswagen's misleading behaviour about state of emissions probably supported tendency of EU to conduct those regulating policies – one respondent said that EU audits are made several times a year in their factory. The Volkswagen's case also supported need for having globally applied standards, in form of ISO certificates.

Although, their responses to certificates were rather reserved, they unanimously confirmed a necessity of ISO 14001 and ISO 9001. In three out of four cases also the need for ISO 16949 used in automotive sector, one enterprise is considering its acquisition. Those ISO are basic prerequisites in order to request for a tender and in most cases to ask for other orders. Car manufacturers such as Škoda Auto or Tatra and their connected partner would not allow a cooperation without those certificates.

Only one respondent was convinced about the merit of reports, the other two consider it for a "necessary evil", claiming that it does not have much of a sense and takes quite big amount of time. Basically they are not against the idea of recording, sharing and keeping information, however,

they would prefer simple and short version of reports for internal and external needs. Last but not least they are not sure of having enough knowledge in terms of CSR, which can be an obstacle in implementation of CSR.

The promotion of own CSR activities turned out to be quite weak among selected enterprises. Basically, the only source providing information to stakeholders about CSR activities is own website pages. There have the companies expose their certificates or some additional information. Only one enterprise stated that they used in a past also different source of promoting, precisely they mentioned their CSR activities during the meeting with partners and also stressed it in the process of hiring new employees. Apparently, they do not know, how to promote and one respondent is not sure about the benefit of promoting their responsible behaviour since increase in CSR activities can hardly influence relationship with their customers. The business between does not stand upon it. None of the enterprises uses external agency for reporting and evaluating CSR. The reasons are due to nature of financial and time demand. This confirmed results of quantitative research.

The qualitative research was supported by secondary data obtained on websites of companies, which were part of a quantitative research. After a thorough exploration it showed up an occurrence of below mention certificates among the enterprises:

- ISO 14001 – specifies demands on quality in management system requirements in all areas manage their environmental responsibilities
- ISO 9001 – specifies demands on quality management system requirements in all areas of company's activities
- ISO/TS 16949 - defines the quality management system requirements for the design and development, production and, when relevant, installation and service of automotive-related products.
- Formel Q – Norm of Volkswagen specifying demands on quality of supplied products
- QS 9000 – Sector norm of automotive industry created by group Chrysler/Ford/General Motors.
- ČSN EN ISO 3834-2:2006 – certification of management system in welding
- ISO 18001 – Norm for information technology – Radio frequency identification for item management

In many cases enterprises claim existence of Integrated system management, which consist of Quality Management Systems (QMS) and Environ-

mental Management Systems (EMS). The management of companies is committed to continuously improve the efficiency of the integrated management system, particularly through the set objectives, targets, programs and control mechanisms.

5 Recommendations

This chapter brings recommendations for small and medium-sized enterprises in automotive industry in the Czech Republic. Recommendations are based on results obtained in quantitative and qualitative research and their purpose is to provide Czech SMEs with a guideline, how to conduct socially responsible behaviour and use benefits that it brings for their business activities.

The recommendations are divided into two parts. First part describes generally applicable principles of CSR for Czech small and medium-sized enterprises in automotive industry. This part is represented by a summary of recommendation.

Second part of recommendations is created in a form of a case study. Author there introduces the case study in form of PDCA model in order to implement CSR principles for a particular enterprise. The PDCA model includes steps for identification and application of CSR principles for a small-sized enterprise. Introduced concept of social responsibility strives to enrich small and middle-sized businesses for the advantages that responsible behaviour provides and subsequently help them to be successful in competitive Czech automotive business environment.

5.1 Summary of recommendations

There is no universally applicable model of CSR that would fit to each organization. The particular guideline for improvement of CSR depends on size, scope, company's attitude and other factors. However, based on the finding from research there are several recommendations, which can be generally applicable to SMEs in Czech automotive industry.

Integrated CSR strategy bound with general enterprise strategy

For SMEs are recommended to conduct integrated CSR programs directly bound to the strategy. To become an enterprise which operates with best practises, there should be established coordinated and interdependent program across the CSR portfolio. The program should be aligned with the companies' business purpose, the values of the companies' important stakeholders, and the needs of the communities. That represents a contrast to those focused solely on value creation for their shareholders. Last but not least they should be more concrete in their actions. (Kasturi R., Chase L. and Karim S., 2015)

To simplify the process of CSR implementation

One of the general recommendations is to simplify the process of CSR implementation. Especially for small and micro enterprise, there is no need to make thorough researches, large investments and long reports. It is more about doing than the bureaucratic agenda around.

Focus on local issues

In Czech environment is quite visible that SMEs do not focus on local issues. Although investing into community activities is often ground base for satisfied employees and good relationship on the place of business. Czech automotive SMEs are therefore advised to support local community.

Innovations and knowledge sharing

Focus on innovation supported by knowledge sharing within partnerships. This is one of the most crucial success factor for automotive industry. SMEs in Czech automotive industry should invest into R&D and product development. It might seem costly at the beginning but at the end it pushes enterprises forward, and it is a necessity in order to remain competitive.

Follow trends in environmental issues

Focus on environmental issues is truly important. Governments and society turn observe companies' practices more thoroughly than ever before. Green manufacturing seems to be a future direction for automotive industry. The enterprises which catch this trend will more probably successfully operate on the market.

Consider EU grant programs

In terms of innovation, enterprise should consider raising EU grant. Because the EU can act also as a supportive actor. Within its strategy Horizon 2020 EU presents "The SME Instrument" which is a tool that provides funding and support for innovation projects up to 2,5 million €. (European Commission, 2016)

Communicate CSR activities

Even if some Czech SMEs are active in CSR, they do not adequately communicate these activities. For those especially, is recommended to use various channels to let know their stakeholders about own responsible behaviour. Examples of channels are provided within the case study. Other issue connected with communicating CSR activities is reports issuing. Hereby author suggest SMEs to create short reports for stakeholders (customers, owners) in order to show the effort and keep them engaged.

Follow the norms and standards requirements

In general SMEs in Czech automotive industry are required to have certain types of certificates. Increasing demands of stakeholders lead to necessity for approved quality. For the future perspectives connected to norms, SMEs are advised to use guideline ISO 26000, since it does not represent significant costs and is not subordinate to strict rules. Other standards are due to their administrative and financial demands advised for larger companies. For those is advisable to obtain norm ČSN 010391 guideline.

Become a part of CSR association

For the larger SMEs in the sector is prospectively recommended to be informed about news in CSR through CSR association (media and customers are the most mentioned channels of CSR awareness) and possibly become a part of those associations. With its help enterprises can better declare their responsible behaviour.

Tight cooperation with car manufacturers

For a lot of SMEs in Czech automotive industry is very important to be familiar with sustainability in supplier relations. For instance, Škoda Auto (the biggest Czech car manufacturer) formulated concept focus on quality, price and delivery times and thoroughly integrated procurement process. In order to become a supplier for Škoda Auto, companies are required to act in accordance with mentioned guidelines and to exploit all potential for improvement. This leads to conclusion, that only suppliers following and fulfilling the latest sustainable policies and obeying rules stated in the guideline can cooperate with Škoda Auto – strategic business partner.

The suggestion is aimed on SMEs that strives to cooperate with car manufacturers and get involved in their projects. In case of Škoda Auto there is a program called: “Registering with the VW B2B Supplier Platform” (Škoda Auto, 2016)

5.2 Case study - PDCA Implementation model**About the enterprise**

The selected enterprise on which the case study is applied belongs to Czech small-sized enterprises. It is a part of automotive industry and employs 40 employees. The enterprise manufacturers paints and specializes in processing of metal surfaces. It sells products to other suppliers in automotive chain and partially to car manufacturers. Headquarters of the enterprise is in the east part of Czech Republic. The enterprise operates internationally and was established at the end of 90s, so it has been active in automotive

industry for nearly 20 years. It operates profitable during the past years, however, it has to fight against raising competition. From the management point of view, the CSR is perceived as an important area and a tool for improvement. The enterprise claims awareness about CSR, however, it has no comprehensive CSR strategy. The enterprise is legally registered in Czech in commercial register by Registration Office. It does not have financial troubles and pay its liabilities and invoices on time. The company is obliged to follow EU regulations and respect Czech law. The enterprise successfully went through all executed audits in a past. It possesses certifications of ISO 9001 for quality management system requirements in all areas of company's activities, ISO 14001 for quality in management system requirements for environmental responsibilities and ISO/TS 16949, which defines the quality management system of automotive-related products.

5.3 Plan

Phase of planning is the very first step of PDCA model. Its purpose is to identify and analyse the problem. It contains two main sections: conducting CSR and developing CSR strategy. These two parts then include information about the leading team, identify key stakeholders, define current state and objectives upon these is the strategy based. Planning phase is followed by executive phase.

5.3.1 Conduct CSR

Conducting is about setting borders of CSR implementation project and people that will create strategy and execute it in the next phase. It encompasses description of the involved groups with their individual importance and respective strategies that need to be followed.

Assembling CSR Leadership team

Since the company is rather smaller size, there is no need for creating a large group of experts. The company will also use mainly own resources. No external agency will be participating, however, if the need for expertise occurs, enterprise will discuss progress with CSR focused organization. Team will consist of 5 people representing different areas of enterprise's level and focus. Main responsible person for the CSR implementation is a Project manager. For the larger companies it is better to set up larger CSR team ideally encompasses areas of public relations, marketing and sales, production, process management, finance, human resources or possibly other departments with respect to organizations' scope of activity.

CSR Leadership team:

- General Manager – main authority with decision-making power
- Project and Compliance Manager – responsible for the whole process of CSR implementation
- Sales Manager – main importance in terms of products and customers’ relationship
- Financial Manager – knows the financial part of the enterprise
- Blue-collar Worker – representative of workers’ opinion

Identification of key stakeholders

After analysing activities of company the involved groups, stakeholders, were selected and put into the matrix according to their influence and interest in business activities of the enterprise. The stakeholders’ matrix comes from the findings in qualitative research. For effective CSR implementation is necessary to understand needs of stakeholders. It goes without saying that CSR is about understanding, why the company is doing such activity. On one hand it is about, who has an impact on its activities on the other hand, who can be impacted by the enterprise. Enterprise has to bear in mind expectations of stakeholders.

Level of interest	High	Suppliers Automotive associations	Employees Car producers	Customers Owners
	Low	Non-gov. organizations Media		Government
		Low		High
		Level of influence		

Fig. 23 Stakeholders matrix
Source: Author’s elaboration based on Steinerová, 2008

From the stakeholders’ map can be identified that the highest influence on company’s activities have owners, customers and government, the highest level of interest have employees, suppliers, customers and car producers. For each stakeholder was determined a strategy marked in following table.

Tab. 13 Key stakeholders and respective strategy

Key stakeholders	Strategy towards stakeholders
Owners	Lead a dialog
Customers	Lead a dialog
Car producers	Lead a dialog
Employees	Lead a dialog
Government	Ensure satisfaction
Suppliers	Continuously inform
Automotive Associations	Continuously inform

Source: Author's elaboration based on research

Engagement of stakeholders plays very important role because it brings benefits and can help enterprise to:

- Establish personal relationships – personal bindings are very important, when the business gets personal the chances for successful cooperation raise
- Improve risk management – dialog allows to make predictions and be prepared for unfavourable situations
- Better monitoring of objectives – when satisfying needs of a stakeholder it is important to know whether both parties following the same objectives
- Become more innovative – mutual communication is valuable asset in exploring new ideas, trends and prediction for the future development in automotive sector; it helps in creation of strategy
- Receive a different point of view – it is necessary to get an opinion of someone, who stands outside the enterprise, it reveals weak points and helps to improve

5.3.2 Developing CSR strategy

In the part of planning it is crucial the management commitment. And not just manager needs to be engaged but also the owner. The declaration of their support in terms of social responsible behaviour is a basic prerequisite. Leading by example is the best commitment. Because owner is also the one who provides resources and together with general manager directs the strategy. Without engaging other employees, the positive impact on the areas of responsibility would be hardly made. In the planning phase the CSR leadership team has to spread the message. Then in following phases all members have to clearly communicate objective and development and keeping thus participants engaged. In terms of defining CSR, there is no

need to bog down deeply into definitions, since according to research the enterprise has certain awareness already and knows, what the principle of CSR means. Therefore, rather than defining the term CSR it would like to focus on practical part. The company should continuously discuss progress under control of project manager, who holds meetings and informs other involved persons.

Analysis of current situation

Here should the enterprise make an analysis of internal and external environment.

The analysis will serve as a base for setting CSR values and principles. The Analysis of current situation should include:

- Legal requirements and documents
- Already applied CSR activities
- Methods of communication of CSR
- Resources – material, people, finances
- A review of existing business policies and documents
- Summary of CSR engagement in history of the enterprise

From the secondary research data was obtained that competitors usually have same types of certifications, ISO 14001, ISO 9001 and ISO 16949. Competitors rarely obtain other certificates, especially CSR ones, such as ČSN 01 0391, ISO 26000 or SA 8000. SMEs operating on the same field in automotive industry have to follow same regulations in terms of product quality. Products differ slightly, the company's reputation and the way of producing (environmental impact) can play important part in establishing strategical partnerships with customers. Other relevant sources of information about competitors' strategy can be obtained from own employees.

In a small enterprise represent resources larger obstacle than for bigger one. The enterprise is therefore advised in a planning phase of CSR strategy to include all resources needed for implementation and create sufficient reserves. CSR implementation is a long term process and is usually constantly revised. It is better to calculate with higher financial needs and also with the working time necessary for each member of CSR Leadership Team. Main responsibility for resources has the General Manager in cooperation with owner.

The enterprise is partially active in all three areas of responsibility. The activities can be summarized as follows:

- Employee education (language course, soft-skills courses)
- Transparent behaviour

- Timely paid liabilities
- Operating without debts
- Application of ISO 9001, ISO 14001, ISO 16949
- Recycling

Values and principles

CSR strategy is based on the importance of stakeholders. The values and principles that the enterprise would like to follow are described in mission statement:

“Our enterprise would like to be an important and respected partner for the automotive industry.”

Among the key values of the enterprise belong:

- permanent efforts for quality improvement,
- personal approach to customers,
- to be profitable,
- to be transparent,
- to help to protect environmental impact,
- employee support,
- fulfilment of legal requirements

Identification of key objectives of CSR

Process of describing values and principles is followed by setting key objectives for CSR strategy. The enterprise has to specify individual objectives, which fall into a particular area of responsibility. These key objectives should be in harmony with above mentioned values and principles. Constant revision of declared objectives is a must and should be made at least twice a year. Key objectives of CSR answer the question: “What is the purpose of making CSR activities?” There have been set several objectives with different importance. The rank number shows importance of the objective, area specifies its focus and the groups involved in particular driver are labelled as targeted stakeholder.

Tab. 14 Key objectives for CSR strategy

Rank	Objective	Area of CSR	Targeted stakeholders
1	Strengthen relationships with already existing customers and suppliers	Economic	Customers, Car producers, Suppliers
2	Be more cost effective through better management system	Economic	Owners, Employees
3	Increase loyalty and engagement of employees	Social	Employees
4	Open space for new potential customers	Economic	Customers
5	Be prepared for changes in regulations (especially environmental issues)	Environmental	Government, Car producers, Suppliers
6	Monitor and decrease energy and water consumption	Environmental	Customers, Government
7	Improve reputation in local environment	Social	Employees
8	Product improvement	Economic	Customers, Car producers

Source: Author's elaboration

Action plan

The next step after setting objectives is to establish an action plan. The action plan contains concrete CSR activities which should lead to fulfilment of the objectives. Furthermore, action plan replies to the question "how can enterprise reach the objectives" providing financial, time and human resources. Activities used in action plan of the selected enterprise are based on the quantitative and qualitative research. The enterprise would like to focus in economic matters especially. The research also showed that certifications in the field of CSR are neither required from the side of suppliers nor the SMEs in Czech automotive industry see them as beneficial. Their higher costs and administrative needs lead to suggestion that the action plan does not contain any type of CSR certification.

Tab. 15 Action plan – Objectives and CSR Activities

Area of CSR	Objective	CSR Activities
Economic	Be more cost effective through better management system	Create a code of ethics.
Economic	Strengthen relationships with already existing customers	Twice a year ask for the feedback of delivered products/services. Communicate own activities and give acknowledgement for the partnership
Economic	Open space for new potential customers	Make a research in terms of new customers. After selection and evaluation of potential customer, create a targeted offer. Then approach selected customers, declare transparency in operating practises and set up meeting.
Economic	Product improvement	Issue a brochure about product specifications including all news and developments and deliver it to existing customers and suppliers.
Environmental	Be prepared for changes in regulations	Establish a company diary tracking EU legislative processes and follow newest standards in environmental policies. Communicate certifications.
Environmental	Decrease energy and water consumption	Monitor the energy and water consumption. Find the areas with potential for savings. Then establish and conduct policies to decrease these consumptions.
Social	Improve reputation in local environment	In cooperation with employees make a research and find the most suitable area for financial sponsoring (education, sport, children, municipal help)
Social	Increase loyalty and engagement of employees	Establish motivational program for employees. Engage employee in CSR project.

Source: Author's elaboration

The next step after clearly set activities for the objectives is to assign respective time frame and persons for their execution. These are completed by financial resources. The calculation of financial resources is provided below. According to research enterprise sees the biggest difficulties in terms of time and finances. The recommendation assumes that enterprise has recently hired a project manager and compliance manager (in one person). He

is involved in other projects of enterprise, however, the CSR implementation is his/her main responsibility. Therefore, the most of the time needed for execution of a particular CSR activity is dedicated to him/her. Other persons from the CSR Leadership Team will act mostly in a supportive way. This proposition saves their time and costs of their working time. For instance, CSR activity of a Sales Manager, who is responsible for communication with clients, is to issue a brochure about product specifications including all news and developments and deliver it to existing customers. The Sales Manager provides materials and data to Project Manager, so he can organize the whole prepare of the brochure. Afterwards he/she agrees with sales manager on the final version. Sales Manager then communicate it to existing customers.

Tab. 16 Action plan – Schedule (first part)

CSR Activities	Time frame	Responsible person
Create a code of ethics.	1 year	General Manager, Project Manager
Twice a year ask for the feedback of delivered products/services. Communicate own activities and give acknowledgement for the partnership	Immediately, Continuous activity	General Manager, Sales Manager
Research of potentially new customers. After selection and evaluation of potential customer, create a targeted offer. Then approach selected customers, declare transparency in operating practises and set up meeting	6 months	Sales Manager, Financial Manager, Project Manager
Issue a brochure about product specifications including all news and developments and deliver it to existing customers	1 year	Sales Manager, Project Manager

Source: Author's elaboration

Tab. 17 Action plan – Schedule (second part)

CSR Activities	Time frame	Responsible person
Establish a company diary tracking EU legislative processes and follow newest standards in environmental policies. Communicate certifications.	Immediately, continuous activity	Sales Manager, Project Manager,
Monitor the energy and water consumption. Find the areas with potential for savings. Then establish and conduct policies to decrease these consumptions.	2 years (1 year of monitoring, 1 year for implementation)	Blue collar worker, Financial Manager, Project Manager
Establish motivational program for employees. Engage employee in CSR project	1 year	General Manager, Financial Manager, Project Manager
Make a research (in cooperation with employees) and find the most suitable area for financial sponsoring (education, sport, children, municipal help)	6 months	Blue-collar Worker, Project Manager, Financial Manager

Source: Author's elaboration

Costs of implementation

For each of the eight specified CSR activity are calculated costs. In the financial calculation is covered a wage of Project Manager only for the activities directly connected with CSR implementation. This wage is estimated. Calculations of other estimated costs are based on available information. Comments on the right side of the matrix describe nature of costs in detail.

Tab. 18 Cost implementation (first part)

Activities	Cost specification	Amount of costs:	Comments
Create a code of conduct.	Administrative costs: <ul style="list-style-type: none"> • Project Manager's wage, • Short training course for employees 	In total 21 000 CZK: 15 000 CZK 6 000 CZK ³	Code of conduct is accessible on websites. Every employee is educated and signed.
Twice a year ask for the feedback of delivered products/services. Communicate own activities and give acknowledgement for the partnership	Part of working responsibility of General Manager and Sales Manager	0 CZK	Activity incorporated into standard communication process between Sales Manager and customers
Research of new customers. After selection and evaluation of potential customer, create a targeted offer. Then approach selected customers, declare transparency in operating practises and set up meeting	Administrative costs: <ul style="list-style-type: none"> • Project Manager's wage (research, offer creation, transport costs) • Part of working responsibility of Sales Manager and Financial Manager 	In total 15 000 CZK	Using own internal materials, historical data, expertise of sales manager. Documentation is provided.

³ Cost estimated calculation: average hourly wage (150 CZK) x 1 hour for the training x 40 employees = 150 x 1 x 40 = 6 000 CZK

Issue a brochure about product specifications including all news and developments and deliver it to existing customers and suppliers	Administrative costs: ⁴ <ul style="list-style-type: none"> • Project Manager's wage, • Digital agency services⁵ • Printing services and postage⁶ 	In total 18 900 CZK: 5 000 CZK 13 500 CZK 2 400 CZK	Brochure can be used for other enterprises' promotional and informational activities such as fairs or
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Source: Author's elaboration

⁴ Value added taxes (VAT) included

⁵ Price for estimated for 2hrs/1page (30 hours in total) counting 450 CZK/1hr. Based on price list on http://xagency.cz/Assets/Ceniky/2010_Cenik_X-agency.pdf

⁶ For a printed brochure with 15 pages, A5 form and full colours in amount of 30 pieces. Costs include postage. Based on calculations from <http://www.digitalexpress.cz/tisk-brozur/>.

Tab. 19 Cost of implementation (second part)

CSR Activities	Cost specification	Amount of costs:	Comments
Establish a company diary tracking EU legislative processes and follow newest standards in environmental policies. Communicate certifications.	Part of working responsibility, activity	0 CZK	Following of standards should be already incorporated, this activity is about tracking the development. Project Manager makes notes.
Monitor the energy and water consumption. Find the areas with potential for savings. Then establish and conduct policies to decrease these consumptions.	Administrative costs: <ul style="list-style-type: none"> • Projects Manager's Wage • Extra wage for blue-collar worker • Bonus for blue-collar worker 	In total 28 000 CZK: 5000 CZK 8 000 CZK 15 000 CZK	Project Manager processes assessment of consumption and advise the areas of potential savings at the end of the first year. Selected blue-collar worker gathers, writes down data on a weekly basis. In the second year informs and promotes consumption savings among other employees. If the objective is fulfilled after 2-year period, extra bonus is paid.

Source: Author's elaboration

Tab. 20 Cost of implementation (third part)

CSR Activities	Cost specification	Amount of costs:	Comments
Establish motivational program for employees. Engage employee in CSR project	Administrative costs: <ul style="list-style-type: none"> • Project Manager's wage, • Bonus for employees active in a project 	In total Up to 35 000 CZK: 15 000 CZK, Up to 20 000 CZK	Project Manager prepares motivational system with approval of General Manager and based on financial statistics provided by financial manager
Make a research (in cooperation with employees) and present the most suitable area for financial sponsoring (education, sport, children, municipal help)	Administrative costs: <ul style="list-style-type: none"> • Project Manager's wage • Sponsorship 	In total: Up to 40 000 CZK 10 000 CZK, Up to 30 000 CZK/year	The final sponsorship amount is dependent on activity and compliance with enterprise's scope of business

Source: Author's elaboration

5.4 Do phase

The plan is useless unless the enterprise projects it into reality. That is why planning phase is switching into a second stage of PDCA model called Do phase or Phase of execution. Here the selected medium-sized enterprise follows previously made action plan and tries to incorporate the suggested responsible activities. Necessary point is an evaluation and progress check on a regular base. This requires knowledge of project management, more precisely responsible and knowledgeable person represented by a person of Project Manager. He/she leads the CSR implementation project and guides also other participants.

For the successful implementation of corporate social responsibility is obligatory to conduct responsible business practices. This means that enterprise is able to generate a positive attitude shared in company culture. Also the message about the transition into the doing phase is necessary. Employees have to see the purpose of such CSR activities. The executive phase is a phase of testing; the enterprise tries to fit the suggested solutions to specified objectives. It includes data collecting and processing. In case of any changes, they need to be recorded.

5.5 Check phase

Here comes facing the truth. Third step of the model expects studying of the actual results measured and collected with the Do phase stated above. Right after, these results are compared against the expected results described within the planning phase. If any difference occurs the plan needs to be revised. The essential components are the indicators of achieved results. Indicators provide data of development. They give information necessary for the last step of PDCA for the acting phase. Check phase of the selected automotive enterprise includes two sub-steps: monitoring by using indicators and communication and reporting.

5.5.1 Monitoring by using indicators

The expected results from the planning phase are compared to actual results. In order to do so, the enterprise sets verifiable indicators. Each particular objective can contain one or more indicators. The indicators should be concrete and can be either quantitative or qualitative nature. For the selected enterprise there were established 10 CSR indicators.

Tab. 21 CSR indicators

Area of CSR	Objective	CSR indicators
Economic	Be more cost effective through better management system	Level of administrative costs Amount of occurrences of behaviour in wrong manners
Economic	Strengthen relationships with already existing customers and suppliers	Customers' and suppliers' feedback Amount of new orders
Economic	Open space for new potential customers	Amount of contacted companies Amount of new customers
Economic	Product improvement	Customers' and employees' feedback
Environmental	Be prepared for changes in regulations	Amount of complaints and additional demands from state authority, car manufacturer's and customers
Environmental	Decrease energy and water consumption	Total consumption of water and energy
Social	Improve reputation in local environment	Employees' feedback
Social	Increase loyalty and engagement of employees	Employee retention rate, employees' feedback

Source: Author's elaboration

5.5.2 Communication and reporting

Communicate the CSR is very important. If the enterprise successfully established CSR strategy and acts according to norms and standards it is necessary to deliver this message further. The best way, where to start, represents own employees. The research showed that SMEs in automotive industry agree about the importance of awareness among their employees. Starting with own employees (training and code of conduct), the enterprise can spread the message to other stakeholders. Starting with internal communication, the enterprise makes sure that employees understand the purpose of doing CSR initiatives. In terms of external communication, the enterprise has to make its activities public to show care and effort invested. According to the research among automotive SMEs, enterprises consider reports useful but time consuming. In the case of selected enterprise, the report is represented as a summary of activities and achieved results. For the purpose of enterprise's business activities, the CSR report does not need to be very thorough and consume load of time. The enterprise would like to be focus on facts (data, indicators).

The communication is beneficial in several points. It can declare transparency, engage the stakeholders or enable better tracking of CSR activities.

There are several suggested channels to promote the CSR activities. The main base is the websites of the enterprise. Here can be obtained certifications, code of conduct and CSR report, all updated for the current news about responsibility. The website is supplemented by reports send via personal email communication of General Manager and Sales Manager to existing/potential customers and suppliers, car producers and other involved stakeholders. Third way is the distribution of product brochure including CSR activities.

CSR communication tools

- Website
- Brochure
- Email announcement
- CSR report
- Employee training
- Code of ethics

5.6 Act

The Act phase is the very last part of the PDCA model. Here the enterprise evaluates the already existing strategy. The enterprise should bear in mind that implementation of CSR is not enough the enterprise has to stick to strategy and keep the set CSR principles. Moreover, what is written on the paper does not necessarily mean that enterprise behaves this way. The process does not end with the existence of functioning strategy. The further continuance and development of CSR strategy is conditioned on the constant observation and effort of the all members of CSR Leadership Group with main importance of the Project and Compliance Manager.

In order to improve existing results, the table compares results with suggested improvement.

Tab. 22 CSR improvements

Area of CSR	Objective	Results	CSR improvements
Economic	Be more cost effective through better management system	Administrative costs decreased by 5 %	Decrease the level of administrative costs by another 5 % in next year
Economic	Strengthen relationships with already existing customers and suppliers	All existing customers continue in cooperation	Increase their satisfaction, offer additional products and boost sales
Economic	Open space for new potential customers	2 new customers showed interest	Close the deal with 2 new customers
Economic	Product improvement	Improvements in test of product quality	Continue with research and development
Environmental	Be prepared for changes in regulations	Enterprise diary tracking changes established	Keep the diary updated
Environmental	Decrease energy and water consumption	Total consumption of water and energy decreased by 5 %	Continue to lowers consumption of water and energy for another 2% in next year
Social	Improve reputation in local environment	Employee satisfaction	Further investments (financial and material) to local projects
Social	Increase loyalty and engagement of employees	Retention rate lowers by 20 %	Present employee benefits to potential employees

Source: Author's elaboration

6 Discussion

The thesis is based on quantitative and qualitative research conducted among Czech automotive small and medium-sized enterprises. The analysis of the current situation in the Czech automotive industry showed high importance and large influence of automotive industry for the whole Czech economy. After all, 7,4 % of GDP contribution and more than 3 % of employed people from total employment speak loud.

In order to propose strategies for higher competitiveness, the quantitative and qualitative researches were conducted. The quantitative survey has a form of questionnaire and follows a structure of worldwide accepted guideline ISO 26000. Three sections strive to reveal awareness, knowledge and usage of CSR principles among respondents. Findings of quantitative research are supported by qualitative research in form of interviews with selected enterprises.

Considering the awareness, Czech automotive SMEs claimed that the issue of CSR is important for them and consider it as a tool how to improve company's reputation. Slightly better awareness about CSR principles expressed enterprises operating internationally. The reason behind might be the higher demands on responsibility from the side of suppliers – typically car manufacturers. For Czech main exporting partners, the higher importance that is given to CSR in Western-European countries such as Germany or Austria. The larger the company the heavier is the impact that it has towards society and therefore need to invest more into sustainability.

Research showed enterprises to pay the lowest attention to social area. Combined with the results from the section Community Involvement and Development is obvious that enterprises are not highly interested in social area. On one hand, they considered some issues of this area as non-problematic ones; this can be demonstrated through no interest in abiding the human rights and very positive responses connected to usage of principles respecting human rights. On the other hand, enterprises expressed interest in order to improve working conditions. Although, most of the selected enterprises provide good working conditions.

Moreover, fulfilment and improvement of working standards is for manufacturing firms more demanding than for firms offering services. Therefore, all manufacturing enterprises included the SMEs in Czech automotive industry need more resources, which seems to be the largest obstacle in order to improve social area of corporate social responsibility. Especially lack of time and finances play the crucial role, which was confirmed in both researches within the reasons that limit enterprises to behave more responsibly.

Norms and guidelines are by Czech automotive SMEs perceived as necessary. But solely acquiring of certificates will be for future insufficient. More important will be the ability of companies to strive for innovations and to tackle current social and environmental issues. (Visser, 2016)

According to Global reporting initiative (2015) a future of CSR is connected with evolution of technologies. These will enable to collect data more efficiently, which will lead to more accurate reporting with higher transparency. Moreover, companies will be held more accountable and will have to consider their business activities more profoundly.

Considering the level of communication of CSR activities among enterprises, research of the author showed its insufficiency. The same conclusion brings the survey conducted among SMEs from various sectors in Ireland. In this research 30 % of companies conveyed that they are not active in CSR activities, however, the same companies are committed to waste reducing in more than 90 % of answers, giving financial support to good causes in 88 % or support learning and development of employees in 72 %. This signs low level of knowledge among SMEs because all above mentioned activities were made without knowing that it is a part of CSR. (Irish Small and Medium Enterprise Association, 2015)

The highest benefit for Czech SMEs in automotive industry is represented by improved reputation, which was claimed by more than 80 % respondents. The similar result is showed in the research conducted among 609 SMEs in Ireland in 2015 by Small and Medium Enterprise Association, where the "higher reputation" with 62,9 % was also placed on the first place. (Irish Small and Medium Enterprise Association, 2015)

Compared to research realized in Berlin in 2007 by TÜV Rheinland Bildung und Consulting GmbH consisted of 142 replies, which found out that the term and purpose of CSR is not very well known in SMEs segment, seems to that CSR among SMEs is getting more attention in recent years. (Bader N., Bauernfeind R., Giese C., 2007)

Another European survey on Corporate Social Responsibility (Arlbjørn, J.S. et. al., 2008) showed that a minor part of the SMEs from European countries have implemented preventive CSR activities, and even less have a formalized CSR strategy. Even though, awareness rises, it is still far away from reaching its potential. Richard Smith (2011) from Massachusetts Institute of Technologies confirmed that in the last decade CSR principles are deeply embedded in management strategy. This far-reaching diversity of CSR demonstrates fast changes in strategic philanthropy and innovations or efforts for transparency and environmental protection.

The concept itself is getting not just more attention but also more importance. However, there are certain restrains which limit responsible ac-

tivities. The author's research revealed that it is not a distrust from the management of enterprises, what slows them down in activities towards CSR, but it is simply a lack of time and expert knowledge. Companies without CSR strategy often do not know, how to apply it. Even if they would know how, the time and finances necessary for implementation of CSR are insufficient. In other words, these enterprises state that even if they consider CSR principles important in general, the implementation of those principles is difficult and time-consuming. Nevertheless, according to author's opinion it does not necessarily have to be true because CSR can be made in simple, cost-effective manners.

High importance of employees is a visible fact of SMEs in automotive industry. The confirmation brought CSR research conducted in small and medium-sized companies of supply chain in Hungary and Austria. Most companies monitor employee satisfaction and many mentioned improvement of working conditions or awareness raising among employees as the most important social and environmental issues for the enterprises' operations. (Szlávik, 2006)

The CSR can certainly bring positive influence of CSR on human rights, law and policy. Especially multinational corporations adopted CSR as a mean of altering ethics together with human standards and therefore transform the role of business and social relations. Effectively managed CSR projects lead to remarkable benefits in terms of reputation. They do not just strengthen relationships with business partners but also bring higher motivation, loyalty of employees and finally financial return. Walker-Said and Kelly, (2015); Lindgreen and Swaen (2005) Moreover, Mahon (2002) concludes from researches made in public relations, marketing and communication sector that the reputation is a crucial element in order to be able to increase sales and reach higher revenues.

Despite of many positive attitudes to CSR, critical voices need to be admitted as well. Among the loudest critics of CSR belongs Nobel Prize holder Milton Friedman. In his opinion the business itself is not able to be responsible, only people can be so. If there is certain drawing of resources (such as contributions to local community, charity or even to family) it is an intention of individual and he/she uses his/her own, not corporate, money. Corporate responsibility also lacks analytical accuracy and rigor. Milton compares corporate responsibility to principles of socialism and put it in contrast with capitalism which strives primarily for profit not for welfare of others; this comes with effectively governed company. But the doctrine of "social responsibility" could possibly extend the scope of the political mechanism to every human activity. (Friedman, 1970)

The fact that one of the most disputable benefits of CSR is profit, might be caused by an indirect visibility of financial result in the short-term perspective. Nevertheless, in long-term perspective, as showed the research conducted on Stanford University, the story seems to be different. Several researches have proved positive influence of CSR in increase in profit. Even if the correlation between is rather small. (Baron et. al. 2009)

The influence of CSR on competitiveness seems to be more provable. This fact was proved in a research for Harvard Business Review made by Rangan, Chase and Karim (2015), but with one addition, precisely, that companies are rather more interested in CSR programs aligned with their purpose and values, than in fully integration of CSR into their strategies. So to make CSR strategy valuable, companies must consider the way how to fully use potential of sustainable acting. In order to do it, there should be direct link between company's action and its core business. (Porter & Kramer, 2002)

The results of the research confirmed that every enterprise in Czech automotive sector is specific is not easy to generalize strategy for the whole industry. Therefore, the recommendation part contains a specific case study. Author strives to propose concrete CSR activities and support them with economic calculations. The research gained 37 responses of out 341 contacted enterprises, which makes return ratio of 10,9 % and is a relevant sample of automotive focused SMEs. Larger amount of respondents would allow to conduct better statistical testing. Respective persons from enterprises selected for the interviews showed interest in CSR, however, proved that the largest limitation is the time. As subject for further research would the author suggest to establish a closer cooperation with one respective enterprise and create strategy suited exactly to its needs and business purposes. By comparing it with other strategies of enterprises operating in international environment it can represent a base for proposal of doctoral thesis.

7 Conclusion

The goal of the thesis was to provide suggestions of strategies for small and medium-sized enterprises (SMEs) of Czech automotive industry on the field of corporate social responsibility (CSR). First part of the thesis describes theoretical background of the CSR. Definition of the term, its relationship with stakeholders and the matter of implementation are completed by detailed analysis of CSR among SMEs. CSR norms and standards complete the literature review. Results, the second part of the thesis, analyse the sector of automotive industry in EU and in the Czech Republic. Subsequently quantitative research was conducted and supplemented by qualitative research. As a part of the thesis, there were set and validated three hypotheses. Based on findings obtained within research, the recommendations for future improvements of SMEs in automotive sector are provided. The recommendations are economically interpreted and generalized for the whole industry. Furthermore, the concrete example in form of case study is proposed. Suggested CSR strategies help Czech based SMEs to overcome barriers of understanding and successful functioning of CSR.

The results demonstrate the level of awareness, knowledge and usage of CSR. The awareness about CSR term claimed nearly two thirds of respondents. Slightly higher awareness of CSR can be seen in larger and internationally operating companies. Nevertheless, the H0 hypothesis verified the independence between awareness and area of business of an enterprise. In 83,7 % proclaimed SMEs in Czech automotive industry that CSR is important for their business. The most common channels, how to spread awareness, appeared to be media and customers. Among the largest limitations to conduct CSR belong lack of expert knowledge, lack of time and lack of financial resources. Examined SMEs claimed less time, finances and other resource of conducting CSR strategies. On the other hand, the largest benefit is perceived in improved reputation. In more than 80 % consider SMEs in Czech automotive industry themselves to behave socially responsible and active in applying CSR principles. Slightly more than half of selected enterprises have established CSR strategy, which approved the hypothesis H1. However, nearly 46 % do not have any strategical approach towards CSR. This together with lack of communicating activities towards stakeholders appeared to be the weakest points. Many small enterprises do not communicate their responsible behaviour and if so, the websites are the only channel of promoting. Furthermore, from the interviews with selected SMEs followed that they are often very active in socially responsible activities but do not identify these activities with the concept of CSR. In terms of the most important area of CSR for Czech SMEs in automotive industry it can be stated that enterprises do not have a clear preference in choosing

environmental, economic or social part. Slightly higher preference is given to environmental and economic area. The most important stakeholders represent owners, customers, car producers and employees. The best results in use of CSR activities are recorded in fair operating principles towards customer, respecting laws and human rights. The worst results were obtained in community involvement and promoting CSR activities. Based on results from research recommendations are proposed.

The summary of recommendations consists of 10 advices, which can be generally applicable to SMEs in Czech automotive industry. The second part of recommendation has a form of a case study and follows PDCA Implementation model rules. Through the case study example is proposed the whole process of implementation suitable for SMEs in Czech automotive industry. The implementation model contains planning, execution, revision and acting phase. Within the strategy, 8 objectives and respective actions are set, revised, particular indicators are assigned and activities are communicated.

The term Corporate Social Responsibility is a highly discussed topic of today's world. It is already a part of management strategy which put an emphasis on sustainable development. Even though, CSR seems to be complicated process for many enterprises, quite a lot of enterprises have already got used to apply CSR activities. CSR is just normal way of every day's working activities. If it is approached in a right way, it does not have to be complicated and costly. The responsibility is getting more importance for stakeholders. The competition is tough in Czech small and medium-sized enterprises in automotive industry. By applying CSR strategy can enterprise increase competitiveness and strengthen its position on the market. So after all, an enterprise will become and remain important and respected part of automotive industry.

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Appendix

A Questionnaire

Dobrý den,

Jsem studentem Mendelovy Univerzity v Brně anglického oboru Management and Economics. V současnosti píšu diplomovou práci na téma Společenská odpovědnost firem v automobilovém průmyslu (CSR in Automotive Industry). Chtěl bych Vás tímto poprosit o vyplnění přiloženého dotazníku. Dotazník je zcela anonymní a jeho výsledky budou sloužit výhradně pro účely mé diplomové práce. V případě zájmu o další spolupráci můžete na konci uvést svůj e-mail, případně komentář. Budu rád za Vaši zpětnou vazbu.

Mnohokrát děkuji za Váš čas i ochotu a přeji hezký den.

S pozdravem,
Michal Bím

1) Setkali jste se s pojmem Společenská odpovědnost firem (Corporate Social Responsibility -CSR)?

- Ano
- Ne

2) Pokud ano, uveďte, prosím, kde: (více možností)

- Media (internet, TV atd.)
- Veletrhy a výstavy
- V rámci vzdělávání uvnitř společnosti
- Od dodavatelů
- Od zákazníků
- Neziskové organizace
- Odborná literatura
- Jiné (prosím, upřesněte)

3) Chová se vaše společnost společensky odpovědně (odpovědné chování v oblasti ekonomické, sociální a směrem k životnímu prostředí)?

- Ano
- Spíše ano
- Spíše ne
- Ne

4) Má vaše společnost stanovenou společenskou odpovědnost v rámci své podnikové strategie?

- Ano, naše společnost má zvlášť plánovanou strategii pro společenskou odpovědnost
- Ano, společenská odpovědnost je součástí naší obchodní strategie

- Ne, nemáme žádnou strategii společenské odpovědnosti
- Nevím

5) Jaké výhody může společensky odpovědné chování přinést vaší společnosti? (více možností)

- Lepší reputace a dobré jméno společnosti
- Vyšší zisky
- Lepší a kvalifikovanější pracovníci
- Inovace
- Ušetření nákladů
- Zapojení zákazníků
- Konkurenční výhoda
- Zvýšení atraktivity pro investory
- Jiné (prosím uveďte)

6) Jaké důvody brání vaší společnosti, aby se více angažovala ve společensky odpovědném chování? (více možností)

- Nedůvěra majitelů nebo managementu
- Nezájem zaměstnanců
- Nedostatek finančních prostředků
- Nedostatek času
- Neprokazatelné výsledky
- Nedostatek znalostí
- Nízké daňové výhody
- Žádné, úspěšně se angažujeme

7) Měl by být koncept společenské odpovědnosti součástí aktivit každé společnosti?

- Ano
- Spíše ano
- Nevím
- Spíše ne
- Ne

8) Setkali jste se někdy s normou ISO 26000?

- Ano
- Ne

9) Na kterou oblast CSR by se společnosti v automobilovém průmyslu měly soustředit nejvíce?

- Ekonomická

- Sociální
- Environmentální

10) Na které z těchto aktivit byste se rádi zaměřili? (více možností)

- Zlepšení systému organizace společnosti
- Dodržování lidských práv
- Zlepšení pracovních podmínek
- Ochrana životního prostředí
- Zlepšení vztahů se spotřebiteli (zákazníky)
- Uplatňování etických principů
- Podpora místní komunity
- Jiné (prosím, uveďte)

11) Jaké hodnoty vaše společnost při řízení uplatňuje? Ohodnoťte míru uplatňování ve vaší společnosti 0-5 (0 vůbec, 5 nejvíce)

- Chová se společensky odpovědně
- Je ve svém jednání transparentní
- Chová se eticky
- Propaguje společenskou odpovědnost mezi zájmovými skupinami
- Dodržuje právní řád

12) Jaký je postoj vaší společnosti v oblasti lidských práv? Ohodnoťte míru uplatňování ve vaší společnosti 0-5 (0 vůbec, 5 nejvíce)

- Setkáváte se s porušováním lidských práv ve vašem oboru
- Zajímáte se o činnost vašich obchodních partnerů s ohledem na lidská práva
- Máte stanoveny postupy, jak jednat při ohrožení lidských práv
- Aktivně jednáte v případě podezření na porušování lidských práv
- Aktivně řešíte stížnosti a snažíte se zamezit jakékoli formě diskriminace
- Respektujete civilní a politická práva (právo na svobodu, majetek, vyjádřit vlastní názor atd.)
- Respektujete ekonomická, kulturní a sociální práva (právo na vzdělání, zdravotní péči, náboženství atd.)
- Respektujete základní práva při práci (právo na sdružování, kolektivní vyjednávání, zamezení dětské práce atd.)

13) Pracují zaměstnanci v dobrých pracovních podmínkách? Ohodnoťte míru uplatňování ve vaší společnosti 0-5 (0 vůbec, 5 nejvíce)

- Dobré vztahy mezi zaměstnanci a zaměstnavatelem
- Zdraví a bezpečnost práce
- Kvalitní pracoviště

- Úroveň komunikace na pracovišti
- Možnost zaměstnanců říci svůj názor
- Rozvoj a trénink zaměstnanců

14) Jaké aktivity vyvíjí vaše společnost k ochraně životního prostředí? Ohodnoťte míru uplatňování ve vaší společnosti 0-5 (0 vůbec, 5 nejvíce)

- Program proti znečištění životního prostředí
- Snaží se dlouhodobě využívat trvale udržitelných zdrojů
- Respektuje normy a standardy omezující změnu klimatu
- Ochraňuje a obnovuje přirozené životní prostředí

15) Jak poctivé jsou vaše principy řízení ve vztahu k jiným společnostem? Ohodnoťte míru uplatňování ve vaší společnosti 0-5 (0 vůbec, 5 nejvíce)

- Snaží se předcházet korupci
- Zodpovědná politická angažovanost
- Uplatňuje principy spravedlivé konkurence
- Podporuje společenskou odpovědnost v partnerských společnostech
- Respektuje vlastnická práva

16) Jakým způsobem se vaše společnost chová ke spotřebiteli? Ohodnoťte míru uplatňování ve vaší společnosti 0-5 (0 vůbec, 5 nejvíce)

- Poskytuje pravdivé informace a uplatňuje čestné smluvní postupy
- Ochraňuje zdraví a bezpečnost spotřebitelů
- Snaží se o dlouhodobě udržitelnou spotřebu
- Poskytuje spotřebitelům servis a podporu a řeší jejich stížnosti
- Ochraňuje data a soukromí spotřebitelů
- Pomáhá v zajišťování základních potřeb (zdravotní péče, elektřina, voda atd.)
- Poskytuje spotřebitelům vzdělání a informace

17) Které aktivity vaše společnost vyvíjí pro podporu místní komunity? Ohodnoťte míru uplatňování ve vaší společnosti 0-5 (0 vůbec, 5 nejvíce)

- Aktivní zapojení v záležitostech místní komunity (programy, spolupráce s jinými organizacemi atd.)
- Vzdělání a kultura
- Tvorba nových pracovních míst a rozvíjení dovedností
- Vývoj technologií
- Podpora růstu majetku a příjmů
- Podpora zdraví
- Investice do sociální oblasti

18) Co by se mělo změnit, aby se vaše společnost více angažovala ve společenské odpovědnosti? (více možností)

- Zřetelný přínos zisku
- Názor veřejnosti
- Zájem ze strany zájmových skupin (zákazníci, zaměstnanci, dodavatelé atd.)
- Daňová politika
- Legislativa
- Získání patřičných znalostí
- Jiné (prosím, uveďte)

19) Počet zaměstnanců společnosti?

- 1-10
- 11-50
- 51-250
- 251 a víc

20) Jak dlouho funguje Vaše společnost?

- 0-2
- 3-5
- 6-10
- 11-15
- 16 a víc

21) Na jakém trhu operujete?

- Regionálně
- Celostátně
- Mezinárodně

Zde můžete vložit Váš komentář, názor:

V případě zájmu o účast v kvalitativním výzkumu, uveďte Váš e-mail: