

# Proposal of a CSR strategy for the company PPH spol. s r.o.

Bachelor thesis

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## **Abstract**

Bachelor thesis aims to create a framework concept and basis for a new corporate social responsibility strategy for the company PPH spol. s r.o. The goal of the research is to identify values, principles and ideals that are important for the current employees of the company and the aim of this study is creation of framework foundation for a stable CSR identity. The basis of these innovative thoughts is the creation of new strategy and increased interest of potential employees to work for the company. The conducted research surprisingly suggested that the value of a salary today isn't given the first place, but other values are gaining a greater importance, such as relations at work and the possibility of personal growth. These indicators seem to be very important for corporate social responsibility. The key values will come from the core business of the company and they will be further used to create the given CSR plan. Because the company offers a chance of employment to disabled people too, it creates a great basis for the new strategy. Since the core idea of business of the company will be connected with their CSR activities, it creates the best possible way of incorporating CSR into the core business of the company.

## **Keywords**

Corporate social responsibility, CSR, strategy, core business

## **Abstrakt**

Bakalářská práce má jasný cíl navrhnout strategii společenské odpovědnosti pro firmu PPH spol. s r.o. Záměrem jsou nápady, zásady a další hodnoty současných zaměstnanců společnost a účelem této studie je vytvořit stabilní, společensky odpovědnou identitu. Základem těchto inovačních myšlenek je tvorba nové strategie a zvýšení zájmu potenciálních zaměstnanců o práci pro tuto firmu. Zpracované studie překvapivě prokazuje, že hodnota platu v současné době není kladena na první místo, nýbrž i další hodnoty získávají v dnešní době na stále větší hodnotě, jako jsou vztahy na pracovišti a možnost osobního růstu. Tyto ukazatele se prokazují jako velice důležité pro společensky odpovědnou identitu. Zjištěné klíčové hodnoty zaměstnanců se týkají základní podstaty podnikání. Zpracovaná studie včetně nabízených chráněných pracovních míst poslouží jako základ nové strategie. Jelikož bude základní podstata podnikání firmy spojená se společensky odpovědnými aktivitami, dokáže spolu vytvořit dobré nápady a záměry, včetně zakomponování nových principů do existujícího chodu firmy.

## **Klíčová slova**

Společenská odpovědnost firem, strategie, základní podstata podnikání





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# 1 Introduction

## 1.1 Introduction

Today's world is becoming increasingly aware with the concept of corporate social responsibility. It is becoming more concerned with other aspects of doing business than just the profit. People are starting to feel more socially responsible and demand that companies share their beliefs and do something beyond earning money and focusing on the company itself.

The concept of corporate social responsibility has yet gained the necessary recognition in Czech Republic like it has in other countries, but it is ever so quickly becoming a highly relevant issue. Corporate social responsibility is inevitably becoming a topic of great interest and its development over the past years has gained great recognition. While the discussions have started only recently, the idea itself has existed for many years.

Economists and experts have mentioned the concept of corporate social responsibility already in the previous century which gave CSR the basis for today's development. In connection with business, corporate social responsibility has become an inseparable notion of business all around the world. However, most think of CSR as a burden rather than an advantage. The efforts that companies often-times make may be nevertheless counterproductive as it goes against the concept of what it really is to be socially responsible.

What if corporate social responsibility concept came from within the core business the company operates in? This thought brings on a new perspective when talking about CSR. There is no need to go beyond the scope of activities of the company to be socially responsible. Instead, if the strategy comes from the core business and the values are connected to it, it creates a much more meaningful strategy. There are many benefits that come with giving something extra to the employees because those efforts will be returned in form of satisfied and loyal workers and a better corporate identity of the company.

## 1.2 Aim of the thesis

Based on the survey of appropriate literature relevant to the corporate social responsibility and the CSR approaches already existing in other corporations, a new framework for creation of CSR strategy will be suggested for the company PPH spol. s r.o. The thesis further aims to analyze key corporate social responsibility values that can be further incorporated into the new CSR framework strategy in a selected company.

The key prediction is that if the company uses key values in their advertising and on their company's website, it will offer something unique within the field the company operates in. As a result, new potential high-quality workers will be motivated to work for a company that shares their personal values.

Another aim of the thesis is creating a series of suggested motivational strategies in order to promote corporate social responsibility. There are many corporations that perform socially responsible behavior, both towards the society and towards their employees. Because the company functions in a relatively specific area

of the market and offers work to handicapped people with certain disabilities, the CSR strategy will expand on this and the suggested CSR strategy will come from the core business itself. The researcher will work with the concept of the company and will expand the idea further.

Communication of the new CSR strategy will be focused both on the internal and external environments. Bigger part will be devoted to communicating the new approach to the employees, offering new motivational techniques to attain the highest possible work performance. Advertising will be used to promote a corporate identity of the company into the public, with intention to offer key personal values to those seeking work, and creating a socially responsibly image on the market.

## **2 Objectives and Methodology**

Before starting to work on the bachelor thesis, it is important to set certain goals and milestones that need to be achieved throughout the writing process. It is necessary to establish a systematic approach that will lead to achieving those goals.

### **2.1 Objectives**

Objectives of this thesis is to suggest a framework for corporate social responsibility strategy for a given company. The first part consists of finding meaningful and important values for the employees of the company and what makes them satisfied with their job. The main ideas, values and contributions play an important role for this thesis as they have a further purpose. They serve as a basis for creation of an optimal CSR message for internal circle of the company, which are employees and the external circle which is the public and society. The inner communication is aimed at the company, promoting better work performance and job satisfaction among the employees. External communication is meant to inform the public and society about the corporate image of the company.

An important part in creation of CSR strategy is the outer circle of interest, which consists of the public and the society. In order to send a message out to the public, an optimal communication strategy will be proposed as well. This strategy consists of work advertisements on different distribution channels with an aim to attract potential employees and promote high quality potential workers. The advertisements are meant to convey a mutual cooperation from the side of the employer as well as from the side of employee, emphasizing satisfying work in good working conditions and promoting good interpersonal relationships which then lead to satisfying job.

### **2.2 Methodology**

The thesis constitutes of two main parts, specifically the survey of literature and the application part. In order to create the theoretical part, study of appropriate literature related to corporate social responsibility and the creation of CSR strategy in a company is necessary. The study of bachelor's degree provided the core information that needed to be acquired in order to successfully develop a bachelor thesis itself, and more recent information helps the already gained knowledge to be up to date with the most current trends which will serve as the foundation for both parts of the thesis.

The first step was to obtain information on what values are important for the employees of the company through structured interviews. Structured reviews are one of the methods used in qualitative research. The idea behind this approach is that every interview is done in the same way with every interviewee, with all of the questions presented in the same order. They are easy to replicate with as many people that is necessary. The interviews are not time consuming and therefore can be done within short time. There exists an element of freedom which enables the interviewed person to contribute their own thoughts and ideas. They can further serve as a great basis for the development of questionnaires that are meant to highlight those mentioned values.

Another step in gathering necessary information is feedback from the employees of the company. A questionnaire as a quantitative research method allows for a quick, cheap and effective way of gathering information from large groups of people. The thesis requires feedback from the employees about the importance of specific values and a questionnaire will be used to collect the data.

The application part analyzes the corporate social environment in the Czech Republic, including organizations working in the area and CSR awards and competitions. Analysis of the competitors of the company is presented.

In order to develop a good corporate social responsibility strategy, an analysis of the internal environment of the company will be done using the SWOT analysis, which serves for analyzing strengths, weaknesses, opportunities and threats within the company. All of the acquired information will serve as an inspiration and motivation to create a good CSR strategy customized for the needs of the company.

Furthermore, majority of the application part is focused on the analysis of the collected values using the Structural Equation Modeling method (SEM), which is a complex mathematical model which measures and tries to find connection and observations on multiple variables. It consists of two parts, first part tries consists of structural equations and second part helps to create clearer interpretation of the model (Byrne, 2010). It serves as a way to find if variables are statistically significant and how consistent they are throughout the analysis (Byrne, 2010). Part of the SEM analysis method is bootstrapping, which is a “way of computing sampling error and generating t-values by using the available data as a distribution” and the residuals that it works with are assumed to be independent (Lowry and Gaskin, 2014, p. 131). Another method for examining the results is the Performance – Importance analysis which is a way of analyzing how employees feel about what the company offers, whether it is a product or a service, and tries to study the satisfaction with the performance of the company and how important the products or services are for them (Silva and Fernandes). The resulting graph is divided into four quadrants, of which the one with highest importance and satisfaction is the optimal result. Results in other quadrants indicate that there should be a certain change in some of the factors in order to attain the maximum overall satisfaction.

Last part of the application part focuses on suggesting possible strategies the company could adopt. The ideas came from the results gained during the analysis and if any or all strategies would be used, the company would gain a competitive advantage and a better name, especially among the people it employs.



### 3 Survey of Literature

The literature survey for this bachelor thesis was done by reading and analyzing professional literature and texts concerning the topic of the bachelor thesis, with the use of material provided by the Mendel University during the study of bachelor degree, the knowledge gained throughout the study, literature and internet resources appropriate for the topic and the experience with the concept of corporate social responsibility. The literature research will provide general information about corporate social responsibility, introducing ways to measure the activity a company undertakes and presenting necessities for integrating and communicating CSR strategy.

#### 3.1 *Corporate social responsibility*

The notion of corporate social responsibility (hereinafter also CSR) has been introduced a long time ago but only in the recent years came to be discussed more than ever before. The concept of CSR is growing and soon, the Czech Republic may be on the same level as the rest of the world. The expectations society puts on companies is shifting their fundamental role and doing business involves much more than ever before.

##### 3.1.1 **What is corporate social responsibility?**

Corporate social responsibility (CSR) is a concept causing businesses to look beyond making a profit and think about other sphere of responsibilities related to their business activity. In order to understand the term corporate social responsibility and find what it is about, the first step one would do is to look up the definition. Unfortunately, CSR is such a broad concept that there exists no single uniform definition. It covers many different areas and can be interpreted in many different ways. When looking at definitions from around the world, we come to the conclusion that it is impossible to explain the concept with a single definition that will satisfy everyone, yet there is a certain understanding and agreement in variations of the definition.

In order to give a certain direction to what CSR is about, a renowned specialist in many different areas including the corporate social responsibility Filip Kotler, together with Nancy Lee (2005) offers a definition that tries to describe the concept: "Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources". It is important to emphasize one part of the definition and that is *discretionary*, or else voluntary (Kotler, Lee, 2005). There exists no law that would order for companies to follow certain rules in order to be socially responsible. Conversely, it is rather a voluntary choice a company can make. Choosing to adapt a CSR strategy, the company can carry out certain practices that will portrait it as respectable to the society and the environment. In other words, the company will become accountable for other aspects of the society rather than just focusing on creating profit.

Early definition was brought by the "Father of Corporate Social Responsibility" (Carrol, 1999), Howard R. Bowen, who initially introduces CSR as follows:

“It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Carrol, 1999).

### **3.2 CSR features**

A server *Go CSR* is designated to small and medium enterprise or other businesses to help them with starting or introducing the CSR concept into the company. Also, they provide personalized consultations and help. According to their site (*Go CSR*), corporate social responsibility consist of the following features:

- Intentional, proactive and voluntary activities
- All beyond the duties defined by law
- Suitable for all types of companies / organizations
- Win-win principle (beneficial effect for all involved parties)
- Complexity and transparency
- Continuity
- Ability to start whenever and quite quickly even without vast budgets
- Long-term
- Profitable investment (not wasting money)
- Credibility
- Dialogue with identifies stakeholders and much more

The concept of corporate social responsibility as a whole cannot be defined with one uniform definition because there are many areas and branches that CSR takes part in and it contains many different features.

The term corporate social responsibility itself indicated that there should be a shared mutual relationship between business and social sector of society. Corporations need society and the society needs corporations. It is important that the choices made by both sides follow the principle of shared value that benefits both sides and is not at the expense of the other (Porter and Kramer, 2006).

One of the thoughts behind corporate social responsibility is that companies engage in such activities voluntarily. There are no laws that force corporations to act in a socially responsible manner and therefore it is the choice of companies whether to engage in CSR action or not.

### **3.3 Triple bottom line**

Composition of corporate social responsibility is very distinguished and can be divided into different spheres of interest. The concept of CSR is based on three pillars according to some authors, while some state that there are four pillars that stand behind CSR. Both approaches are described below.

The term triple bottom line was first created by John Elkington in 1994, who founded a company for consultations called *SustainAbility* (Hindle, 2008). To be able to give CSR a certain direction and measure the performance, we may divide the concept into three pillars that create the basis for business actions:

- Profit (economic)
- People (social)
- Planet (environmental)

The concept suggests that doing business without taking society and environment into account is impossible, hence making the three pillars inseparable. While fulfilling the responsibilities that each pillar brings may be easier in short-term horizon, only long-term development allows for sustainable growth and corporate sustainability of the company. Each of these pillars represent a sphere, or a bottom line, according to which a company should act and can be evaluated.

Profit represents an economic sphere that looks at the financial performance of a company and traditionally measures its “profit and loss account” (Hindle, 2008, p. 193). It relates to many different aspects such complying with the terms set in a contract, misuse of confidential information, payment morale, fighting against corruption, bribery and illegal money gaining (Kuldová, 2010).

People represents a social sphere and is meant to measure how socially responsible a corporation is towards the society. It includes philanthropic activities such as employee volunteering, employing disadvantaged and handicapped people, getting involved in local communities, supporting education of employees as well as of other people, employee policy, health and safety precautions towards the employees, equality between men and women and other activities with the employees and society in mind (Kuldová, 2010).

Planet represents the environment, protection of natural resources, investing in ecological tools in order to protect the environment, and in general evaluates the environmental actions of the company.

The corporation is unable to work towards achieving the three pillars if they do not make an effort to measure it because “what you measure is what you get, because what you measure is what you are likely to pay attention to” (Hindle, 2008, p. 193). The three pillars work towards achieving sustainability, allowing the improvement of future operations and make changes that will help the company thrive.

The three principles should function together with an aim to create responsible long-term performance which will result in sustainable position of the company (Porter and Kramer, 2006).

### ***3.4 Pyramid of corporate social responsibility***

Another approach, which can alternatively explain what the main elements of corporate social responsibility are, is the pyramid of CSR. It can be interchanged with the Triple bottom line theory described above, where the only difference is that in previous approach, there were three pillars while in the Pyramid of CSR, there are described four pillars that create the basis for corporate social responsibility.

The model composed of four pillars of CSR was developed by Archie Carrol (1999), in which he tries to explain the components CSR. The responsibilities a company shall have in order to follow the idea of corporate social responsibility are pictured in Figure 1.

The types of responsibilities in the pyramid gave many people an idea to expand on and create more developed theories and frameworks and they became used in many areas concerning businesses, business ethics or society (Schwartz, 2011).

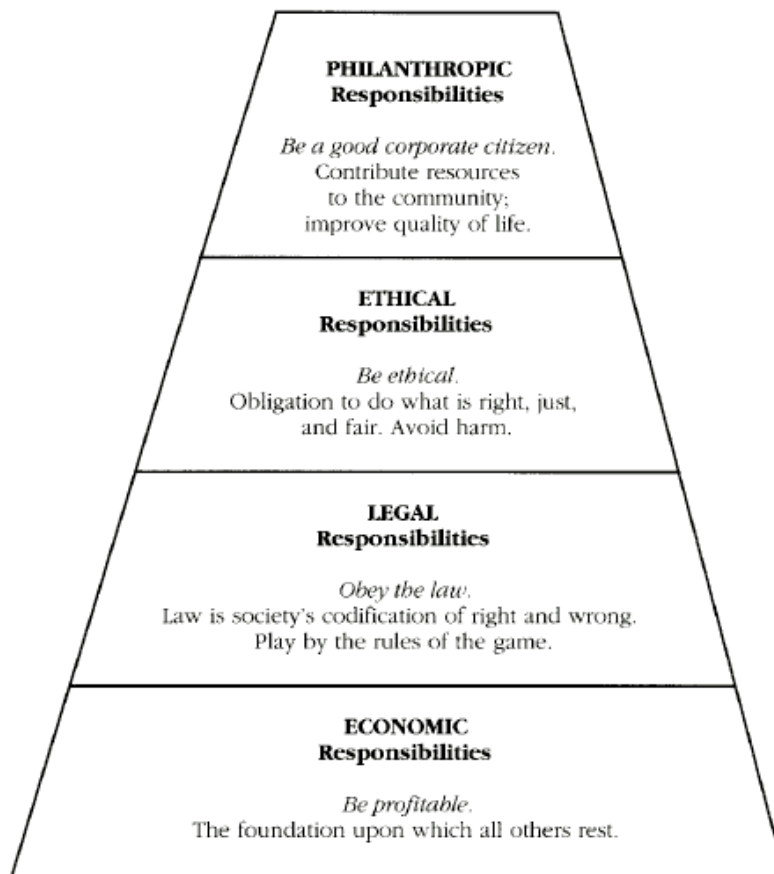


Figure 1: Carroll's Pyramid of Corporate Social Responsibility  
Source: Knowledge share: Various place Share it

### **Economic responsibility**

The economic responsibility is found at the very base of the pyramid, represents the most important part of the pyramid, as without it, the other responsibilities could not be created. The primary role of a business was to produce and sell goods and services in exchange for money, leading to increasing profit. During the development, the goal of most of businesses became the maximization of profits (Carroll, 1991). Some economic responsibilities, according to Porter and Kramer (2006) are being profitable, consistent and efficient behavior with an aim to maximize profits and earnings of the company.

### **Legal responsibility**

The idea behind legal responsibility is that business should obey the law, regulations and act within its framework in order to fulfill the "social contract" (Carroll, 1991), existing between businesses and society. The interpretation "codified ethics" (Schwartz, 2011) means that they represent basic perception of fairness,

established by our lawmakers. Basic framework of legal responsibilities, as presented by Porter and Kramer (2006) includes behavior that is consistent with the law, government, regulations, and fulfills all of its legal obligations that meet, at the lowest, the minimal requirements.

### **Ethical responsibility**

Rather than being stated by the law, ethical responsibilities go beyond that and follow moral and social norms and principles. They express a concern for majority of the society, by acting responsibly and with consideration of others. Simply said, ethics state what is right or wrong, what is accepted and what is not. It is important to mention that, in a way, ethics act within the legal framework of the CSR pyramid as it pushes for legal responsibilities to expand and at the same time, pushes businesses to act accordingly or above their obligations (Carroll, 1991). An overview of ethical responsibilities can include following moral and social standards, respect them and try to comply with the demands of the society in general (Porter and Kramer, 2006).

### **Philanthropic responsibility**

Often interchanged with discretionary responsibility, philanthropic responsibility is a response to society, but is otherwise not necessarily expected. Combination of legal, ethical and philanthropic responsibilities is the criteria a business shall fulfill to be seen good corporate citizens. Society wishes that firms contribute to improving the quality of life and take part in humanitarian causes by providing their money, facilities and employee time. However, if they don't, they are not accused of being unethical or otherwise irresponsible (Carroll, 1991). Philanthropic responsibilities framework can include donations to charities and good causes, participation to improve the society and community and in general, care about the well-being of the society (Porter and Kramer, 2006).

An example of growing demand for businesses being more socially responsible arose in 2005 in the UK, where a pending legislation would mandate companies listed in the public registry to release ethical, social and environmental risks, on yearly basis (Porter and Kramer, 2006).

## ***3.5 Creation of CSR strategy***

In order to create a CSR strategy that will be introduced and put to work, Kuldová (2010) presents a six-step plan:

1. CSR comes from above
2. Appointing a responsible person
3. Identification of key stakeholders, specification of visions and goals
4. Integration of CSR into existing processes
5. Communicating CSR, feedback
6. Keeping a long-term CSR horizon

The top management needs to be part of CSR strategy planning. It becomes part of the inner and outer communication and their approval and agreement is necessary. They need to act responsibly towards the strategy and need to behave as role models for anyone willing to be socially responsible as well.

Second step, appointing a responsible person, the so called “manager of CSR” (Kuldová, 2010), will ensure the implementation of CSR strategy into the company. Communication skills are important for this position as the person will be responsible for communicating the strategy into the company, to the stakeholders, employees and will present all the necessary information. Also, the manager needs to have the ability to motivate others to support and fulfill the given strategy.

In the third step, the CSR manager is responsible for establishing contact with stakeholders – inner and outer. The goal of this step is to convince the interested parties to cooperate with the company under the CSR strategy. To be able to measure the success of the strategy, certain steps to be fulfilled must be identified.

Because strategy with an aim to fulfill certain CSR elements is voluntary, there should be a smooth transition when implementing CSR into the present processes, as suggests fourth step. New requirements should be incorporated into the already existing ways of management. There needs to be an understanding that economic, social and environmental concepts work together to create a successful CSR strategy.

Fifth step talks about communication of CSR through different communication channels such as websites, statements and transparent CSR reports. The most transparent way of communication is done with the use of Global Reporting Initiative or with its Czech equivalent, the method Korp (Kuldová, 2010).

Furthermore, for a CSR strategy to be successful, it needs to be done with long-term outlooks, which will lead to creation of stable and trustworthy name for the company.

When creating strategy, it is important to keep in mind what is the social issue a company wants to get involved with. No business has the ability to address all of society’s problems and that so the business must consider which issue is closest to its core idea and interests (Porter and Kramer, 2006). The best option is creation of shared value that both business and society can benefit from (Porter and Kramer, 2006).

The ever so quickly changing trends of corporate social responsibility led the European Commission to changing its definition to one that would capture the idea more accurately according to the newest developments. In October 2011, the new definition introduced by the European Commission introduces the concept as one, where “enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders” (European Commission, 2011). This reworded definition changed the idea of CSR from a voluntary choice to one that companies “should” follow, especially small and medium enterprise companies. The recognition that the concept of CSR is the most effective when it comes from within the core business activity is very important as it brings meaning to incorporating CSR into business strategy.

The process of becoming a corporate social citizen rises challenges for companies because CSR components and their communication to the public is some-

thing different than what the company is used to and requires different activities and responsibilities to be taken on in order to succeed (Schmeltz, 2014). Creating a strategy within the corporate social responsibility is a process and cannot be done overnight. It requires persistency, faith and effort to achieve desired results.

As challenging as it might be to create a successful strategy that would create a good corporate identity for a company, it is important to focus on what message should be communicated to the public. There are many charities and good causes that deserve an attention and support, but what is the best way to be socially responsible within the values of the business? Schmeltz (2014) suggests that if the values of the company and those of CSR strategy are “compatible, if not identical”, communicating CSR may not be as difficult.

How does one convince a company to engage in CSR activities and strategy? The concept of corporate social responsibility is a relatively recent trend, there is no historical background and therefore it becomes harder to judge CSR to be a successful step or not. Hond, Bakker and Neergaard (2007) suggested presenting the values in a way that they include the economic side and the core business idea of the company. If the practical side of CSR strategy was presented, showing potential benefit of CSR, companies would more likely agree with undertaking some procedures related to incorporate social responsibility.

### **3.5.1 Prioritizing social issues**

In his work *Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility*, Porter and Kramer (2006) divide social issues into three categories, according to their importance for the company and with that present the main idea for this thesis about core values of CSR (see Figure 2):

- Generic Social Issues
- Value Chain Social Impacts
- Social Dimensions of Competitive Context

#### **Generic Social Issues**

One of the categories, Generic Social Issues, represent issues that are outside of the core business idea of a company. They are not important for the company as they do not bring any advantages, but on the other hand, may seem important to society. This category represents the general idea about corporate social responsibility, even though it is not entirely true. Many see CSR as a need to spend extra money donating to charities and good causes just to seem socially responsible but such idea goes against the main thought of this thesis, where having a CSR strategy means working with the main idea of the business itself, as presented in the Value Chain Social Impacts.

#### **Value Chain Social Impacts**

The most important category when creating a CSR initiative is the Value Chain Social Impacts. Activities within this category are meant to raise awareness about certain social issues related to the business and its usual activities. The business is getting involved in social matters that are very similar to the core business. This approach enables the public to see that the company is engaging in CSR, without

having to spend much time on an issue unrelated to the core business. This category presents the key idea of this thesis as it creates a section of socially responsible activities directly connected to the core business of a company, therefore creating the best possible scenario for implementing a corporate social responsibility strategy.

### **Social Dimensions of Competitive Context**

This category is based on external activities of a company and their effect on the company's competitive advantage. Activities done for the society have an impact on the company's prosperity. Since the undertakings are within the framework of a given business, they are easier to accomplish and to be pursued having the future benefits in mind. At the same time, CSR serves as a marketing tool that can be used to attract valuable potential employees (Gond et al, 2010). The activities done within this section bring about a better competitive advantage when it comes to companies that do not have CSR strategy or do not perform any socially responsible activities. The trend is that nowadays, people feel more inclined to cooperate with companies that have certain behavior beneficial for the society. Therefore, having a socially responsible identity will create a greater value for the company.

<b>Prioritizing Social Issues</b>		
<b>Generic Social Issues</b>	<b>Value Chain Social Impacts</b>	<b>Social Dimensions of Competitive Context</b>
Social issues that are not significantly affected by a company's operations nor materially affect its long-term competitiveness.	Social issues that are significantly affected by a company's activities in the ordinary course of business.	Social issues in the external environment that significantly affect the underlying drivers of a company's competitiveness in the locations where it operates.

Figure 2: Prioritizing Social Issues  
Source: Porter and Kramer, 2006

Grouping of things of interest into the three categories is different for every company and business. One thing that business have in common, however, is the end of the process and that is creating a corporate social agenda. Division of social issues into categories is a tool to help businesses create an effective CSR strategy. The goal is not to moderate social issues, but to find a common ground between social and economic benefits that would work together to achieve a set goal (Porter and Kramer, 2006). Also, division of activities that the company exercises is a great way to see if the activities are connected to the core business. Whatever field corporations may operate in, they have to be convicted about their business and if this be-



lief is passed to the creation of socially responsible identity within the frame of its core business, it creates the best possible basis for creating a successful CSR strategy that will be successful and will benefit the company.

### 3.5.2 Implementing and communicating CSR model

When choosing to implement a CSR strategy into one's business, a difficulty may occur when selecting which procedures are the best or what processes should be chosen in order to choose the best possible combination of policies that will serve for the purpose of a specific CSR approach. In line with using the triple bottom line that helps the companies indicate what values of what category they would like to rule by in their business, there are other ways that they face during their path of creating a custom strategy. Bowfield and Murray (2011) present another criterion that companies meet along the way and that is whether the company should focus on itself or the society it functions in. If the company freely decides to follow a certain CSR structure, they have a choice of choosing certain areas:

- Moral case
- Rational case
- Economic case

If we consider the moral case, it is about what the obligations the company has to the society it operates in. Looking at the case from a rational point of view, it means analyzing the society and trying to minimize or lower the limitations of society on the company. The economic viewpoint suggests investing financial resources in order to stay interesting for the company's stakeholders.

Many companies see corporate social responsibility as an obstacle to the run of their business. Partial reason for that is the fact that CSR as a whole is a relatively new concept that has only recently been introduced and that is a topic of current discussion and attention. However, companies should look at the positive side of implementing a CSR strategy and look at the benefits first before making hasty decisions. Hond, Bakker & Neergaard (2007) provided a list of basic benefits that CSR may bring to the company. The benefits are divided into two parts, internal and external benefits. Some of the internal benefits include:

- Development of new services
- Improved staff morale
- Development of managerial and organizational skills
- Systematization and documentation of competencies and processes
- Improved staff recruitment and retention

External benefits include:

- Access to markets that demand CSR
- Compliance with social and environmental regulation
- More responsible supply chain management
- Increased brand value
- Goodwill from stakeholders

These benefits are oftentimes overlooked when it comes to the first judgement of corporate social responsibility. There are many more aspects to CSR than companies may be aware of since the topic itself is still in the developmental phase and needs to be spread into the public in order to inform the public and companies about its good and positive contributions that it may bring.

Implementing CSR strategy and putting it to work is a process. There are many different ways and steps to be done in order to achieve a successful CSR strategy that would effectively communicate the core values into the company and to the public too.

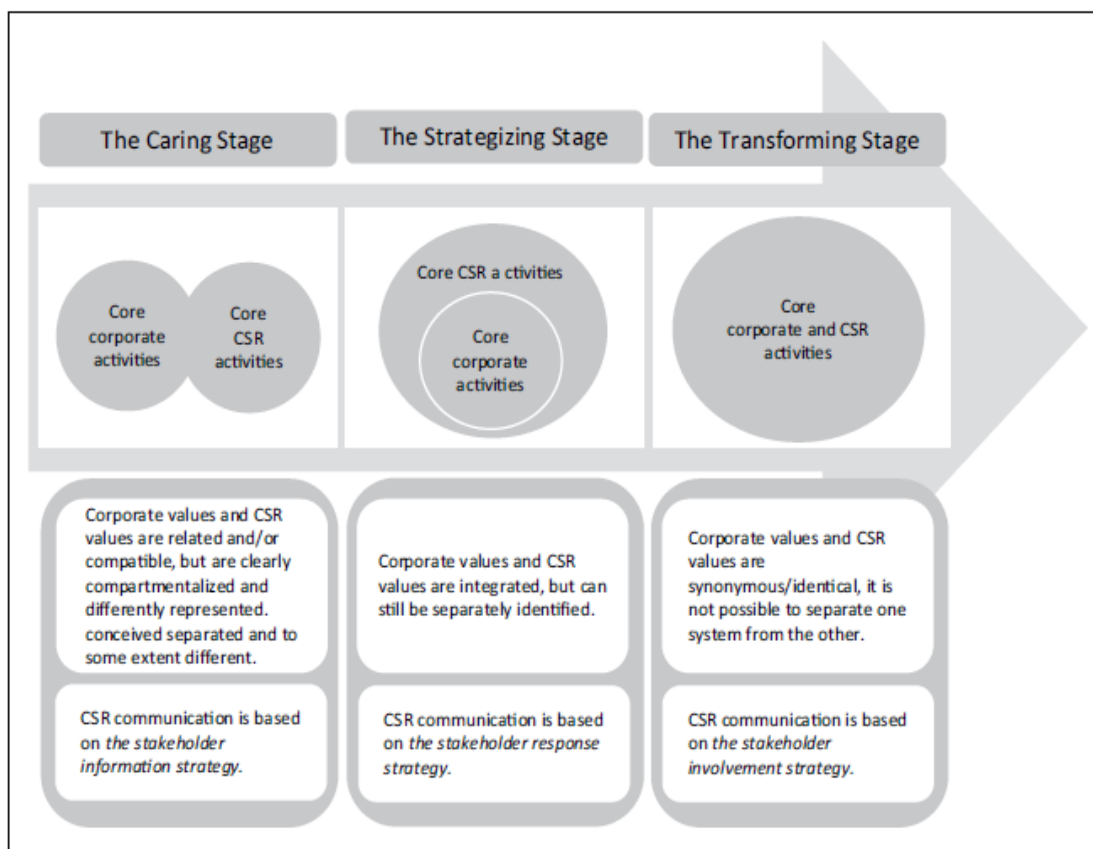


Figure 3: The CSR implementation and communication model

Source: Schmeltz, 2014

A very important part of accepting and creating a new corporate social responsibility strategy is the compatibility of existing and new CSR values. For a CSR strategy to make a difference, it should match the idea of a business or a company. The goal is making a close connection between the existing and new values to get the most efficient and effective strategy. Not only will the integration of CSR into the already existing scheme be easier, but it will also ensure greater participation from within the inner circle – the company – and it will communicate stronger message and present a stronger corporate identity to the outer circle – the public and society. In the final stage of the process, the transformation stage, it becomes nearly impossible to distinguish which values were the core ones and which ones were newly

added as part of CSR strategy as they become embedded within one another and represent the same idea.

The integration of corporate social strategy into the already existing strategy of the business does not happen at once, but there are different ways and approaches that can make the transition easier. Reactive and proactive arguments show two different points of view on CSR. Business leaders or companies as they are have different approaches as to how to solve a situation that is standing in front of them. Just like there is a passive participation, there also exists active participation that companies can exercise towards adapting a CSR strategy. Those companies that want to keep their stable position on the market without having to exercise too much effort will do only the necessary changes and will take only certain precautionary steps to fall in line what the society is expecting them to do. Their vision is limited to actions necessary to keep their stability (see Reactive Argumentation in Table 1). On the other hand, there are those companies that are actively seeking to get ahead in their position on the market and rather than perceiving CSR as a requirement, they work towards integrating the new values into their business, with a vision of future opportunities in their minds (see Proactive Argumentation in Table 1) (Hond, Bakker and Neergaard, 2007). It is the approach of companies toward CSR that makes them stand out and gives them the advantage over their competitors. The demands of society on corporations are changing ever so quickly that only flexible and quickly adaptable companies win in the game of corporate social responsibility.

Table 1: Reactive and Proactive Argumentation

<b>Reactive Argumentation</b>	<b>Proactive Argumentation</b>
Keep license to operate	Increase license to operate
Protect reputation	Enhance reputation
Eroded brand	Value added brand
Retain employees	Recruit the best employees
Maintain morale	Enhance morale
Maintain efficiency and profits	Increase efficiency and profits
Good business sense	Good business sense

Source: Hond, Bakker & Neergaard, 2007

### 3.5.3 Marketing mix

An important part of communicating CSR to the outer circle of interest is the determination of marketing mix. The mix takes into consideration the position of the company on the market and it can be customized for the company. Srkpvá (2011) describes the marketing mix, also known as 4P, consists of:

- Product
- Price
- Place
- Promotion

Each is meant to help the company clearly set steps towards reaching their goal. Marketing mix of the company will be presented in the application part.

### **3.6 Values of CSR**

The notion of values is one of the leading concepts of this thesis. Corporate social responsibility is based on the values and what the company considers to be important for its business and for the welfare of society. The values which are represented by the corporations and their actions contribute to creating a corporate image for the company, leading to a stronger CSR message. While the concept of CSR may be understood as contributing money to charities and for good causes, it does not account for a successful CSR strategy. CSR consists of various strategies and practices that companies engage in to address certain matter in the social sphere, but for many employees it may be more than that, specifically it may bring certain values that stand being those activities (Crane et al., 2013).

As previously mentioned above, Porter and Kramer (2006) stand behind their claim that CSR strategy should come from the core business concept of a company. Therefore, philanthropic or ethical activities that have nothing to do with the main idea of a business do not communicate a strong strategy unless they are connected to the core business. One of the biggest advices that can be given when starting a new CSR tactic is not to start from zero, but base the approach on what the company already has and on the values that already exist (Mullins, Komisar, 2010).

This is one of the most important concepts because just like Porter and Kramer (2006) have mentioned, the core idea of business is the best place to start. Not only does this make the incorporation of the CSR strategy into the business much easier but no extra changes and alterations need to be made in order for the strategy to work. The new CSR would happen to an already existing business which already has its position on the market. Therefore, position of the company is already settled and improvements in form of a new CSR approach would improve its stand and its corporate identity.

Looking at the area in which the company operates and what is its direction creates a path for future development of a strategy that works within the business and captures the main idea of the company.

Corporate social strategy is not meant only for the public, but also for the employees and people working within the inner circle of the company. In order for a company to be successful, the company really has to believe and communicate the values that they stand behind. As Schmeltz (2014) suggests, corporate communication is the result of effective communication between internal and external circle of the company, resulting in creation of its good corporate identity attractive for stakeholders and others.

The following Table 2 shows some examples of corporate social responsibility values. The figure suggests that the instrumental values are further divided into two parts, competence and moral values. Every company performs different business and employs different people, but there usually exists a set of preferred values or modes of conduct that are important for the given company. These values are helpful in achieving the specific goals and strategy devoted to CSR.

Table 2: Instrumental Values

<b>Instrumental Values (desirable modes of conduct)</b>	
Competence values	Moral values
Ambitious (hardworking, aspiring) Capable (competent, effective) Clean (neat, tidy) Imaginative (daring, creative) Intellectual (intelligent, reflective) Logical (consistent, rational)	Broadminded (open-minded) Cheerful (lighthearted, joyful) Courageous (standing up for your beliefs) Forgiving (willing to pardon others) Helpful (working for the welfare of others) Honest (sincere, truthful) Independent (self-reliant, self-sufficient) Loving (dutiful, respectful) Polite (courteous, well-mannered) Responsible (dependable, reliable) Self-controlled (restrained, self-disciplined)

Source: Schmeltz, 2014

While the instrumental values represent the initial values that fulfill the expectations of a company, they are also meant to lead the way to achieving goals that were set by the CSR strategy. The end values are called terminal values, as shown in Table 3. The terminal values may seem bit odd in the context of corporate social responsibility but what matters is the relative interpretation of the values. However, the values should be interpreted and altered in such a way that they are appropriate and suitable for the context of CSR.

Table 3: Terminal Values

<b>Terminal values (desirable end states of existence)</b>	
Social in orientation	Personal in orientation
A world at peace (free of war and conflict) A world of beauty (of nature and the arts) Equality (brotherhood, equal opportunity for all) Freedom (independence, free choice) National security (protection from attack)	A comfortable life (a prosperous life) An exciting life (a stimulating, active life) A sense of accomplishment (taking care of loved ones) Freedom (independence, free choice) Happiness (contentedness) Inner harmony (freedom from inner conflict) Mature love (sexual and spiritual intimacy) Pleasure (an enjoyable, leisurely life) Salvation (saved, eternal life) Self-respect (self-esteem) Social recognition (respect, admiration) True friendship (close companionship) Wisdom (a mature understanding of life)

Source: Schmeltz, 2014

Just like Porter and Kramer (2006) mentioned in their figure Prioritizing Social Issues (Figure 2), Schmeltz (2006) has the same opinion on values connected with core business. For a CSR strategy to become fully embedded and integrated into the company and its business, the new CSR values should be similar and as meaningful as those of core business. The CSR values must become part of the already existing company values and they must become part of corporate identity of a company in order to be successfully expressed and communicated. There should be a complete merge of key and newly introduced values in all levels of a company.

### **3.7 CSR communication**

#### **3.7.1 Inner circle CSR communication**

One of the key elements of communication of corporate social responsibility is to ensure that it is communicated among the employees of the company. In many cases, companies engage in CSR strategy but it is simply to bring attention to the company's name instead of trying to achieve goals inside the company. A key to a successful and effective CSR strategy are the employees, aware of and actively participating in it. A company cannot expect to pursue a good strategy without the help of their employees and the management as well as the employees themselves must take part.

##### **3.7.1.1 Effect of CSR on employees**

Employees are a group that may seem forgotten or not taken into consideration when speaking of corporate social responsibility. Many companies see a CSR strategy as one that needs to be interesting for the public and must satisfy the demands of society, however employees play an important role in the creation of a socially responsible image of a company as a good report.

The way employees see corporate social responsibility is connected with a few basic psychological needs which are as follows (Bauman and Skitka, 2012):

- security
- self-esteem
- belongingness
- meaningful existence

These values work as a factor based on which the employees value the company and create their opinion on it.

The sense of security and safety comes from the people that individual employees surround themselves with. If a company presents itself as moral and ethical, employees feel like the company is less likely to use them for the corporation's own advantage. Moral acting of a company then brings an element of trust between the employees and their employer and evokes a positive signal among the employees (Gond et al, 2010). Moreover, if the actions performed by the company are in line with their core business, the whole concept of CSR is much stronger and has a positive effect on the employees and how they perceive the company (Porter and Kramer, 2006).

Esteem plays an important role in how people value themselves. People long for having a positive self-image to which esteem contributes. One factor that adds to positive self-esteem are the relationships with groups because they bring out pride and value in people. Other factor are the relationships with individual people as they support personal beliefs and values. Both factors serve as a reassurance of self-esteem and self-worth.

The need to belong is partly set by company's approach to their employees. They are responsible for creating stable and equal environment for all employees, which leads to employees' perception of where they find themselves within the organization, as individuals or as part of a group. This creates the feeling of "me" or "us" among the employees.

Need for meaningful existence considers inner personal values that go beyond receiving a paycheck and satisfying material needs. Work can bring out aspects that contribute to quality life and promote a feeling of a satisfaction, hence attracting workers of high qualities who seek sense of fulfillment (Gond et al, 2010). This state appears when the employees feel like they can contribute to well-being within a community or a society (Bauman and Skitka, 2012).

If company sends a message to the public that it is involved in socially responsible behavior, there is a higher probability that it will attract more potential workers, especially when the signaled practices and values correspond with their own (Gond et al., 2010). In this case it is very important to select the key values that shall be advertised in order to promote the core business of the company.

Corporate social responsibility may therefore act as a convenient marketing tool when looking for likely high-quality employees (Gond et al., 2010). In the case of our company, however, marketing would not serve as a way to get more attention, but to send out the key values that are important for the run of the core business of the company.

### **3.7.2 Outer circle CSR communication**

Communicating socially responsible behavior to the public and to the society plays an important role when communicating a corporate image. A lot of times this communication may be mistaken with advertising or public relations that the company does in order to create a better name for itself, without actually being fully and responsibly engaged in the concept of CSR.

Communicating CSR to the public is an important part of the strategy as such. If the company spends its efforts into creating something that the society could benefit from, it should let the public know about it. The communication of CSR strategy is important for both, the employees and the public or the stakeholders. There are many ways that a company can effectively communicate their CSR message to the outer circle of interested parties, and Kunz (2012) mentions various appropriate ways to do so and they are as follows:

- Company's website
- Covers and packaging of goods
- Prospects, brochures, flyers
- Intranet
- Company's information board, bulletin board

- Presentation of CSR during events for employees, customers or business partners

It is important to distinguish the difference between pure PR and marketing and communicating the core CSR values to the public. PR and advertising are tools to bring attention to the image of the company, how well they are operating in the field of CSR and what activities they engage in. This is a great tool for attracting new customers for the company, those who seek something the company can offer. However, when we talk about the core idea of the business the company operates in, the advertising would be aimed at attracting new potential employees to the company. As the core CSR values would be present in the advertising and marketing campaigns, it would try to evoke these values in those who seek jobs rather than potential customers of the company.

While many companies engage in CSR activities, the problem occurs when there is no way to find out the outcomes that come from the efforts to be socially responsible (Haynes et al., 2013). Outer circle communication would then serve as a tool to let the public know what activities the company engages in and



## **4 Application Part**

The application part will be divided into two sections. First section will focus on the inner communication of corporate social responsibility. It will focus on the communication of CSR among the employees and people working in the company. The aim is to increase awareness of CSR within the whole company which should result in increased loyalty, performance and quality of work of employees within the company.

Second section will focus on the communication of CSR into the outer circle. The target will be the potential employees searching for a job with their disabilities. The section focuses on the business side of CSR as its purpose will also be to get the company's name into the public. It will increase awareness of the company, as a company supporting handicapped individuals and as a company that is socially responsible. Advertisements on the internet, ads in magazines and on website of the company are some of the tools that can be used to communicate CSR.

A misunderstanding that may occur when creating the advertisements is that it may be seen as a promotion of the company itself. However, while an ad is meant to raise awareness, in our case it is not to bring the attention to the name of the company, but to their CSR strategy in order to attract possible future employees.

### ***4.1 Examination of CSR environment in the Czech Republic***

In the Czech Republic, corporate social responsibility is not dictated by law. Instead, CSR represents a free-will choice of companies whether they want to pursue it or not. Over the past years, the development of CSR experienced a tremendous growth and its notion is spreading world-wide, including the Czech Republic. The quickly growing trend is slowly becoming a necessity for companies in order to be able to fulfill the expectations of society they operate in.

The following section examines organizations working in the field of corporate social responsibility and mentions competitions and awards that aim to encourage the creation of CSR strategies worthy of being awarded and brought to the attention of the public. Furthermore, examples of Czech companies which have incorporated CSR strategy into their core business are mentioned. While the idea of corporate social responsibility is not as widely spread in the Czech Republic as in some other countries, the following organizations are trying to raise awareness about the topic and promote its incorporation into the strategies of Czech companies.

#### **4.1.1 Organizations working in the field of CSR**

##### **Association of Social Responsibility**

A-CSR represents and connects all aspects of corporate social responsibility and socially responsible corporations in one place. The key idea of this platform is to get the general public such as schools and public administration involved in the concept of making CSR as opposed to focusing only on the private companies. They

value the activity of individuals which help to create a sustainable and successful CSR environment (Association of Social Responsibility, 2014)

### **Go CSR**

The initiative Go CSR aims at helping companies introduce the concept of CSR and implementing and connecting this concept into their overall strategy. The CSR consultancy offers individual custom made approach, based on the needs of individual clients. They provide chargeable consultations, during which they can introduce the concept and help with implementing the strategy into the company. They offer a professional approach, coming from people with many years of experience in the field of corporate social responsibility (Go CSR).

### **Business for Society** (originally Byznys pro společnost)

Business for Society aims to create a supportive environment for businesses in the Czech Republic. Corporations and organizations share their experience and support the sustainable business development. Provision of assistance to not only Czech but also multinational companies enables the organization to share and incorporate CSR principles worldwide business practices and at the same time spread awareness about the advantages of CSR to business-making (Business for Society, 2010).

### **Business Leaders Forum**

BLF brings together people for whom CSR is not only a phrase but who really care about those they work with and the environment in which they work. They inspire corporations to implement CSR principles and strategies into their businesses and educate and teach the public about its advantages. Based on the principles of experience and tradition, the platform has existed for over 20 years, transforming the viewpoints of companies about CSR and its benefits to businesses. Many Czech companies have used the help of BLF, as well as branches of international companies situated in the Czech Republic, and the amount of clients does not cease to stop growing (Business Leaders Forum, 2010).

## **4.1.2 Corporate social responsibility awards and competitions**

### **The Most Responsible Company Award** (originally TOP Odpovědná firma)

One of the most prestigious awards, it is presented and awarded under the Business Leaders Forum. The Most Responsible Company Award is the leading award in the Czech Republic, evaluating new approaches to projects and initiatives created by large companies as well as small and medium enterprises. It tries to reward leading companies in given areas and increase the awareness about corporate social responsibility among the wide public (Top Odpovědná firma, 2012).

### **National Award of the Czech Republic for Social Responsibility**

The national award is one of new programs adapted by the Quality Council of the Czech Republic. While there exists a systems and methods on reporting the CSR levels in multinational organizations (Global Reporting Initiative), there are no ways to measure fixed corporate social responsibility benchmarks. As the GRI

method is very demanding for certain companies, a new system has been created specifically for the Czech Republic called KORP (based on cooperating organization Correct Business Association). The KORP method evaluates the levels of corporate social responsibility under the three CSR pillars – economic, social and environmental. The award proposes awards to corporations in both public and private sector (Národní politika kvality, 2009).

### **European CSR Awards**

European CSR Award is a first scheme in Europe that grants awards to companies and corporations which take active part in the corporate social responsibility all across Europe. It promotes collaboration among countries, supporting innovative thinking and long-term impacts. CSR Europe and Business for Society launched this campaign, with the support of European Commission. As a follow-up to national and regional awards, this competition continues to reward small and large companies from 30 countries, to raise awareness and bring attention to the idea of corporate social responsibility (European CSR Award Scheme, 2012).

### **4.1.3 Examples of companies using CSR in the Czech Republic**

#### **ŠKODA**

Škoda Transportation a.s. is a primary leading Czech manufacturer of vehicles for public transport and railways. Corporate social responsibilities plays an important role for Škoda as one of their significant priorities is to support sustainable development by providing superior technical composition of transportation. Their transportation systems are efficient and have an impact on economic growth, development of society and the environment. The company is able to fulfill all of these criteria due to their own innovative research and own and together with that they are trying to provide superior service for their customers along with strictly keeping up with their CSR standards. Škoda Transportation a.s. is a member of the Business for Society platform (Škoda).

#### **Pilsner Urquell**

Pilsner Urquell is one of leading beer producers in the Czech Republic. The company takes an active role in the corporate social responsibility which adds to the value of the company. Their primary focus is the responsible consumption of alcohol with an appropriate commercial communication. As a producer of alcoholic beverage, they are aware of the risks that high alcohol consumption can cause. They have introduced a project called Promile INFO which informs the user of their current level of alcohol in their bloodstream and the time in which the level will be zero. Their serious approach to irresponsible drinking is enhanced with the launch of a website [napivosrozumem.cz](http://napivosrozumem.cz), informing public about responsible drinking and its effects. Furthermore, Pilsner Urquell promotes economic growth, aims to lower the use of energy, wrapping materials and promotes environment-friendly actions (Plzeňský Prazdroj, 2015).

**Komerční banka, a.s.**

Corporate social responsibility represents one of the fundamental values of Komerční banka that aims for long-term success and is part of the core strategy of the bank. It creates value through responsible acting in the economic, environmental and social areas – the pillars of corporate social strategy. Their responsible actions are promoted through their transparent governance structure. Komerční banka founded many programs to support corporate social responsibility (KB, 2014).

**4.2 Analysis of relevant competition**

In the field of security and guarding companies, the company has a relevant competition in the South Moravian Region. There are many different companies offering similar services only with some variations, but there are a few companies that represent a direct competition to the company. The companies are described below.

**AVES Plus spol. s.r.o.**

Aves Plus, spol. s.r.o. was established in 1991 and it is one of the biggest security agencies in the Czech Republic. The basis for their business is quality employee background. The employees are trained and motivated employees of security businesses. There is no mention of any CSR activities (AVES Plus spol. s r.o., 2015).

**MONIT plus, s.r.o.**

The company MONIT plus, s.r.o. was founded in 2006 with an aim to provide security services to services in the field of security of persons and property, electronic security systems. And a wide range of other offered services. More than 50% of the employees are those with certain disabilities that changed their capacity to work. In 2010, the company founded a two-year project for education and support of human resources of the company (MONIT plus, s.r.o.).

**TREBI s.r.o.**

The company offers a wide range of security services all over the South Moravian region, including security of individuals or properties. Besides this service, the company offers cleaning services and guesthouse. Similarly to MONIT plus, s.r.o., this company conducted a project for education of their company employees, which began in 2013 and ended in April 2015 (TREBI s.r.o.).

**Bartoň a Partner s.r.o.**

The company has existed on the market for 21 years and can offer services maintenance and management of properties. The company functions throughout the whole Czech Republic and is number one company in employing disadvantaged or handicapped people. Besides this service, the company is not involved in other CSR activities (Bartoň a Partner s.r.o.).

In general, most of the companies that represent relevant competition do not seem so involved in the concept of corporate social responsibility, except educational trainings of the employees. Most of them focus mainly at offering security and guarding services of properties and individuals, which is aimed at those demanding such services. However, none of the companies offer some special benefits related to corporate social responsibility to their employees and workers in their companies.

All marketing efforts or presentation of the company is aimed at offering the service, but it does not focus on the potential workers. There are many people, healthy or with disabilities, that would be willing to work for these companies but because the companies do not revolve their advertising around them, they do not know what the benefits when working for the companies are.

### ***4.3 Description of the selected company***

The company PPH spol. s r.o. was founded in 1997 by the current owner of the company and his father. During this time, there were good conditions for starting a company and the market experiences a boom in the number of entrepreneurs that used this opportunity to establish their own business.

Originally, the company was focused on transporting and security of money and cash, hence the name of the company (in Czech “Převod peněz a hotovosti”). Over long existence on the market, the demand of the market changed and with that, the company shifted its focus to offering security and guarding services of individuals and property. With the new idea in mind, the company grew and developed its position on the market and is now a company with 150 employees, giving opportunities also to people who are disabled or handicapped. It is a unique idea as the company provides second chances to people that have been unfortunate or disabled. At the same time, the company is granted government subsidies for creating work spaces for these people.

#### **Current activities of the company**

The main task that the company focuses on consists of offering security and guarding services to customers that need such services. It operates throughout the South Moravian regions.

With offering security services, there are necessary exams to be passed by some of the employees, depending on what position they work in. The company offers to pay for these exams, which is a great advantage for those looking for a job and do not have excess money to spend. It is a good motivation for the potential employees because they do not have to invest any money even before they start working.

However, because PPH spol. s r.o. focuses mainly at the offered services, it has never engaged in any activities related to corporate social responsibility. Any or all marketing activities are to promote their service, not to attract new potential high-quality employees.

The following section analyses the internal and external factors that influence the company and further examines possible strategies and schemes that could be concluded based on the SWOT analysis.

## 4.4 SWOT analysis

SWOT analysis is a technique used for the analysis of the internal environment of the company. It is especially important for assessing individual factors and their importance to the company. It is useful when the company tries to find new direction to operate in and identifying new possible objectives of focus. The factors can then be very useful when the company wants to gain competitive advantage on the market and its competition. The SWOT analysis is composed of four main factors which are strengths, weaknesses, opportunities and threats. The four categories are further divided into two groups according to if the company can influence the factors or not.

Strengths and weaknesses are internal factors which a company has control over and can influence, e.g. the level of skill of employees in managerial positions, unique product/service, etc.

Opportunities and threats are factors from the outside that the company has no control over and cannot influence, e.g. competition, taxes, political system, situation on the market, etc.

The SWOT analysis table can be seen in Table 4.

### Strengths

Strengths present competitive advantage of the company which allow for its stable position on the market.

- Long-term experience and existence on the market – the company has been founded in 1997 by the current owner of the company and his father,
- Family business leadership management – after the founder of the company retired, the management has been passed down to his son and grandson, who personally attend to the proper and smooth run of the company
- Financial capital and property background – over the years, personal financial involvement of the company owners has returned in form of profit and property acquisition, which gives the company possibility of future growth and development
- Unique idea – the company offers a unique service – giving opportunities to people who are disabled or have certain handicaps and creating work spaces for them, giving such people a second chance to get back on the job market
- Good company profile in economic performance – over the years, the company has never been in any economic crisis that would significantly affect the run of the company

### Weaknesses

Weaknesses within the company limit it to achieve the maximum performance and the best results

- Little marketing – except for the company's website, there is no form of marketing that would promote the company, the services, or the values that it offers

- No social benefits for employees – the company does not contribute to social and security care or pension insurance, nor does it give its employees extra benefits such as meal vouchers
- Low motivation for better job performance – current employees may not feel motivated to give the best work performance
- No possible career growth – the system of family business does not enable career growth
- No motivational events for employees – there are no social events outside the company that would motivate the employees to give better performances
- Lack of care about employees – absent care of employees may bring lack or decrease of them
- Insufficient communication – there is a little communication between the employees and the company to get feedback or an insight on how the employees feel in or about the company
- Insufficient office background – the offices for some of the workers of the company are not sufficient space and are not adequately equipped to support maximum performance

### **Opportunities**

Opportunities open unexplored areas that the company has not yet been involved in and which it could use to its advantage

- Competitive advantage - CSR programs would create a competitive advantage for the company and it may play an important role during tender proceedings
- New potential high-quality workers - benefits and socially responsible behavior towards the employees could attract new potential workers as the core values of the business would play an important role during the recruitment of new employees and would be used in marketing
- Reward for work spaces for disabled – state support is given in return for creating work spaces also for people who are disadvantaged or with some disabilities
- Socially responsible corporate identity – new CSR strategy may bring the company a higher status in terms of being socially responsible compared to other companies working in the same field
- Motivational and rewarding programs – if the employees will know that they may be rewarded for their good performance, they would have a greater motivation to do their best in order to receive some benefit in return

### **Threats**

Threats are influences that may negatively affect the company

- High fluctuation of employees – constantly changing numbers of employees can cause unexpected problems in terms of lack of people that company can place in various securing positions

- Competing companies – in the field of security and property securing, there are other companies that offer the same or better service
- No advertising – the company rarely invests into marketing and advertising campaigns that would attract potential employees or others needing their services
- No investment in office background – insufficient or old office equipment of some of the employees of the company may hold them back in terms of maximum performance
- Insufficient initial training – new employees that begin working under the management and are responsible for other employees are given low and insufficient initial training, which may lead to longer settling in the company and getting to know how the company works

Table 4: SWOT analysis

<b>Strengths</b>	<b>Weaknesses</b>
Long-term experience and existence on the market Family business leadership management Financial capital and property background Unique idea Good company profile in economic performance	Little marketing No social benefits for employees Low motivation for better job performance No possible career growth No motivational events for employees Lack of care about employees Insufficient communication Insufficient office background
<b>Opportunities</b>	<b>Threats</b>
Competitive advantage New potential high-quality workers Reward for work spaces for disabled Socially responsible corporate identity Motivational and rewarding programs	High fluctuation of employees Competing companies No advertising No investment in office background Insufficient initial training

## 4.5 Results

### 4.5.1 Model of the complex satisfaction at work for the business unit “Technical Museum”

The objective of this chapter is to develop a structural equation model that would explain the complex satisfaction at the business unit “Technical Museum”, using a 100 % sample of all the employees working in this unit (currently 36 people). Out of 36 people, there 25 are registered with a health handicap, i.e. 70 %.

The model is based on three variables - explanatory, independent and latent – and one explained, dependent variable that was named Complex satisfaction at work.

The three dependent variables are based on the local conditions of the workplace of the business unit. Firstly, the dependent variables are based on the general knowledge and understanding of the local conditions of the business unit,



and secondly, they are based on the structured interviews, especially with regards to the structure of factors influencing the contribution at personal level.

The model consists of three main latent variables:

- Wages and work organization - satisfaction with the wages and organizational processes and management. This variable is based on the standard factors of work, and are used universally within the frame of the analysis at the workplace.
- Contribution at personal level - what contributions does the work bring to the employees' satisfaction at personal level. This latent variables comes uniquely from the qualitative research (structured interview with the employees).
- Interpersonal relations at work

The dependent (explained) variable, complex satisfaction at work, is based on three factors that are used in a standard way to measure the satisfaction:

- Overall satisfaction at work
- Behavioral intention: readiness to recommend the work position to a friend
- Behavioral intention: readiness to accept the company as a life-long employer

The reason why there was used a set of three factors is based on a generally known fact that a concrete and specific behavioral intention reflects the personal satisfaction and inner motivation of the employee, better than the general question on the overall satisfaction.

Figure 4 displays the structural equation model (SEM) of the satisfaction at work and relevant explanatory factors. The figure displays three latent explanatory latent variables (blue circles) and fourth dependent variable (blue circle with the white number, indicating value of R square). Yellow boxes represent particular factors that create individual latent variables. Numbers in black color represent correlation weights of each given factor or variable.

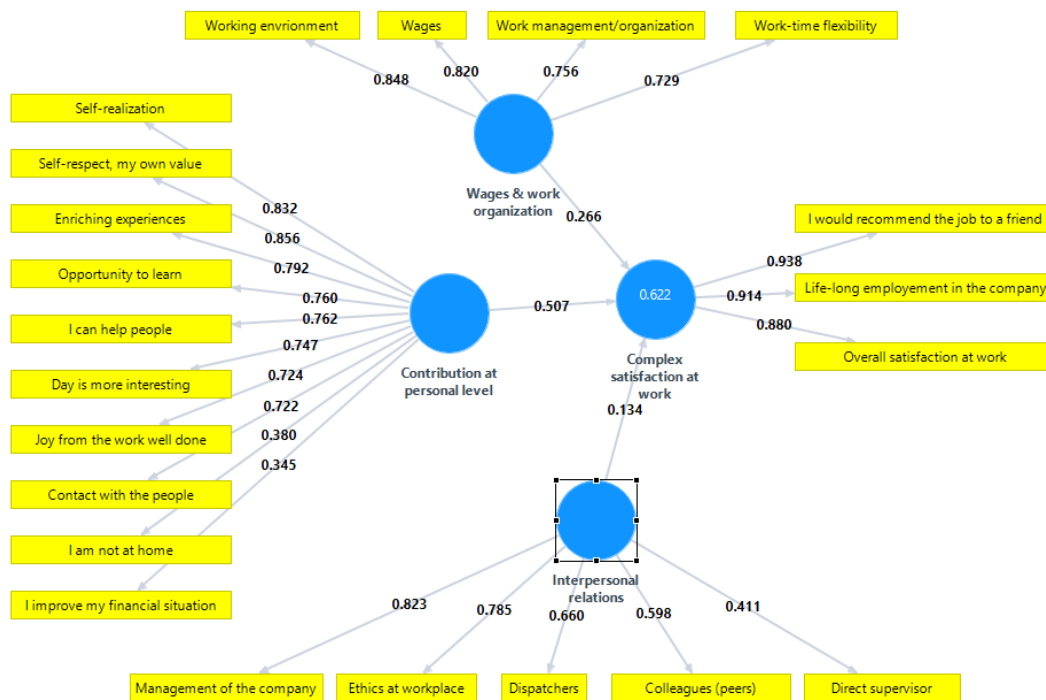


Figure 4: Structural equation model for the overall job satisfaction

The model (Figure 4) explains how individual variables contribute to the complex satisfaction at work. Total variability explained (R Square) is 0,622 which is fairly satisfactory when compared to similar known models applied, using the same software, for similar business situations.

Table 5: Statistical parameters of the individual latent variables in relation to the Complex satisfaction at work

Latent variables	Column a. Level of contribution to the total level of complex satisfaction at work (correlation weights)	Column b. <b>T-statistics</b> (min. 1,96 for the 95% level of stat. significance)	Column c. <b>P-values</b> (max. 0.05 for the 95% level of stat. significance)
Contribution at personal level	0,507	3,553	0,000*
Wages and work organization	0,266	2,239	0,026*
Interpersonal relations at work	0,134	0,738	0,461

\* Statistically significant at the level of 95%.

Table 5 shows the statistical parameters of the latent variables in relation to the Complex satisfaction at work. Latent variable Contribution at personal level brings in the most important results (correlation weight is 0,507) with regards to the explanation of the Complex satisfaction at work. The next latent variable that follows is Wages and work organization (correlation weight is 0.266). The least important for the Complex satisfaction is the latent variable Interpersonal relation at work (correlation weight is 0.134).

With regards to the statistical significance, Contribution at personal level and Wages and work organization are the only two latent variables that are significant. Latent variable Interpersonal relations at work is not statistically significant, which corresponds to the fact that it does not contribute to the explanation of the variability of the Complex satisfaction.

When using the PLS Smart software, it is also necessary to mention the values of the indicator AVE (Average Variance Extracted) for the latent variables. For all the latent variables, except of Interpersonal relations, the values is higher than the required value of 0.5.

As a consequence of the above mentioned variables, it would be advised to omit the latent variable "Interpersonal relations" from the model as this is not essential to the Complex satisfaction. On the other hand, it is important to note that the part of the aspect of interpersonal relation that is reflected in the latent variable "Wages and work organization" as factor "Work-time flexibility" is reflected also partly the relations with the controllers of the employees. Also, the factor "Work management/organization" reflects the relation with the direct supervisor. And both these factors are important for the model and statistically significant.

As a conclusion, we can highlight an interesting finding, notably the latent variable Contribution at personal level, which is the most important for the explanation of the complex satisfaction at work. Rather surprisingly, aspects as wages and work organization is less important for the complex satisfaction, though still statistically significant.

Another important fact to be highlighted is that the latent variable Contribution at personal is the most important and most statistically significant. It represents an evidence that it is a good thing to use the questionnaire specifically tailored for this business unit on the basis of structural interviews with the employees.

Finding that the latent variable Contribution at personal is the most important and most statistically significant brings an evidence that our questionnaire was designed correctly. The design of this questionnaire was specifically tailored for the business unit on the basis of structured interviews with the employees. High importance and high statistical significance of this latent variable confirms the correctness of this research approach.

It is interesting to note that on a tentative basis we enacted similar statistical analysis uniquely for 25 employees, registered with the health handicap. However, there were no substantial differences with regards to the structure of importance of individual latent variables and their statistical significance. The statistical program Smart PLS has the calculation algorithm designed to function also on the small samples.

#### **4.5.1.1 Analysis of the latent variable Contribution at personal level**

In this section, factors of Contribution at personal level will be analyzed with regards to their importance for explanation of the Complex satisfaction at work and their statistical significance (see Table 6).

Table 6: Factors of Contribution at personal level, importance and statistical significance

Specific factors <- Contribution at personal level	Column a. Level of contribution to the total level of complex satisfaction at work (correlation weights)	Column b. <b>T-statistics</b> (min. 1,96 for the 95% level of stat. significance)	Column c. <b>P-values</b> (max. 0.05 for the 95% level of stat. significance)
Self-respect, my own value	0.856	16.584	0.000*
Self-realization	0.832	9.631	0.000*
Enriching experiences	0.792	5.829	0.000*
I can be of help for other people	0.762	3.768	0.000*
Opportunity to learn	0.760	4.404	0.000*
Day is more interesting	0.747	6.317	0.000*
Joy from the work well done	0.724	3.048	0.002*
Contact with the people	0.722	7.039	0.000*
I am not at home	0.380	2.290	0.022*
I improve my financial situation	0.345	1.516	0.130

\* Statistically significant at the level of 95%.

The analysis of particular factors of the variable Contribution at personal level brings highly interesting findings. The most important factors contributing to the explanation of the complex satisfaction are the factors “self-respect, creation of the own value” and the “self-realization”, followed by the factor “enriching experiences” at work and the opportunity to “be of help for the people”. The factor with the lowest importance is the opportunity to “improve my financial situation”. Also, this factor is statistically insignificant.

These findings are of a very high importance as they provide understanding for the motivation of the employees, registered with the health handicap, in the company that is focused on the employment of this type of the segment of the labor market.

This finding also confirms the thesis that the CSR activity performed as a core business directly “hits the target”. Because the primary objective of hereby studied CSR activity is the development of the human dignity, sense of self-realization, sense of the inner value, sense of being useful for the others and the sense of the capacity to contribute, help with the value creation. All of these aspects are extremely important for the quality of psychological state of the employees, thus dramatically improving the quality of life of the employees.

Hence, we can conclude that the CSR, hereby performed as a core business fully achieves its inherent objective and its inner meaning.

#### 4.5.1.2 Performance – Importance analysis of main three aspects

In this section we will analyze the three main variables, Wages and work organization, Interpersonal relations at work and Contribution at personal level, using the Performance Importance analysis (see Table 7). It evaluates given variables based on to what extent they agree with the performance of the given value and how important they are for the employees.

Table 7: Performance – Importance analysis for the main latent variables

	Performance	Importance
Wages and work organization	3,44	4,19
Interpersonal relations at work	4,06	4,47
Contribution at personal level	4,19	4,61
Mean	3,90	4,43

The results show that the most important category for the employees comes from the variable Contribution at personal level, while interestingly, the Wages and work organization is the least important variable.

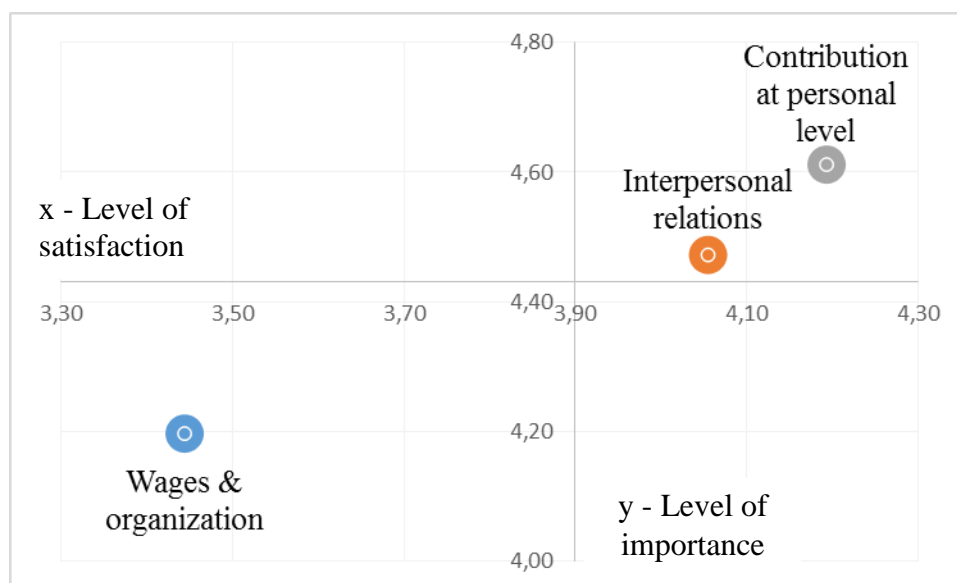


Figure 5: Performance – Importance analysis for the main latent variables

Performance Importance graphs helps to analyze the workplace related aspects. The graph is divided by the axis X and Y. The axis pass through the mean of the values displayed in Figure 5.

The IP chart for the main latent variables provides findings as follows:

- We see that the variable Contribution at personal level attains the highest level of satisfaction and the highest level of importance
- Factor of Interpersonal relations attain relatively lower importance as well as satisfaction
- Factor of Wages and work organization attain lowest level for both aspects satisfaction as well as importance. It is important to note, that the aspect of wages is near to the zone of the level 3 of the axis x (what can be interpreted as unsatisfactory to a large extent).

In any case, the Contribution at personal level variables reach high values in satisfaction and importance as well. The Wages and work organization seem to have the lowest satisfaction among the employees, but at the same time, it is relatively unimportant for them.

The fact that the importance and performance of all of the three aspect reminds a growing trends suggests that we do not need immediate dramatic improvement of any of the factors as the less satisfactory factor is similarly less important, and vice versa. As a conclusion we can say that for creating a CSR communication campaign it would be advisable to focus more on the aspects of the Contribution at personal level then on other two aspects.

#### 4.5.1.3 PI analysis of the variable Contribution at personal level

In this section, specific factors of Contribution at personal level will be analyzed with regards to their importance and their performance, from the viewpoint of the employees (see Table 8).

Table 8: Performance – Importance analysis for the main latent variables in Contribution at personal level

	Performance	Importance
I improve my financial situation	4,47	4,39
Self-realization	4,03	4,36
Contact with the people	4,39	4,50
Day is more interesting	4,14	4,42
Opportunity to learn	4,42	4,53
Enriching experiences	4,25	4,47
Self-respect, my own value	3,94	4,39
I am not at home	3,92	4,14
Joy from the work well done	4,39	4,47
I can be of help for other people	4,33	4,42
Mean	4,23	4,42

The analysis of specific factors of the variable Contribution at personal level provides an insight on the satisfaction with each factor and how important they are. Among the most important factors is the opportunity to learn, concoc with people, enriching experiences and joy from work well done. On the other hand, the least important factor is that the employees do not have to be at home.

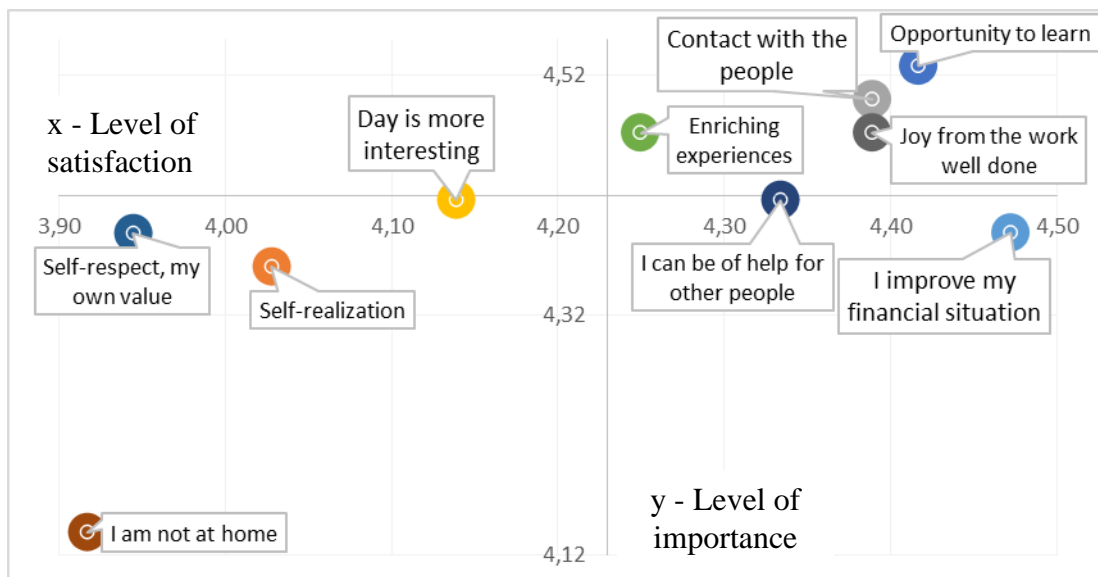


Figure 6: Performance – Importance analysis of the variable Contribution at personal level

The Figure 6 graphically shows where each of the given factors stand in the Performance Importance analysis. The most important aspects that the employees are also satisfied with is the opportunity to learn, contact with people, joy from work well done and enriching experiences, which can be found in the top right corner. The factor that indicated the opportunity to not be at home, is the least important and presents the least satisfaction. However, all of the factors were given values around four, both for satisfaction and importance, which indicates great results. Even within these finding, further analyses can be done.

The IP chart for the factors of the variable Contribution at personal level provides findings as follows:

- External communication of CSR and advertising should include the following factors that have the highest value of satisfaction and importance (top right corner in Figure 6)
  - Contact with people
  - Opportunity to learn
  - Joy from work well done
  - Enriching experiences

### Self-respect a self-realization

It is necessary to work in improving the following factors:

- Self-respect
- Self-realization

These factors are relatively important, but there is a low level of satisfaction. The findings provide the following conclusions:

- Self-respect and self-realization have the biggest influence on the overall satisfaction, willingness to work and having the company as their life-long employer

- These findings could lead to a change of inner circle CSR communication, to improve the conscious image of what the company has to offer. Also, if the company could take certain steps to improve the perception of self-respect and self-realization, it would improve the overall satisfaction too

#### 4.5.1.4 PI analysis of the variable Wages and work organization

In this section, factors of Wages and work organization will be analyzed with regards to their importance and their performance, from the viewpoint of the employees (see Table 9).

Table 9: Performance – Importance analysis for the main latent variables in Wages and work organization

	Performance	Importance
Wages	3,11	3,86
Work organization	3,75	4,39
Working environment	3,97	4,42
Work-time flexibility	4,19	4,58
Mean	3,76	4,31

Work-time flexibility seems to be the most important factor from the above mentioned ones. The results are displayed in Figure 7, where each factor is shown in the satisfaction-importance graph.



Figure 7: Performance – Importance analysis of the variable Wage and work organization

The graph indicates that work-time flexibility and the working environment are the most satisfying results, and they are equally important. On the other hand, wages seem to be of the lowest satisfaction, but at the same time they are the least important for the employees.



The IP chart for the factors of the variable Wage and work organization provides findings as follows:

- The most important factor is work-time flexibility with which employees are satisfied
- General level of satisfaction is high for work environment and work organization, however work organization brings a relatively lower satisfaction, which indicates that there is a room for improvement

#### 4.5.1.5 PI analysis of the variable Relations at workplace

In this section, factors of Relations at workplace will be analyzed with regards to their importance and their performance, from the viewpoint of the employees (see Table 10).

Table 10: Performance – Importance analysis for the variable Relations at workplace

	Performance	Importance
Dispatchers	4,5	4,6
Direct supervisor	4,3	4,4
Colleagues (peers)	4,3	4,8
Management of the company	3,5	4,3
Ethics at workplace	3,6	4,0
Mean	4,1	4,5

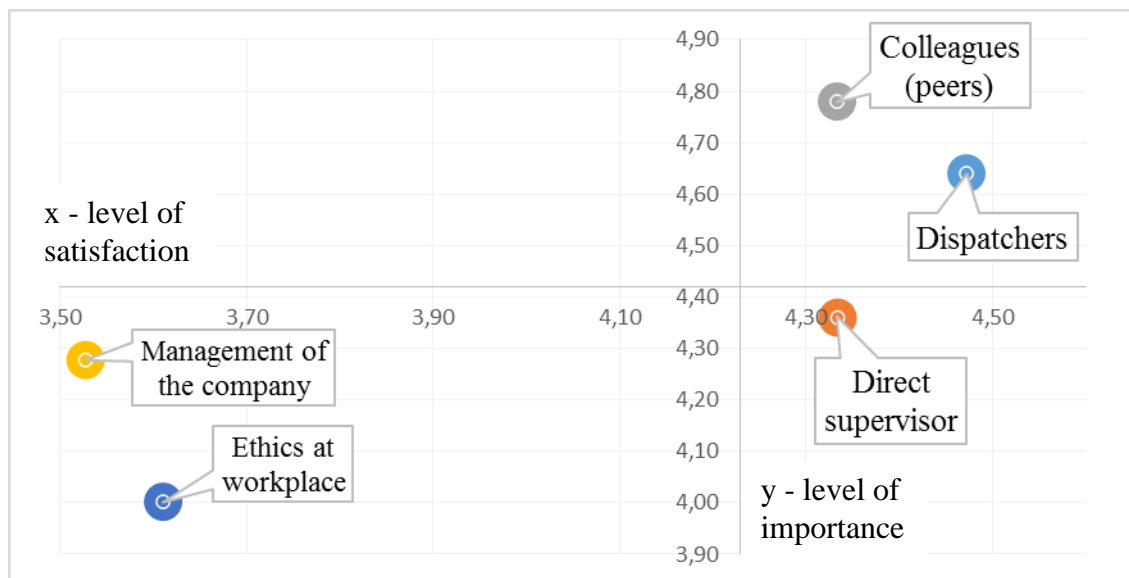


Figure 8: Performance – Importance analysis for the variable Relations at workplace

The Figure 8 clearly shows that good relations with colleagues and the mutual cooperation with the dispatchers present the two most important values in this category, ranking at about 4.7 on a 5-point scale. While ethics at work place and the approach from the management of the company are relatively important factors for the employee, there seems to be a relatively lower satisfaction.

The IP (Table 10) chart for the factors of the variable Relations at workplace provides findings as follows:

- The two most important factors are the relations with colleagues and mutual cooperation with the dispatchers
- Ethics at workplace and approach of the management of the company are of lower satisfaction, yet with a relatively high importance, indicating that there could be a change in the way the management acts towards its employees, and hence increasing ethics at workplace

#### 4.5.1.6 Preferred CSR activities by the employees of the business unit Technical Muzeum

In this section, there will be described preferred CSR activities by the employees. On a 1–5 scale, the middle ground (rank 3), indicated by the red line, presents the dividing section of positive and negative references about each activity.

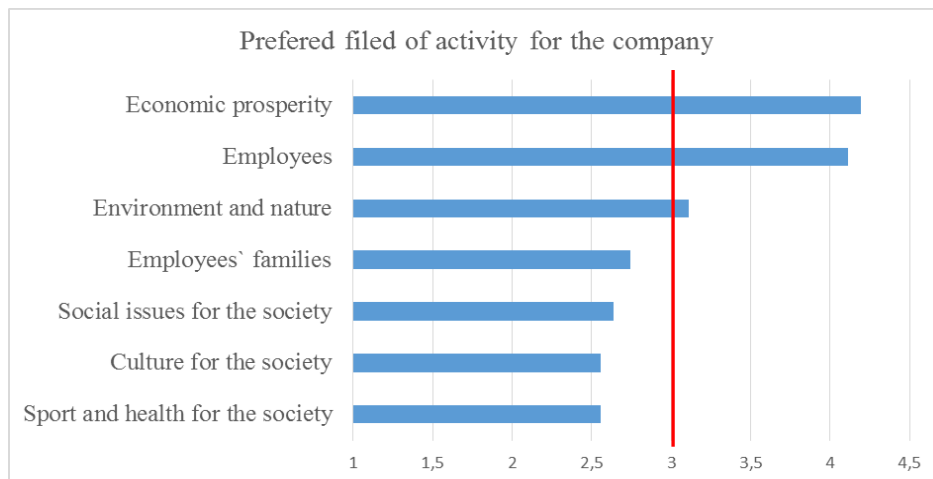


Figure 9: CSR activities preferred by the employee of the business unit (100% sample)

The graph of preferred field of CSR activity for the company (Figure 9) provides findings as follows:

- The company's main interests are their business and making profit, and care about the employees. These two values are the only ones the employees prefer positively
- Therefore, the interests of the company seem to be consistent with the interests of the employees.
- The company could increase certain activities concern about the environment, but still within the frame of their core business

#### 4.5.2 Comparison of preferences of employees in the CSR field in both business units

Structure of employees preferences of the CSR is surprisingly identical with the preferences of the unit "Technical Museum", despite the fact that the structure of motivation in the frame of Personal contribution is so dramatically different be-

tween the two units (please compare with previous chapters). Notably, employees in both units suggest the company should care about its economic prosperity and should develop care for its own employees. In both units, the environment and nature is on the edge between agree and disagree, with regards to the fields the company should care about. For the following scope of activities the employees suggest that the company should not be engaging excessively in the following fields of the society: social issues, sport and health, culture and society. Surprisingly, care for the employees' families is seen in both units finds is in the negative zone, and according to the employees this field is less important than the care about the nature and environment.

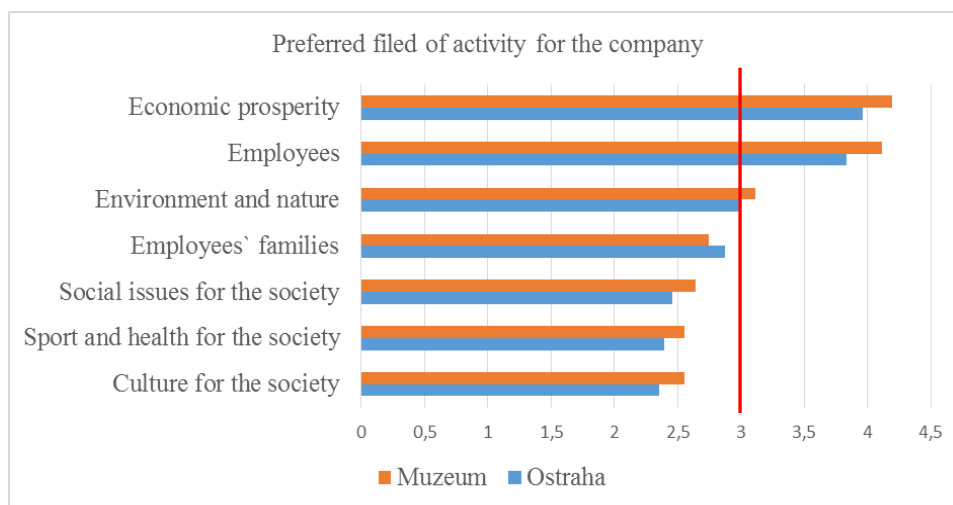


Figure 10: CSR activities preferred by the employees in both business units

This comparison, even based on a simple method, brings an important stimulus on how to shape the company's CSR policy. Notably, it should focus on the employee as the inner client (see Figure 10). Hence, it would be advisable for the company to focus on the inner circle of the CSR.

Another simple but strong impetus for the development of the inner CSR brings the following finding, where for both business units the employees mostly agree with the statement that with regards to their work satisfaction the personal aspects of the work are more important than the financial ones (see Figure 11). Hence, the company should put accent on developing the personal aspect of the work. Another advantage for the company is the fact that it is not the money but the approach that impacts most of the attitudes of employees towards the work.

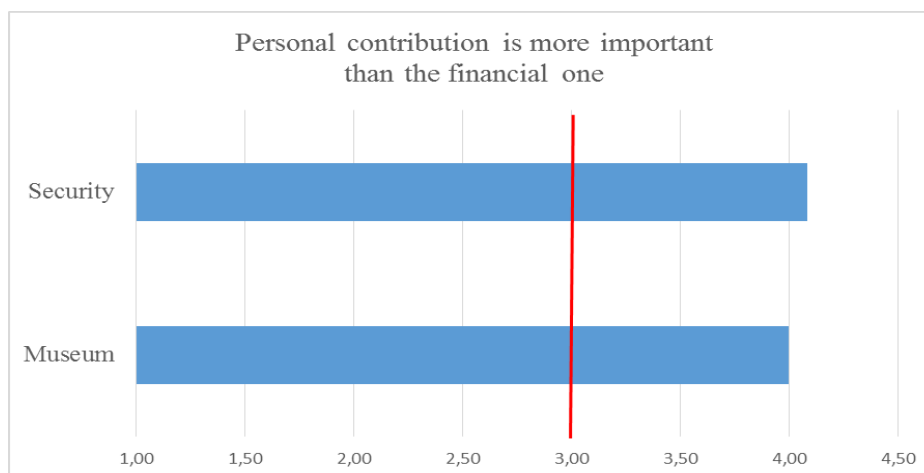


Figure 11: Personal contribution of the work is more important than the financial one

Another important finding is based on the fact, that complex satisfaction with the work attains relatively high level (4...mostly agree) (see Figure 12).

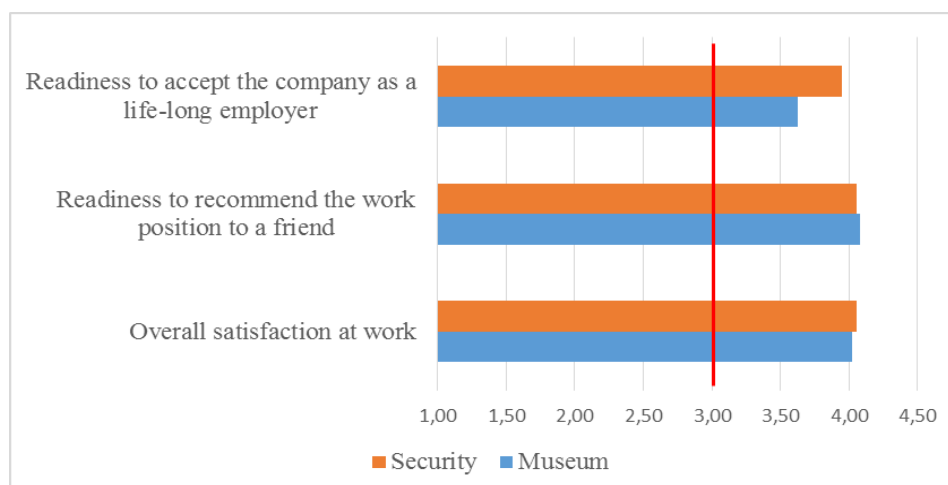


Figure 12: Personal contribution of the work is more important than the financial one

### 4.5.3 Analysis of the “Security” business unit

Another control measurement was carried out for the security section (47 employees, out of which 46 are registered with the health handicap). The nature of work is much more different when compared to the museum. Employees are distributed in the security units, usually in the teams from 3 to 6, and they are responsible for the security processes in a specific system of building and industrial premises. The work, when compared to the museum is much more monotonous, routine-based, practically no contact with new people and now challenges as regards possibility to learn.

We have carried out the same structural equation model, see Figure 4. The results are completely different when compared to the museum (please compare with the previous chapter, Figure 4 and Table 5).

There is only one latent variable that is relatively important to explain the satisfaction and is statistically significant at the level of 95%. Second latent variable Interpersonal relation is on the border of the statistical significance (but statis-

tically significant), with the low contribution to the explanation of the complex satisfaction. Surprisingly, latent variable Contribution at personal level, which was the most important and with the highest statistical significance in the unit Technical Museum is not statistically significant in the Security section and has only minor impact on the explanation of the complex satisfaction.

Table 11: Statistical parameters of the individual latent variables in relation to the Complex satisfaction at work

Latent variables	Column a. Level of contribution to the total level of complex satisfaction at work (correlation weights)	Column b. <b>T-statistics</b> (min. 1,96 for the 95% level of stat. significance)	Column c. <b>P-values</b> (max. 0.05 for the 95% level of stat. significance)
Contribution at personal level	0.157	1.075	0.283
Wages & work organization	0.384	2.587	0.010*
Interpersonal relations at work	0.272	1.880	0.061

\* Statistically significant at the level of 95%.

This situation might be attributed to the fact, that in the Security business unit, the nature of work and content of the work obligation is radically different and does not bring challenges and opportunities in the frame of personal development and self-realization, hence this latent variables is strictly unimportant and insignificant for the complex satisfaction.

#### 4.5.4 Comparison of three main variables between the business units “Technical Museum” and “Security”

In this section, we compare the three main variables influencing the Complex satisfaction (Wages and organization, Interpersonal relations, Contributions at personal level) by means of the IP analysis (see Table 11, Figure 5 for results from Technical Museum only) in both business units.

Table 12: Comparison of business units Museum and Security, data for IP analysis, three main variables

	Performance	Importance
Museum business unit		
Wages & org MUSEUM	3,44	4,19
Relations MUSEUM	4,06	4,47
Personal contribution MUSEUM	4,19	4,61
Security business unit		
Wages & org SECURITY	3,79	4,17
Relations SECURITY	3,81	4,17
Personal contribution SECURITY	4,08	4,08
Mean (for both units)	3,90	4,36

From the analysis (Figure 13) it is evident different perception of satisfaction and importance in both units. The most remarkable difference is detected at the latent variable Personal contribution. At both units employees perceive this aspect as the most satisfactory in comparison with the other factors within each unit. On the other hand, in the Security unit the employees consider this aspect as relatively the least important. This corresponds to the finding in the frame of SEM analysis, where in the Security unit the variable of Contribution at personal level is unimportant and statistically insignificant. This finding clearly represent a task for the company to stimulate inner communication in the Security business unit to build up awareness of the importance of what the company brings to the employees in terms of opportunity for personal enhancement and self-appreciation.

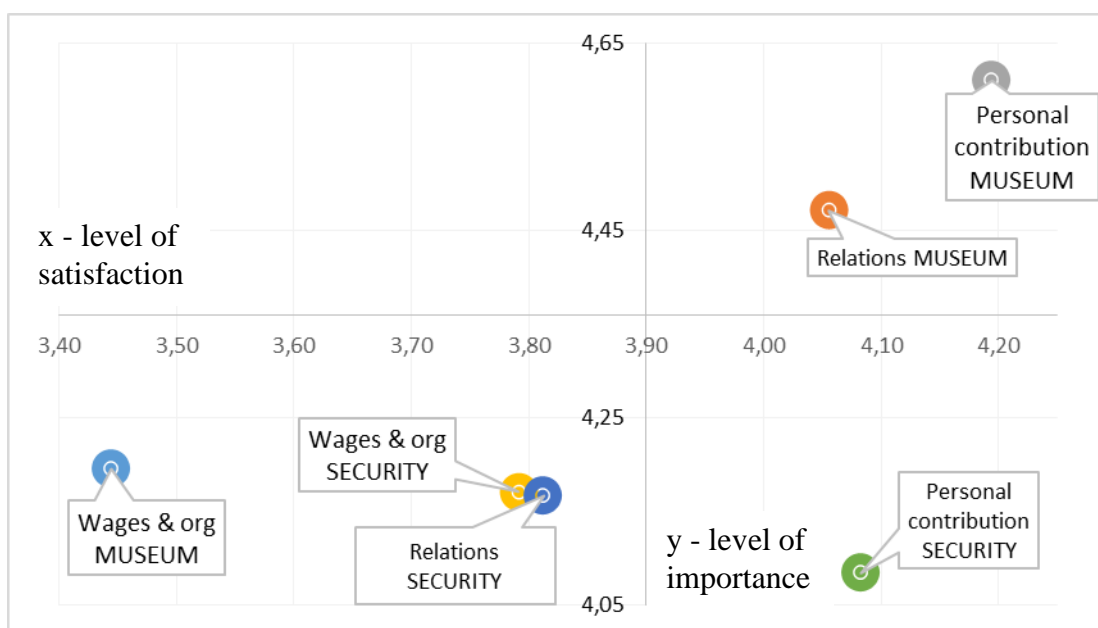


Figure 13: Comparison of business units Museum and Security, IP analysis of three main variables (Wages and organization, Interpersonal relations, Contributions at personal level)

What is also striking is the quality of interpersonal relations that are much better at the Museum unit than in the Security unit, which can be also suggested as a space for improvement, within the inner CSR processes and approach based on the paradigm Employee as the inner client.

What is common for both units is the latent variable Wages and organization perceived as the least satisfactory and at the same time least important for the overall satisfaction.

From the methodical point of view it is important to note that the relative ranking of the importance (y-axis) of all the three latent variables in both units strictly correspond to their importance and statistical significance as computed in the frame of the structural equation model (by the SmartPLS software). This is also points out the coherence and mutual synergy of the methods used in this research (i.e. IP analysis and the SEM modelling).

### 4.5.4.1 Comparison of the latent variable of Interpersonal relations in both business units

In this section we compare the results of the SEM model and IP analysis for the latent variable Interpersonal relations

Table 13: Comparison of business unites Museum and Security, data for IP analysis, latent variable Interpersonal relations

	Performance	Importance
<b>Museum business unit</b>		
Dispatchers MUSEUM	4,47	4,64
Direct supervisor MUSEUM	4,33	4,36
Colleagues MUSEUM	4,33	4,78
Management MUSEUM	3,53	4,28
Ethics at workplace MUSEUM	3,61	4,00
<b>Security business unit</b>		
Dispatchers SECURITY	4,1	4,4
Direct supervisor SECURITY	4,0	4,3
Colleagues SECURITY	4,2	4,4
Management SECURITY	3,5	4,0
Ethics SECURITY	3,6	3,9
Mean	3,97	4,30

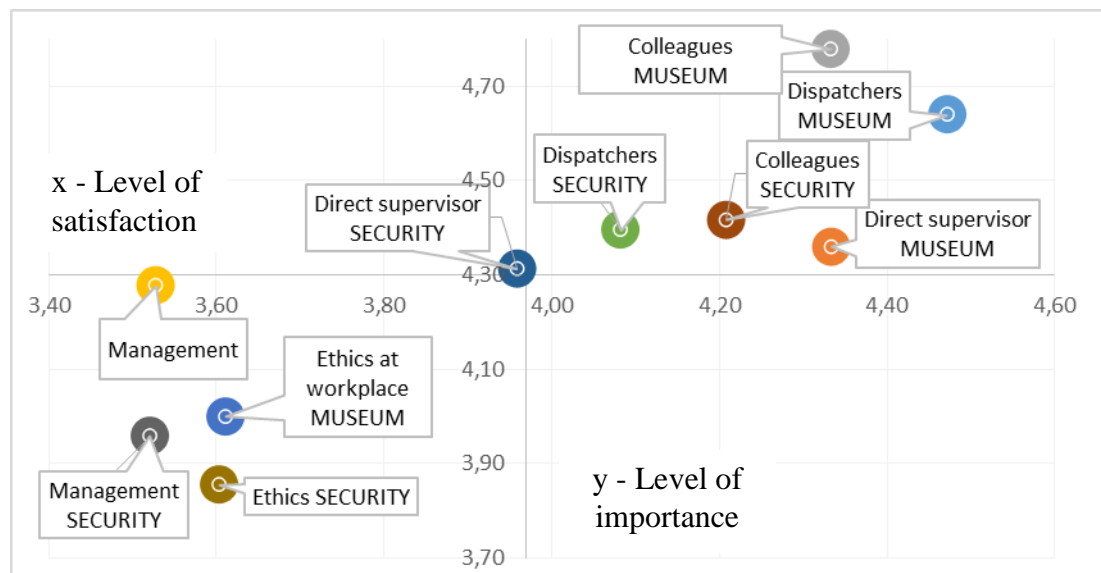


Figure 14: Comparison of business unites Museum and Security, IP analysis for the factors of the latent variables Interpersonal relations

Comparison of both units by means of IP analysis bring interesting findings that can be summarized in the following points:

- Rather surprisingly, the factors perceived as satisfactory are also perceived as important. And vice versa, factors that are perceived as less satisfactory are perceived as less important.
- The discrepancies between the units are as follows: relationship both with the dispatchers and with the direct supervisor are better in Museum than in the Security unit, this perhaps also the space for improvements.
- Interestingly, in both units the perception of satisfaction is equal or very similar for the aspects of ethics and relationship with management. We note, that even if the values are relatively smaller they are still about the level of 3, which means satisfactory level.

#### 4.5.4.2 Comparison of the latent variable Contribution at personal level for both business units

In this section we analyze four factors that were selected as the most important for the complex satisfaction as identified by the SEM model in the Museum business unit and we compare them with the parallel factors in the Security unit. We also add the factor “financial improvement” for comparison.

Table 14: Comparison of business units, Contribution at personal level (for 5 most significant factors), IP analysis

	Performance	Importance
Museum business unit		
Self-respect MUSEUM	3,94	4,39
Self-realization MUSEUM	4,03	4,36
New experiences MUSEUM	4,25	4,47
Be of help MUSEUM	4,33	4,42
Financial improvement MUSEUM	4,47	4,39
Security business unit		
Self-respect SECURITY	3,96	3,94
Self-realization SECURITY	4,02	4,17
New experiences SECURITY	4,02	3,96
Be of help SECURITY	4,08	4,04
Financial improvement SECURITY	4,17	4,15
Mean	4,13	4,41



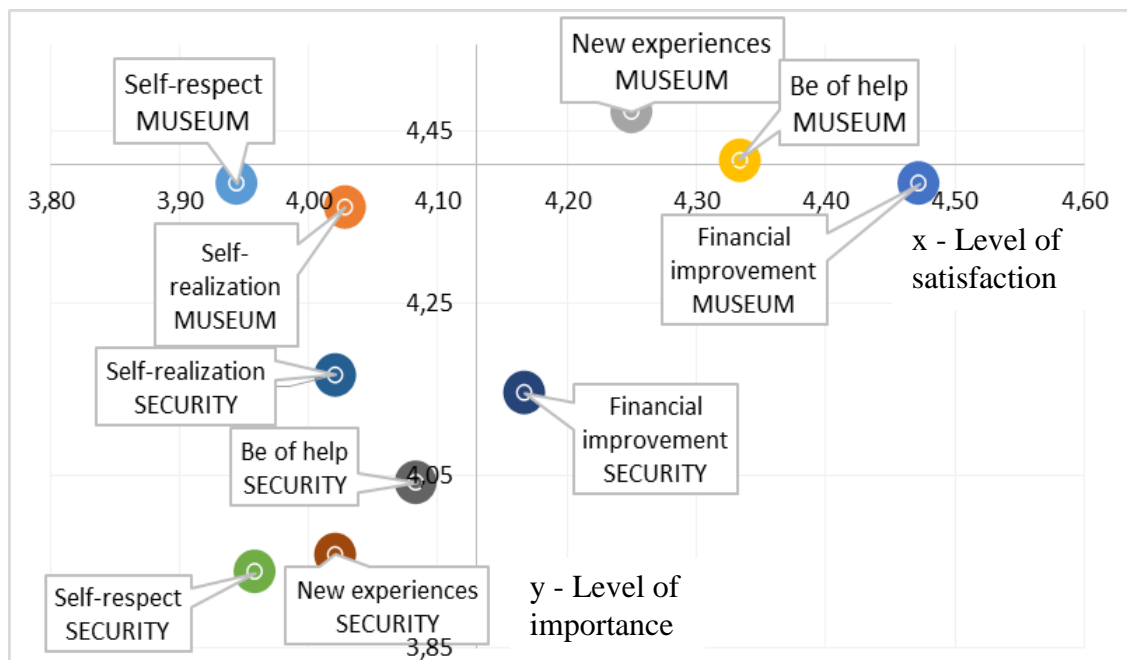


Figure 15: Comparison of business units, Contribution at personal level (for the 5 most significant factors), IP analysis

The findings from the IP analysis are as follows:

- For both units, **financial improvement** is in the quadrant of higher satisfaction, lower importance, hence it corresponds to the findings in the SEM model, where this factors are not crucial for satisfaction
- As the most significant factors in the Museum business unit we identified **new experiences and be of help with the people**, these factors should be emphasized in the outer communication, outer circle of the CSR (also with the **opportunity to learn and meet new people**)
- Very important finding: **self-realization and self-value** in the Museum was identified as the factors with strongest impact on the complex satisfaction at work and they are found near the critical quadrant (high importance, low satisfaction) and thus should be of a high focus of the inner CSR activities
- On the other hand, self-realization and self-value in the Security business unit are not that crucial.

#### 4.5.4.3 Comparison of the latent variables Wages and work organization for both units

In this section we compare the results of the SEM model and IP analysis as this is the only latent variable that is statistically significant for both units.

Table 15: Factors of the latent variable Wage and work organization, for both business units

	Performance	Importance
Museum business unit		
Wages MUSEUM	3,11	3,86
Organization MUSEUM	3,75	4,39
Environment MUSEUM	3,97	4,42
Work-time MUSEUM	4,19	4,58
Security business unit		
Wages SECURITY	3,60	4,02
Organization SECURITY	4,0	4,2
Environment SECURITY	3,9	4,0
Work-time SECURITY	4,1	4,5

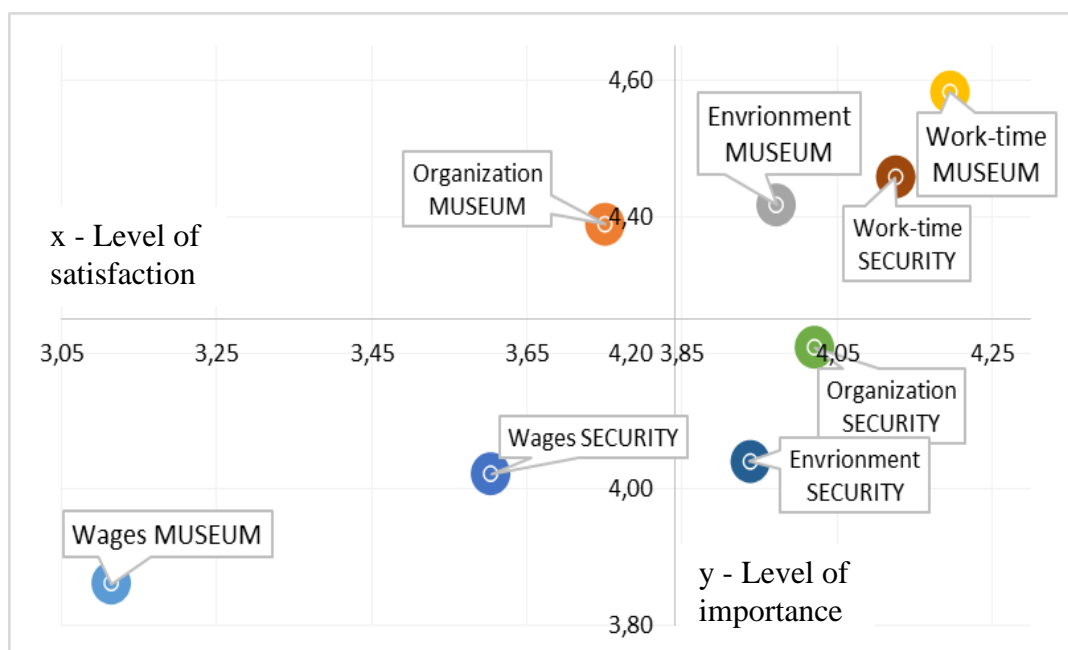


Figure 16: Comparison of business units, Wages and work organization (for the 5 most significant factors), IP analysis

The outcome of this analysis are quite straight-forward,

- Wages in both units are perceived in the quadrant “lower satisfaction, lower importance”
- The highest level of satisfaction and importance is attributed to the work-time flexibility in both units and, furthermore, working environment in the museum. These factors should be reflected in the CSR campaign
- Work-organization and management is in the quadrant “low satisfaction, high importance” and should be tackled adequately

## **4.6 Suggested strategies**

The suggested strategies come from the results of the research. It will be divided into two parts, one talking about inner circle communication and the other will discuss outer circle communication.

The inner circle communication will focus on:

- Abstract values discovered by the Performance – Importance and the Structural Equation Modeling methods (see Figure 6)
- Physical benefits
- Results of structured interview and analysis of the data

The outer circle communication will focus on:

- A suggestion for adjusting external communication strategy
- Marketing mix

### **4.6.1 Inner circle communication**

#### **4.6.1.1 Abstract values**

Research showed that personal values are more important for the employees of the company than financial contribution.

#### **4.6.1.2 Benefits for the employees**

There are many benefits that the company could offer their employees in order to increase their work performance or attract more high-quality employees. Based on the general analysis of the company, following are some suggested strategies as a suggestion for starting a CSR strategy.

#### **Contribution to social security and pension insurance**

As a benefit offered by many companies, our company could begin to offer certain financial contribution to social security or to pension insurance. Many handicapped people do not have extra money to spend on such things, and if the company offered this benefit, a lot more new potential employees could start working for the company.

#### **Meal vouchers**

As suggested by some of the employees, the meal vouchers would be a welcomed benefit as many other companies already do offer them. It would ease the financial situation of many employees as the money spent on food would be lessened.

#### **Wellness and spa vouchers and financial bonuses**

As a motivation for the best performance, the company could offer their best employees certain wellness and spa vouchers that go together with the handicap or disability they have or certain financial bonus. It would be a good reward for the well-done work they performed and it would motivate other employees to try to achieve this position.

**Contribution to social and cultural events**

The company could provide contributions or tickets to certain social events, such as theater and music performances. It would deepen the employees' social perception and at the same time it would improve their quality.

**Contribution to transportation**

To show that the company cares about the employees and wants them to work for them, it could offer a small contribution to the transportation costs, as a relief for the employees who would be feel more motivated to go to work because it would cost them less.

**Prepaid sim card**

Another motivational technique would be a prepaid sim card that the company could offer for its employees. It could be used for personal purposes as well, giving the employees another source of motivation not connected directly with their work.

**Drinking and health regime**

It is important to stay hydrated during hot summer days and healthy during the summer, so the company could offer water and fruits during specific seasons of the year to ensure that their employees will stay healthy and able to work.

**Massage vouchers**

To show respect toward the disability or handicap that the employees have, the company could offer massage vouchers for every employee that they could use once per one or two months.

**Social company gatherings**

Due to the lacking or insufficient communication between the employers, employees or between the employees themselves, the company could organize certain social gatherings such as barbecue or baking competition among the employees. It would promote mutual communication at all levels of the company and it would be a nice change from work.

**4.6.1.3 Results of structured interviews and analysis**

Self-respect and self-realization are values that reflect the greatest overall satisfaction at work and therefore the company should make effort to make the satisfaction with these values as high as possible, because it is important for many people.

**Motivational statements**

Statements are part of suggested promotion of motivation. Based on the results, the author created a number of statements which could hang up at the company or in the places where the employees work. Examples of suggested statements (in Czech) are as follows:

Nové obohacující zkušenosti nepřichází z pohodlí domova.

Zábavná a spokojená práce přináší nové zážitky.

Spojte Váš koníček s charismatickou prací.

Práce jako odměna? U nás ano.

Myšlenka spokojené práce Vám usnadní vstávání a přinese radost.

Naplňující práce jako součást každodenní spokojenosti.

Upřímná komunikace a vzájemná vstřícnost je základem a prioritou dobrého pracovního vztahu.

Dobré mezilidské vztahy vytváří nejen dobrý kolektiv a funkční tým, ale i pohodu v práci.

Vy nabídnete Vaše schopnosti naší firmě a my Vám na oplátku nabídneme práci a spokojenost.

Poznávejte nové lidi a rozvíjejte své vědomosti.

## **4.6.2 Outer circle communication**

Marketing will serve as a tool to promote the core values of the company out to the public to attract more attention to people who are looking for a job and could be potential employees of the company. The fact that marketing will spread the word about the company into the public and could serve for those seeking the company's service is a secondary focus.

### **4.6.2.1 Objectives**

The main goal of this strategy will be to bring something new to the market. There are many job ads that simply offer salary in return for service and time that the people offer. The job ads for the company PPH spol. s r.o. will bring something innovative. The research was conducted in order to find out what core values are important for the employees and those values will be then used in a marketing campaign, trying to attract new employees.

### **Target group**

Our target group would be all the potential employees out there on the market. The new strategy promotes the values and services that the company can offer to such people, and hence the aim will be to gather the best people who care about their personal values.

#### **4.6.2.2 Marketing mix**

The marketing mix is another part of the suggested framework for the CSR strategy that this thesis tries to create. There are four components which are presented below.

##### **1. Product**

What the company is going to promote will be the key values discovered by the research – contact with people, opportunity to learn, joy from work well done and enriching experiences – in order to capture attention of potential employees and offer them something beyond a salary. See Appendix D – New suggested advertisement.

##### **2. Price**

The company does not currently invest in marketing, so any amount of money, however small and big, would help in promoting and advertising, depending on the company's financial situation. The initial advertising would use low-cost distribution channels, and later, it could expand and use more specialized advertising.

##### **3. Promotion**

The company is not engaged in any marketing or advertising activity, besides the company's website. External circle communication should include the most important values from the section Contribution at personal level, which are the opportunity to learn, contact with people, joy from work well done and enriching experiences. It would evoke a positive feeling in the potential employees and they would feel greater satisfaction from working for the company. It should be targeted on places where the potential employees would occur and where the advertisement would catch their attention.

#### **Web page**

Currently, the web page of the company focuses on promoting the security and guarding services it offers. It describes the long and successful history of the company and the experiences it has gained throughout its existence on the market. The innovation that comes with the new CSR strategy would shift the direction of the web page towards the potential employees in the market. It would talk about the core values of the business that are important for the current employees, as discovered from the research, in order to attract more high-quality employees for whom similar values are important. The core values are meant to evoke positive inner feelings in the employees who will then enjoy their work and will be valuable additions to the company.

#### **Facebook page**

There exists a Facebook page for the company, however it is not used for any purposes. Facebook has a great potential as it can reach out to many people. There exist many people with interesting hobbies who are proactive in searching information and want to get to know more about certain topics, so Facebook would be a great means of getting in touch with such passionate people, through advertising.

#### **4. Place**

Advertising should be in various places where the potential employees may see it, such as newspapers, freely distributed magazines, magazines in the public transportation, or flyers.

People with various interests and hobbies pay attention to detail, therefore ads in specialized hobby magazines, such as airplane models magazine, would a good way to communicate important values to the public. The Technical Muzeum, especially, contains an airplane section, which would enable the potential employees combine their hobby with their work.

Ads would be places on servers that offer jobs, such as Prace.cz, Jobs.cz or other servers that specialize on offering jobs or providing aid to disabled people while looking for jobs.

## 5 Discussion

The objective of this thesis was to suggest a corporate social responsibility strategy for the company PPH spol. s r.o. The initial part of the research was done through structured interviews which were used in order to find out what are the most important values for the current employees. Next, the answers were used to create a questionnaire, containing all of the possible values that could have an effect on the overall satisfaction of the employees in the company. The questionnaire is written in a way to indicate how satisfied the employees are with every value and how important it is for them. The results were analyzed through the Performance Importance analysis. The general analysis of the overall satisfaction was done through the Structural Equation Modeling method (SEM), which analyses the weight of importance of each category or given factors.

The thesis is written with the thought that personal values are more important than financial contribution brought by work. The aim was to test whether this prediction was correct or not. The initial prediction was supported by the results and surprisingly, personal values were more important than the financial contribution which ended up being last place with lowest satisfaction and lowest importance among the personal values. The findings that personal values such as self-respect, self-realization, opportunity to learn, enriching experiences, or meeting new people are some of the most important factors for the employees of the company, which supports the initial proposition and indicates that the people are happy they can work, without looking much at the financial contribution work brings them.

The results also lead to the finding that CSR strategy can come from within the company from its core business idea. This thesis is constructed based on the idea to really use the full potential of the company and expand that to the suggested CSR strategy. This strategy was not meant to simply create a corporate identity for the company, but it mainly focused on offering important personal values for potential employees on the labor market to attract their attention and offer something in return for their work.

The company operates all over the South Moravian region and because many premises the company secures are outside of Brno, and it wasn't possible for the researcher to get in touch with the employees working there. However, since the company operates mainly in Brno, the majority of the employees in the city answered the questionnaire. The results are therefore done on two business units, Technical Museum and Security in general which make up almost two-thirds of all of the employees.

It was very insightful and interesting to see what the results indicated, especially on a relatively small sample. Most of the employees of the company are handicapped or with some disabilities, so it is interesting to see how they view certain values. A similar analysis could be done on a company with healthy and non-disabled employees to see if the results would be similar or different. The outcomes serve as the main components of suggested CSR strategy for the company and provide the basis for advertising campaigns.



## 6 Conclusion

The aim of the thesis was to suggest a brand new strategy related to corporate social responsibility for the company PPH spol. s r.o. The company does not exercise any CSR activities, and a plan to achieve the strategy was made.

First part of the thesis focused on survey of literature appropriate for the topic of CSR and core business in order to achieve a proper foundation of the topic. The key and important values were determined from structural interviews with some of the employees of the company. The most important values and features were then turned into a questionnaire in order to get answers from the remaining employees of the company. There already exist many CSR strategies performed by small or large companies and they were the inspiration for the suggested approach for this specific company.

Although the prediction suggested that personal values are of greater importance than finance to the employees of the company, of whom the majority have a certain handicap or disability, it could not be verified before the research was conducted.

The conclusion that has arisen from the research brought an important notion and that was the fact that for the majority of the employees, personal values represented the most important factor of work. This point is more important than finance and their salary which is, traditionally, the biggest indicator of satisfaction. From a logical point of view, most people work eight hours or less per day, with a collective of people that they have no control of in terms of choosing them, and if one does not feel good in the environment or may feel that it is harmful or threatening, the money does not make up for it.

The application part of the thesis analyzed and compared the results collected during the research. There are many employees working for the company, mainly in the Security section, and that is why this section in general is compared with the biggest single unit, which was the Technical Museum. The initial analysis was tested on the business unit Technical Museum, and when the results seemed to be positive, the remaining part of the research was done. There is a slight difference in the preference of personal values by the people working in the unit Technical Museum and Security, however, the general indications from both units led to similar results.

In conclusion, it can be assumed that corporate social responsibility can come from within the core business of the company. It seems to be counterproductive to get involved in other responsible activities when the opportunity lies at the feet of the company and the field it operates in. Furthermore, employees, as an inner circle of CSR communication, play an important role in terms of how they value their employer and how they represent and communicate the company's CSR vision into the public. The employees are the ones that make the CSR strategy come true and they should be the first ones to be influenced, before any CSR message can be sent out and corporate identity created. Now, the question of how well will the company use its potential is now in their hands and it's only a matter of time and patience.

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## **Lists of abbreviations**

CSR – Corporate social responsibility

SWOT analysis – Strengths, Weaknesses, Opportunities and Threats analysis

SME – Structural Equation Modeling

PI – Performance – Importance analysis

# Appendices

## A Structured interviews

Structured interviews were done with various employees of the company, from various sections in order to get a general idea what values are important for them. A summary of every interview is presented below.

### **Technical Museum**

For the first interviewee, work is mainly a fun part of his life, and at the same time he is happy that he can make some money, although for some, money is a question existential necessity. For him, most important values are self-realization, contact with people, and nice environment. In his opinion, if people are satisfied, they enjoy going to work, therefore a good collective and good relations with colleagues are important. He likes contact with the surroundings of the place he works in, he enjoys enriching experiences and work is a nice change of his daily routine. He likes the approach of his direct supervisor and dispatcher. A benefit that he would like the company to offer would be meal vouchers.

### **Technical Museum**

The second interviewee likes the cultural environment he works in because he thinks the place has charisma and that working in the Museum is a reward workplace for well-performed work. In his opinion, it is easier to get a job with disability pension. He found an ad of the company in the newspapers and from the beginning, he wanted to work in the Technical Museum due to the fact that he is a passionate airplane modeler. It is closer to his house than the previous place he worked in and he likes the working hours. For him, the work is not stressful and he has no responsibilities that would burden his mind. He likes that he can learn new things and once in a while, he can renew his language skills when he has to attend to foreign visitors of the museum. There is a good functioning team of colleagues and there is mutual help between the employees and the dispatchers. For his age and his condition, this work is the best combination and it keeps him in a certain fit condition. If possible, he would prefer to have more stable and even shifts, or possibly more of them, but other than that, he is completely satisfied with what the work and the company has to offer.

### **Technical Museum**

After a long time, this interviewee was finally able to get a job, so after being at home for almost nine months, she is grateful for contact with people. She is glad that she doesn't have to sit at home and there is a change to her daily routine. She is satisfied with the management and especially with the approach of the dispatcher and her direct supervisor.

### **Technical Museum**

The interviewee responded that there is a pleasant communication between the colleagues in the workplace as well as with the dispatchers. Honesty between the

employee and employer, no lying and no deceits are very important for her. He likes his work due to the constantly changing exhibitions he has to watch over in the Museum. Thanks to her husband and this work, she grew an interest in historical aircrafts that are also present in the museum.

### **Security**

The interviewee is glad she can have weekend shifts as during the weekend, she takes care of her family and other responsibilities. During the weekend shifts, she can relax, and have a break from a rather busy week. The work is close to her home and there is a pleasant collective. She is glad for the extra money she can make but generally she appreciates good relations more than finance. She is satisfied with the work and she likes working in the Technical Museum.

### **Security**

The interviewee is satisfied with his job position. There is a great communication and understanding between him and his dispatcher, as well as with the colleagues on the workplace. There are good working hours, the working environment is calm. The only disadvantage is that she has to wake up early and travel to work a relatively long time, but because she doesn't have shifts every day, it is manageable. Both finance and relations are important to her. She voluntarily started to work, she has some extra money, and if the relations are good, she enjoys going to work.

### **Security**

For this interviewee, relations are in general the most important thing. There is a mutual reciprocity between the employees when they need to switch their shifts, there is good cooperation among the colleagues and work brings a change to her daily routine. She is happy with the premises she works in, there is good communication with the employees and with the employer of the premises and they can rely on each other. However, because she alone has to take care of herself, salary is also important. As an advice she would suggest creating more advertisements so that the company can be more recognized and more people can know about it. She is happy to work for PPH spol. s r.o. because her previous employer did not pay her for the hours she worked. Also, she can bring her dog to work, which makes her happy.

### **Security**

The interviewee is satisfied with the working environment, which is also important for him. In the advertisements, he would highlight mutual relations, which are more important than salary. If the relations are bad, no money will make up for it. He is satisfied with his pay, but relations are more important. He doesn't have to sit at home, he has certain responsibilities so he is glad for the change of his daily regime.



**Dog handler**

The interviewee responded that relations are important, but if one doesn't understand with the colleagues, it is too bad and he cannot do anything about it. He is happy with the communication with the dispatcher and with mutual cooperation, both are very important for him and he is satisfied with them. He likes the work environment, he is happy with the collective of people and work is near his home. He likes working in shifts as he can take of his personal matters during the free time. If he needs, he can switch his shift without any problems. He is very happy that he can combine work and his dog, especially that he doesn't have to be at home with the dog all the time, it brings a change to his daily regime and the dog benefits make taking care of his dog easier. As a suggestion, the interviewee said that advertisements do not attract much attention, but he would highlight good communication with the dispatchers and variability when deciding work schedule. He would also welcome the possibility of getting money for his unused holiday capacity, if it would be possible.

**Dog handler**

The last interviewee is satisfied with the communication with both the dispatchers and with the employer of the premises she works in. There is a good working environment and she is happy with the dog benefits because she doesn't have to pay for them, which eases his financial situation. He is happy with his work and glad he can combine his work with his dog. For him, both finance and the possibility of working with his dog are important.



	Do jaké míry souhlasíte s následujícími tvrzeními?					Jak je tato položka pro Vás důležitá?				
	Nesouhlasím	Spíše nesouhlasím	Zčásti souhlasím, zčásti ne	Spíše souhlasím	Určitě souhlasím	Minimálně důležité	Spíše nedůležité	Zčásti ano, zčásti ne	Spíše důležité	Velmi důležité
<b>Kapitola: Osobní přínosy práce v PPH</b>										
Jsem rád, že si mohu <b>finančně přilepšit</b> .										
V práci nacházím uspokojení, naplnění, <b>seberealizaci</b> .										
Jsem rád/a, že v práci se mohu <b>setkávat s lidmi a poznávat nové lidi</b> .										
Práce mi přináší <b>zajímavější denní režim</b> , můj život je pestřejší.										
V práci mám <b>možnost učit se nové věci</b> , rozvíjet se.										
Práce mi přináší <b>obohacující zážitky a zkušenosti</b> .										
Práce mi dává pocit <b>vlastní hodnoty</b> .										
Jsem rád/a, že <b>nemusím být celý den doma</b> .										
Mám <b>radost z dobře vykonané práce</b> .										
Díky práci jsem rád, že <b>mohu být nápomocný/á jiným lidem</b> .										
Osobní přínosy v předešlých řádcích jsou <b>pro práci podobně důležité jako mzda</b> .										
<b>Souhrnná otázka:</b> V práci se po <b>osobní stránce</b> cítím celkově spokojen.										
<i>Jiné prosím doplňte ...</i>										

	Do jaké míry souhlasíte s následovnými tvrzeními?				
	Určitě ne	Spíše ne	Zčásti souhlasím, zčásti ne	Spíše ano	Určitě ano
<b>Kapitola: Má celková spokojenost ve firmě</b>					
V rámci výše uvedených položek, mohu říci, že ve firmě jsem <b>celkově spokojen/a</b>					
<b>Doporučil/a bych svému příteli práci v této firmě.</b>					
Za určitých podmínek si umím představit, že bych zůstal/a <b>ve firmě pracovat celý život</b> .					

<i><b>Jak je pro Vás důležité, aby firma pečovala o následovné oblasti</b></i>	<b>Do jaké míry je následovná položka pro vás důležitá?</b>				
	Určitě ne	Spíše ne	Zčásti souhlasím, zčásti ne	Spíše ano	Určitě ano
Firma se snaží dobře hospodařit a podnikat, dosahovat ekonomickou prosperitu.					
Firma pečuje, má zájem o své zaměstnance.					
Firma pečuje, má zájem o rodiny svých zaměstnanců.					
Firma pečuje, má zájem o životní prostředí.					
Firma organizuje jiné dobročinné aktivity, resp. sbírky v sociální oblasti, pro širší okolí, komunitu, společnost.					
Firma organizuje jiné dobročinné aktivity, resp. sbírky v oblasti zdraví a sportu, pro širší okolí, komunitu, společnost.					
Firma organizuje jiné dobročinné aktivity, resp. sbírky v oblasti kultury, pro širší okolí, komunitu, společnost.					
<i>Jiné prosím doplňte ...</i>					

Jste:  Nechci odpovídat  muž  žena

Věk:  Nechci odpovídat  < 25  26 – 35  36 – 45  46 – 55  56 a více

Počet odpracovaných let ve firmě:  do 1 roku  1 až 2  3 až 5  5 až 7  7 až 9  víc jak 10

Prostor pro Vaše případné návrhy a podněty na zlepšení pracovního prostředí ve Vaší společnosti:

*Děkuji Vám za Vaši spolupráci.*

## C Previous work advertisements



Úřady práce ČR

Zdrojem volných pracovních pozic je Ministerstvo práce a sociálních věcí.

**Dozor v muzeu pouze pro ozp**

Recepční (42260)

### Pracoviště a kontakty

Firma: PPH spol. s r.o., IČ 25326937  
Pracoviště: PPH spol. s r.o. [1], Wurmova 589/3, 60200 Brno 2

### Vlastnosti volného místa

Směnnost: Turnusové služby  
Pracovní úvazek: Zkrácený  
Minimální stupeň vzdělání: Základní + praktická škola  
Pracovní poměr: od 2015-05-01  
Mzdové rozpětí: od 5000 Kč  
Vhodné pro: Osoby se zdravotním postižením (OZP)

### Poznámka k volnému místu:

Pouze pro osoby OZP 1-3 nebo ČID. Vhodné pro muže i ženy. zapisování a hlášení návštěv, obchůzková činnost, drobná administrativní činnost, střežení majetku klienta, dobrý psychický stav. Denní a noční směny dle dohody, čistý RT.  
Dozor muzea.  
Pracovní doby - poloviční úvazek - výše mzdy 5 000,- Kč, 6ti hodinový úvazek - výše mzdy 7 120,- Kč.

**Poslední změna:** 2015-04-24, ÚP ČR - kontaktní pracoviště Brno-město

číslo volného místa: 8122370758

### Kontakt

Kontaktní osoba: Krejčí, Horáčková  
E-mail: [poslat životopis](#)

## D New suggested advertisement



Úřady práce ČR

Zdrojem volných pracovních pozic je Ministerstvo práce a sociálních věcí.

**Dozor v muzeu pouze pro ozp**

Recepční (42260)

### Pracoviště a kontakty

Firma: PPH spol. s r.o., IČ 25326937  
Pracoviště: PPH spol. s r.o. [1], Wurmova 589/3, 60200 Brno 2

### Vlastnosti volného místa

Směnnost: Turnusové služby  
Pracovní úvazek: Zkrácený  
Minimální stupeň vzdělání: Základní + praktická škola  
Pracovní poměr: od 2015-05-01  
Vhodné pro: Osoby se zdravotním postižením (OZP)

**Poznámka k volnému místu:** Hledáte něco nového? Hledáte možnost seberealizace? Chcete se radovat z dobře odvedené práce, mít příležitost se učit a to vše zažít v příjemném prostředí? Hledáme právě Vás! Ozvěte se.

**Poslední změna:** 2015-04-24, ÚP ČR - kontaktní pracoviště Brno-město  
číslo volného místa: 8122370758

**Kontakt** Kontaktní osoba: Krejčí, Horáčková  
E-mail: [poslat životopis](#)

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