

CSR Profile in International R&D Company

Diploma Thesis

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Statutory declaration

I hereby declare that, this thesis entitled “CSR Profile in International R&D Company” was written and completed by me. I also declare that all the sources and information used to complete the thesis are included in the list of references. I agree that the thesis could be made public in accordance with Article 47b of Act No. 111/1998 Coll., Higher Education Institutions and on Amendments and Supplements to Some Other Acts (the Higher Education Act), and in accordance with the current Directive on publishing of the final thesis.

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Abstract

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The diploma thesis focuses on the topic of corporate social responsibility (CSR) and the main aim is to propose an implementation process for integrating the concept of CSR into the business strategy of a selected company. The theoretical part explains the meaning of CSR in more detail. The practical part includes an analysis of the current CSR situation through means of qualitative interviews and quantitative surveys. Results and information acquired during the research serve as a foundation for recommending a CSR implementation strategy which can be used in any similar company within the R&D industry. The overall process used during the creation of the thesis can be applied in any other company that wants to include socially responsible behavior in its business policy.

Keywords

Corporate social responsibility, R&D industry, strategy, implementation process

Abstrakt

Křivánková, M. CSR Profile in International R&D Company. Diplomová práce. Brno: Mendelova univerzita, 2017.

Diplomová práce se zaměřuje na téma společenské odpovědnosti firem (CSR) a hlavním cílem je navrhnout implementační proces pro integraci konceptu CSR do podnikové strategie vybrané společnosti. Teoretická část popisuje význam konceptu CSR podrobněji. Praktická část obsahuje analýzu současné situace v rámci CSR prostřednictvím kvalitativních rozhovorů a kvantitativního šetření. Výsledky a informace získané během výzkumu slouží jako základ pro doporučení strategie pro implementaci CSR, která může být využita ve všech podobných společnostech v rámci výzkumného a vývojového průmyslu. Proces tvorby diplomové práce lze uplatnit v jakékoliv jiné společnosti, která hodlá ve svých obchodních zásadách zahrnout společensky odpovědné chování.

Klíčová slova

Společenská odpovědnost firem, výzkumný a vývojový průmysl, strategie, process implementace

Table of Contents

Table of Contents	9
List of Figures	12
List of Tables	13
1 Introduction	14
2 Methodology	15
3 Survey of Literature	16
3.1 Defining corporate social responsibility	16
3.2 Characteristic features of CSR	18
3.3 Classification of corporate social responsibility	19
3.3.1 Triple bottom line	20
3.3.1.1 Economic (profit) pillar	20
3.3.1.2 Social (people) pillar	21
3.3.1.3 Environmental (planet) profit.....	22
3.3.2 Pyramid of corporate social responsibility	22
3.4 Advantages and disadvantages of CSR.....	24
3.5 CSR implementation process	27
3.5.1 Planning part of implementation process	28
3.5.1.1 Commitment from the management	29
3.5.1.2 Determining the key stakeholders	29
3.5.1.3 Specifying values and principles	29
3.5.1.4 Analysis of current state.....	30
3.5.1.5 Goal setting	30
3.5.1.6 Action plan	31
3.5.2 Realization of CSR strategy.....	31
3.5.2.1 Implementation process.....	31
3.5.3 Checking for achieved results.....	31
3.5.3.1 Monitoring the progress.....	32
3.5.3.2 Reporting strategy	32
3.5.4 Acting with regards to the integrated plan	32

3.5.4.1	Improvement measures.....	32
3.6	CSR standards and norms	33
3.6.1	UN Global Compact	34
3.6.2	ISO 26000	35
3.6.3	SA 8000	35
3.6.4	AA 1000 AccountAbility.....	36
3.6.5	Global Reporting Initiative.....	37
4	Practical Part	38
4.1	Global company characteristics	38
4.1.1	Analysis of global company CSR initiatives.....	40
4.1.1.1	Hometown Solutions.....	40
4.1.1.2	Sustainable Opportunity.....	42
4.1.1.3	Diversity.....	43
4.1.1.4	Environmental and Safety Goals.....	43
4.2	Local company characteristics	44
4.2.1	Analysis of local company initiatives.....	45
4.2.1.1	People Engagement Council	46
4.2.1.2	Diversity Council.....	47
4.2.1.3	Innovation Council.....	47
4.2.1.4	University Relations Council.....	48
4.2.1.5	User Experience Council	48
4.3	Qualitative interviews	48
4.4	Questionnaire.....	54
4.4.1	Interpretation of the results.....	54
4.5	Recommendations.....	61
4.5.1	Development of CSR strategy	62
4.5.2	CSR strategy creation process	62
4.5.2.1	Creating CSR council	63
4.5.2.2	Analysis of the current CSR situation	63
4.5.3	CSR talks.....	63
4.5.3.1	Communicating CSR activities.....	64
4.5.3.2	Sustainability report	65
4.5.3.3	Determining the key stakeholders.....	66

4.5.3.4	Identifying key objectives and activities.....	66
4.5.4	Corporate philanthropy.....	67
4.5.5	Additional benefits for employees.....	67
4.5.6	Improvement of working conditions.....	67
4.5.7	Measuring and evaluation system.....	68
4.5.8	Involvement with a CSR association.....	68
5	Discussion	69
6	Conclusion	72
7	References	73
	List of Abbreviations	78
	Appendices	79
A	CSR implementation process	80
B	An example interview coding	81
C	Summary of interview coding	85
D	Interviews	89
E	Questionnaire	99

List of Figures

Figure 1	Extent of CSR activities	18
Figure 2	Triple bottom line	20
Figure 3	Pyramid of CSR.....	23
Figure 4	Implementation process of CSR activities	28
Figure 5	Seven main areas of ISO 26000	35
Figure 6	Age distribution of company employees.....	45
Figure 7	Importance of CSR for employees.....	54
Figure 8	Social responsibility of the company.....	55
Figure 9	Information about the CSR activities.....	55
Figure 10	Available information about CSR.....	56
Figure 11	Evaluation of company website content	56
Figure 12	Perception of corporate social responsibility by employees	57
Figure 13	Company attractiveness for the employees.....	58
Figure 14	Company benefits.....	58
Figure 15	CSR activities in the company	59
Figure 16	Evaluation of company objectives	60

List of Tables

Table 1	Nationalities of the respondents	61
Table 2	Stakeholder matrix	66
Table 3	Key stakeholders and strategy approach.....	66

1 Introduction

Leading a successful company is not only about hiring people to work for the company, it takes a lot more than that. Besides a reward in form of a wage, it also involves the act of giving back to the employees, society and community. Today, the success of companies is not only based on their success in a given industry but also on how it appreciates its employees and cares about the society and the environment in general. Corporate social responsibility (CSR) is exactly that the extra step that companies should take on their way to success.

The recent years were important in the development of the concept of CSR. While the beginning of 20th century did not consider CSR as a factor important enough for doing business, however since the end of 20th century marks the beginning of modern period where socially responsible behavior played a role in the status of the company and its competitiveness. Firms are incorporating practices of giving back to the employees and the communities into their core strategies. A successful company is the one with the tools to make a difference in the society and the environment.

The main goal of the thesis was recommending an implementation strategy for an international R&D company located in Brno on how to enhance corporate social responsibility. The analysis of the company was based on current initiatives and socially responsible behavior that the company supports and actively participates in.

Further analysis was done based on interviews with key respondents in the given area of expertise with regard to which initiatives related to CSR are the most important ones for the company, the approval process, the current situation and about the future possibilities for development of CSR strategy. The interviews were processed and a questionnaire was created in order to collect opinions from the employees of the company ABC to see whether they shared similar opinions and values with the interviewees.

The final stage of the thesis was focused on analyzing the results from the questionnaires and the interviews and creating recommendations for CSR implementation process in the company. Since the thesis was focused on a company which operates in the R&D industry, the strategies were formulated in a way that other companies willing to enhance their socially responsible behavior can adopt the given CSR proposals. The analysis in the selected company ABC was the source for creating the implementation proposal, however the process of thesis creation itself, together with the recommended steps to be taken were meant to provide a general guideline for any company that has only basic information and experience with CSR.

2 Methodology

The diploma thesis was conducted in a way that it used the analysis of appropriate literary resources and scientific articles to achieve the necessary level of expertise with regard to the topic of corporate social responsibility. It was divided into two main parts. The first part, literature overview, was based on monographs, scientific articles and studies relevant to the topic of corporate social responsibility (CSR). The documents included global CSR policy documents, national CSR reports and other. The literature aimed to provide necessary background to the topic of corporate social responsibility so that the readers were given access to the necessary knowledge of the topic in a way that they would be able to fully understand the results. The theoretical part offered descriptions of the topic, advantages and disadvantages of CSR, implementation process and relevant international standards which fall under the general use of CSR in companies.

In order to acquire the primary data necessary for the initial analysis of the current CSR situation within the company and to gain the insight of the respondents about the respective topic, semi-structured in-depth interviews were selected as a method of collecting the necessary information. Interviews with six employees were conducted, based on their relation to the topic of corporate social responsibility and their involvement in company initiatives and other related activities. It was found that there are gaps in the information sharing in the company and that the employees lack knowledge about the concept of CSR and awareness of the company activities related to the topic as well.

Hypotheses were created based on the findings from the interviews and a questionnaire survey was created to see whether similar opinion was shared within the company. Based on the analyzed results, recommendations for CSR implementation strategy were suggested. The recommendations were conducted in a way that they can be applied within any similar company in the respective R&D industry and the process of thesis creation and the steps that were taken could be used in any other company as a guide on where to start the CSR and what approaches to select.

The suggestions were generally related to promoting higher awareness about socially responsible behavior of the company and within the society together with some specific suggestions related to various communication channels. Also, some suggestions worked with the results of the survey as a case study and some recommendations were designed to increase and raise the satisfaction within the respective areas that were evaluated positively among the employees.

The recommendations were discussed with the interviewees and their responses were positive with the regard to the creation of a new CSR council that would be responsible for information sharing and any other activities related to the topic. Further presentation of the results and suggested recommendations to the company and the management was incorporated into the agenda for the regular meetings in the company. The suggestions will be the subject of further discussions on how to incorporate principles of corporate social responsibility into the core business strategy of the selected company.

3 Survey of Literature

The survey of literature will be done based on scanning and analyzing selected literal and internet resources relevant to the topic of corporate social responsibility. Information and knowledge acquired during the study of bachelor and master degrees and previous knowledge of the topic will also be included.

This part of the diploma thesis will deal with the theoretical background of the topic of corporate social responsibility (CSR). The chapter will discuss the general concept of CSR as it is as well as further ways of working with and incorporating it into the business strategy.

3.1 Defining corporate social responsibility

The early beginnings of the concept of corporate social responsibility (hereinafter CSR) date back to the 1930s and 1940s, however the literature from this time period brought no significant contribution. It was the mid-20th century that marks the beginning of the era of corporate social responsibility. Carrol (1999) mentions that in 1953, Howard R. Bowen introduced a book called *Social Responsibilities of the Businessman* where the initial definition of CSR referred “*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*”. The contribution that Bowen brought regarding this topic was so significant that Carrol (1999, p. 270) called him the “Father of Corporate Social Responsibility”.

An issue that appears when talking about the corporate social responsibility is that many people do not know what the meaning is or are not fully aware of what is hidden behind this term. One that thing that is for certain is that there has not yet been recognized a unified definition that would unanimously state what exactly corporate social responsibility is. The definitions and their content is largely affected by the country of focus, the specific company or even the continent where one may want to operate. Some parts of the world are more inclined toward CSR, others not so much. Every country around the world has different priorities and values that they put forth in doing business and therefore also the definitions of CSR will differ according to the approach that every country has toward doing business (Baker, 2004).

To take a closer look, let us use the definition provided by the European Commission (2011) which defined the CSR as “*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*”. The definition introduces a very important part of the whole idea of CSR and that is that it needs to be done voluntarily. There are no rules or laws that could possibly force companies and firms to engage in any such programs. Over the course of the past few decades, it was this idea that made other companies stand out and differentiate themselves from others. It was the thought that managing a successful is not only about employing people but also about giving something in return to them and to the society and environment around.

Another definition that approximates the thought behind CSR is introduced by the World Business Council for Sustainable Development (1998), which states that “*corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large*”. One may say that participating in socially responsible activities is a way for the company to give back to the society that has, in return, provided the company with support.

As corporate social responsibility appears to receive increasing support also in the Czech Republic, the following definition is provided by the Business Leaders Forum Czech Republic which define it as “*corporate social responsibility is a voluntary commitment by firms to be responsible towards the environment and society in which they operate*” (Business Leaders Forum, 2004). The most important part of the definition is the fact that any decision to participate in CSR activities needs to be made without pressure and has to be undertaken voluntarily.

It is important to mention that there exists no “one size fits all” philosophy that would dictate companies around the world how to approach the corporate social responsibility. According to Crane et al. (2014) there is a lacking agreement on the most suitable definition of CSR due to its vast range of competences that the concept may represent. Companies should rather be motivated and see potential in such behavior on their own and see it as an advantage and benefit rather than a strain. As Kotler and Lee (2013) state, the CSR is undergoing quick changes over the past decade due to the fact that doing the good is now seen as an advantage for the company and organizations try to incorporate corporate responsibility into their business strategy. It also involves being more transparent about company activities and participating in CSR reporting

Taking part in socially responsible behavior does not mean making a commitment only to the employees but to a much bigger circles that companies are part of. The decisions in which areas the companies should take part are largely affected by many factors, such as the size of the company, area in which it operates, etc. However, when they do decide to participate, there are certain common features that apply to all the companies. Figure 1 presents the aspects of CSR actions, the many spheres in which it applies and their impact on the surroundings.



Figure 1 Extent of CSR activities

Source: Baker, 2004

3.2 Characteristic features of CSR

While the definitions of corporate social responsibility differ from one another, there seem to be some similar features and characteristics that keep reoccurring throughout all the definitions. Kunz (2012), Hamidu and Amran (2015), McIntire (2015) or Mádlová (2012) summarize a number of basic characteristics which capture the nature of CSR. Some of them are presented in the following paragraphs.

Principle of volunteering presents the idea that companies that participate in CSR activities do so on a voluntary basis and they accept commitments that go beyond those stated in the legislation. What makes them take part is their conviction, not the law.

Another characteristic is the active cooperation and communication with all stakeholders. This point talks about the fact that the company commitment goes beyond the usual duty to behave responsibly toward its shareholders, but it applies also to the stakeholders, whether they are employees, customers, suppliers or local communities. Important is also the cooperation with non-profit organizations and the government, with an aim to improve the situation and solve some important issues within the society. Such cooperation between companies and stakeholders allows for the so called “win-win” situation, beneficial for both sides. In order to achieve this, companies and stakeholders must behave responsibly to become mutually beneficial partners.

Company commitment is another point. Implementation of socially responsible behavior comes from companies with a proactive behavior which act without waiting to be asked to do so. Such companies incorporated CSR into their core business strategies and acknowledge them during the creation of company values, aiming to set new and positive trends in the society.

Further CSR characteristics comes from a systematic approach and long-term view. Corporate social responsibility is a long-term issue, which should become part

of strategic planning and evaluation of companies. Companies prefer to look ahead at the benefits and gains they can have from the future stakeholders and not only the current ones. In terms of evaluation, it takes some time for the results of CSR initiatives to show and to be recognized and rewarded.

Next important point is the topic of credibility. In order to gain trust of the customers, companies must incorporate the CSR initiatives into their strategies and culture. Many companies view CSR as something to communicate to the public, but without actually including these principles in everyday decision-making process, it may lead to the opposite effect and lead to lack of credibility and loss of trust. The most important factors in gaining validity and trust according to Hamidu and Amran (2015) are:

- Originality
- Authenticity
- Transparency
- Consistency

As presented in the next section, it is very important that the company is active within three-bottom-line context. Corporate social responsibility is growing international trend among companies, which is based on three pillars and those are economic, social and environmental, described in greater detail below. Sustainable development should be the aim of companies participating in such initiatives as well as they are providing a helping hand to save the world.

Companies should have some responsibility toward society and have some effort to make a change. Corporate social responsibility implies an ethic approach from companies in their behavior towards society. The companies should express their interest in minimizing the risks and impacts in the social, economic and environmental spheres. There are many issues including but not only relevant to corruption, protecting the environment or supporting the workers in the company that fall under the broad concept of CSR.

3.3 Classification of corporate social responsibility

Deciding to include corporate social responsibility into the core business strategy means that there should be some areas of focus which should also be measurable. The whole idea behind CSR is that there is some moral obligation toward the community which is then translated into sustainable development of such actions.

WBCSD (1998) holds an opinion that if the CSR strategy is included in the core values and ethics of the business, it imposes benefits and positive results for the company. They further explain that inclusion of such strategies broadens the company view of the surrounding social situation which can help them realize and take advantage of the opportunities that arise in the market. The company can then react to such chances and gain a better reputation within the society which can lead to further support from the public and the society.

There are two ways how the categories of focus can be defined. One states that there are three pillars, the other that there are four. Both are described in greater detail below.

3.3.1 Triple bottom line

According to Hindle (2008), the first basis for areas in which corporate social responsibility can be applied was first introduced by John Elkington in 1994. He argues that there are three pillars, or bottom lines, which companies should think about while creating their business strategies. They are the social (people), economic (profit) and environment (planet) pillars. They are pictured in Figure 2. There are also other authors that agree with the same three-bottom line division of CSR, such as Mádlová (2012), Kunz (2012), or Blowfield and Murray (2011).



Figure 2 Triple bottom line

Source: CSR Ambassadors, 2015

When accepting concept of CSR, the companies stop caring about profit as their one and only goal, but they also start to care about making a difference and participating in the three categories mentioned in the three bottom line approach. To achieve this, part of the gained profit is allocated for these activities.

3.3.1.1 Economic (profit) pillar

In every company or business, the main goal is to achieve profit, or in other words achieving long-term sustainable profit. The inflow of money that comes from business activities can then partly be used to finance the activities contained within the three pillars. It can be considered as the real influence that companies have on their environment and economic surroundings. Hindle (2008), The Economist (2009), and Slapper and Hall (2011) mention several following activities that fall under the economic sphere that are described in the next paragraph.

Ethical and non-corrupted behavior is usually stated in some form of code of conduct which specifies correct and ethical behavior of the organization and its employees. Company governance means that any decision affecting the company is done under the best will and with the intention to help the company. Fight against unlawful use of information tries to stop the carrying of sensitive information outside the company where it could be a potential threat to others. Measures against corruption and bribery in the company are part of the economic pillar. Innovative and sustainable decision-making should become part of every company's way of doing business. Good customer and supplier relations means that efforts should be exercised to build good and healthy relations with companies over long periods of time. A satisfied customer will contribute to the good name of the company and in return will get acceptable conditions and prices for doing further business. Good behavior towards the shareholders and stakeholders are also important in when it comes to the prosperity of the company. Furthermore, respecting the company's competition and acknowledging "know-how" of others is essential to keep a good name among the competition and on the market itself.

3.3.1.2 Social (people) pillar

The social dimension of triple bottom line is one where the socially responsible behavior can be applied. It is relevant to the employees of the company but also the society in which it operates. Kunz (2012), Blowfield and Murray (2011) or Matteson and Metivier (2017) mention several examples described in the next paragraph that belong in this section.

Corporate philanthropy and volunteering is an important part of the social pillar and creates an important component of CSR in companies. Work-life balance allows the companies to set some tools in place to help the employees be happy in their jobs but at the same time be able to handle their personal lives, such as flexible or adjustable working hours, possibility of home office, or counselling in various areas of interest that the employees may find helpful. Companies should promote personal development by creating motivational environment for enhancing employee qualification or support further education and knowledge acquiring. As the employer, firms should stick to some employment policy so that relevant appropriate wage levels and other social benefits that go beyond the standard required levels are met, such as meal vouchers, contribution to pension funds, or various ways how employees can collect and use some extra bonuses in offered forms. Equal working opportunities mean that every employee is treated with respect, regardless of their sex, race or ethnical background. In bigger corporations, this is the responsibility of diversity council or management, whose task is to make sure all employees are finding their best abilities and having the opportunity to participate in various projects which promote their personal development. Safe working conditions and adequate working hours are ensured by the company. Fighting against mobbing and sexual harassment is prevented and in case of its occurrence, is immediately dealt with and removed from the workplace. Protecting the health of employees should be a priority to every company, and it can be achieved in form of regular medical check-ups with the company doctor in the least, to prevent any possible health risks. Beneficial and healthy company culture also

promotes good employee-employer relations and happiness of employees. No child labor and respecting human rights is by no means a crucial point that every company should adhere to. Outplacement means that company supports employees that were laid off by means of consultations or further education.

3.3.1.3 Environmental (planet) profit

The third pillar of corporate social responsibility is the environmental pillar. Recent decades show significantly higher concern for the environment and the surroundings. In order to make sure that some rules are followed, many laws and regulations were created for companies have the obligation to act responsibly toward the environment. According to Abramuszkinová Pavlíková and Basovníková (2016), political forces represent the strongest driving force in the area of environmental CSR because they have the power to use regulatory threats or use pressure to ensure that laws and rules that are in place are followed correctly. Mádlová (2012), Kunz (2012) and Slaper and Hall (2011) mention that during the period between 1970 and 1990, over 50 000 laws were issued in the international, national and local levels. He also states a few concrete examples of environmentally friendly behavior of companies, listed in the following paragraph.

Companies should aim at limiting negative consequences on the environment, suggesting and forming ecological policies that would apply for all levels of the corporation, following international standards (ISO), purchasing newest technologies to replace the old machines in order to be more ecologically-friendly, and evaluating their behavior towards the environment and the nature around. Furthermore, it should target limiting the wastes and focus on recycling of papers, electricity or water through means of sustainable measures, it should try to limit its negative impact on the traffic and lastly, the waste recycling should be an automatic step toward a more sustainable behavior (Kunz, 2012).

Environmental protection and sustainability is a topic of many discussions. For many companies, involvement in environmental activities is also a good way to gain the necessary reputation and image among the competition and in the market (Boubakary, 2016). By investing some resources, the company is able to boost its image within the society.

It is important to mention that all companies can make a difference, not only factories or production plants. Taking an active approach toward socially responsible behavior is the key to making a difference, which can in return even lead to higher competition and status in the market.

3.3.2 Pyramid of corporate social responsibility

Another classification of corporate social responsibility is the pyramid of CSR. It was first introduced by Archie Carrol (1999) who proposed that there may be over 25 ways to deal with CSR and how it could be treated. However, in his first book, *The Pyramid of Corporate Social Responsibility (1991)*, he narrowed the selection to four pillars of corporate social responsibility, as described in Figure 3. Besides the economic dimension that is similar in both ways how CSR can be described, the pyramid contains three other, slightly more defined, categories of focus.



Figure 3 Pyramid of CSR

Source: Dudovskiy, 2013

Economic level

Economic level of CSR includes all the main responsibilities related to core strategies of doing business. Generally, the most important aim of every company is to maximize its profit (Dudovskiy, 2013), which can also be as the shareholder maximization (Husted and Allen, 2011). Furthermore, Carrol (1991) presents some company duties that fall within this category.

- Profit maximization
- Reaching profitability from the business actions
- Continuous effort to be in a strong position in terms of competitiveness
- Being able to adapt and to operate efficiently
- Having constantly growing and sustainable profitability

Legal level

The legal responsibilities are given by the laws and regulations stated by the government (Mádlová, 2012). Firms must act in a matter that is not in conflict with any legal activities so that it is allowed to exist. All businesses are expected to work and function in a given legal framework in order to follow human and corporate laws. Carrol (1991) gives some example of such legal responsibilities.

- Exist in a way that is intact with government and its laws
- Company follows regulations at given national, regional and local levels
- Firms do not break the laws and acts as a responsible corporate citizen
- Contracts and obligations stated in them are followed through and not broken
- Any goods and services provided by the company meet the legal duties on the minimal level

Ethical level

Both, the economic and legal activities are further extended by the ethic level of the pyramid (Mádlová, 2012). It is incorporated into the pyramid because it represents the moral and ethical norms that firms and members of society are meant to follow,

but they are not officially included in issued laws (Matteson and Metivier, 2017). It means acting in a humane and moral manner.

Crane and Matten (2004) describe the ethical side of corporate social responsibility and doing business starts where the laws end. In their words, laws only state the minimal standards that may be still accepted, however many issues related to ethical and moral side of doing business are not explicitly stated within the laws and regulations. According to Carrol (1991), following activities fall in this category.

- Acting in a way that complies with moral and ethical norms expected by the society
- Be respectful to those following the societal norms
- Avoiding any actions that are not in agreement with ethical norms to achieve set goals
- Behaving as a good corporate citizen, in an expected way
- Such ethically responsible behavior should be done automatically, not to meet any laws or regulations

Philanthropic level

The philanthropic dimension comes from society's expectation that the company will behave in a good manner, meeting the status of a good corporate citizen. It is the company "contributes to society's projects even when they're independent of the particular business" (Matteson and Metivier, 2017). This can be translated as activity that the company does without expecting profit. Carrol (1991) provides a few ways how companies may perform philanthropic activities.

- Acting in a philanthropic and charitable manner which corresponds with the expectations of the society
- Engage in cultural and fine arts activities
- Encourage employees to voluntarily participate in charitable activities in local areas and communities
- Be of assistance to educational establishments
- Getting involved in initiatives that stimulate the growth of quality of life

3.4 Advantages and disadvantages of CSR

While profit maximization is the aim of most of businesses, it does not necessarily explain their reason for engaging in CSR activities. In the recent years, corporate social responsibility is a way companies can distinguish themselves from others, especially in the means of their competitiveness on the market. Doing business nowadays is not only about making money and giving people jobs, but it is also about giving something back to the society in return. Double the Donation (2017) summarizes a number of reasons why companies should engage in CSR actions and they are describes in the following paragraph.

Engaging in CSR activities is beneficial for the company image within the public and the society according to Double the Donation (2017) in the following ways. When implementing CSR strategy into the company, it is beneficial in a way

that the awareness of the company increases and the public image of the company among the public becomes stronger. At that same time, stronger public image also leads to greater attention from the media which will help with the company image as well. As CSR is a concept based on volunteering, it can spark interest among the employees and they may become more enthusiastic about the activities in which the company is involved in and will be more interested to engage and take part in various activities. As many companies nowadays see socially responsible behavior as important, it can attract many future stakeholders, including investors and partners. They may be mindful of the responsible behavior that the company tries to pursue and hence there is a potential for doing future business. During the process of implementation and scanning the environment about CSR activities that are out there, the company may find new opportunities where it could help in form of funding a project or an initiative that would be interesting for the company and where the company would like to show its support. As volunteering, being part of the whole CSR concept, the company would motivate the employees to take part in socially responsible themselves, both as being part of the company, but also in their personal lives (Sri Urip, 2010). Engaging in activities that are important for the society and the environment in which the company operates also leads to making new business partnerships. CSR also allows the company to explore new ways how to make profit as the whole concept consists of way more than being socially responsible, but it also provides more opportunities for other companies to share the same values which can turn into doing business and profit making. Promoting socially responsible mindset among employees can also increase positivity in the workplace and boost optimism and creativity among the employees. Many people can find themselves by participating in such activities and this can lead to further personal and professional growth and development. Even though the company would be the main organizer of the socially responsible activities, it would introduce the employees to a new way of thinking and hopefully it would awaken a sense of philanthropic behavior in which the employees could actively be part of in their own time as well (Double the Donation, 2017).

The advantages are divided into general profits for the corporation, benefits for non-profit organizations and benefits for employees (Double the Donation, 2017). According to Lyon (2007), further motivators are higher labor force, higher knowledge of company product, employees have greater motivation, better public relations and image, and all of these factors support growth in profitability in long term horizon. In his work, Boubakary (2016) mentions that some studies show that the implementation of corporate social responsibility is a way for many enterprises to gain a reputation and it may be one of the primary reasons why CSR principles may be implemented and applied in the company. Mádlová (2012) comments that a company that accepts the principles of CSR is one that sets new trends and positive corporate behavior, new opportunities for innovations and is therefore more transparent in its doings. When a company starts to take CSR seriously, it gains the advantage of trustworthiness over its competition. General CSR implication is that if employees of the company are satisfied, they are also more productive and new potential workers may be positively influenced and motivated to join the company. In his work, Boubakary (2016) further explains that CSR is a way to promote the

legitimacy of the company and at the same time, it can be seen as a vital component which helps the company build a strong company image and reputation.

Mádlová (2012) mentions that there are three general categories which company should focus on when deciding whether to implement CSR strategy into its core business, and they are moral, rational and economic arguments.

Moral argumentation of corporate social responsibility talks about the idea that even though the company mainly tries to achieve the highest profit, it would not be able to exist, function and make money without the society in which it exists and operates. Handy (2002) also mentions that the sole aim of the company is not to make profit; the goal is to make profit that can be further dedicated to doing something good or making something better. That is the moment when a mutual relation between the company and the society is created and it serves as the basis for creation of corporate social responsibility (Mádlová, 2012).

Rational argumentation may present itself as a solution for companies that may find it difficult to withstand their position on the market and in the globalized world of today when individuals are trying to exercise their efforts to control the changes that happen in business. However, it is CSR, according to Mádlová (2012), which provides a protecting hand for such companies. It is a tool that helps companies fight those that oppose the globalization of business. The rational argumentation idea is explained by Werther and Chandler (2006) who talk about "*iron law of corporate social responsibility*". The term explains the principle that in a free society, those that take advantage of the opportunities that CSR offers to them and overuse the responsibilities that come with it will eventually deprive themselves of such privileges.

Economic argumentation for implementing CSR strategy comes from merging the moral and rational one together. It represents the self-interest of companies. By implementing CSR standards, the company gains added value as it is able to respond to the different needs that stakeholders may have and in return, it gains social recognition and can then plan to maximize the profit in the long term (Werther and Chandler, 2006). This principle may be summarized by a term "*socially responsible investing*" (Kuldová, 2010) which incorporates the three basic criteria or pillars of CSR – economic, social, and environmental – into the investment decision-making process of the company. Tolerating these principles when deciding about the future and future plans is a way to promote long-term sustainable investment decisions and reassurance for the stakeholders (Mádlová, 2012).

Communicating the socially responsible behavior is a very important part of the concept of CSR as it is. While the company may try to do as much for its employees as it can, it should not overlook the society and the environment in which it operates and usually, the activities in different areas are mutually connected too. Communicating the CSR activities and behaviors outside of the company are beneficial, according to Steinerová (2008) because it allows for greater transparency and awareness of the CSR activities a company is engaged in; the company can involve the necessary stakeholders in order to strengthen the relationship between them and involve them in the decision-making process.

Most companies have a positive approach toward corporate social responsibility. That is, if they have the resources and willingness to contribute

something good to the society and the surroundings. However, not all of them may be so positive about engaging in CSR.

In 1970, Milton Friedman mentions that “*social responsibility of business is to increase its profits*” (Friedman, 1970). At that time, he did not see the need for companies to behave in socially responsible way because it was not necessary. Later, he calls CSR a “*fundamentally subversive doctrine*” (Friedman, 1982, p. 113). He believed that in a free society where monopoly exists, it is pressured by the society to engage in social responsibility, however it is the reason why basis of free society is damaged. Friedman emphasizes profit-making and shareholders as the main areas of focus because he believes that organization should act in the best interest of stakeholders, not against them. If the company was to engage in social responsibility, the profits of the company and of the shareholders would decrease and the main purpose of doing business would be shattered (Friedman, 1982).

According to Hamidu and Amran (2015), introducing corporate social responsibility into the company means additional costs. If a company wants to implement practices related to environment protection, it is momentarily losing its competitive advantage and the financial situation of the company is negatively influenced, even if the effect may be only temporary or until the company does not regain the money from made profit. The relationship between CSR and financial position may then be seen as a negative one in the short run because the additional expenses needed to be spent on incorporating CSR into the core strategy of the business lead to momentary loss (Hamidu and Amran, 2015).

Corporate social responsibility is facing ongoing critiques opponents of this concept. Blowfield and Murray (2011) sort the critiques of CSR into four categories or accusations:

- CSR defies the main purpose of doing business, and as a consequence, it limits the functioning of free markets
- CSR gives a preference to business interests over those of legal background and societal expectations
- CSR is too specialized and focused on certain areas and it does not acknowledge the main aspects of doing business in today’s society
- CSR is unable to reach its objectives and in order to succeed, it needs to adjust and adopt new methods

3.5 CSR implementation process

Incorporation and implementation of corporate social responsibility in to the company strategy and its core business is a process consisting of many successive steps. Every company is unique and has its own set of values according to which it decides what steps related to CSR should be taken. Different standpoints and awareness about CSR will also influence how corporate responsibility will be approached because some firms are already engaging in initiatives related to CSR as such.

According Hohnen (2007), there exists no “one-size-fits-all” approach which could be generally applicable in every company. The characteristics of the company are helps the company on which direction of CSR it wants to implement. However,

there exists certain framework which can guide companies on their way to implementing CSR into core business. Many organizations are already involved in activities in connection with employee and customer care, community support or protecting the environment, which is a good baseline for strategic CSR.

Steinerová (2008) lists a number of variables that company should take into account when trying to come up with a CSR strategy and they are following:

- Company's mission
- Company culture
- Branch of business
- Business strategy
- Environmental profile
- Risk profile
- Production conditions

The general implementation model is incorporated into the well-known PDCA framework, which stands for Plan, Do, Check, Act, as shown in Figure 4 below. It is a method of how the management can keep track of the process through which an idea can get fully incorporated into the company strategy.

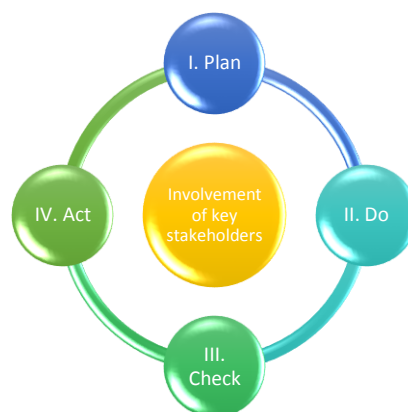


Figure 4 Implementation process of CSR activities

Source: Steinerová, 2008

While there are four main categories into which the implementation process can be divided into, each step comprises of further stages that needed to be accomplished in order to successfully incorporate CSR strategy into the company. Steinerová (2008) introduces a strategy consisting of ten steps which organizations should undertake in order to effectively include CSR principles in the business strategy.

3.5.1 Planning part of implementation process

The first step of the whole cycle is the planning stage. It is very important because if corporate social responsibility principles are to be practiced at all levels of the

company and the management, thorough planning and thinking needs to be done before the implementation process is initiated.

3.5.1.1 Commitment from the management

Implementing any CSR strategy without the involvement of the management is hardly possible. According to Steinerová (2008), if the management is convinced about the success and the necessity of socially responsible behavior, it can spread this positive approach among the members of the company and motivate them to participate in the selection of appropriate activities and initiatives.

Furthermore, if the management decides to publicly express its interest in participating in CSR initiatives, it has the effect of creating a positive company image within the market where the company operates, as well as within the society, local community and the environment too. Steinerová (2008) states that if the drive that stands behind the top management's decision to commit to CSR comes from ethical norms and standards that the company follows, it should convince the company to make CSR principles part of its core business strategy. Sreenivasan (2015) strongly believes that support coming from the top management is a key factor to an effective policy. This way, it is more likely to become a real part of the society and environment and it is more prone to gaining a long-term sustainability.

3.5.1.2 Determining the key stakeholders

Stakeholders play an indispensable role in every company. Organizations do not exist on their own, they belong to a certain community and society in which it does business. Therefore, a long-term positive relationship with the investors, customers, employees, suppliers and other interested parties, so called stakeholders, is essential (Steinerová, 2008).

During the planning phase, it is important to state the needs of the involved stakeholders. While this step may present a challenge since the number of stakeholders may be very high, it also presents a great opportunity, according to Hohnen (2007), in terms of bringing and introducing new concepts and topics which may serve the company as a basis for CSR strategy.

3.5.1.3 Specifying values and principles

Corporate social responsibility cannot be implemented randomly into a company; it has to come from within. CSR strategy should be based, according to Steinerová (2008), on the key values that are important for the company and relevant to the key stakeholders.

Such values are usually part of the message that the company is trying to communicate, both internally among the employees and within the company and externally among the public (Steinerová, 2008). These company values then serve as important principles when implementing a socially responsible behavior strategy. Companies themselves cannot determine what values will be important for the society without getting the shareholders involved in the decision-making process (Friedman, 1982).

The concept of shared value plays an important role when identifying values that are essential for the company and for the society, according to Porter and Kramer (2006). They state that the key values must be mutually beneficial for all stakeholders involved. In order to find those values, an intersection point where the interest of the two parties meet is the ideal way to find out what the key values are. The recognition of some issues that society is facing where the company could help will provide some common ground for the use of socially responsible behavior. However, the organization must realize that it is not within their power and capability to solve all the issues the society is dealing with, and hence the company must undergo a selection process as to which social problems will be on the company's agenda and which problems will be addressed (Porter and Kramer, 2006).

3.5.1.4 Analysis of current state

From the inner point of view of the company, it tries to analyze the situation it is in regarding the corporate social responsibility. Steinerová (2008) mentions that self-reflection is a very important step to reflect on the current CSR state of the company as it helps the company to be further motivated to behave in a socially responsible manner and inspired to reach even higher goals it sets for itself. Gómez et al. (2010) talk about the importance of realizing the shared values and principles that the company has in order to be able to incorporate them into the new CSR strategy. Porter and Kramer (2006) mention that there should be a symbiosis in the values that the company has and intends to pursue within the society. The current and the future state should go hand in hand with similar values, not different ones.

As for the next step after the analysis of inner situation, Steinerová (2008) talks about the analysis of the external environment. External environment includes the surroundings of the company where it operates as well as other greater external factors, such as the impact of globalization, various laws and regulations that are being newly introduced or the development of new technologies. Furthermore, it is a good idea to be informed about the tools and initiatives that the competing companies are incorporating into their strategy. It is important to stay on track with the new trends that are happening around and at the same time, the company should at least try to keep up with the competition so that it can keep its position on the market and not fall behind. At the same time, Hohnen (2007), it is also important to ensure compliance with and respect of the already existing laws and regulations. The company has to be able to follow basic rules before it can advance to being more socially responsible toward the society and others.

Moreover, in order to stay motivated and ensured that the CSR activities are making an impact, organizations should try to look up to other practices where similar activities are well communicated and compare the results using the so called technique of benchmarking (Steinerová, 2008).

3.5.1.5 Goal setting

Setting goals for the company is an important step toward finding the direction in which the company wants to go. Gómez et al. (2010) presents the idea that the goals should be designed in a way that they reflect and respect the needs of stakeholders

that are involved with the company. The objectives should not be done solely based on the decision of the company alone, but it has to also consider other aspects as well. According to Porter and Kramer (2006), the goals and objectives that the company sets for itself should not be planned in a way that they would be realized at the expense of the society. The goals cannot be one-sided and intentionally set in a way so that only one party can profit from it.

As corporate social responsibility consists of different categories, or pillars, the organization decides on certain goals in every area that are consistent with the core principles of the company and its values. To keep track of whether the goal is reached or not, a time frame of one year is usually dedicated to accomplishing the goals and after the given time passes, the goals are evaluated to see if they were successful (Steinerová, 2008).

3.5.1.6 Action plan

The following step is related to creating an action plan. Steinerová (2008) and Hohnen (2007) talk about the action plan as one that states activities related to corporate social responsibility that will lead to the fulfillment of the goals set in the previous step. The plan also includes more details about how will the resources be distributed and allocated, it states the responsibilities and competences of involved parties and it also includes a timeframe of the plan fulfillment. In general, this step brings about a more detailed description of the whole idea to implement a CSR strategy into the company mission.

3.5.2 Realization of CSR strategy

The second part of the four-step PDCA implementation process is the realization of the previously set steps and put them into action.

3.5.2.1 Implementation process

The implementation step is one where all the plans are put into action. The action plan is the initial point and it starts the process of implementing the CSR activities into the everyday company strategy and core business. Gómez (2010) states that it is the implementation step where the sole aspects come into play. In this step, the real practices start to happen, such as certain HR practices or some real changes that transform the organizational structure into one where CSR plays a role.

What is important is the fact that in order to implement socially responsible activities, there is no need for government approval or extension (Jones, 1980). This fact alone makes allows for much greater incorporation of CSR into strategies of many companies.

3.5.3 Checking for achieved results

Check is the third step of the implementation process where company wants to involve socially responsible behavior into the company strategy. It consists of the following steps.

3.5.3.1 Monitoring the progress

Monitoring is a way to keep track of the performance during the implementation process. Through the means of qualitative and quantitative methods, the management is able to collect necessary information which will help with deciding what steps to take next. As Steinerová (2008) mentions, the indicators which will help with the decision making are selected both by the management and the stakeholders as well.

3.5.3.2 Reporting strategy

Reporting is a form to give the overall overview of the CSR performance of a company. Steinerová (2008) says that the report should include information about the completion and fulfillment of the previously set goals and at the same time, it should provide goals and objectives for the next term. The final reports are usually available online at the company website or in a form of an official final CSR report. According to Gómez (2010), the reports help the company measure how is CSR advancing and how beneficial it was for the stakeholders and other involved parties.

3.5.4 Acting with regards to the integrated plan

The final stage of the CSR implementation process contains a look back at the implemented CSR strategy and a critical glimpse at what could have been done differently or better and take this as an improvement for further development of socially responsible behavior.

3.5.4.1 Improvement measures

The last step of the implementation process focuses on taking necessary steps which would improve the CSR performance. Steinerová (2008) mentions that in this step, organizations can further enhance their CSR competence or even change the whole strategy according as is needs. The improvement measures are usually presented by the involved stakeholders.

What is very important is the fact that in order for the CSR activities to be fully engaged in, the principles and objectives should become part of the core framework and strategy of the company (Porter and Kramer, 2006). While it may seem enough to go through a process of suggesting a CSR strategy, it will not be given the necessary importance unless active steps are taken for the strategy to be followed and abided by on daily basis.

The whole implementation process is not a question of a few days or months. A whole new strategy is being created. It is meant to include all the current company values and priorities but at the same time, the company focuses on being more socially responsible towards not only the employees of the company but the society and the environment around.

Once the implementation process is complete, further communication is necessary to create the necessary influence. Stakeholders and other parties involved are the ones towards whom the communication is indicated. Different channels may

be selected to create the most suitable communication strategy. Communicating the CSR strategy is also connected with assessing its effectiveness. Such assessment should not include only the financial or economic performance, but it should look at other factors such as reputation or a better name among the competition (Gómez, 2010).

As the CSR implementation is a long process, every company may choose a different approach that would be the most suitable for its structure and position. Some steps may be dismissed while others may be implemented. Another view of the implementation procedure is presented by Hohnen (2007) in the Appendix A.

3.6 CSR standards and norms

Every company that is involved in corporate social responsibility should have a way of keeping track of the results related to CSR activities and fulfilling the necessary responsibilities, but it should also monitor the social and ecological action. The company should be in a role of a good corporate citizen. Such behavior includes good behavior toward the employees, society, shareholders, environment, suppliers and stakeholders in general. All of the mentioned factors are becoming more and more important nowadays and are becoming a must for companies that want to keep a good name among the competition.

In order for CSR to be measurable, there are certain standards and reports that provide descriptions and ways of assessing corporate social responsibility. According to Plášková et al. (2016) or Business Leaders Forum, the most important existing standards are as follows.

- UN Global Compact and other declarations by the United Nations (UN)
- Organization for Economic Co-operation and Development (OECD) for multinational companies
- International Labor Organization (ILO) principles
- ISO 26000 Guidance on social responsibility
- SA 8000 – Social Accountability International (SAI)
- AA 1000 AccountAbility
- Global Reporting Initiative (GRI)
- ČSN 01 0391 – Corporate social responsibility management system – Requirements
- IQNet SR 10 – Social responsibility management system

Furthermore, Putnová et al (2016) divides these standards into categories related norms, procedures, management or other evaluation methods. Looking at the general guidelines and standards, there are many more that one could consider when talking about CSR reporting. Every country also has its own specific ways of reporting and tracking CSR. The Business Leaders Forum mentions that one of the leading standards are the ISO 26000, SA 8000 and the AA 1000 AccountAbility or ISP 24001.

3.6.1 UN Global Compact

United Nations Global Compact can be considered as the largest initiative related to corporate sustainability in the world. It tries to set certain values for businesses to consider before starting to do business. The values address issues in areas of human rights, labor, environment or even actions aimed at preventing corruption. It is important for a business to behave responsibly at all times, not just when the situation is the most suitable. This Global Compact therefore helps organizations and businesses meet the fundamental responsibilities by incorporating the values into the core strategies of firms and it also helps them to focus on the long-term good that is connected to corporate sustainability (United Nations Global Compact, 2000).

The compact consists of ten principles divided into four main categories that address the most important issues related to corporate sustainability, as stated by the United Nations Global Compact (2000), they are as follows:

Human rights

First principle discusses human rights as something that should be respected and promoted within the society and also protected by businesses as they need the labor force to be able to be able to thrive.

Second principle is related to respecting human rights in a ways that businesses should not be involved in infringing and abusing human rights.

Labor

Third principle discusses that business should maintain their freedom and allow for the acknowledgement of the right for collective bargaining.

Fourth principle mentions that the act of forced labor should be avoided at all times.

Fifth principle states that child labor should be abolished and prohibited at all times.

Sixth principle talks about discrimination and that it should be abolished in order to respect the employment of employees.

Environment

Seventh principle is that businesses should be proactive and support initiatives related to environmental well-being.

Eight principle is about involvement from businesses and that it should be proactive and programs are to be created to support increased environmental protection and responsibility.

Ninth principle is about the development of technology that preserves the environment should be promoted and spread among the company.

Anti-Corruption

Tenth and last principle states that businesses should be proactive in preventing any corrupted behavior (United Nations Global Compact, 2000).

3.6.2 ISO 26000

The International Organization for Standardization published this new international standard which represents a guide on the corporate social responsibility. It related to companies in both the private and the public sector. It standard does not serve as a certification for the companies, it rather represents a path in whose direction companies should head. It comprises not only the principles but also ways how to implement corporate social responsibility into the company processes and seek ways of getting the interested parties involved (IOS, 2010).

Generally, it introduces the basic areas of responsibility that businesses should follow, such as organization itself and its management, human rights, labor conditions and practices, environment, fairness of operating practices, consumer care and involvement in local communities, as shown in Figure 6 (Business Leaders Forum).

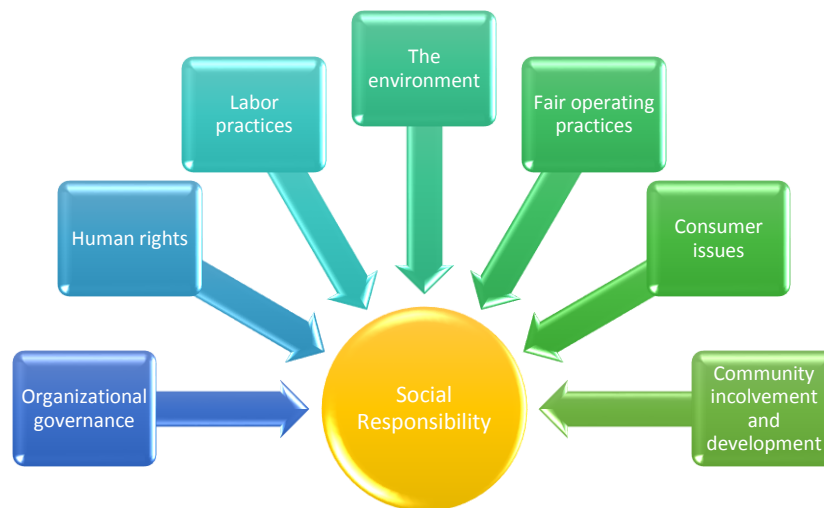


Figure 5 Seven main areas of ISO 26000

Source: ISO, 2010

ISO 26000 contains seven core clauses, each one of them focusing on a different scope of responsibility related to CSR. The scope of responsibilities and areas in which the standard applies is very vast as it covers every aspect of corporate social responsibility.

3.6.3 SA 8000

Social Accountability International (SAI) is an organization that defends and pioneers the integrity of human work in labor services. It is very important for the organization that others keep a perspective look on the issues that keep occurring related to labor and they try to find the right approach to deal with these issues. Their innovative methods help the creation of innovative processes that help to promote good relationships between employers and employees but also among all the stakeholders involved (Social Accountability International, 2017).

SA 8000 is a certified standard for decent work which serves as a guide for international companies around the world to implement and incorporate proper labor processes and standards into their business strategy as part of corporate social responsibility. It is the most well-known and acknowledged international measure in the area of CSR that deals with human resources and its management (Abramuszkinová Pavlíková and Basovnicková, 2016). The standard is set in place in over 68 countries and it is involved in 55 different industries and areas. It is especially for those firms who want to beat their competition and convince the business partners and shareholders about its dedication to corporate social responsibility. The standard is regularly reviewed so that it agrees with the Universal Declaration of Human Rights and the International Labor Organization (ILO). Furthermore, it also focuses on improving the ethics in working conditions. Regular revisions of the SA 8000 standard are done in order to meet the current social and human issues. Thanks to its applicability in many sectors, the standard is gaining public support and more organizations are incorporating it into their core business processes and strategies. Additionally, it is considered as a crucial component of the global effort to improve and widen the labor conditions internationally (Social Accountability International, 2017).

As stated in the SA 8000 standard created by the Social Accountability International (2017), there are nine key elements of focus of this certification described below:

- Child labor
- Forced or compulsory labor
- Health and safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Management system

3.6.4 AA 1000 AccountAbility

AccountAbility (2016) is a firm that aims at consultations and standards in a global framework, working with businesses, governments and multi-level businesses to help them to develop and deepen their responsible business manners and help the company with improving their long-term performance. In order to keep up with the many changing that are going on around the world, AccountAbility helps companies rethink the business strategies to be more thoughtful and mindful of the society and the environment. It also helps companies focus on the impact they have on the stakeholders and all parties involved.

The AA1000 standard is one that is used globally by businesses, enterprises, governmental institutions or other organizations which seek to establish a standpoint of a responsible and accountable company. The framework behind the standard focuses on sustainability, the way a company is driven or forms of management. AA1000 provides companies with easy yet practical framework on

how they apply the stated principles which will ensure the engagement of stakeholders (AccountAbility, 2016).

The standard consists of three main principles as described by AccountAbility (2016) below:

- The Foundation Principle of Inclusivity
- The Principle of Materiality
- The Principle of Responsiveness

The first principle cannot work without the other two and hence they form a sound foundation for putting accountability into practice.

Inclusivity is greatly related to the principle of materiality, which selects significant and priority issues that have something to do with the company and the stakeholders. The first two principles lead to the last one, responsiveness, which deals with the necessary steps and actions that are taken in order to deal with material issues (AccountAbility, 2016).

3.6.5 Global Reporting Initiative

Global Reporting Initiative (GRI) is an international organization that independently supports organizations, governments and other organizational bodies with comprehending the importance of the impact that companies have in sustainable areas. Those areas are climate change, protection of human rights, environment, corrupted behavior and others. GRI has the supporter of sustainable reporting since the 1990s.

The Sustainability Reporting Standards create the base for the success of Global Reporting Initiative. It is functional in over 90 countries around the world, helping companies, governments and other organizations make decisions based on relevant information from areas where they can make a difference. According to the Global Reporting Initiative, out of the 250 largest world companies, 92% of them are actively involved in sustainability performance reporting.

The GRI's main goal is to head towards a future where sustainability will play a major role in the business strategy of every business. It is the sustainability reporting that keeps track of the impacts a company has while keeping all their decision and risk management transparent and open for public to see. According to Kunz (2012), GRI is more about reporting than a performance standard. However, it does provide necessary guidelines as to what should the report contain including the evaluation mechanism so that the stakeholders could take advantage of the transparent reporting and understand the benefits that this reporting brings. It is divided into basic indicators such as the economic, social and environmental areas in which companies should regularly keep reporting their standards.

4 Practical Part

The application part is based on the literary overview from the previous section. First part of this section will focus on characterizing the company and its participation in various initiatives related to corporate social responsibility. The second part will include structured interviews with people in positions related to CSR. Based on the interviews, a questionnaire will be created and given to employees of the selected company. The results will then be analyzed and a recommendation will be given on how to enhance CSR and include it in the activities of the business.

4.1 Global company characteristics

Company ABC is one of the leading research and development companies operating in more than 70 countries with approximately 130 000 employees. The employees are situated among approximately 1300 sites around the world. Its headquarters are in the New Jersey, United States. It holds a place among the Fortune 100 companies.

History of the company dates back around 125 years with several preceding companies and hard work of tens of thousands people before it was able to become what it is now. The beginning of the company is marked in 1886 when the company first started to produce alarms and regulators. After experiencing a series of changes in its name, areas of focus and mergers, in 1934 the company started to form a global basis for its business. By 1998, the company has branches in 95 countries.

In 2015, the estimated sales of the company were nearly 40 billion USD. The shareowner return reached up to 118% over the period of last five years. The net income attributable to the company is almost 5 billion USD. More than half of the sales come from countries outside of the United States. The company devotes about half of its revenue to products that are energy efficient and are environmentally friendly, in terms of clean air and safety of living conditions and the environment in general.

In 2016, the company gained the total of 142 rewards in different areas. It gained 26 rewards for performance, 46 rewards for innovation, 8 rewards for sustainability, 7 rewards for workplace, 15 rewards for diversity, 9 rewards awarded by the Hometown Solutions and 31 rewards in high growth regions. In previous years, the company has gained even more rewards in the previously mentioned categories. In terms of sustainability, the rewards in 2016 were as follows:

- Keep America Beautiful: 2016 Vision for America Award
- U.S. Green Building Council: LEED Gold Certification – company Headquarters
- Chemical Council of New Jersey – Chairman’s Award
- Honda: 2016 Green Excellence Award for Environmental Management
- Partners for Environmental Progress: Environmental Award – company UOP Mobile Plant

- Corporate Vision Magazine: Best Global Clean Energy Solutions Company – Company Building Solutions
- American Council on Engineering Companies: New York State Diamond Award
- American Council on Engineering Companies: National Recondition Award

Rewards in the category of Hometown Solutions, which is also responsible for socially responsible activities, were the following:

- Bulldog Reporter: 2016 Bulldog CSR Awards, Best Community Relations Campaign, Gold – Hometown Solutions & Safe Water Network, India
- Bulldog Reporter: 2016 Bulldog CSR Awards: Best Community Relations Campaign, Gold – Hometown Solutions & Operation USA, Ngolos Elementary School
- 2016 Communitas Community Partnership Award for Humanitarian Relief Fund – Philippines Ngolos Elementary School
- Telly Award: Segment “Be The Change: Global Giants Changing How to View Kids Safety”
- 2016 International Safety Media Awards: Gold Video Award for Safe Kids at Home China Indoor Air Quality video
- 2016 World Injury Prevention Conference: Gold Award to Safe Kids China for Internal Air Quality Campaign
- 2016 Green Apple Award, Environmental Program: Gold Award for Safe Water Network, India
- 2016 Stevie International Business Award: Communications or PR Campaign of the Year, Community Relations – Silver Award for Safe Water Network, India
- 2016 Ministry of China’s CSR China Education Award for Safe Kids at Home

Among the publications of the company is the Sustainability Opportunity Policy, which addresses issues related to health, safety and the environment. In this document, the company presents the issues it is concerned with, including sustainable growth, environment protection, safety, stakeholder protection, and others. Sustainability, energy efficient production and clean environment are key aspects for the company in terms of importance as they are part of the official company statement. The company annually publishes a document called Corporate Citizenship Report, where the company discusses all the initiatives and information related to social responsibility and their role as a corporate citizen within the society. The document is divided into segments related to various areas of focus, such as integrity and compliance, sustainable opportunity, environmental focus, responsible behavior and others.

The company is certified to use the ISO 14001 and the OHSAS 18001 standards. Continuous efforts and audits are on regular basis worldwide in order to ensure the best performance and practices within the industry. Furthermore, Health, Safety, Environment, Product Stewardship and Sustainability (HSEPS) is

another set of practices the company follows in order to ensure the top performance in many areas such as occupational health, engineering, safety and others.

4.1.1 Analysis of global company CSR initiatives

The following part is dedicated to the analysis of the current situation and CSR activities in which the company globally takes part. All of the information is gained from the company website and official documents published by the company. They are used for the communication with the company business partners and stakeholders, as well as for communicating the strategies, goals, objectives and results that the company achieves. All of the reports are publicly available and anyone can be informed about the situation in which the company is in.

Company ABC is obliged to act as a responsible corporate citizen. It is concerned with the world we live in and it tries to come up with programs that support and encourage the development of initiatives serving worldwide community and hometowns in areas of its functioning. Integrity is a key part of all areas of business doing. It helps the company keep recognition in the given industry, it helps the company reputation and allows for tracking performance, growth and development. An important factor incorporated into the company business but also the employee behavior is the Code of Business Conduct. It is meant to provide continuous reminder of the company standards which include integrity and compliance,

4.1.1.1 Hometown Solutions

Being an organization means that one has the tools to make something great and successful. This is what ABC is trying to achieve. The employees, their families and places where they live are an important for the company and they propose programs in various areas, offers resources and financial backing and tries to encourage employees to participate in volunteering activities to make a difference. Some areas of focus are described below.

Science & Math Education

ABC knows the importance of education because engineers and experts in different areas keep the company going for more than 125 years. Science and math are important in the area of engineering and research and development so the company offers educational programs that proved to be effective and showed itself in real results.

One of the offered programs is a leadership challenge where children of the employees are given an opportunity to participate in an event where they can work on developing their skills in leadership. The program offers workshops in scientific areas, lectures and practical exercises. It also includes skills that are beneficial for every child such as communication, learning how to critically analyze and think about a problem, work in teams and knowing what approach to choose in solving a problem. This challenge became a reality for over 1 750 children from 59 countries and 40 states.

Another initiative that is focused on science and engineering it is trying to touch universities globally and get students interested in making a contribution in

science, technology and the industry as it is. The aim is to expose the students to people who have made an impact, such as Nobel laureates and others in order to motivate them to work toward achieving something and making a difference.

ABC is helping middle school students of science and math to further enhance their knowledge by creating a program that offers the learning about space exploration in training programs designed for astronauts. Almost 2 600 teachers from 56 countries and 52 US states took part in this program, going through lectures, laboratory classes and other science related trainings.

To spark interest in science, math and physics in elementary and middle school students, the company together with cooperation with NASA, created a program where schools may participate in various entertaining shows about physics. The initiative has touched over 460 000 students in 1 200 schools in 48 US states.

Housing & Shelter

The company is concerned about the region in which it operates and about its neighborhoods and that is the reason for creation of the Housing and & Shelter program. In order to provide the communities with feeling of home and safety, the company encourages employees to participate on volunteering activities that are helpful for the community. Since 2003, more than 18 500 employees helped with building and reparations of almost 590 homes in more than 50 hometown communities.

In North America, the company tries to support low-income neighbors and communities by building fences, playgrounds or aiding residences that serve as transitional housing.

Family Safety & Security

The company is aware of the importance of families being safe and sound and due to this, decades of work have been dedicated to the development of technologies providing safety and security to families. Programs are being created to raise awareness about the safety and risk for children, parents, teachers and others.

The company dedicated a special program for children to learn more about the possible risks of abduction and their minimization in an entertaining and memorable way. The initiative is primarily for children in higher grades of elementary school.

Furthermore, the company is trying to educate the children about accidental injury prevention. The strategy was first implemented in the United States and in 2015, it expanded to India.

Humanitarian Relief

Humanitarian Relief is an initiative to help those struck by natural disasters. A fund has been created so that immediate help and support could be provided for those in need. Since 2005, the fund reached 9,3 million USD thanks to the employees who were willing to contribute. The company focuses on providing immediate help where the disaster struck and also on proving long-term support for communities that are in need.

The company made a contribution in 2011 when the earthquake and tsunami hit Japan by providing necessary protective gear to help deal with the consequences. In 2012, when hurricane Sandy hit the USA, the company ABC provided immediate support for the purchase of food, clothing and shelter as well as financial contribution and protective equipment for those trying to get rid of the cluttered houses and surroundings. In 2012 and 2013 when the wildfires struck the Colorado Springs, the company contributed financial aid to provide temporary shelter for those affected by the fires and newer technologies to volunteers trying to help get fires under control. In 2013, when Philippines were struck by a typhoon Haiyan, help was mobilized so that an elementary school could be rebuild and the company donated money to a fund specializing in helping affected citizens.

Habitat & Conservation

Safety, comfort and security of the employees and its communities is very important for the company. It continuously tries to develop ways of providing solutions to problems such as energy, water, pollution and quality of air or conservation of the environment around the world. In order to spark interest of students in their local ecosystems and enhance their knowledge, the company created an education program incorporated into classrooms. Through consultations with experts and scientists, students have the opportunity to learn more about their surroundings. Since 2011, about 90 teachers with over 9 200 students from Maryland, USA, participated in this program.

Hometown Heroes

To be able to support initiatives beneficial for the communities in which the company operates, it needs the dedication and passion of people willing to pass their knowledge on. People with exceptional impact and passion are given an award as an appreciation of their efforts and hard work.

4.1.1.2 Sustainable Opportunity

The company is serious about its role as a responsible corporate citizen and takes steps to protect the environment and create sustainable opportunities in all its surroundings.

The policy of the company related to sustainability is focused in connecting issues such as health, safety or the environment and making it part of its business strategy. It tries to help people, communities and the environment in order to promote growth, development and productivity in all above mentioned areas. The corporation is motivated at developing technologies that promote sustainable growth.

The firm is dedicated to acting in an efficient and responsible way in order to make the commercial activities more safe, sustainable and protective of the environment. The aim is to reduce global greenhouse by the company by 10% per dollar from the levels in 2013. Global greenhouse gases were reduced by 30% and efficient energy sources were increased by 20% in a matter of eight years. Also, greenhouse gas emissions were reduced by further 15% per dollar of revenue since the year 2011.

Year 2010 marks the beginning of over 2 500 projects focused on the efficiency, containing projects related to automation and controls, lighting and newer technologies in general.

In order to preserve the environment and make it sustainable, it should be also safe. The technologies developed by the company serve as a prevention against a disaster. Protective gear and equipment for personal safety or products detecting gas leakage and air technologies belong into this category.

Almost half of the revenue that the company makes goes to energy efficient resources. The company produces thermostats and system that allow the users to manage the energy consumption. To promote efficiency in the industrial sector, the corporation devotes its time and energy to creating turbochargers, green fuels or parts of air planes that are lighter but provide the same safety. Technologies for safer and more protected buildings with efficient energy usage and innovative technologies are also part of the company focus. An interesting fact is that if the technologies that the firm invented was immediately applied and adopted, the energy demand would be lowered by 20 to 25% in the United States.

The company further divides its efforts for sustainable opportunities in different categories described below.

- Objectives to protect safety and environment
- Different systems of sustainably managing health and safety of communities and environment
- Aiming toward making a difference that is seen, not only talked about
- Award system to appreciate the work of the effort of the company and its employees

4.1.1.3 Diversity

It is very important for the company to bring together people that are the best at their abilities, regardless of their background. Over the 125 years of its existence, the company has brought together people that have an interest in what they do, people who are passionate and creative to face some of the challenges regarding safety, comfort or security. The various cultures, backgrounds, standpoints and experience brought the company to where it is now.

Furthermore, all of this led to many awards given to the company by different publishers or other organization for their continuous effort and commitment to bringing everyone together and accomplish something great.

4.1.1.4 Environmental and Safety Goals

Environment plays an important role in terms of the company concerns. Its protection seems to be one of the world's greatest challenges and the company is determined to contribute its efforts to address this issue. This is one of the key elements of how the company leads its business around the world.

Greenhouse Gas and Energy Efficiency

During the years 2004 and 2011, the company achieved its goals which were to reduce the greenhouse gases by 30% and to improve energy efficient products by

20%. In two years after the 2011 goal, the company was able to reduce its greenhouse gases and its emissions by further 15% per dollar of revenue. Starting from 2013, the company would like to dedicate its efforts into further decreasing the emissions by additional 10% per dollar of revenue by 2019.

Water

The company is engaged in water conservation by monitoring the water usage in its branches and tries to seek opportunities that would allow for projects targeting further water conservation. These projects are promoted especially in areas where water is becoming a scarce resource.

Safety

The global level of incidents during the occupation is less than half of the level in the United States. It is measured by number of injuries per 100 employees.

4.2 Local company characteristics

In 1993, the company introduced its first branch in Prague, and in 2003, offices in Brno were created. Czech Republic plays a key contributor to technological development of the company. Currently, the company employs over 4000 people in the country. The Brno site is a research and development and engineering center that operates in the Czech Republic, India and China. It is responsible for developing and providing product and business solution in the many areas in which ABC operates. All of the products are designed to meet world-wide standards of quality with innovative character and long lifetime expectations.

Its innovative approach and latest technology enables it to confront global problems such as energy, question of security or productivity and promote sustainable and more efficient way of living. The products are offered commercially for companies as well as for customers who like to enjoy the comfort of modern technologies. The company participates in development of technologies in many different industries of which the three major segments of focus are the cooperation with aerospace products and services and connected technologies, technologies related to performance and efficient materials for specific activities, technologies used in homes of customers and the buildings of other companies or ways of providing solutions in terms of safety and productivity. Furthermore, the company produces turbochargers, technologies connected with sensors and security of buildings, home and industrial equipment, electrical and other special chemicals and materials and products as a solution to problems dealing with energy and environment which are used in homes and businesses of customers or transportation.

The company is located in the outer part of Brno, and it employs employees, both on full-time and part-time positions. It is one of the most attractive companies especially among the younger students of engineering majors from the technical university in Brno, but it also attracts many people from around the region. As it offers part-time contracts, the company is a great way to gain experience throughout the university studies for students who are looking to pursue their career in various technical majors, from programming to development of the latest technologies and

many other areas. Most of the part-time positions that are currently occupied consist of university students. As the company doesn't offer only engineering technical positions but it needs to have certain support positions as well, such as the human resource, finance, staffing and other similar departments, it is also a great place for students from various other majors to gain experience working for a well-recognized international company while finishing the university studies. However, gaining some experience in the technical fields is a big advantage for all the students participating in the projects that the company works on.

The section of the company on which the thesis is focused on consists of approximately 1000 employees. Looking at the age statistics in the Figure 7, more than half of the whole company population consists of people between ages 26 and 35. This being the biggest category, it shows that the company is also a great one to start the career in. As many students complete their university studies and need to gain experience, company ABC offers many absolvent positions where students that have just finished school can get in touch with what it is really like to use the theoretical knowledge learnt in universities and put it into practice throughout the development of the latest technologies in the market. As university relations are also very important for the company, it has a great program for allowing students to select the company as one where they can write their bachelor or master's thesis. By providing the necessary technologies and knowledge from people experienced in many fields, the students have the opportunity to develop their own project and thesis based on which they can gain future references and be offered a possible job offer in the company.

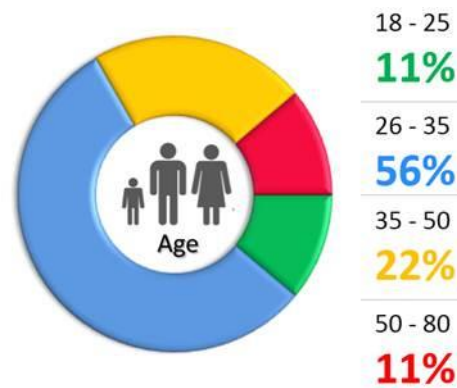


Figure 6 Age distribution of company employees

Source: Own elaboration based on information provided by the HR department

4.2.1 Analysis of local company initiatives

The local company branch is involved in various activities in many different areas. There is a number of councils that engage in activities related to relations with the public, universities, students, future employees or current employees. It is important to mention that while the company may not have many activities that would carry the term CSR in their name, it is involved in many other activities which can be considered part CSR since they falls within the broad concept that corporate social responsibility and sustainability includes. All of the activities in which the company is engaged have a purpose. They were not selected randomly, with the sole

purpose of having some socially responsible activities implemented in the company strategy. All of the initiatives have successfully gained the support of the management and the whole approval chain. Many of the activities have been implemented in a way that the range of activities have stayed the same throughout the years of its existence, and hence they can serve as a great foundation for the further development of socially responsible activities and strategy that the company could build on. The following section provides an overview and a summary of the activities that fall within the concept of CSR in which company exercises its efforts.

4.2.1.1 People Engagement Council

People Engagement Council (PEC) is mainly responsible for activities related to the people within the company. The main responsibility of the council is to motivate employees to come forward with their ideas that they would like to see happening in order to promote better communication and better employee relations within the company. While trying to follow the company's vision and mission, the council also tries to motivate employees to deliver the best performance at work.

By inviting employees to actively participate in activities related to people engagement, they can have a say as to what activities will be selected and supported. Anyone can voluntarily participate in regular meetings or they could be selected as a representative in order to create an environment where everyone has the opportunity to participate and a chance to express their ideas and opinions. In 2016, the activities that were selected and supported by the company management were the following:

- Badminton – regular guided trainings and tournaments are organized
- St. Nicolas Day – employees can buy winter's star flower which is a symbol of the winter
- Ice hockey – company employees create a team which competes with other teams, both from other companies or local teams
- Football – regular trainings and practices are conducted so that employees can participate in sport activities
- Yoga – regular morning sessions are organized on site for both male and female participants
- Summer Party – a summer sport event where employees can enjoy their time while engaging in sport and social activities
- Annual Recognition Day – an annual event where the best efforts and performances of company employees are appreciated
- Running – guided training sessions for both beginners and advanced runners are organized, with a company representation in an annual run Vokolo Priglu
- Family Day – employees can bring their family members to show them around the company and introduce them to the newest technologies that the company has

In 2017, another activity gained the support and that is the Bike to Work initiative. The company decided to pay the entrance fee for interested employees who are willing to participate in this activity. By motivating people to use their bikes

instead of their vehicles or public transport on their way to and from work, the company is trying to promote the sustainability of the environment and actively try to reduce the amount of greenhouse and other toxic gases that are released into the atmosphere.

4.2.1.2 Diversity Council

Diversity is one of the priorities of the company. As one of the founding elements, diversity aims to endorse respectful behavior, mutual understanding and appreciation of different points of view and perspectives from people coming from various backgrounds, bringing new experiences to the company. The firm actively seeks to support ways that lead to an inclusive work environment with help of several programs.

The goal of the Diversity Council (DC) is to gather the best talents and provide them with the opportunity to develop their skills and to grow within the organization. In 2016, the council participated in the following projects:

- Kindergarten Project – the council conducted an analysis and took necessary other steps in order analyze the possibilities of creating or supporting company kindergarten
- Diversity Month – during this event, many interesting speakers deliver presentations on topics such as innovation, career development and personal growth, women in the engineering industry or what it is like to live in Brno as a foreigner
- Guest Speaker Events – various speakers are invited into the company in order to talk about many different topics related to the current trends and interests both in technologies but personal and career development and others
- “Czechitas” Event – this event aims to support and spark interest in technical education in girls and to inspire them to pursue their career in R&D and similar industries
- Polytechnic Toys Competition – in order to promote technical skills and thinking, children of the company employees can compete to win polytechnic toys for their kindergarten

4.2.1.3 Innovation Council

Innovation Council (IC) tries to help the employees to develop an innovative way of thinking and problem solving. Newest technologies and entrepreneurial approach within the company is meant to provide opportunities for company employees to put their ideas forward and realize them till the end. Innovation Council also acts as an advisor in terms of decision making in areas of strategy and technology.

The council was created with a vision to promote innovative thinking by grasping it in the right direction and supporting new ideas which can lead to realistic projects, prototypes and business cases.

Activities that the Innovation Council is responsible for is the search for new ideas and innovations that are intact with the strategic objectives of the company, support of the new ideas throughout the prototype creation process, create a

suitable innovative environment and communicate the relevant initiatives to the company and the management.

The council has an interest in the following areas:

- Innovation Centers
- External Innovation Lab
- Internal Innovation Lab
- STRAP
- Universities
- Peer Partnership
- StartUps
- Internal Hackathons
- External Hackathons
- Workshops
- Innovation Playbook
- Innovative Funding
- High Grow Region

4.2.1.4 University Relations Council

In search for new talents, the University Relations Council (URC) tries to seek long-term partnerships with technical universities in order to create an environment where the collaboration between the company and the university students may provide interesting opportunities for both parties.

Among activities that the University Relations Council is responsible is an Open day in the company, various company presentations at job fairs organized by universities and other education institutions, Opportunity Days in different cities with the aim to show potential candidates and possible future employees of the company the opportunities that the organization provides and it is meant to motivate the current students to seek a job in a technical and R&D industry.

4.2.1.5 User Experience Council

User Experience Council (UEC) focuses on human factor approach on various processes in order to increase effectiveness and allow the company to improve its position in global market.

Among the objectives of the council is creating a community and improving communication of related activities both with the community and the whole company. Together with the Innovation Council, the two councils can make the realization of various and prototypes of products more attractive and appealing as product development is another area of focus.

4.3 Qualitative interviews

In order to obtain necessary information about the current corporate social responsibility initiatives that the company is involved in, primary data as part of qualitative data was collected in the form of interviews with people who are

involved in CSR company activities. Interview questions were created based on the literary research in the previous part of the diploma thesis and on the information stated at the intranet on the company website. All of the interviewed people were selected based on their position relevant to the topic of corporate social responsibility.

Every respondent is involved in different areas of corporate social responsibility that the organization is involved in and therefore there were different ways how they understood the term CSR. During the interview, the interviewees were asked a series of questions that were same for all the participants. However, not all of the participants were able to answer certain questions and hence they were left out of the interview rewrites.

The asked questions were the following:

- How important is CSR for the local branch office?
- What initiatives are the most popular among the employees?
- Who can suggest CSR activities?
- What activities would you be interested in?
- Can you think of some other activities that the employees would enjoy?

The respondents answered these questions throughout the interviews and further focused on discussing areas in which they are interested in and in which they participate.

For the interviews, six people were selected, based on their involvement with the CSR and similar activities of the company. As the interviewees participate in various activities, they should be familiar with the values that the company is trying to pursue and they should also be acquainted with the application process of different initiatives as they themselves are personally involved in many of them. However, not all of the participants were familiar with the approval process of various activities in the company and hence the question was not included in the transcripts of the interviews.

First interview was conducted on the 24th of March, the remaining five interviews were conducted throughout the month of April where second to fifth interviews took place on the 13th of April and the last interview was done on 5th of May, 2017. The interviews were done in the offices of respective respondents or in meeting rooms in the company.

The interviews were done anonymously and hence the names or initials of the respondents will not be stated. The following interviewees were selected for the qualitative research:

- Respondent no. 1: female, Czech nationality, Executive Assistant to Vice President and General Manager, 2 years and 8 months in the company
- Respondent no. 2: male, Czech nationality, Engineer III., 4 years and 4 months in the company
- Respondent no. 3: male, Czech nationality, Communications Leader, 3 years and 4 months in the company

- Respondent no. 4: female, Czech nationality, IT Business Partner, 5 years and 10 months in the company
- Respondent no. 5: male, Czech nationality, Vice President & General Manager, 6 years and 8 months in the company
- Respondent no. 6: male, Romanian nationality, Engineering Operations Leader, 3 years and 9 months in the company

First interview with respondent number 1 lasted approximately 35 minutes, second interview with second respondent took approximately 22 minutes, third interview took approximately 18 minutes, fourth interview took approximately 20 minutes, fifth interview took approximately 55 minutes and the last interview took about 28 minutes. All of the interviews were recorded with the permission of the respondents and their knowledge that all of the information shared during the interviews will be used anonymously and with the best will. The respondents were very open about their opinions on the asked questions and were more than willing to share their views on the current CSR situation that is in the company.

The interviews were conducted in a semi-formal way as the company tries to diminish differences between people based on their position or function in the company, and hence it is meant to provide the feeling of equality between all of the employees.

The interviews were analyzed with the help of a technique called coding. The summary of the codes that have arisen throughout the interviews is provided below in Table 1 in Appendices, together with an example of how the coding is done. According to Saldaña (2013), coding is a form of labeling the data in a way that it can be summarized and is more easily compiled and therefore allows for easier organization of the data.

The structure of the interviews was similar in a way that every respondent was asked similar questions throughout the interview, but the direction of the interview itself was influenced by the area in which every person is involved and by the activities that they are responsible for.

At the beginning of every interview, the purpose of the interview, which was to gain more insightful information about the activities that the respondents and the company is involved in, was explained to the interviewees. All of the respondents have come in contact with the term corporate social responsibility before, so there was no need for any deep explanation of the definition. Some respondents were not exactly sure if their area of expertise falls under the general concept of CSR, but upon further discussion, there was an agreement that all of the mentioned activities are somehow following the CSR ideology.

One of the first questions asked from every respondent was if they think that CSR is important for the local company branch. Generally, there was an agreement that yes, the CSR activities are important for the company. There were two approaches to answering the questions. From people that are part of some local company councils and who personally take part in organizing various activities, their answers were approached from the employee involvement side. Three respondents personally participate the company activities and for them, the importance of CSR for a company is greater involvement with the other employees of the company in a project that can have some impact outside the company. Sixth

respondent also sees CSR as an important part of the company, however in his opinion, we have to talk about the core idea behind the concept which is giving back to the society. Since the company functions within certain society and uses the available resources that it provides, there should be a point when the company decides to give back to the society, in one way or another. There are also many ways to do so and it depends only on the company which direction it decided to choose. Another two respondents, see the importance of CSR more from the company point of view. Public image, public relations, advertisement and marketing are all also part of socially responsible behavior, even though it should not be the primary goal. Once a company starts engaging in activities involving the community and giving something back, the people start to notice and the company gains popularity among the public, hence the last two respondents see CSR as being an important part of promotional activities exercised by the company.

Another questions was aimed at finding out what are the most popular activities conducted by the local company among the employees. The answers related to the one most popular activity were relatively anonymous because throughout the answers, all of the respondents mentioned similar answers one way or another. All of the respondents agreed that the most favorite event among the employees is the Annual Recognition Day. They all agreed that this is the one event where the participation is the highest among other employees. From previous discussions with other employees of the company, this answer is not surprising as everyone likes to enjoy a party where everything from refreshments to entertainment is organized and the employees can enjoy a time off and spend some time with other colleagues from the company, deepening the employee relationships. Another similar social event, Summer Sports Day was also listed as one of the most popular activities by the last respondent. Other activities that were listed as being popular among the employees by two respondents were the sport activities organized by the local People Engagement Council as popular, especially the running sessions and Bike to Work initiative organized in May. Upon being asked why they think that sport activities are so popular and if other similar activities would gain popularity. Two respondents both replied that there is a certain group of people that participate in various activities, but adding other ones would not gain interest from others. Some people are simply interested and others do not have such interest. Second interviewee responded that he thinks there is something from every category of events and that if the employees want, they can find what is the most interesting for them. Fifth interviewee on the other hand replied that over the years, there were many activities organized and over time, the interest of people simply fades away and hence the current activities are the ones where the interest has been continuously large and that is the reason why the company keeps supporting them.

Furthermore, another question was aimed at finding out more about the approval process of the CSR or other activities. Some of the respondents had more experience with the process of suggesting various initiatives. The first respondent mentioned that every year, there is a call for new ideas and projects that the employees can bring up. Regarding the other activities, there are some that have been part of the program for many years, but there is always room for some interesting ideas that could be realized. Third respondent, being the

Communications Leader, provided a little bit more insight. According to him, anyone can bring out an interesting project or a thought that the person thinks could be organized. As the activities involve the company community, HR involvement is needed for further communication and organization. What needs to be included in the suggestion of the initiative are some objectives, goals, number of people which could participate, and potential budget. Then the most interesting projects with regard to their impact and how many people can be touched by this activity may be selected by the council under which it is proposed. If the project gets an approval, then it is escalated further up the company structure, where it is checked for being within the company engagement policy rules or not. If it succeeds, the management board then decides on the final vote whether to implement the activity and when it does get the final approval, the organizer of the activity is given the necessary budget in order to start the activity.

There are two approval processes, one local and one global. Second respondent took active part in suggesting an initiative where the company could engage in cleaning the green areas around the south Moravian region, an activity in which he is personally involved in. However, as second interviewee mentioned also with the third, there is another process for approving initiatives related to charity work, sponsorships, and general activities that involve some external communication and parties. According to second respondent, a formal suggestion must be composed, with very detailed descriptions of the activity and why it should be approved. However, sixth respondent comments the situation with that the Hometown Solutions, which are responsible for approving the globally accepted activities, have become something like a monopoly and that it is very hard to get through the touch criteria and requirements for a project to be allowed to happen. Second and third respondents together have made continuous efforts to put an environmentally-based project through the approval committee, however they were not successful. Fourth one had a similar experience with a local project regarding the company kindergartens. According to her, an analysis was done as to the number of potential participants and interested employees in the company kindergarten. Once the analysis was done, together with the first respondent, she presented the results to the councils and then also to the company management boards however even then they were not very successful. Fourth interviewee mentions that it is perhaps the problem of actual realization as there was a problem in finding some common ground. If a project does get approved, she mentions that there is great interest at the beginning as it is new, but often times, the employees mistake the real meaning behind the activity for something without trying to get to know more about it, and once the activity is complete, there is no follow up for it and it becomes as if forgotten.

On the question what activities would the respondents see happening, or in which initiative they themselves or the employees would be interested, there were many different answers. Generally, the respondents agreed that the current activities that are supported have a number constant supporters who take part in the activities repeatedly, and hence provide constant support. In his opinion, the Engineer III thinks that there has yet been approved an activity that would be connected with the environment. From his own experience and general discussions with colleagues from the company, such activities would gain the necessary support

and involvement from the employees. The issue with such activities is that it needs to be approved by the Hometown Solutions and hence it is very difficult process and lot of times unlikely that such initiative will go through. Hence, he sees activities helping the environment as those that would be also welcomed by other company employees. The IT business partner also added that she would welcome ecological activities. The vice president of the company with the opinion that as he grows older, he feels like it is right to help others and give something back, sets the general direction of answers to this question. It is very important that the employees of the company recognize the importance of the act of giving back, and hence they would be more than happy to support any form of charitable event. However, as there are certain rules and processes that need to be followed regarding charities and sponsorships, they have to find a way to do so while using their own councils and approval processes to do something good. The engineering operations leader also sees great potential in further cooperation with educational facilities. From his own experience, allowing students to develop in various areas as personal growth, presentation skills and others is an important foundation for their future careers. However, as similar or some kind of cooperation with high schools and universities is already happening, he doesn't see this as the fundamental initiative. As Brno is a big city, similar activities would not have such a big effect. At the same time, he thinks that there is only a certain amount of people that would be willing to devote their time, sometimes even their free time, to give full support to similar project. Fourth respondent agrees with similar statement, as in her opinion, you have to be determined and believe that what you are doing is going to bring some results. If you endeavor yourself into such initiative, you are doing it with your best will and truly are trying to achieve something.

During the interviews, a thought that prevailed during all of the individual interviews was that there is only a certain segment of people that participate in the activities provided by the company, the rest does not seem to be involved much or at all. This may be connected with the low awareness among the employees and the involved stakeholders about the CSR activities that the company does. Higher consciousness of the initiatives from the side of the employees would allow the employees and the company to share similar values, greater loyalty and greater mutual understanding of the steps that the management has to undertake. Involvement of the employees is an essential part of the CSR concept as it is based on volunteering principle. It is not possible to do any activity without the personal engagement from the people within the company. Greater involvement would also provide many more opportunities, ideas or areas where the company could be interested in helping and getting involved.

Regarding the thought of helping others and giving back to the society, the interpretation of such thoughts could be the corporate philanthropy. It would be the middle ground for helping the society and making an impact. It would lead to greater involvement with the community and it would serve as means of tightening the relations among the company employees.

4.4 Questionnaire

The individual qualitative interviews served as the foundation for creating the questionnaire as part of quantitative research. The general aim of the questionnaire was to find out how the employees feel about corporate social responsibility, how they view the company involvement in such topic, which activities are important for them and where they see potential areas for improvement, in terms of company benefits, information sharing, and other activities they would like to get involved in.

The questionnaire was prepared in an electronic form as it is the easiest way to get in touch with as many people from the organization as possible. It was conducted in the local Brno site of the company. The section of the company on which the thesis is focused consists of approximately 1000 employees. Through the available communication means, the questionnaire reached most of these employees. In total, there were 276 surveys filled out, meaning that approximately 30% of the company employees expressed their opinion to questions related to corporate social responsibility. They were employees in various job positions, working differently long periods of time for the company and hence the sample

4.4.1 Interpretation of the results

Before the distribution of the questionnaire, the author set the following hypotheses.

- *It is important to work for a socially responsible company for at least 50% of the employees.*

The thesis was supported as 112 respondents, 40,6%, replied that it is important for them and 38 respondents, 13,8%, replied it is very important. Together 54,3% support the view. Hence, they feel that their personal values regarding socially responsibility should be shared with the company too. The results are highlighted in red color in Figure 8.

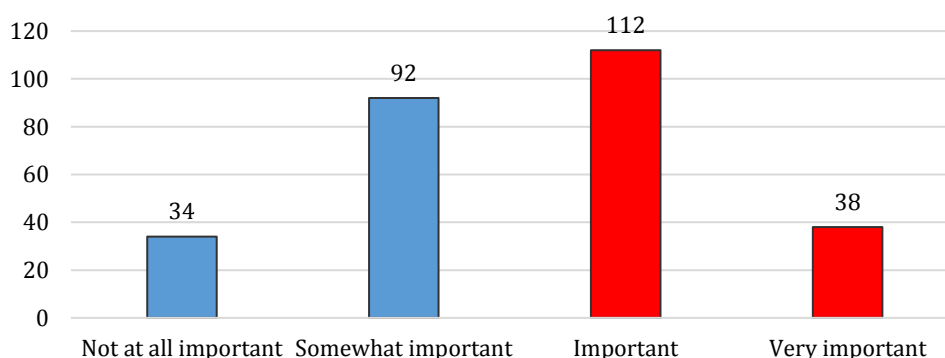


Figure 7 Importance of CSR for employees

Source: Own elaboration based on the questionnaire

- *At least 50% of the company employees think that company ABC is a socially responsible company.*

The thesis was not supported as only 42% of the respondents replied positively. Negative answers represent 16,7% of the answers and remaining 41,3% represent answer that the respondents cannot say whether the company is socially responsible or not. This can be associated with the lacking information about the CSR activities in which the company is involved. The results are highlighter in red color in Figure 9.

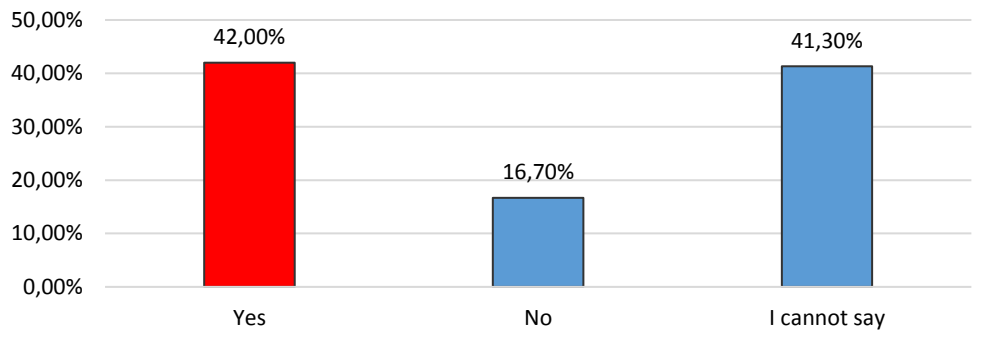


Figure 8 Social responsibility of the company

Source: Own elaboration based on the questionnaire

- *At least 50% of the company employees think that they do not have sufficient information about the CSR activities of the company.*

The hypothesis was supported as 39,9% of respondents answered that they don't think they are well informed and 34,8% of respondents replied that they do not have enough information about the topic to provide a specific answer. It means that 71,7% of the total number of respondents feel that the information provided about socially responsible behavior is not sufficient and there is room for improvement. The results are highlighted in red color in Figure 10.

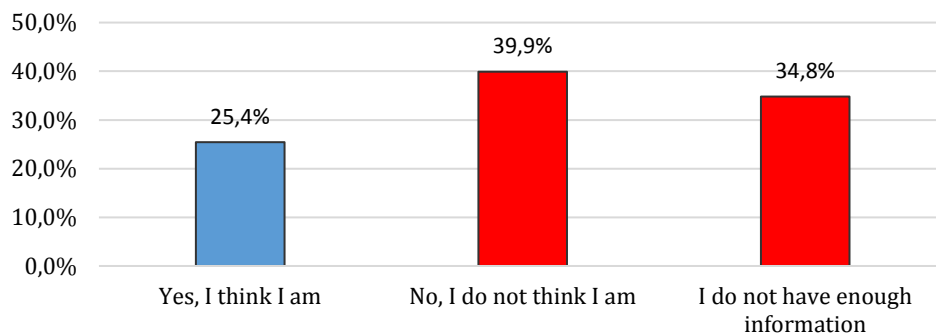


Figure 9 Information about the CSR activities

Source: Own elaboration based on the questionnaire

- *At least 50% of the company employees think that there is only basic or no information about the CSR activities on the company website.*

The thesis was supported as 47,1% of the respondents answered that they would welcome more information about the activities and 19,9% of the respondents answered that the content of the website is not satisfactory as a lot of information is missing. Altogether it means that 67% of the respondents believe that the company website does not have sufficient content to fully inform the employees about the activities. The results highlighter in red are shown in Figure 11.

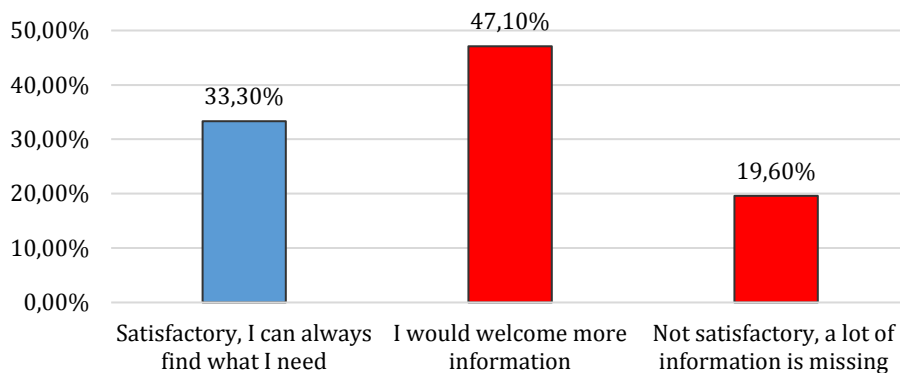


Figure 10 Available information about CSR

Source: Own elaboration based on the questionnaire

The thesis was also supported by question how employees feel about the general content on the company website. Together 92% of respondents believe that the information is superficial and rather lacking. The results highlighted in red are shown in Figure 12.

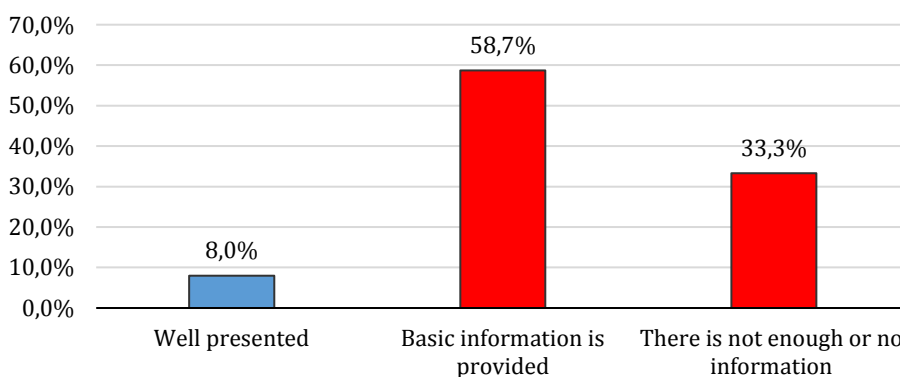


Figure 11 Evaluation of company website content

Source: Own elaboration based on the questionnaire

Furthermore, the results showed that 63% of the employees believe that the term CSR is related to moral duty and giving back to the society, 5,1% believe it is

related to public relations, 8,7% think it is about profit making and 23,2% of respondents have never heard of the term, as shown in Figure 13.

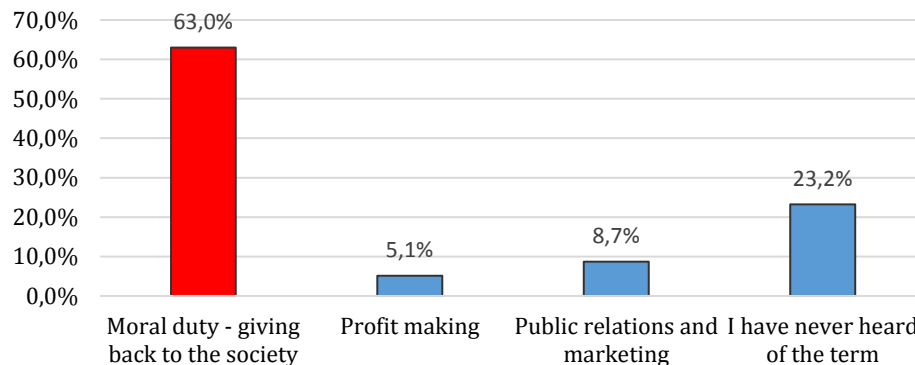


Figure 12 Perception of corporate social responsibility by employees

Source: Own elaboration based on the questionnaire

When asked in which areas the employees think that the company shows its CSR activities the most, majority, 47,1% of respondents, answered that they do not have enough information about the topic, 18,1% responded that the focus is on economic area, 18,1% said social area, and 16,7% selected environmental area.

As the hypothesis showed that employees are not enough informed about CSR activities of the company, 58% of respondent would be interested in learning more about mentioned activities, 21,7% showed no interest in doing so and 20,3% do not have sufficient knowledge of the topic to be able to answer yes or no. These answers provide a clue as to what act direction should the company focus on when working on CSR activities.

Majority, specifically 88,4% of the employees, visit the company website while 11,6% do not do so. Some 5,1% never visit the company website, 35,5% do so daily, 35,5% do so weekly, 19,6% visit it monthly and 4,3% visit the website for other reasons, such as when they specifically need something.

During the visits of the website, 53,6% of respondents stated that they sometimes visit for the activities of the company, another 17,4% people are interested in learning about the activities and 29% showed no interest about the company activities and similar initiatives.

Next question was dedicated to finding out whether the employees believe that the company is an attractive employer in the Brno region. Total of 81,2% believe that it is in such position, on the other hand 18,8% believe that the company does not have the status of an attractive employer.

The respondents were given a chance to express their opinion on the reasons why the company is an attractive employer for them. Looking at the answers, good working conditions gained 61,6% of support. Interesting benefits and advantages received 14,5%. An option that it is a prestigious company and that they are proud to work for the company selected 39,1% employees. Attractive salary was chosen by 49,3% of people. Lastly, 16,7% of employees selected the possibility to provide their own answer, where the answers were related to good collective within the company, comparison of company ABC to other ones, modern environment and others. Since the working conditions gained the biggest support, it is an area that

should be maintained or possibly even increased. The results are shown in Figure 14, with best results highlighted in red.

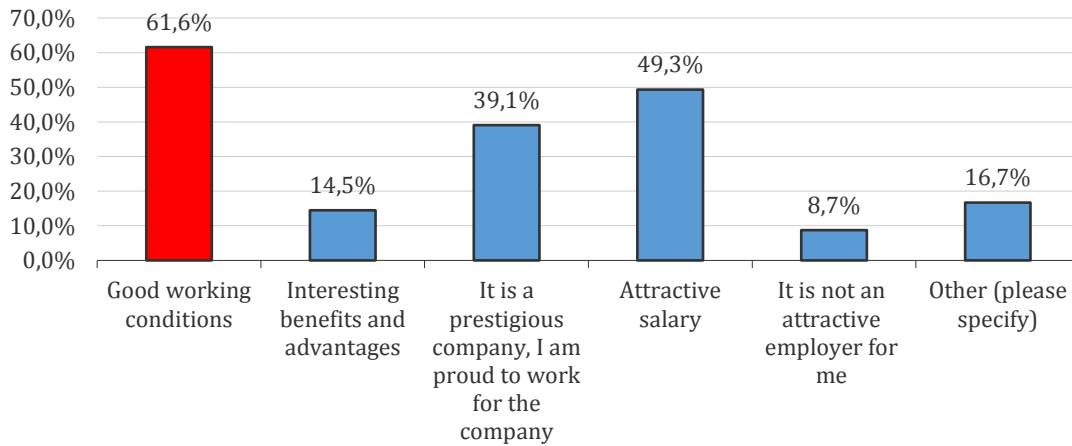


Figure 13 Company attractiveness for the employees

Source: Own elaboration based on the questionnaire

The company provides various benefits. Employees support the sport events organized by the company with average of 49,8%, Flexi and Gastro passes with average of 61,5% and memberships in fitness programs with average of 44,3%. Social events gained support of average of 51,5% employees, contribution to pension insurance was popular among average of 72,5% of employees, company mobile tariffs received the score of average 52,3% and finally, the most popular benefit among the employees are the flexible working hours, which was appreciated by average of 88,5% of the total number of employees. Figure 15 below shows how the respondents replied to each question according to its importance.

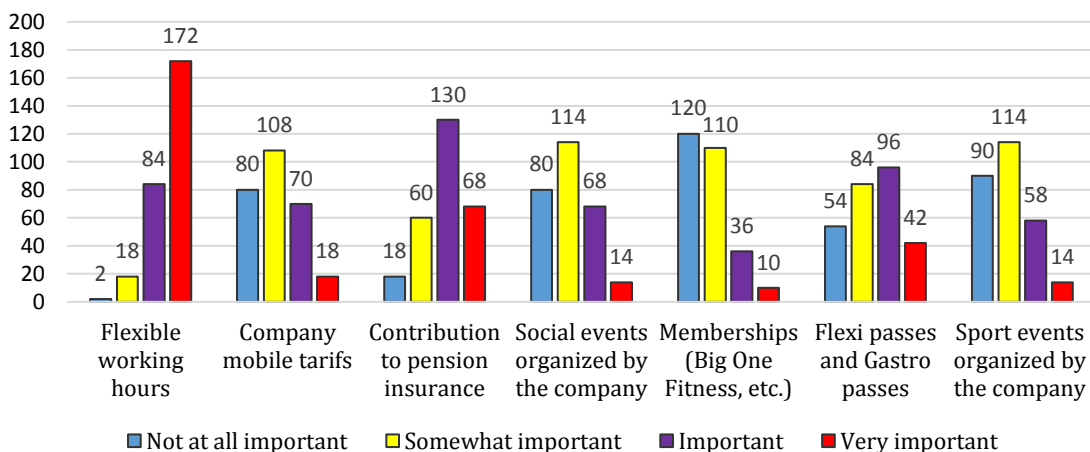


Figure 14 Company benefits

Source: Own elaboration

The employees could also express their opinions if they would like to have some other benefits. About 23,9% people do not need other benefits, 12,3% replied that they would be interested in some other ones, and 63,8% specified the other benefits. A complete list is provide in appendix B, in the summary of the survey.

Respondents could also evaluate the current CSR activities of the company. Polytechnic toys for kindergarten received average of 87,3%, university relations activities received average of 79,5%, "Czechitas" event gained average of 60%, presentation of latest company technologies in public gained average of 71%, educational activities received support of average of 71,8% people and diversity events was evaluated for average of 50,3% of support. The answers are present in Figure 16.

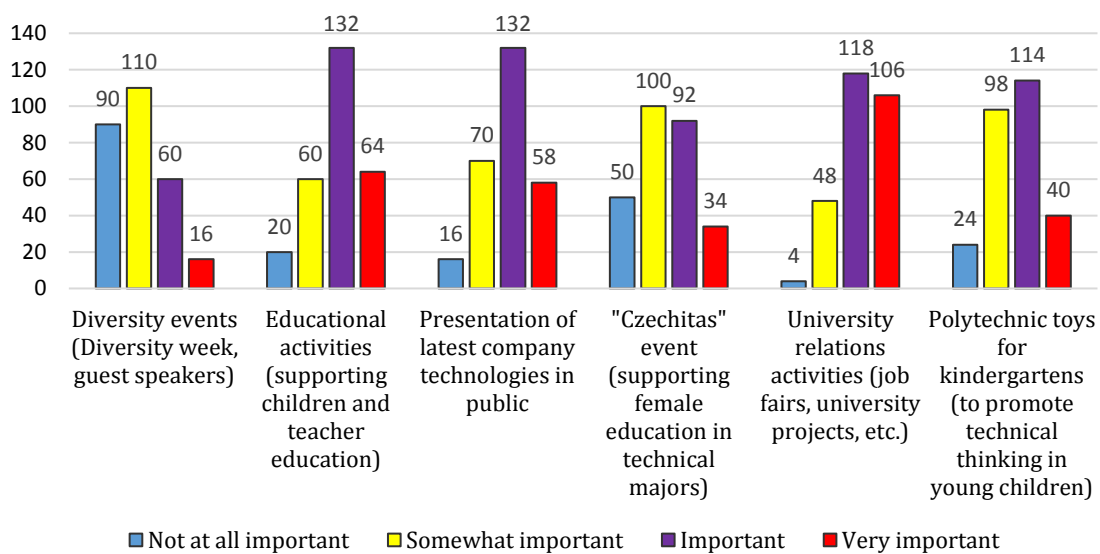


Figure 15 CSR activities in the company

Source: Own elaboration

Last question where the employees were given the chance to express their opinions was related to how they view various areas that can serve as focus and objective of the company. Company promotion was evaluated at average of 65%, educational activities received average of 76%, sport and health activities gained average of 59,5%, social issues and society got average of 66%, environment and nature received average of 72,3%, employee care was supported by average of 81,8% and the economic prosperity of the company gained support of average of 85,5% of employees. The results are shown in Figure 17.

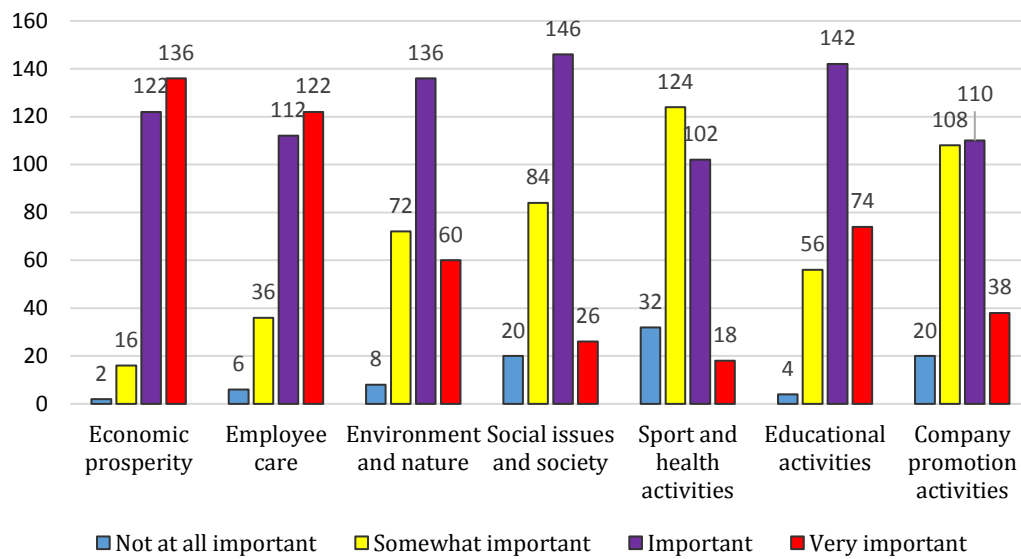


Figure 16 Evaluation of company objectives

Source: Own elaboration

Out of all the respondents, 23,9% account for women and the remaining 76,1% were male. The gender misbalance can in a way be explained by the area of focus of the company and the general predisposition of men being more interested in the given industry where the company operates.

The age range among the employees under 25 years accounts for 9,4%, age between 25 and 35 accounts for 55,8%, age between 36 and 45 accounts for 24,6%, age between 46 and 55 accounts for 8,7% and age 56 and older accounts for 1,4% of the total respondents.

Regarding the job position, 9,4% of respondents work in the functions section, such as human resources, finance, staffing, procurement and others, 10,1% respondents work in assistant positions, more than half of respondents, specifically 60,1% work in the R&D technical positions, 13% respondents are in managerial positions and 7,2% respondents provider other answer as to the position they hold and the answers were IT, engineering positions, technical support, product data management facilitator, firmware engineer, aerospace engineer, software engineer, mobility, and product quality.

A question regarding the time the employees worked for the company may be a partial explanation to why not many people are aware about the topic of corporate social responsibility as the new comers are still getting adjusted and used to the new working environment, getting to know the processes and their job positon and they may not have much time for learning about the company activities. About 6,5% of people work in the company for less than 6 months, 7,2% work there between six months and one year, 35,5% are in the company between one and three years, 17,4% of people work there between three to five years, and 33,3% of respondents of the company for more than five years.

The company is an international one and there are various nationalities. Out of the respondents whom the survey reached and that expressed their opinion,

86,3% are Czech, 8,7% are Slovak, 2,2% are Spanish and 0,7% are Portuguese, French, Italian and Hungarian.

Table 1 Nationalities of the respondents

Nationality	Number of respondents	Percentage
Czech	238	86,3%
Slovak	24	8,7%
Spanish	6	2,2%
Portuguese	2	0,7%
French	2	0,7%
Italian	2	0,7%
Hungarian	2	0,7%

Source: Own elaboration

When asked about the highest degree or level of education, 76,1% people replied that they have reached the master's degree, 13% reached bachelor's degree, 5,8% reached high school and the remaining 5,1% people that selected other option reached post gradual degree.

Regarding the focus of study of the company employees, there is a certain predisposition that the since the company operates in a technical R&D industry, its employees should have appropriate education. Hence, 78,3% of the employees studies technical majors, but there were also other majors that are necessary for different positions, and 10,9% respondents have economical education, 6,5% humanitarian education, 0,7% social education, 0,7% financial education, and 2,9% have different field of focus than provided in the options, and the answers were IT, biological, chemical and legal studies.

4.5 Recommendations

The literature overview served for providing a deeper knowledge of the topic of corporate social responsibility. There are many areas in which CSR can be applied, whether they are related directly to the employees of the company, the society in which it operates or the environment in which it functions.

Knowledge of the company culture and initiatives that are already in place served as inspiration as to which direction should the CSR suggestions head. Furthermore, getting to know the culture in the local Brno branch of the company, its CSR related activity and the qualitative interviews were an inspiration for the areas which could be improved or suggested in terms of CSR. Some of the ideas are presented in the following section.

The recommendation part will include recommendations which could be applied in similar companies in the R&D and technical industry that are trying to get involved in corporate social responsibility. Most of the suggestions can be applied universally in parallel organizations, only a few proposals include a comment related to the specific case of the local company branch. The steps that were taken during the formation of the thesis may also serve as a guide for any other company that is willing to start the talks about CSR. The thesis is based on a case study

conducted in one specific company, however the recommendations provide a general guideline which can be used by any company.

4.5.1 Development of CSR strategy

The practical part of the thesis was focused on the analysis of the global situation regarding corporate social responsibility in the company ABC as well as the situation in the local branch of the company in Brno. The company is an American one, majority of the top management and decision-makers are located in the United States. Hence, the United States show the biggest progress in terms of CSR. The local branch is on the way to developing some socially responsible programs, but the initiatives are not as developed as in the US. There are many companies within the respective industry that are facing the same issues, and hence the recommendations provided based on the case study of company ABC can be applied in other international companies with smaller local branches, either in Brno or in other countries around the world. The general structure of the companies, regarding the management and approval processes, is similar in many companies and hence the suggested strategy steps will serve as a guide in proposing and incorporating new CSR strategy into a company where the concept has been only slightly implemented or not implemented at all. Corporate social responsibility is a topic that is relevant for all the existing industries, one way or another and hence the principles can be generally applied in any company.

While the processes of approval may be very specific or different in every company, there are certain steps that any firm should follow in order to proceed with successful CSR campaign. The theoretical part provided a detailed description of the implementation process. The following section will provide a selection of the most important steps.

The results from the qualitative interviews and further from the questionnaire show that there are some reserves as to the level of awareness about CSR activities of the company, especially among the employees, and among the closest local community and society. Based on the previous analysis of the importance of CSR, it is essential to notify the involved stakeholders about the socially responsible activities which play part in the economic prosperity. Also, corporate philanthropy and volunteering, being the principles of social pillar of CSR, would lead to further success of the company.

The results from both forms of research supported the idea that more than half of the employees would be interested in learning more about the CSR activities, others do not have sufficient information to be able to decide. Hence, the strategy recommendations will be primarily focused on rising awareness about CSR.

4.5.2 CSR strategy creation process

The CSR implementation process was described in the theoretical part. It is a long process and there are many factors involved, such as planning, commitment, and a creative approach from the company side. The following section introduces various steps that should be taken to start the integration of CSR concept into company policy.

4.5.2.1 Creating CSR council

As the company already had several councils focusing on different areas, creation of a CSR council would be a natural first step in starting any activity related to corporate social responsibility.

There are many people, as seen in the results from the questionnaire, who are willing to learn more about what CSR is and about the activities so own internal labor resources would create the members of the council. The beginning of the implementation process should be done with the help of professionals. An external company would then provide the initial guidance and information required before starting the whole process. Anyone can participate in the council, but there should be a board of at least five people from different sections of the company and management levels. The head of CSR council would be responsible for the content of the meetings, based on previous voting from all of the members. A project manager will be responsible for ensuring the CSR implementation project. A person responsible for the financial part of the project will be necessary too. Another person will take care of the communication of the CSR council and last person will take care of the administrative issues. Decision-making would be based on the vote of all participants, both for the agenda of the meetings and the final approval. More than one person may be at any given position, depending on the size of the council and number of interested participants, however the structure should be maintained so that the integration process is not hindered by the lack of members. Involvement from the management would also mean that the decisions will be presented and discussed with the higher management of the company.

4.5.2.2 Analysis of the current CSR situation

Before enhancing any activities, the company should have a complete idea about what activities it is currently involved in related to corporate social responsibility. An analysis of the initiatives that company ABC supports was presented in the previous section. However, this step should be done by the company itself as it is the foundation for creating any strategy. Analysis of external environment should also be part of this step. It should include:

- Legal requirements and available documents
- Summary of existing CSR activities
- Ways to communicate the CSR commitment
- Required resources for implementation – financial, people, material
- Internal policy requirements

4.5.3 CSR talks

The implementation process should be done before the firm decides to take real action and realize the planned activities. An important part of a successful campaign is the involvement of the organization at all its levels. In the case of company ABC, approval from the leadership of the company is necessary before any further steps can be taken. As CSR should be implemented on volunteering basis, the involvement of top management is essential for the campaign to be successful so that they can

motivate the employees to take part. This step would mean gaining the interest from the management.

The leadership and management should meet in monthly sessions where important issues would be discussed and this should be used for introduction of the general concept of CSR. Commitment from the top levels of management is one of the most important part of integrating the whole CSR strategy into the company structure. They have to put their hands on creating the necessary values and be the motivation for the middle managers who can pass the message on. They need to be consistent with expressing their support for the ideology behind CSR which leads to true commitment both from the managers and the employees themselves.

As the implementation of CSR is best applied using the bottom-up approach, the various levels of management should all be involved in the process. The middle managers should be given space to express their ideas and share their knowledge. Their involvement and support of the integration of CSR principles will serve as further motivation for themselves and the other employees too.

Overall, information sharing about corporate social responsibility should be introduced into the company, in various form to increase the awareness about the topic. Suggested ideas are presented in the following section.

4.5.3.1 Communicating CSR activities

Low awareness of company employees could cause a potential problem in their involvement in various initiatives. The company employees were asked if they would welcome more information about the socially responsible activities of the company and 58% of them answered yes, and 20,3% could not reply specifically because they do not have sufficient information about the topic. This area therefore provides room for improvement.

A successful CSR campaign should be known presented. Not only employees of the company but also other involved stakeholders should know what the company is aiming for and about the success of the new strategy. A communication strategy in form of CSR talks and various workshops and promotional activities is presented in the next section.

Website section dedicated to CSR

At the same time, 71% of the respondents visit the company website on daily or weekly basis. The company should advantage of this high number and devote a section on the company website to corporate social responsibility. A short summary should about the concept in general should be provided, with a list of existing activities and the key objectives and aims that the company is trying to achieve. It would allow the employees to create a picture about what CSR is and it could also attract new people.

CSR column in the bulletin

As the local branch has one of the highest percentage of views of the weekly bulletin it sends, the company should take advantage of it. Among other promotional columns, a CSR column will be introduced. It will always provide a new information as to what scopes competences fall under CSR, together with the main objectives

and initiatives that are happening. It should present the main values of the company, information about company activities and related corporate philanthropy initiatives, the effects on the environment and references to sustainability report.

Leaflets and informational brochures

The promotional material has the aim to inform the employees and visitors of the company about activities relevant to corporate social responsible in an interesting, simple yet adequate way. Again, looking at the results, 23,3% of the employees have never heard about the term corporate social responsibility, and 34,8% of respondents do not have enough information about company activities related to CSR. Hence, informational brochures and leaflets should be available. The previously mentioned CSR council would decide how to communicate the information outside the company and increasing awareness about this topic.

However, as majority of the communication within the company is done electronically and via emails, the leaflets and brochures would be distributed in a similar way. It would prevent unnecessary paper wasting and the accessibility to the information would be much greater.

CSR workshops

Another way to increase awareness about CSR and related activities would be to conduct CSR workshops. Interested employees would be given a chance to find out more about the topic in form of a workshop, where the concept would be introduced by trained professionals within the given field. They would highlight the benefits of CSR, the various areas that are part of it, speakers from other socially responsible companies would also be invited to speak on the topic of a successful CSR campaign.

Furthermore, the employees would be given a chance to express their ideas and present them in front of the CSR council which could then help with the approval process completion and ensuring that the best ideas are given the necessary priority and will be realized. The latest trends in the area of corporate social responsibility would also be introduced during the workshops and the employees would be able to take part in creating a successful CSR strategy.

4.5.3.2 Sustainability report

Communicating involvement in corporate social responsibility is also one of the priorities when implementing the values into company strategy. There is a global Sustainable Opportunity Policy document which should be applied to all branches of the company, however the Brno site does not have one of its own. The results show that 58% of people would like to learn more about the CSR activities, hence a sustainability report would be a step toward fulfilling this desire for further knowledge.

As the company is an international one, the report could be written in English language and it could therefore be used by other similar companies and other branches of international companies, either for comparison or for inspiration. The promotion of the sustainability report would be done using the company website and the newsletter could point out its existence as well.

4.5.3.3 Determining the key stakeholders

Stakeholders play an important role in the process of CSR creation. Together with the goals, it is one of the first steps that company should take into account. When building the CSR concept within the company, we can talk about the process of creating and building mutual trust between all parties involved with the company. Recognition of the key stakeholders, their interests and importance for the company allows for easier decision-making when setting up the priorities and objectives. Stakeholders are identified using the following matrix.

Table 2 Stakeholder matrix

Level of interest	High	<i>Inform continuously</i> <ul style="list-style-type: none"> • Community 	<i>Lead dialogue</i> <ul style="list-style-type: none"> • Management • Employees • CSR council
	Low	<i>Answer questions</i> <ul style="list-style-type: none"> • Customers • Suppliers 	<i>Ensure satisfaction</i> <ul style="list-style-type: none"> • Government
		Low	High
		Level of influence	

Source: Own elaboration based on Steinerová, 2008

Based on the qualitative interviews, the stakeholder analysis was prepared for the selected company.

Table 3 Key stakeholders and strategy approach

Stakeholders	Level of interest	Level of influence	Strategy
Management	High	High	Lead dialogue
Employees	High	High	Lead dialogue
Customers	Low	Low	Answer questions
Suppliers	Low	Low	Answer questions
Community	High	Low	Ensure satisfaction
Government	Low	High	Inform continuously
CSR council	High	High	Lead dialogue

Source: Own elaboration

4.5.3.4 Identifying key objectives and activities

Deciding on the focus of CSR activities of the company is another important step. Every company and industry has its specifics, and hence it is important to select targets that are reasonable, achievable and ones that would make the company

different from the others on the market. As a result, it would gain a better name among the competition and the economic prosperity of the company would also increase.

4.5.4 Corporate philanthropy

Corporate philanthropy is a way for company to give back to the society. The company can offer its resources to benefit a project or an initiative in the community by providing human and financial help. Employees with the organization can work together on supporting values and initiatives important for the society too, and at the same time, it helps deepen the employee relations.

As there are no such initiatives within the organization, it could engage in the cleaning green areas (forests, parks, rivers, etc.), helping with reparations of kindergartens and homes for the elderly, creation of parks and planting trees in within the city center to promote more green areas, and others.

With regard to such activities, the company ABC already had the global Hometown Solutions council, and the local People Engagement Council, which could play an important role. The councils have a designated budget that can be distributed among initiatives that are brought up by the employees. Depending on the impact the project has and the money it will require, it can go through an approval process, where it has to be approved by the PEC council and then it has to be justified with the Hometown Solutions committee. Once the activity gets both approvals, the realization can begin. However, it would be necessary to carefully think about what activities would fall within the concept of corporate social responsibility so that they could be supported by the two councils.

Furthermore, to engage as many employees as possible, the company should also dedicate specific to such philanthropic activities. The voluntary involvement would be even bigger if the employees could participate during the working day. The company could designate one working day to a beneficial activity within the close community or society.

4.5.5 Additional benefits for employees

Currently, the company offers a variety of benefits for its employees in different areas, depending on a set budget. Looking at the results of the questionnaire, many employees would welcome additional benefits. Rather than providing one company-selected benefit, as for example the Flexi passes that is valuable for 61,5%, the benefit can be taken one step further by allowing the budget be available for employees to choose in any way they would like, within a set range of activities. The financial resources available to every employee can be used for wellness, cultural events, rehabilitation events, cultural events and sport-related activities, or in predetermined areas and institutions offering such services.

4.5.6 Improvement of working conditions

Within the evaluation of the results from the questionnaire, the results showed that good working conditions in the company are the key reason why company ABC is an attractive employer. To take this results a step further, it would be in the company's

interest to invest in improving the areas within the office. As there already are coffee and break areas, the employees do not have the opportunity to change the environment in which they work all day. Therefore, the company should introduce more couches and bean bags, where the employees could also stretch and relax for some time before going back to work.

Furthermore, some employees would welcome a game room where they could get their minds off issues they deal with work and could take a break. The possibility of company gym was also mentioned and it would allow the employees to stretch and enjoy a few moments of simple stretching and exercise in order to be able to focus better on their work and responsibilities.

4.5.7 Measuring and evaluation system

The company should set up an evaluation system based on indicators and measures which will be done on a regular basis so that the firm can see how it is progressing and to assess the situation. Carpenter, Bauer and Erdogan (2009) present a way of evaluating CSR called Balanced Scorecards. It is a management tool which offers an evaluation framework and system for measuring whether set objectives are intact with the main goals. It is a system which includes financial and nonfinancial indicators where the users can make decisions based on values or various metrics that are designed specifically for every company. There are four categories included in this evaluation system, including learning and growth, internal, customer and financial perspectives. The thought behind the scorecard system is that all the areas are interlinked, being mutually beneficial and related.

Another possibility would be to get involved with the Global Reporting Initiative (GRI) as described in the theoretical section. This reporting method incorporates the triple bottom line dimensions – economic, social and environmental. It is a standard that is accepted worldwide and includes comprehensive reporting, with focus on usage of the results and its general quality. It is used by many international companies and tracks the progress and impact that included CSR activities have made.

An international standard for corporate social responsibility is the ISO 26000. Since it is rather a recommendation for the CSR strategy within an organization, the company should decide to incorporate the standard within its core strategy so that it gains certain direction and guidance in the CSR activities and another way of being recognized for CSR efforts.

4.5.8 Involvement with a CSR association

In order to stay up to date with latest CSR trends and activities that the company could use in its company, it should start a cooperation with a CSR association. It would gain access to useful tips on how to deepen the company involvement with CSR and it would also serve as a communication channel for the media and customers. It could help the company with the initial steps on the journey to successful CSR strategy. Introduction to the topic, benefits, latest trends and useful guidelines would be presented by experienced professionals from the field. The company would then have a good foundation for implementing CSR principles into the company.

5 Discussion

The thesis began working with a presumption that within the research and development industry where the selected company operates, corporate social responsibility is not very well developed. The overall concept of CSR and sustainability is an important part of the global company policy. In the United States of America, where the company originated, CSR is a natural and important part of any company strategy and therefore it tries to incorporate similar principles in its branches all over the world. While the local branch in Brno is open to new ideas in various different areas, it unfortunately does not have the freedom to approve all suggested activities. Any events related to the employees and the culture within the company can be approved by a local branch, but any activities with an impact beyond the company walls need to be approved by the global Hometown Solution committee. During the interviews, all of the respondents somehow mentioned the difficult approval process with activities that could be beneficial for the community, where the company operates and for the society around. This fact may then possibly cause some difficulties if the suggested recommendations were to be implemented, because there are financial resources from the Hometown Solutions involved in the discussion too and any suggestion has to be explicitly explained and a lot of effort must be put into the completion of the whole process.

When considering the term of corporate social responsibility in general and the awareness of the company employees about the concept, the results of the research showed 63% of the respondents perceive it as a moral duty and the act of giving back to the society, but at the same time, 23,2% of them have never heard of the term CSR before. Also, 39,9% of the employees think that they are not well informed about the CSR activities that the company does and 34,8% of the people cannot decide, because they do not have sufficient information about the idea behind CSR. General lack of information about CSR and related company activities show a clear room for improvement and therefore the thesis worked with such presumption and aimed at creating a strategy and that would allow the selected company, but also any other company within the industry, to implement CSR into the its strategy. The purpose of qualitative interviews was to gain an insight on the current CSR situation within the selected firm, followed by a questionnaire given to the company employees to see if they share similar opinion and the results were used as a foundation for suggesting the process of CSR implementation can also be used as a general guide for all companies on how to start talks and discussions about the topic of corporate social responsibility in general.

The research results showed that the employees are little informed about CSR and the activities that are conducted by the company within the given framework. More than half of respondents, specifically 58%, would like to be informed more about the CSR initiatives of the company. The suggested recommendations are meant to increase the awareness about the meaning of socially responsible behavior and the range of activities that fall within the concept. Involving the employees is an essential part in in CSR integration so the recommendations should provide the employees with more information and at the same time, spark their interest which would lead to their involvement. The research

was conducted in a section of the company that has approximately 1000 employees, however the whole Brno site has about 2000 employees, including a manufacturing plant. Not all of the company employees use computers for their everyday work and do not have such access to information available on the company website or via electronic communication, therefore if the company decides to implement some of the recommendations, it should also specify the section of the company, where the strategy will be applied and appropriate communication means should then be selected.

The recommendations were primarily based on the qualitative interviews. All of the respondents showed great interest in the activities that the company is involved in, with or without specific regard to CSR, but they also expressed a concern for the lack of information and initiatives connected with CSR. The interviewees agreed that it is an important part of the company, both in terms of giving something back to the society and also in terms of public image, relations and marketing. While Friedman (1970) stated that the purpose of CSR is profit making, the current situation on the market has changed and as agreed by the interviewees, it is also about giving back and using the opportunity to do so. Therefore, the recommendations are formed in a way to increase the awareness about the topic and related activities. The company website and weekly bulletin sent to the employees are to be the biggest source for information sharing. The weekly bulletin should newly include a section related to CSR where employees would be able to learn about the scope of activities that fall under corporate social responsibility and the extent. Also, information about current CSR activities and events should be included.

Analysis of the interviews and the survey showed that there is a big potential in attracting employees who would be willing to participate in the CSR activities organized by the company. Many of them are already engaging in similar activities on their own, so if they would be given the chance to present their ideas, knowing that they can be realized, it would promote the creativity and community feeling among the people.

Furthermore, the employees value the company for the good working conditions since this answer gained the support of 61,6% of respondents. To maintain or even deeper the satisfaction, the recommendation suggested an improvement of the break areas with couches and beanbags. Also, a game room or a gym would serve for similar purposes where the employees could stretch and refresh their minds in order to be able to deliver better results.

Due to prescheduled dates when the various council in the company meet, it was not possible to formally present the ideas and recommendations to the members of the People Engagement Council to see how they would be evaluated and which suggestions could be realized. However, the suggestions were discussed with some of the interviewees and they gained positive feedback. Especially the CSR council was seen as a good idea because there are similar initiatives already in place within the company, so this would be a good first step toward integrating CSR into the company. As Steinerová (2008) states, involvement from the management is necessary for any CSR strategy to be successful and therefore some of the members of the management should be involved in the council. The feedback was also supportive of the idea to involve an external company to help the firm with the

necessary initial information and guidance before beginning the implementation process. Not every company has the proper resources and know-how when beginning the integration of CSR principles into the company strategy, so the help from external company would be highly recommended for any company, within or outside the R&D industry, to get in touch with a CSR association or organization, which will offer necessary counselling. CSR implementation is a long process and is not recommended for the company to jump right into it. It should be first equipped with the proper information and a suitable strategy before the process can begin. Even if other companies have some CSR principles, it is a good idea to get external help and support before enlarging the involvement with CSR.

Every company has its specific processes and policies that need to be followed and they may or may not greatly differ from one another. The thesis is based on a case study conducted in a company ABC operating in the R&D industry, but the results and recommendations can be applied in any firm thinking about incorporating CSR into the business strategy. The descriptive interpretations of the results were meant to show the company the areas, where improvements can be made. These improvements would lead to higher economic prosperity, impact on the society and community and the environment too, because according to Porter and Krammer (2006), the values shared by the company and the society should be similar for the CSR strategy to succeed. Every company has a different vision and operating style and therefore the aims, goals and objectives will identify with accordance to the company-specific values, however the implementation process suggested in the thesis shall serve as a guideline for the CSR integration.

6 Conclusion

The diploma thesis “CSR Profile in International R&D Company” was conducted with the aim to suggest an implementation process for integrating principles of corporate social responsibility into the core business strategies of companies working in the research and development industry. The analysis was conducted in a selected company ABC operating in the R&D and technical industry as a case study, and the recommendations based on the results were generalized and formed into a possible guideline for the implementation strategy that can be utilized in any similar company. The whole process of thesis creation could serve as an inspiration for what steps should be done at the beginning of the integration process.

The analysis of the current CSR situation was conducted based on detailed examination of qualitative interviews with selected employees that take active part in the CSR initiatives supported by the company and are informed about the current situation. Six interviews were done with people engaged in different councils and with different competencies regarding CSR. The method allowed for deeper analysis of the current state and provided areas and opportunities for further development of corporate social responsibility. Their answers showed that the biggest issue was the low level of awareness about the topic of CSR in general and about the activities that the company supports. This information served as a main inspiration for the proposed implementation process, because knowledge and information sharing are one of the key principles of socially responsible behavior. Also, the answers were used during the creation of hypotheses before the quantitative research.

The qualitative interviews were followed by a questionnaire survey, which was distributed among the employees of the company. The main purpose of the survey was to find out the level of knowledge they have about CSR and to see if the results from the interviews would be supported. Based on the results from the employees, suggested strategies for implementation were formed.

The results of the survey supported the claims from the interviews and the hypotheses as well. Based on their analysis, recommendations for CSR implementation process were created. The initial suggestions were related to raising awareness among the company employees, but also the involved stakeholders about the corporate social responsibility. The recommendations were suggested in a way, that they can be applicable in any similar company within the respective industry. The other initiatives were more focused on the local company branch and were aimed at promoting and further development of the areas, which received the biggest support. However, at the same time, the same situation may be relevant for other companies too and therefore the recommendations based on the case study of company ABC could be used elsewhere as well.

The recommendations were discussed with the interviewees and generally received positive feedback, especially the creation of CSR council and the other initial steps in the implementation process, including new forms of communicating, CSR activities and cooperating with an external association to receive proper information and guidance on the way to integrate corporate social responsibility into the core strategy of the company.

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List of Abbreviations

CSR – corporate social responsibility

R&D – research and development

PEC – People Engagement Council

DC – Diversity Council






IC – Innovation Council

URC – University Relations Council

UEC – User Experience Council

Appendices

A CSR implementation process

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

Source: Hohnen, 2007

B An example interview coding

The following section shows how every interview was manually coded. The example coding is presented on an interview with respondent no. 2.

Questions	Codes
<p>Do you engage in any CSR activities?</p> <p><i>I am trying to find a way to be part of the community and we try to help the environment. I have been part of this community for over 15 years and I tried to bring similar principles to the company, however it was not approved by the global Hometown Solutions committee. I tried to do it through the American committee, I wasn't successful, then I tried to contact the local committee but again I was told it is not possible as all charity and volunteering activities must be approved from the States.</i></p> <p><i>We tried to work with land club Hády and Rezekvítek and the Office for Environment. We would provide the people and they would supply the parcel and tools for cleaning up.</i></p> <p><i>The initiative would be seen and it would be possible to communicate this initiative both internally and externally. I also think that people would be interested in it. However, in our company, such activities are done in the free time of employees and they are not paid anything. Other companies have some time and budget dedicated to similar activities. They dedicate one day to cleaning the surrounding environment and they get a certification that they took part in this initiative. Collective agreements are signed in some companies and that is why such activities are a regular part of the work agreement and at the same time, the companies dedicate a set budget to the environment. They try to sustain the environment and try to compensate for the possible damage they may have caused by investing and creating support programs.</i></p>	<p>Part of community Helping the environment</p> <p>Difficult approval process</p> <p>Involvement with local organizations</p> <p>Public image Inner and outer communication</p> <p>No dedicated time</p> <p>Lacking company support</p> <p>Sustainability of environment Support programs</p>

<p>Would people from the company be interested in such activities?</p>	
<p><i>I talked to some people and some said that they already participate in similar activities, one organized one event in their village. I think that ecology and environment are topics that attract many people, especially in the recent years. Wastes around us are growing, not decreasing, and when people take part in cleaning it up, they are able to appreciate it more, regardless if they participate through their company or some other large programs.</i></p> <p><i>Another question is that even if people would be interested, how many people are we aiming for? If let's say 10% of people from the company should participate, 200 people is a very big group. From my experience, 10-15 people is the maximum number of people that is fairly easily manageable. Also, every one person can do quite a lot of work and when we have a lot of people in a small area, there is not so much work for everyone. Furthermore, there was a plan that before going to any location, the club and organizers would prepare a small presentation about the area so the people would gain a better knowledge of their surroundings. It would be a socio-environmental activity.</i></p>	<p>Taking advantage of ongoing participation Village events Ecology Environment</p> <p>Personal involvement Appreciation of nature</p> <p>Organizational and logistic problems</p> <p>More volunteers than needs for small area</p> <p>Socio-environmental activities</p>
<p>What activities do you think would be popular among the employees of the company?</p>	
<p><i>One of discussed ideas was a collection of clothing, as a form of charity. The company supports various charities which wouldn't have to be too bad. There already are some activities such as collecting water bottle caps which are then taken to some organization which then passes it forward. Charity wouldn't have to mean collecting money but it could mean helping the society in some other way.</i></p>	<p>Clothes collection Charity</p> <p>Water bottle caps collection</p> <p>Act of helping</p>
<p>Do you think that corporate social responsibility is important for the company?</p>	
<p><i>It depends on where the company is going. If the employees support the CSR, it is about the people and not the company itself. The company must offer some initiatives in which the employees are able to participate and once they get their interest, there could be something great happening.</i></p>	<p>Employee support</p> <p>Interest of employees needed</p>

<p>What types of activities do you think would employees be interested in?</p>	
<p><i>I think a little bit of both. There is about 2000 employees and everyone is interested in something else. I think everyone could find something. There are many sport activities, such as football, badminton, running, now there is a Bike to work initiative which I think it is great. We again talk about the protection of environment. There was a budget dedicated for it, and even though it ran out quickly, the company was able to find some extra budget and fund all of it. Also, running is great because we participate in races where the employees get a jersey with the company name and we run as a group. I think it is socially-sport activity. There are also cycling trips organized.</i></p>	<p>Participation in various activities</p> <p>Support of sport activities</p> <p>Protection of environment</p> <p>Social sport activities</p>
<p>Can you think of some activities that were proposed but weren't approved?</p>	
<p><i>Carpooling was already suggested as an initiative. It was necessary for the local CSR committee to stand up for it. Part of the project would be creation of a system where people could insert their morning route to work and other people would see and could join them. The thought was here, I think many people would use it. However, there are similar applications that already exist, but maybe it would be different because they would travel to work.</i></p> <p><i>There were also massages realized in the company, but somehow it just stopped. Some cultural activities could be supported but the problem is that the company would have to donate their money in order to get some free tickets to cultural events, which does not seem so likely in our company to happen.</i></p> <p><i>Company gym could also be something people would enjoy.</i></p>	<p>Carpooling</p> <p>Massages</p> <p>No money donation possible</p> <p>Company gym</p>

<p>Do you think CSR is important for the company and how is the company represented within the public?</p>	
<p><i>Our company participates in various job fairs to attract the interest of university students and find candidates for being potential future employees. There are also presentations in the universities where students may participate and as a result, the students they may be given a job in the company if they show themselves as a contribution to the company.</i></p> <p><i>There were also ideas that we could buy some wooden toys that would be composed of many different parts and the children would have to try to come up with the technical solution to it. It would promote the technical thinking within the children.</i></p> <p><i>About 10-20% only of the proposed projects may get approved. The approval process is so difficult that there has to be a really good justification and impact that the activity would have. Even local branches cannot independently decide on activities due to the various processes that exist globally.</i></p>	<p>Job fairs Communications with universities Attracting potential employees</p> <p>Technical toys for kindergartens</p> <p>Small approval rate Difficult approval process</p>
<p>What is the most popular activity among the employees?</p>	
<p><i>St. Nicolas was a very popular activity, badminton tournament as well, both basics or advanced. Many people liked the Summer party because it was something different, outside of the company, connected with sport activities. Maybe if the Family day would be changed to an Open day, there would be more people interested in the company.</i></p>	<p>St. Nicolas</p> <p>Summer party</p> <p>Family day Open day</p>

Source: Own elaboration based on the qualitative interviews

C Summary of interview coding

Areas	Subcategories	Codes
Importance of CSR		<ul style="list-style-type: none"> • Responsibility of local councils • Involvement with non-working activity • Free time activities • Deeper employee relations • Employee support is needs • Interest of employees is needed • Attracting students, candidates • Responsibility toward employees • Identifying with values • Giving back to the society • Contributing to the community, being part of it • Choosing right values • Channeling your support • Different strategy is better • Straightforward strategy • CSR as brand image for the company • Volunteering
	Public image	<ul style="list-style-type: none"> • Job fairs • Communication with universities • Attracting potential employees • Technical toys for kindergartens • Public relations • Show cases • Media • Marketing • Higher awareness of the company • Involvement with the public and society Official statements • Educational activities public relations – most noticeable and beneficial • Advertising • Good reputation

Popularity		<ul style="list-style-type: none"> • Regular attendees in various activities • Enjoying benefit provided by the company • Full service provided by the company • Various areas of interest • High interest, high expectations • No follow up • Communication of problems • Environmental activities • Marketing impact • Environmental impact • Employee impact • Interest fades away with time
	Sport activities	<ul style="list-style-type: none"> • Running • Bike to work • Question of interest
	Social activities	<ul style="list-style-type: none"> • Biggest participation as evaluation • Annual Recognition Day • Family day • St. Nicolas day • Summer party • Open day
	Diversity activities	<ul style="list-style-type: none"> • Low participation • Greater involvement needed • Parental Coffee Talks • Diversity is not popular • Misunderstanding the objectives
Approval process	Local	<ul style="list-style-type: none"> • Anyone can participate • Opportunities for new projects • Creativity can shine through • Relatively easy local approval process • No money donation possible • Anyone can suggest a program • HR involvement • Complete project proposal needed • Decision based on impact of project • Room for improvement in approval process
	Global	<ul style="list-style-type: none"> • Process = challenge • Difficult global approval process • Small approval rate • Room for improvement in approval process • Hometown Solutions as CSR monopoly
Evaluation		<ul style="list-style-type: none"> • Participation • Internal review and summary

Participation of employees		<ul style="list-style-type: none"> • Sport and social activities • Part of the community • Helping environment • Involvement with local organizations • No dedicated time for volunteering lowers participation • Sustainability of environment • Support programs for the society Taking advantage of ongoing participation • Village events • Ecology • Environment • Personal involvement • Appreciation of nature • Organization and logistic problems • More volunteers than needed for small areas • Socio-environmental activities • Participation in various activities • Support of sport activities • Protection of the environment • Socially-sport activities
Suggestions		<ul style="list-style-type: none"> • Better cooperation with HR/staffing • Environmentally-friendly company • Greater diversity promotion • Facebook advertising • More freedom in organizing events needed • Bigger awareness • More and communication of activities • Creativity connected with usefulness • Asking the community • Involvement with Brno and the region
	Social/sport	<ul style="list-style-type: none"> • Other different sport activities • Carpooling • Massages • Company gym • Company run • Sponsoring • Greater communication
	Environment	<ul style="list-style-type: none"> • Cleaning protected areas • Ecological initiatives
	Charity	<ul style="list-style-type: none"> • Helping others • Charitable events • Helping someone in need • Helping children • Food banks • Clothes collection • Water bottle caps collection • Act of helping • Building something (house for elderly, kindergarten) • Company kindergarten

Supported activities		<ul style="list-style-type: none"> • Diversity activities • Gender misbalance • Demographical misbalance • "Czechitas" initiative • Supporting technical education • Guest speakers • Gender diversity • Cooperation with high schools • NASA educational camp • Diversity week • Educational activities • Rewarding best students • Future career guidance
Problem areas		<ul style="list-style-type: none"> • Difficult approval process • Lack of information sharing • No awareness about happening activities • No follow-up • More involvement needs • Low participation

Source: Own elaboration based on coding of qualitative research

D Interviews

Respondent no. 1

Q: How important is CSR and related activities for the local branch office?

A: People Engagement Council (PEC) is important for our site because it allows the employees to get involved with the company and its activities in other way than just work. It allows the people to engage in free time activities organized by the company and deepen their employee relations with other colleagues.

Q: How popular are the CSR activities popular among employees in Brno?

A: There are regular attendees in every activity that we organize. We have sport teams that have existed for years and new people are willing to engage every season. It is another way to enjoy the benefits that the company provides for its employees.

Q: Who suggests the initiatives?

A: Every year, there is a call for initiatives and activities that any of our employees can bring up. There are a few activities that have been on the program for many years, but there always is an opportunity for new activities to be adopted.

Q: How are the activities evaluated?

A: Number of participants in a given activity is an evaluation itself. There is no official report that would evaluate how successful or not the activity was, rather we have a discussion in our council about how well the initiative was done and perceived by the employees and we write a summary of the event. It serves as an internal way of keeping track of what and how were the activities perceived.

Q: What are the employees the most interested about, in terms of activities?

A: The number one event on our list is the Annual Recognition Day. It is an event organized at the end of each year and its goal is to recognize the best employees and their continuous effort. Each year, about a thousand employees take part in this event. I think it is so popular because the company takes care of the drinks, food and entertainment and employees can enjoy themselves and the atmosphere.

Respondent no. 2

Q: Do you engage in any CSR activities?

A: I am trying to find a way to be part of the community and we try to help the environment. I have been part of this community for over 15 years and I tried to bring similar principles to the company, however it was not approved by the global Hometown Solutions committee. I tried to do it through the American committee, I wasn't successful, then I tried to contact the local committee but again I was told it is not possible as all charity and volunteering activities must be approved from the States.

We tried to work with land club Hády and Rezekvítek and the Office for Environment. We would provide the people and they would supply the parcel and tools for cleaning up.

The initiative would be seen and it would be possible to communicate this initiative both internally and externally. I also think that people would be interested in it. However, in our company, such activities are done in the free time of employees and they are not paid anything. Other companies have some time and budget dedicated to similar activities. They dedicate one day to cleaning the surrounding environment and they get a certification that they took part in this initiative. Collective agreements are signed in some companies and that is why such activities are a regular part of the work agreement and at the same time, the companies dedicate a set budget to the environment. They try to sustain the environment and try to compensate for the possible damage they may have caused by investing and creating support programs.

Q: Would people from the company be interested in such activities?

A: I talked to some people and some said that they already participate in similar activities, one organized one event in their village. I think that ecology and environment are topics that attract many people, especially in the recent years. Wastes around us are growing, not decreasing, and when people take part in cleaning it up, they are able to appreciate it more, regardless if they participate through their company or some other large programs.

*Another question is that even if people would be interested, how many people are we aiming for? If let's say 10% of people from the company should participate, 200 people is a very big group. From my experience, 10-15 people is the maximum number of people that is fairly easily manageable. Also, every one person can do quite a lot of work and when we have a lot of people in a small area, there is not so much work for everyone. Furthermore, there was a plan that before going to any location, the club and organizers would prepare a small presentation about the area so the people would gain a better knowledge of their surroundings. It would be a **socio-environmental activity**.*

Q: What activities do you think would be popular among the employees of the company?

A: One of discussed ideas was a collection of clothing, as a form of charity. The company supports various charities which wouldn't have to be too bad. There already are some activities such as collecting water bottle caps which are then taken to some organization which then passes it forward. Charity wouldn't have to mean collecting money but it could mean helping the society in some other way.

Q: Do you think that corporate social responsibility is important for the company?

A: It depends on where the company is going. If the employees support the CSR, it is about the people and not the company itself. The company must offer some initiatives in which the employees are able to participate and once they get their interest, there could be something great happening.

Q: What types of activities do you think would employees be interested in?

*A: I think a little bit of both. There is about 2000 employees and everyone is interested in something else. I think everyone could find something. There are many sport activities, such as football, badminton, running, now there is a Bike to work initiative which I think it is great. We again talk about the **protection of environment**. There*

was a budget dedicated for it, and even though it ran out quickly, the company was able to find some extra budget and fund all of it. Also, running is great because we participate in races where the employees get a jersey with the company name and we run as a group. I think it is **socially-sport activity**. There are also cycling trips organized.

Q: Can you think of some activities that were proposed but weren't approved?

A: Carpooling was already suggested as an initiative. It was necessary for the local CSR committee to stand up for it. Part of the project would be creation of a system where people could insert their morning route to work and other people would see and could join them. The thought was here, I think many people would use it. However, there are similar applications that already exist, but maybe it would be different because they would travel to work.

There were also massages realized in the company, but somehow it just stopped. Some cultural activities could be supported but the problem is that the company would have to donate their money in order to get some free tickets to cultural events, which does not seem so likely in our company to happen.

Q: Do you think CSR is important for the company and how is the company represented within the public?

A: Our company participates in various job fairs to attract the interest of university students and find candidates for being potential future employees. There are also presentations in the universities where students may participate and as a result, the students they may be given a job in the company if they show themselves as a contribution to the company.

There were also ideas that we could buy some wooden toys that would be composed of many different parts and the children would have to try to come up with the technical solution to it. It would promote the technical thinking within the children.

About 10-20% only of the proposed projects may get approved. The approval process is so difficult that there has to be a really good justification and impact that the activity would have. Even local branches cannot independently decide on activities due to the various processes that exist globally.

Q: What is the most popular activity among the employees?

A: St. Nicolas was a very popular activity, badminton tournament as well, both basics or advanced. Many people liked the Summer party because it was something different, outside of the company, connected with sport activities. Maybe if the Family day would be changed to an Open day, there would be more people interested in the company.

Respondent no. 3

Q: How important is CSR for the local site?

A: I think it is important, it depends what we consider as part of CSR. It is an important part of some Public Relations image, as well as for potential candidates, students, or anyone interested in our company in general. We have some key initiatives here, we have things related to education – Science, Math and Technologies (STEM), some things related to people engagement and social responsibility towards the employees,

so we try to reflect things so that employees feel good and have some identity with the company so that that it is not only work but fun as well, connected with the topics that the company engages in. We have some Initiative for Science and Engineering where I personally participate, we are responsible for official reports and some media related things, which I am responsible for. But in general there are many people involved in the public image of the company who organize events such as show cases of our technologies, where employees present our technologies at universities and it has great feedback so far.

Q: Do you think that these activities are the most popular?

A: For sure it is one of our most noticeable activities. It is the most visible and beneficial activity for the company in terms of public image in the society and the surrounding region.

Q: What do you think is the most popular activity within the employees?

A: I cannot say that one would be the most popular, I think that all are popular, it just depends on the area of focus which is interesting for people. Running sessions are popular where the employees run in the name of the company, people are bonding in an activity that is outside of work. Annual Recognition Day is also an important big event for all employees at the end of the year. Family Day is also popular, last year there was about 400 children so it was a big event. Every activity has a segment of people that follow it and participate.

Q: What is the process of suggesting the activities that company may engage in?

A: Anyone can come in with their idea. It falls under the HR section, or the HR director who usually moderates such people engagement events. People can bring a project which specifies some objectives, what are the goals, how many people can participate, what is a potential budget and based on the forum decides about the most interesting projects with regard to what is the impact, how many people are touched by the activity, and then there is also a review of the project whether it falls within the site engagement policy rules or not.

There are things related to Diversity Council, so we support activities related to diversity. We have a gender imbalance in our company which is partly due to the area of focus of our company, there are only 9-12% women studying the technical majors so there is a demographical imbalance to start with. But we try to show that our company environment can be interesting for women engineers and scientists. We have projects such as Czechitas, which support female engineers during their university studies, we have a Diversity month where we have various speakers talking about not only gender diversity but other topics too. We try to work with high school projects to make good connections with teachers from schools which participate in an event where they create a project and can be sent to a NASA center into their Education and Space Academy where they are introduced to modern methodology of teaching. There is about 30 people involved, in our region there is about 11 people and we try to cooperate with them and get their feedback.

Q: Can you think about some other activities that you would like to see happening?

A: We are unable to get various charity activities through, such as collecting wastes, collecting clothes for those in need, so I think there is a room for improvement in this. It cannot damage the company, it is only beneficial. We had a project for cleaning some protected areas but unfortunately it didn't go through.

From our research, yoga and running was seen as popular among employees, so I think that maybe if we created a gym in our company, it would spark in our employees too. I also think that company kindergarten would be great to have.

Q: What is the difference in activities that are locally approved and globally approved?

A: We are relatively free in the entertainment and employee engagement and inclusion activities, but when it comes to charity and donations and sponsoring, there is a long approval process and unfortunately we locally cannot do anything about it. I think there is a challenge in that direction for our company.

Respondent no. 4

Q: As a participant and organizer of diversity activities, what are the responses from the company employees regarding this initiative?

A: To be completely honest, I don't think it is very popular. It got started, there was relatively large interest, people got involved, it was supported by managers but there were high expectations. When it started, one part of the group of people thought it was connected with creation of company kindergarten and connected it also with women only. Other group connected it with an idea that we have to hire more women to meet some quota situation. We tried to change this perception that diversity is about different distribution of teams, where people from different cultures, countries, educational backgrounds or age can come and be part of our company.

One big initiative was a diversity week, where every day was dedicated to a specific topic and speakers from different countries and industries participated. It had a great start but I think that the problem was that there is no general follow-up. Whether it is contacting students who participate in some projects propose from staffing or HR section, or long interest of employees, the activities generally disappear.

Q: What activities related to CSR initiatives are popular among employees?

A: We organize Parental Coffee Talks. I think it is relatively popular. The aim is for the women on maternal leave to come to our company, we organize babysitting for their children. First two meetings were moderated discussion, where the women had to respond to various questions and topics. The aim was to create a platform for parents in similar situations where they could share similar experiences and problems. Last meeting was a bit different so they were given free time to discuss anything they have on their minds, with some HR representatives present.

I think if there were more environment-related activities, it would be great. The company would be more seen through marketing of the given initiative, it has an

impact on the environment, and it has an impact that people from different teams are able to meet each other.

Running trainings are also popular, many people from all over the company get together and train and then are able to compete together in a race. It is a great way to meet with people that you don't know.

Also, Bike to Work initiative that was recently launched is in my opinion also very popular among our employees.

Q: Is there anything that you would like to see happening in terms of initiatives/activities?

*A: I would like some **ecological** initiative. The company philosophy is also about the clean environment, so if we engage in such activities, people could see our company as environmentally-friendly one and not just connect it with technical things that the company produces.*

I would also like to see greater promotion of diversity at for example our Facebook page, where successful woman within the company could be introduced, with a small description and a short excerpt from her. It could be motivational for all the employees. I think it would be great if our local branch could have more freedom in organizing various events, such as a company run, or a charitable event where we could fix and paint some houses for the elderly, or sponsor some activity which would be seen. Both people outside and inside the company would gain bigger awareness.

In general, there should be more communication about what activities there are and how they actually work.

Q: What do you think are the most popular activities?

A: The most popular is the Annual Recognition Day. Also Summer Party I think is popular. Of course there will always be someone complaining that if we have one big event, less budget will be left for smaller activities such as football, badminton and others. I think running is also popular, but generally there are the same people participating in the same activity and the impact isn't that big. I think that if there was an activity where a lot of people would be interested, it would be even better.

There was also an initiative where children of our employees could draw a picture about our company, where people could vote and the best picture would win a technical jigsaw for the kindergarten where the children go. However not many people participated which was sad because a lot of effort was invested in it and the interest wasn't as big.

Q: What other initiatives would the employees be interested in?

A: I think company kindergartens would gain a lot of support from our employees. We have already done some research about it, there were some problems with it and in general I think this discussion somehow faded out, but I feel like a lot of people would like this idea.

Respondent no. 5**Q: Do you think that CSR is important for the local company branch in Brno?**

A: Yes, I think it is important, especially for the image of the company in public. Socially responsible activities are ones which increase the awareness of the company within the public and the society. If the company is not seen in other places than just the location of the company itself, people do not have many opportunities to hear about the company and what we do.

Q: Which activities or CSR initiatives do you think are the most popular?

A: I don't think I am the one to judge which activity is the most popular. We have a wide range of activities, such as some social or sport activities that we try to support and I think that anyone can find their best fit as to what activity they will enjoy doing or not. But in general, I think that social activities such as the Annual Recognition Party is probably one of the most favorite ones as this is an event where the most people participate.

Q: Are there any activities that you would like to see happening?

A.: I feel that as we grow older, we start to feel more obliged to help others. So personally, I would like to see more charitable work where we as employees and we as a company would be able to help someone in need, whether children or people in a difficult life situation.

I think that helping children would be a very rewarding activity to do, and I think many people would like to join too.

Organizing something such as food banks would also be great because we could connect it with some internal company project, where people would be able to present their creative ideas and all the food that would be collected could be donated to some organization or a place that would need it the most.

Generally I also think that if we would be able to build something, like a kindergarten or a house for the elderly or anything really, it would give every participant a feeling of hopefulness and usefulness.

Q: Is there anything else that you think the employees would appreciate?

A: There were many discussions about the possibility of starting a company kindergarten. I personally have children in kindergarten age so I would appreciate this possibility as well as other employees. It would make some things easier for many of our employees.

Respondent no.6**Q: What is your relation to corporate social responsibility?**

A: I was running the whole CSR committee when I was back in Lugoj, Romania in the factory where I worked for the company. It was little bit different than Brno because there, the factory is in small town. History of the factory of the factory from 1993, it was a German company which made the first investment in this area and the company went through a purchasing circle. There, the idea of CSR, which I think is the main purpose, is giving back to the community which allows you to use the resources

because if you exist and out your operations in the community, then sometimes you have the urge to give back something to the community, in some kind of a form. This is the ideological purpose. However, the real purpose of companies is advertising, good image, good reputation, public image, public relations and others. This idea is more values in terms what I get out of it than the true purpose of CSR. Standalone sponsorship is not CSR in my opinion like sponsoring a traditional event or a sport event. A complete CSR projects is when you have resources and you tell yourself that you are part of a community, you take the resources form the community such as people roads, and others, and then you contribute to the development of the community with whatever I can.

For example, in Lugoj, we worked a lot with high schools. It is small town, and there was private university and CSR strategy was focused on developing education, talents and these things, so we were sponsoring schools. Other thing was that we were rewarding the best high school students from technical majors. Also, there was a competition for a technical university where students could come to the company, they would work on some real projects the company needs, they could work in teams or individually, they would come time to time to Lugoj so they also travelled and they were solving the problems and the winners got some prizes and this was called the Company Award. But the most important and most interesting CSR project was also based on education, focused on high school students but a bit differently. Once you are 16 years, you are already aware and can think, but there are gaps in Romanian education system. When students finish high school they don't know what they want to do. The main criteria for choosing a university is what the parents tell the children to do, if they are doctors, they want the kids to be doctors also, and nobody is giving them guidance about their education. So we developed a project with an external training company called "Future in my hands". Students of the before last year of high school would be gathered, from all high schools around the city, we would gather them in a theater and we would tell them about the project and we would invite them to the project. They had to write an essay called Future in my hands and we were looking for their motivation, commitment, their need, and we would select 20 students. We would take them out from the school for one week, they would spend it in the company and we would do trainings with them like with employees, about personal development, planning and others, including career guidance consultations. What they had to was that near the end of the week, they would have to present their future stories, how they imagine their life in next five to ten years. Also they had to write letters to their future selves, we would put those letters into a capsule and every five years we invite them back to open it and see what they wrote. It started in 2009 and it has been going on ever since. It is very popular, the interest is given by the number of essays that students write. When we started, there was 20 something essays, and now we are at a few hundreds. It is great, there is also website, Facebook page, and it is like my baby this project. We sometimes invite external speakers too.

Q: Do you think there would be potential to organize similar project here in Brno?

A: I don't think it would be that successful because Brno is much bigger community than Lugo. This project works well in small communities, in bigger communities, you have to have something different, something that is channeled because when you setup your CSR strategy, you choose values. Some people choose to support sports, some choose to fund humanitarian causes, different strategy to help the healthcare system, some choose to help poor people. In my opinion, you need to have straight forward strategy to say that this is the main thing where we focus our CSR efforts. It can be one of the things I mentioned, it doesn't mean that you are not interested in the rest at all, but you have some budget and from that, you channel it in some direction that you choose. And then getting back to the secondary purpose of CSR, you are getting known in the community that you are the company that helps the community with this. For example, in Lugo, our company is known for helping education and students, it doesn't matter that they don't do anything else. For Brno, being it is a big city with a lot of things going around and quite developed, for our company, we need to choose a strategy in a way that it helps the community. The question is what does the region need, Brno or south Moravian region. I don't know these things, I am not very involved in the city life so I don't know. There are companies helping universities, we know that, if we go this same direction, we would be just another player and it would be more like a competition who gives more money. We should probably go in different direction than helping only universities in my opinion.

Q: Do you think CSR plays an important role for the company?

A: In our company, the Hometown Solutions hold the monopoly related to everything with CSR. When we started the project Future in my hands, there was this committee but they didn't hold the monopoly yet. But as it got more power, we had to get a formal agreement and we had to sell them the project. Everything that we do that goes beyond the company walls must be approved. Projects for our employees can be managed locally. Projects that involve media coverage, charity and other stuff need approval and they are very selective in choosing the projects. The question is what you want to be known for. Hometown solutions is helping with humanitarian causes, rebuilding schools a lot and others, but we are in such a place of the world where these things don't happen and so it is not relevant for us. If we want to have some CSR strategy for our company in Brno, it needs to be channeled in the right direction, with the right focus. There is one more thing that I believe and it is that through CSR, you are creating a brand image of the company. As we have more buildings and divisions, including factory, they should be also included. A common CSR strategy would be nice. I believe they have nothing on CSR, if they do I would be very surprised. We need volunteers for any of the activity that we would implement and the factory would also bring more people for that.

Q: What do you think is the most popular CSR activity?

A: I think the Annual Recognition Party is the most popular, it is where people show up the most. If there would be a second one, it would probably be the Summer sports day but there was low participation. All of the other stuff, hockey and others, is more for people who practice it.

Q: Do you think if there was more communication about the activities, more people would participate?

A: No, I think that when something is new, there is interest, but after a long time, the interest fades away. The activities are more for people that are interested in participating in it. A lot of the activities are for the employees, it is not about giving back to the community.

Q: Do you have any suggestion as to what activities you would like to see happening?

A: If I were you, I would contact somebody in the city hall in Brno or governments in the south Moravian region and ask them from the community perspective, what are the most important things the city needs. Putting this together with the company can do, we could find something to work on. We are only guessing now what the community needs so why not ask the community. I'm sure there is someone in the city hall who would be willing to help you with this, someone you could ask. The whole idea is not to go toward business development, such as creating new jobs, building new roads, but something in a field that Brno needs. If you want to tap into the first purpose of CSR, not the secondary which is the public image and stuff, which is to give back to the community from which you are using resources, ask the community. Find someone in the city hall and talk to them.

E Questionnaire

The name of the company in the questionnaire has been altered for the discretionary purposes of the thesis. The employees received the questionnaire with the full company name.

Good morning,

My name is Martina Křivánková and I am currently studying master's degree at the Mendel University in Brno. I would like to ask you to take a few moments and fill the following questionnaire, which will serve as foundation for my diploma thesis that aims to suggest a company strategy related to corporate social responsibility (CSR).

Please answer the questions according to your own opinion. All answers are anonymous

Thank you very much!

1. According to you, which of the following statements best describe the term corporate social responsibility (CSR)?

Moral duty - giving back to the society

Profit making

Public relations and marketing

I have never heard of the term

2. In general, how important is it for you to work for a socially responsible company?

Not at all important Somewhat important Important Very important

3. Do you think company ABC is a socially responsible company?

Yes

No

I cannot say

4. In which area do you think company ABC shows its CSR activities the most?

Economic

Social

Environmental

I do not have enough information

5. As an employee, do you think you are well informed about the activities that company ABC is doing in terms of corporate social responsibility?

Yes, I think I am

No, I do not think I am

I do not have enough information

6. Would you be interested in learning more about the activities that company ABC is involved in, in terms of corporate social responsibility?

Yes, I think I am

No, I do not think I am

I do not have enough information

7. Do you visit the company ABC website?

Yes

No

8. How frequently do you visit the company ABC website?

Never

Daily

Weekly

Monthly

Other (please specify)

9. Do you check for the activities in which company ABC is involved in?

Yes

No

Sometimes

10. Do you think that the activities related to corporate social responsibility on the website are:

Well presented

Basic information is provided

There is not enough or no information

11. How would you evaluate the general content on the company's website?

Satisfactory, I can always find what I need

I would welcome more information

Not satisfactory, a lot of information is missing

12. In general, do you think that company ABC is an attractive employer in the Brno region?

Yes

No

13. Why is company ABC an attractive employer for you? (You may select more than one option)

Good working conditions

Interesting benefits and advantages

It is a prestigious company, I am proud to work for the company

Attractive salary

It is not an attractive employer for me

Other (please specify)

14. How do you see the benefits provided by the company?

Not at all important Somewhat important Important Very important

Flexible working hours

Company mobile tariffs

Contribution to pension insurance

Social events organized by the company

Memberships (Big One Fitness, etc.)

Flexi passes and Gastro passes

Sport events organized by the company

15. Are there any other benefits that you think the company should provide?

Yes - please specify below

No

Other (please specify)

16. How do you view the local socially responsible activities that company ABC engages in?

Not at all important Somewhat important Important Very important

Diversity events (Diversity week, guest speakers)

Educational activities (supporting children and teacher education)

Presentation of latest company technologies in public

"Czechitas" event (supporting female education in technical majors)

University relations activities (job fairs, university projects, etc.)

Polytechnic toys for kindergartens (to promote technical thinking in young children)

17. How do you view the following areas as objectives of the company?

Not at all important Somewhat important Important Very important

Economic prosperity
Employee care
Environment and nature
Social issues and society
Sport and health activities
Educational activities
Company promotion activities

18. What is your gender?

Male
Female

19. What is your age?

Under 25
25 - 35 years
36 - 45 years
46 - 55 years
56 and older

20. What is your current job position?

Functions (HR, finance, staffing, procurement, etc.)
Assistant position
R&D technical position
Managerial position
Other (please specify)

21. How long have you worked in company ABC?

Less than 6 months
6 months - 1 year
1 year - 3 years
3 years - 5 years
More than 5 years

22. What is your nationality?

Please specify

23. What is the highest degree or level of school you have completed?

- Basic school
- High school
- Bachelor's degree
- Master's degree
- Other (please specify)

24. What major was the focus of your studies?

- Economical
- Social
- Technical
- Humanitarian
- Financial
- International studies
- Other (please specify)