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Extended Abstract of Master Thesis

**Corporate Social Responsibility as marketing tools and their
application in Russian Far East**

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Abstract

Aims of the DT

It is important to perform the analyses of the practice of CSR in a country and of an individual company, because of the general significance of Corporate Social responsibility (CSR) and sustainability for the national economy, country development and environment

The general aim of the diploma thesis is to examine the development of CSR worldwide, find out what is the best practice there. Furthermore, we do research for Russia - general overview and further investigation of CSR implementation for the particular company VSC (one of the biggest container terminal in Russia), the company is situated in the Russian Far East. As the final step of research, we will create recommendation of what can be implemented or changed in Russia and in particular company VSC.

Several key objectives have been identified and are set out below:

- Provide a definition of corporate social responsibility, and existing theories and CSR development.
- Evaluate who are worldwide leaders of CSR implementation and what is the current role of CSR
- To identify what contextual elements for understanding a country's CSR and why do CSR systems differ?
- To analyze the role of government of CSR implementation and practice, how the national differences in CSR can be explained
- Evaluate what is a practice of CSR in the Russian Federation, find out who are leaders there among country and in the Russian Far East.
- Evaluate what is a practice of CSR implementation in VSC, identify the impact of VSC business activity on local social communities and the environment, to analyze who are main partners and stakeholders that can be involved into implementation and practice of CSR in VSC including marketing tools

Indeed, the relationship between the profits of a business and the consideration that they give to the environment, communities and towards making their employees happy, encouraging and motivating them to share the same values is extremely important.

Key words: CSR, business ethics, stakeholder management, sustainability, corporate citizenship, conscious capitalism, shared value.

2. Objectives of the DT and research questions

Several key objectives have been identified and are set out below:

- Provide a definition of corporate social responsibility, and existing theories and CSR development
- Evaluate who are worldwide leaders of CSR implementation (by regions, by countries, and companies) and what is the current role of CSR- trends, issues
- To identify what contextual elements for understanding a country's CSR and why do CSR systems differ?
- To analyze how the national differences in CSR can be explained.
- Evaluate what is a practice of CSR in Russia, find out who are leaders there among country and in the Russian Far East
- Evaluate what is a practice of CSR implementation in VSC, and identify the impact of VSC business activity on local social communities, to analyze who are stakeholders

2.1 Research questions

For the purpose of this thesis, it is assumed necessary to put forward research questions which should support us with our investigations.

Question 1: What are contextual elements, concepts, and practice of CSR in countries

Question 2: Who are leaders of implementations of CSR in worldwide and why they consider CSR as important

Question 3: What is the practice of implementation of CSR and sustainability in Russia, the Russian Far East region and particular company VSC, how stakeholders are affecting by CSR.

3. Methodology

This chapter focused on the actual research process. It starts with the research methodology which comprehends the research approach and research philosophy. Second, a justification is provided to the case company chosen and the introduction of the case company is offered. Third, data gathering and data investigation methods are presented. Finally, the conclusions of the research are discussed.

This study is mono-method research and the data is collected through several interviews. More accurately, a semi-structural data gathering method is utilized for primary data. This type of method is especially valuable in emphasizing the interviewee's own interpretations and meaning by themselves give to a specific issue.

Research summary

The general aim of the diploma thesis was to examine the development of CSR worldwide, find out what is the best practice there. The main motivation for the study was the lack of studies or studies with a negative impression about CSR implementation in Russia, and as well as increasing attentiveness in responsible business and CSR phenomena. The study concentrated on three research questions: 1) What are contextual elements, concepts, and practice of CSR in countries?

As we can see there are very significant differences among countries in the world in general and in particular CSR implementation. Davidson (2018, p.3) described the eight following contextual elements: country's history, religion/ideology, social norms, geography, political structures, the level of economic development, civil society institution, and the "safety net" (power and freedom of independent media, degree of government support) of each country. Going forward more deeply into this subject we can add a point of view described by Whitley (2003, p.19) who argued that national differences in CSR can be explained by historically grown institutional frameworks that shape "national business system" (NBS), which indicated as follows: the political system, the financial system, the education and labor system, and cultural system, nature of firms, the organization of market process, and coordination and control systems, organization of market process, coordination and control system.

2) Who are leaders of implementations of CSR in worldwide and why they consider CSR as important? Strand (2014, p.1) mentioned that Scandinavia is usually mentioned as the world leader in CSR and sustainability. Strand (2014, p.2) characterized a key distinction from the US business context: business in Scandinavia is considered "one of many institutions functioning in society, and not always seen as significant and most important. The main idea of successfully implemented the Scandinavian model in which corporate interest and societal interests are steadily endorsed in tandem.

3) What is the practice of implementation of CSR and sustainability in Russia, the Russian Far East region and particular company VSC, and how stakeholders are affecting by CSR?

A company who is the leader of CSR implementation in Russia in 2017 was identified, as it was mentioned in RSPF report. The company name is Sakhalin Energy, and the company is situated in the Eastern part of Russia (Sakhalin Island).

Conclusions and Recommendations

Conclusion 2: By comparing the results from previous studies, we hope to determine that the achievement of CSR implementation in Scandinavian countries can be described by development capitalism system with implementation elements belong to socialism system, consequently on the base real dialogue between the government, companies and people, which is considered as sufficiently unique phenomena.

Conclusion 3: In many cases, it has led to the fact that very often CSR has linked, especially by global international companies, for good public image protection only. We have received confidence that a company can have nice CSR report, very creative CSR department, which creates good PR companies, CSR program supported by the remarkable budget, but at the same time company may destroy the environment in the territory where a company is operating or discriminate human rights for example. This is an important finding in the understanding of another point of view on CSR.

Conclusion 5: It is necessary to highlight that our results demonstrated confidence that the biggest Russian companies successfully implemented CSR, published CSR report and working towards

Conclusion 7: However, in line with the ideas indicated above, it could be said that when we consider the situation with CSR implementation in VCS. Consistently, various findings indicated that the company has the problem was caused by lack of communication between the company and their stakeholders in CSR frame, but at the same time, we can see positive trends, one of them have linked to square creation project in the Vrangal districts with huge investment. In summary, we can conclude that CSR implementation in this particular company is positive and can be accounted for as significant.

Recommendation 1: This analysis found evidence that stevedoring business of VCS should be created on the base communication and consensus with internal and external stakeholders. Thus, this is an important finding in the understanding of the point that further development it likely to be done on the base model of business in Scandinavia, where business interest and societal interests are steadily endorsed in tandem.

Recommendation 2: This finding is directly in line with previous finding and it might be mentioned that the stakeholder can be a leader in many aspects of port business development. Thus, it could be emphasized the electronic documents exchange procedure, changes of current configuration of the owner of the port, which allow implementing local community representative into the port structure..

Recommendation 3: Another promising finding was that the key of success is caused by a condition of communication principle, which was indicated in the article about the Xerox is highly recommended for VSC as a good case in point of outcome from employers.

7. List of References

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