

Effects of the Environmental Measures of ZSNP, a.s. on Internal and External Environment

Bachelor Thesis

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Abstract

Klimková L. Effects of the Environmental Measures of ZSNP,a.s. on Internal and External Environment. Bachelor thesis. Brno: Mendel University, 2015.

The thesis is focused on the effects of the environmental measures of ZSNP,a.s. on internal and external environment. These effects are evaluated in the framework of Corporate Social Responsibility with the special emphasis on environment and sustainability. In Slovakia, there are many environmental problems caused by irresponsible behaviour of the companies, and therefore, legal factors are also taken into consideration from both national and European perspective. The study is mainly based on qualitative research, which found out that environmental measures affected internal and external environment positively and that the public considers the company to be responsible towards society. Numerous participants, such as employees, specialists, inhabitants, city mayor and other stakeholders took part in the research by expressing their opinion and own perception of the issue. The thesis proves that the company behaves in socially responsible way because of its moral beliefs and confidence. Another finding was that the steps, which were undertaken by ZSNP,a.s. could be considered copybook examples for other companies within CSR concept.

Keywords

Corporate Social Responsibility, Environment, External Environment, Internal Environment, McKinsey "7S" model, PESTE analysis, Sustainable Development

Abstrakt

Klimková L. Efekty environmentálnych dopadov ZSNP,a.s na vnútorné a vonkajšie prostredie. Bakalárska práca. Brno: Mendelova univerzita v Brně, 2015.

Bakalárska práca je zameraná na efekty environmentálnych dopadov ZSNP,a.s. na vnútorné a vonkajšie prostredie. Efekty sú vyhodnocované v rámci konceptu spoločensky zodpovedného podnikania s dôrazom na životné prostredie a udržateľný rozvoj. Na Slovensku je mnoho environmentálnych záťaží, ktoré sú zapríčinené nezodpovedným správaním firiem a preto práca tiež zohľadňuje legislatívu na európskej a národnej úrovni. Štúdia je založená predovšetkým na kvalitatívnom výskume, ktorý zistil, že environmentálne opatrenia, ktoré firma vykonala, mali pozitívny dopad na vnútorné aj vonkajšie prostredie firmy, a bolo zistené, že verejnosť považuje firmu za spoločensky zodpovednú. Na výskume sa podieľali rôzni účastníci, akými boli napríklad zamestnanci, špecialisti na danú tematiku, obyvatelia okresu, primátor mesta a iné zainteresované osoby, ktoré vyjadrili svoj názor a ich vnímanie danej problematiky. Práca ukázala, že správanie spoločnosti je spoločensky zodpovedné a robí tak zo svojho morálneho presvedčenia. Z práce taktiež vyplynulo, že kroky, ktoré ZSNP,a.s. podstúpilo pri riešení environmentálnej záťaži by mohli byť príkladové pre ostatné firmy v rámci konceptu CSR.

Kľúčové slová

McKinsey "7S" model, PESTE analýza, Spoločenská zodpovednosť firiem, Vnútorné prostredie, Vonkajšie prostredie, Udržateľný rozvoj, Životné prostredie

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1 Introduction

The world is continuously changing. Number of people living on Earth is increasing, however, the size of the planet stays the same. Human actions play a very important role in shaping the environment and in setting the conditions, in which we live. It is human's responsibility to take a proper care of environment, of resources that are offered to them and of society as such. Behaviour of people is adjusting, too, since the population is becoming more aware of what consequences irresponsible actions have on society. This trend also influences their buying behaviour, and so, consumers prefer buying the products or services offered by socially responsible companies, since companies influence our world to a large extent. Production in these companies has a huge impact on environment, they use scarce resources, companies affect countries' economic situation, they provide jobs for people and they affect people's lives in many other ways.

Nowadays, it is possible to make a connection between business and responsible behaviour towards society. The concept of Corporate Social Responsibility (CSR), which was mentioned for the first time in 1953, explains this phenomenon and its popularity is on the increase. There are many possible ways how the company could implement this concept. These activities are divided into three main pillars and those are social pillar, economic pillar and environmental pillar. All three pillars are very important, however, the thesis puts a special emphasis on environmental pillar and sustainable development, since the examined company implements CSR concept mainly in these spheres. Sustainable development is creating society that is thoughtful towards next generations. It uses the resources sensibly and efficiently, it invests in people and environment, it protects the environment and it undertakes necessary steps in order to fix the burdens created in the past. Sustainability plays an important role in our society because the decision that people make and all the action that people pursue affect the future. Environmental resources are limited and in most cases they are not renewable or replenishable. Nowadays, we are starting to feel the negative effects that were left here by the generation that came before us. In order to secure that the same mistake will not be repeated again, the society applies the requirements of sustainability. The concept of corporate social responsibility and sustainable development influences the companies to the extent that they adjust and create their strategies in order to fulfil these objectives. Specialization of each company differs, which results in different strategies and different implementation of CSR. The implementation should have positive effects either on society as such or on specific parts of it. Therefore, the thesis analyses the effects of environmental measures of examined company. In spite of the importance of environmental audits, the government does not require them, and so only a few organizations adopt them. Finding whether the selected strategy really affected the society has a significant importance, since it indicates whether the strategy was successful, what results were brought by its implementation, if some adjustments to the strategy are needed and it demonstrates the accomplishments of the outcomes.

2 Objectives and Methodology

2.1 Objectives

The main objective of the bachelor thesis is to evaluate the effects of environmental measures of ZSNP,a.s. located in Žiar nad Hronom, Slovakia, on internal and external environment within the framework of corporate social responsibility with special emphasis on environmental pillar and sustainability. The partial goal of the thesis is to find out how socially responsible behaviour of the company affected different participants from both internal and external environment. To achieve this goal a research in the examined company will be done. Based on the results recommendations will be proposed.

2.2 Methodology

In order to acquire all theoretical knowledge necessary for the thesis, firstly, the study of appropriate literature was carried out. Both national and foreign literature in the form of books, articles, professional journals or on-line sources concerning mainly the topics of management, sustainable development, ecology and corporate social responsibility were examined. The theoretical knowledge was subsequently implemented into the practical part of the work. The data and information related to the company were collected mainly through communication with HR department, Environmental Department or on the website of the company.

The bachelor thesis is based mostly on qualitative approach and on explorative basis because the work tries to understand the main aspects of the influence on stakeholders. The study is interested in analysing the own perception and opinions of stakeholders about the matter. Hence as an explorative study, it is difficult to create hypothesis, and therefore, it was methodologically better to create research questions, which were asked in the interviews and questionnaires.

One of the main part of the practical part was examination of the effects on internal and external environment. McKinsey "7S" model was chosen because it analyses seven important elements and it provides a clear picture of current company's internal environment. All elements were examined from the viewpoint of corporate social responsibility, sustainability and environment. The elements of the model are integral and all together they create a unified manner, according to which the development or the situation can be predicted and it provides a background for the most convenient implementation of the strategy.

Another significant part of evaluation of the effect within the internal environment was qualitative research in the form of semi-structured interview. Interview questions were addressed to The Head of the Environmental Department of ZSNP,a.s. The last part of internal environment analysis was conducted through the questionnaire prepared for the employees of the company. The paper form of the questionnaire was filled in by the employees directly in the company.

For understanding external environment modified PESTE analysis was used, as it provides simple but complex framework of the current situation. The analysis was adjusted to the needs of the thesis, since it was not essential to analyse all data in order to fulfil the stated objectives. PESTE analysis focuses on the data, which are directly related to the topic of the thesis, and which are the most meaningful within the concept of CSR and sustainability.

Afterwards, different stakeholders were asked to express their opinion and their perception of the issue. Results provided an objective view on the issue due to a great variety of the stakeholders from different areas of interest. Main stakeholders, among which were top Slovak executives, significant businesses, top governmental executives, top academic opinion makers and the mayor of the city, provided their opinion. They were given the research questions, which analysed what impact and specific effects were brought by reclamation of the sludge bed. Both private and public representatives were examined.

The second questionnaire was prepared for inhabitants of Žiar nad Hronom region. This questionnaire was accessible on-line on https://docs.google.com/forms/d/1U8wqJuTvFOlANfVMSsYVULndmt1hpLFldCD6qguj1Nc/viewform?usp=send_form. The results of the questionnaires were analysed in both verbal and graphical form.

SWOT analysis served as a tool for finding strengths, weaknesses, opportunities and threats of the issue. Due to the fact that it put together all findings and it took into consideration both positive and negative aspects of internal and external environment, SWOT analysis provided the background for further recommendations.

As mentioned before, the thesis was based on qualitative research. However, few indicators could have been statistically analysed. To understand the perception of the company by the inhabitants, in respect to their environmental activities, there was used a structural equation model (SEM). SEM is a statistical method often used to develop and verify conceptual models explaining behavioural and cognitive aspects in business and management. SEM is based on two aspects. Firstly, a combination of latent variables (constructed from the combination of observed variables) entering the measurement model. Secondly, it is based on the structural regression model that interconnects the latent variables (Kaplan, 2007).

Structural equation models are schematically portrayed using particular configurations of four geometric symbols—a circle (or ellipse), a square (or rectangle), a single-headed arrow, and a double-headed arrow. By convention, circles (or ellipses) represent unobserved latent factors, squares (or rectangles) represent observed variables, single-headed arrows (\rightarrow) represent the impact of one variable on another, and double-headed arrows (\leftrightarrow) represent covariance or correlations between pairs of variables (Byrne, 2010). The research question in this part was formulated as follows: What aspects and to what extent influence the company's perception by the inhabitants in the respect to the company's activities in the field of social responsibility and environment?

3 Literature Review

3.1 Corporate Social Responsibility

Concept of Corporate Social Responsibility - hereinafter also referred to as CSR – is a concept that was started in the second half of the 20th century. In 1953, Howard Rothmann Bowen, an American economist, published his book called *Social Responsibilities of the Businessman*. This publication was one of the first attempts to define Corporate Social Responsibility on an academic land. Through the time it has been put in place and it has become recognizes and applied by many companies. CSR concept definitely brought a great change in business thinking and business philosophy. Corporate Social Responsibility can be applied widely. It is connected and implemented not only by corporations but also by non – profit organizations, public sector and governments.

As the concept of CSR deals with wide variety of spheres and has been developing through the time, there is no only one valid definition of CSR. Differences between these definitions are mainly caused by different perceptions of the matter by the authors who are stressing different aspects. Combos (2012) in his work defines CSR as an voluntary action that is applied by a corporation as it pursues its mission and tries to fulfil its obligations to stakeholders, employees, communities, the environment and the whole society. According to Kotler (2005), CSR is some kind of commitment trying to improve well-being of community using discretionary business practices as well as contributions of corporate resources. World Business Council for Sustainable Business Development (2002) provides in its article a definition saying that CSR is a commitment, which does not stop, it is performed by business and it contributes to economic development, it improves the quality of life of the workforce and their relatives and it also improves the like of the community and society as a whole.

There are differences between the given definitions; however, similarities can be found as well. CSR concept is connected with decision-making associated with ethical values; it respects people, stakeholders, communities, employees, and society and has to be somehow profitable for company. These ethical values are mostly derived from religious, philosophical and social principles and norms, which lead the companies to socially responsible behaviour, as acting in this way is the morally right thing to do (Frederick, 2006). There are authors claiming that business is only about making profit and that corporations would not do anything what does not earn money. According to Friedman (1970) the primary purpose of a business is to make money for shareholders. On the other hand, there are authors like Charles Handy, who says that: „The purpose of a business, in other words, is not to make a profit, full stop. It is to make a profit in order to enable it to do something more or better. What that ‘something’ is becomes the real justification for the ex-

istence of the business.” [1] Mentioned ideas about the main purpose of business are totally different. However, in both cases CSR concept can be implemented and beneficial, even though it would be done so for different reasons. In case of Friedman’s ideology, CSR concept could gain company’s profit as implementation of CSR positively influences the position of a company in the market and helps it gain a good reputation. From Handy’s point of view, CSR concept could be a tool how to achieve “something more or something better”.

Costumers nowadays are aware of problems of society, too, and they are interested in behaviour of organizations. Therefore, every organization should take into consideration the interests, needs and wants of stakeholders. Stakeholders can be people but also organizations that are affected by something. This something can be, for example, policies, programmes, actions etc. Generally said, stakeholders are all involved groups of people.

3.2 Arguments For and Against CSR

The discussion of arguments for and against CSR is a complex matter connected with variety of ideologies. In general, there are two groups of participants involved in CRS, the side of corporation and the side of society. The arguments for and against must be considered from both perspectives as they differ. Corporations and society must be aware of the benefits and costs that shall be brought by implementing CSR principles. Pavlík and Bělčík (2010) are naming these participating groups that can be affected positively or negatively by CSR implementation in their publication:

- Clients of the companies applying CSR concept;
- Employees of the organizations applying CSR concept;
- Suppliers cooperating with the organizations applying CSR concept;
- Citizens of the countries where CSR concept is implemented;
- Public sector (state and also municipalities)
- Organizations applying CSR concept.

Despite of ambiguity in arguments for and against CSR, it can be said that in general corporations see more advantages in implementation of CSR than disadvantages, which leads to an increasing number of companies applying CSR concept.

3.2.1 Arguments for CSR

Arguments for CSR could be divided into moral arguments, rational arguments and economic arguments (Chandler, 2006). Even though the companies claim that profit is the main objective of their business, they admit that they would not be able to achieve their objective without the society. Therefore, there is a direct con-

¹ HANDY CH., *Myself and Other More Important Matters*. AMACOM/American Management Association 2008. ISBN-10:0814401732

nection between the organizations and society. CSR is created on the basis of individual and generally valid moral standards, ethics and values that reflect and respect human rights and social justice. As the society provides companies with opportunity to be profitable, in return, it is companies' duty to be beneficial for society. Rational argument for CSR may be summarized by „iron law of corporate social responsibility“ which indicates that free overuse of social duties in democratic society may lead to possible revocation of control of those subjects who were unfairly using them (Kuldová, 2012). Kuldová (2012) also explains the economic argument by connecting both moral and rational arguments. She defines the economic argument by creation of, so called, added value, which brings some kind of probability of maintaining and maximizing company's vitality. CSR concept also provides companies with something extra, what differentiates them from others and brings them competitive advantages. Husted and Allen (2011) study competitive advantage that comes from socially responsible behaviour. When corporations create competitive advantage via social action, in order to gain economic and social value, they call this *corporate social strategy*. The main idea of corporate social strategy is that only including social action program is not enough for creation of competitive advantage. When creating competitive advantage, it is necessary to integrate social change activities within corporation competitive strategy.

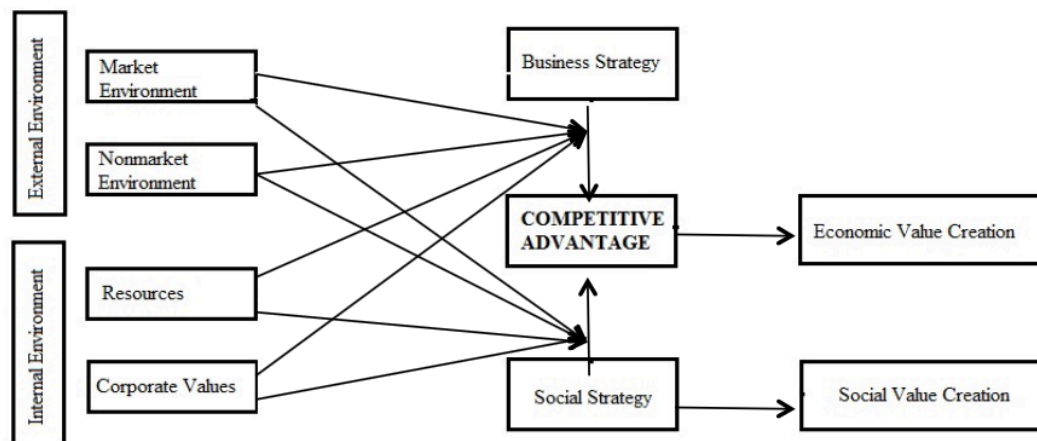


Figure 1 Competitive Advantage

Source: own elaboration based on Integrated view of business and social strategy (Husted and Allen, 2011)

Ability to compete with others is a very important aspect of doing business. Competitive ability brings many benefits and advantages. Implementing CSR concept in the corporation differentiate the corporation from others. The main advantage is customer preference, which leads to increased sales and higher profits. CSR concept brings reputational benefits, too. A good reputation is linked to advantages

such as attracting customers, new investors, business partners and talented employees, positive feedback from media, which all lead to an increase in financial performance of the company.

According to Coombos and Holladay (2012) advantages of CSR are:

- Implementation of CSR concept can help avoid many governmental regulation
- Socially responsible activities can be profitable as CSR concept can bring cost – saving improvements
- CSR initiatives will be more attractive to investors and they will attract more customers
- Motivation and identification of employees may be increased. CSR concept can encourage them to think in new ways, which can develop new skills
- Implementation of CSR concept leads to correction of social and environmental problems caused by business actions
- Successful initiatives of CSR may lead to an imitation of these initiatives by other corporations

3.2.2 Arguments Against CSR

The first and the most basic argument against CSR comes from Friedman's statement (1970), where he claims that the only social responsibility of corporation is to increase its profits. It can be said that he even warns companies not to implement CSR because it limits the freedom of the company and by doing so it decreases economic freedom and also decreases the amount of shareholders' yield. On the other hand, corporate social responsibility is criticized because it is seen as a profit-seeking tool. Companies are using the concept in order to be perceived as "the company, which cares about society" but often their primary aim is not to help but to gain profit from „being good". Adams (2002) in his interview-based study of managers from United Kingdom and Germany, who were working for chemical and pharmaceutical firms, found out that the managers view CSR initiatives as a tool in the main game of economic performance and they are reluctant to accept the cost resulting from CSR implementation if the prove of economic return is not determined.

Blowfield and Murray (2008) state these four arguments against CSR:

- CSR concept suppresses the main purpose of enterprise that results in restriction of free functioning of the market
- CSR concept prefers the interests of enterprise rather than the interests coming from the law or from the expectations of a wider society
- CSR concept is too focused on a certain sector and is not concerned with the questions of the main aspects of business in today's society
- CSR concept is not succeeding in reaching their goals and in order to achieve them it needs to accept new procedures.

If we consider the maximization of the profit to be the main goal of enterprise, CSR concept will always be criticized. However, if we consider the interests of the society to be important, than CSR concept should be evaluated on the basis of totally different criteria (Kuldová, 2012). According to Coombos and Holladay (2012) among the disadvantages of CSR are also large capital investments that may be difficult to justify to shareholders who invest for the short term. Secondly, achieving of social goals dilutes the purpose of the business. Development and implementation of a CSR policy is costly, complex, and time-consuming. Another negative effect of CSR is that it brings different kinds of unwelcome responsibilities on business rather than on governments.

3.3 CSR Pillars

CSR is usually divided into three pillars according to its activities. This division is used, for example, by Werther and Chandler (2006), Blowfield and Murray (2008), Crane (2008) and Kuldová (2012). These three spheres are: economic, social and environmental. All pillars are very important and together they form a coherent unit. In a framework of Triple-bottom Line is economic sphere usually named „profit“, social sphere is named „people“ and environmental sphere uses the word „planet“.

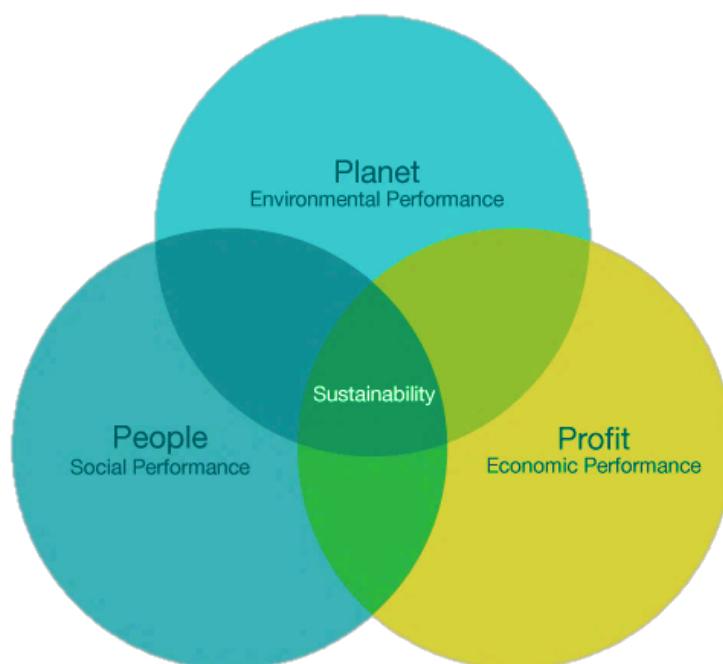


Figure 2 Triple Bottom Line

Source: own elaboration based on Triple Bottom Line: People, Planet and Profit (2015). Available at: <http://www.chess-llc.com/TBL.aspx>

Different activities and aspects characterize each pillar. However, there is no exact list of activities that would name specific pillars' activities. It depends on strategy of organizations, which principles and activities they consider to be important and which they actually decide to implement.

3.3.1 Economic Pillar

Economic Sphere in the framework of CSR is comprised of the requirements, which are related to the principles of managing and controlling of an organization, fight against abuse of confidential information, fight against corruption, poverty and money laundering. Next, it is comprised of payment morale, contractual compliance, data protection, fulfilment of obligation in protection of consumer, cartel agreements and abuse of dominant position, intellectual property protection and right or respecting ethical codices (Kuldová, 2012). According to Nezhyba (2006) economic pillar of CSR consists of code of conduct, transparency, corporate governance, combating bribery, shareholders dialogue, and behaviour towards consumers, suppliers and investors. Pavlík and Bělčík (2010) classify these responsibilities as economic ones: corporate governance, quality and safety of products and services, ethical code, public relations, transparency, rejection of corruption, fair trade, innovation and sustainability of corporation, ethics of advertising and marketing.

3.3.2 Social Pillar

Social Sphere consists of corporate philanthropy and voluntary actions of corporation, employment policy, safety of corporation's employees, educational support and requalification of employees, employing minors and threatened groups of population, sponsorship, the observance and protection of human rights, responsible dismissal of employees and work-life balance (Kuldová, 2012). Pavlík and Bělčík (2010) suggest that in a framework of social sphere an organization should pay attention to these aspects: health and safety of employees, high quality of employment policy, education and requalification of employees, equality of men and women, rejection of child labour, observance of human rights, diversity on a workplace, philanthropy and communication with different target groups – stakeholders.

3.3.3 Environmental Pillar

Environmental Sphere is the third sphere of CSR and, for this thesis, the most important one. All companies have an impact on environment in some way. There are big industrial companies that harm the environment the most but also the small once somehow influence the environment. During the last years, people's awareness of ecology and environmental issues has increased significantly. Environmental pillar consists of protection of natural resources, investment in ecological technologies, energy conservation, ecological policy of corporation and other environmental aspects (Kuldová, 2012). Nezhyba (2006) lists these aspects: ecological

production, products and services, e.g. standards of environmental management and audit EMAS, ISO 14000, ecological policy of corporation, protection of natural resources. Pavlík and Bělčík (2012) state these activities within environmental sphere: thoughtful ecological company culture (recycling, energy saving), reduction of negative effects of company's activities on environment and community, ecological production, producing products and offering services that are friendly to environment, careful treatment with natural resources and protection of natural resources, investments in technologies (investments in BAT – Best Available Technique). Each pillar of CSR has its own participants and target groups. When an organization wants to monitor its initiatives in the field of environment it can refer to employees, business partners, important not for profit organizations, consumers, organizations of public sector and association.

Implementation of environmental strategies brings many advantages. Byznis pro společnost (2010) divides these advantages into four partial spheres: financial, advantages of customers, improvement of internal processes and employees & innovations.

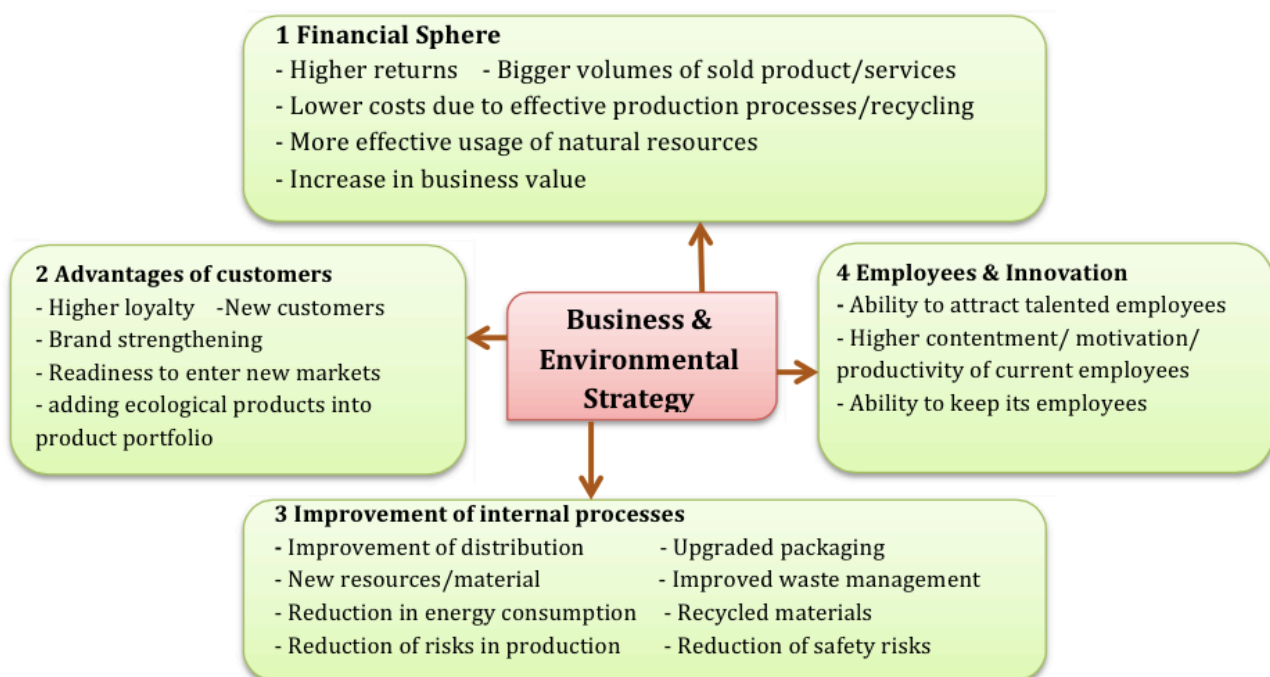


Figure 3 Advantages of environmental strategy

Source: own elaboration based on Byznys pro společnost (2010) available at: <http://www.byznysprospolecnost.cz/zivotni-prostredi/odborne-publikace-Zp.html>

Environmental responsibility of the company is specified also by monitoring and decreasing of the negative impacts of the organizations on environment. Closely connected to the topic of environmental pillar is the European legislation that regulates, controls and leads the environmental activities of the corporations through variety of standards, regulations and directives. This topic is discussed in the chapter of the European Legislation. Environmental pillar is not only a part of CSR concept but also of sustainable development. Thoughtful approach towards nature can save the company a lot of money and it contributes to sustainability.

3.4 Sustainable Development

Corporate Sustainability is an approach that covers the same three fields as CSR concept. For this study, environmental sustainability is the most crucial part. According to Benn and Bolton (2011) environmental sustainability ensures the elimination of any negative effects on the environment and it brings beneficial effects to the health of biosphere. The European Commission (2015) sees sustainable development as meeting the demand of present generation without imperilling the possibility of the next generations to also meet their demands. This behaviour is very thoughtful, since it considers the quality of lives of our successors.

Corporations are finding it beneficial not only for their enterprise but also for the planet. Almost every global company is concerned about sustainable development and tries to implement sustainability management. The practical reasons for integration of sustainability are profit gain, the pressure of media, tax advantages, directives, pressure from customers and suppliers, scarcity of resource and competitive advantage. The importance of sustainability has increased to the extent that the companies continue to maximize their profits while being restrained by limited resources. Moreover, implementation of sustainable development strategies may contribute to the maximization of shareholders values. Their behaviour towards mentioned resources must be more responsible or they have to seek for alternatives to these resources. It is required from organizations to take the necessary steps in order to fix the mistakes from the past and to make the conditions for future generations more acceptable. It is generally known that natural resources are used faster than they are renewed and that is why the companies must be reasonable about their actions. An interesting research was done by KPMG (2012), which found out that costs of business operations caused by environmental issues double every 14 years and that is why the companies cannot stay unconcerned, but rather, they have to make shared decisions. KPMG named 10 sustainability “megaforces”, which will significantly affect growth of business; even to an extent that it could ruin the business plans of the companies in next 20 years. The ten global sustainability “megaforces” are:

1. Climate Change
2. Energy & Fuel
3. Material Resources Scarcity
4. Water Scarcity
5. Growth of Population
6. Wealth
7. Urbanization
8. Food Security

9. Ecosystem Decline

10. Deforestation

Even though, the sustainability has also been developed on the principles of the triple bottom line and so it can be presented in economic, social and environmental sphere, Spender (2014) sees ecology as the main impulse in reaching a sustainable society. He says that ecology overcomes political, moral or ethical factors and the companies are focused on ecology and environment. Many corporations are using non-replaceable natural resources and they also cause the pollution. The result of these actions is increased desire of the public to create new regulations in order to eliminate the negative effects of the companies on environment. Madu (2012) suggests the activities that are part of environmental responsibilities, which lead to sustainable development. Among these are, for example, minimizing of wastes, using the technologies that are friendly to environment, reduction of emissions and effective usage of scarce resources, usage of alternatives to these resources and implementation of sustainable strategies. The strategies should be monitored, analysed and audited, as environmental auditing is a tool, which satisfies three objectives: regulatory, organizational and verification. Through environmental auditing, the effects of the environmental measures are found, the compliance with regulations is ensured, satisfaction of stakeholders is analysed and it provides the demonstration of the accomplishment outcomes. When all of this is examined, the adaptations to the strategy can be made or the strategy can be proved successful. In spite of its importance, environmental auditing is a voluntary action that was rarely executed by the company. In order to support the growth of environmental auditing, the International Organization for Standardization (ISO) published ISO 14000 series of standards for environmental management and ISO 19011 auditing principles. The standardization in the field of environmental auditing started only a few years ago but its development is very dynamic. The standards are being adjusted and new standards are being created continuously as the matter of sustainable development is gaining its importance. Spender (2014) states that sustainability is becoming the main concern of the general public and therefore, sustainability and the issues connected with this topic are being promoted by different organizations at schools, universities, public places and sustainable objectives are adopted by variety of organizations and in this way sustainable development is becoming part of global learning and teaching. Nowadays, the organizations are trying to benefit from this knowledge, awareness and consciousness, and they implement various practices into their strategies. Kourdi (2011) claims that impacts on environment and climate changes caused by human factor will significantly influence the business of 21st century.

3.5 Current Trends of CSR in the World and in Slovakia

CSR is relatively recent phenomenon. As said before it tracks its beginning sometimes around 1950's. During the years of its existence it has gone through signifi-

cant development. It is a popular and dynamic concept. Companies have started to talk about social responsibility openly and publicly. Perception of the concept has changed. CSR concept has developed to the opinion that responsibility is comparable with wealth, power, and prestige. Different tools and procedures of social responsibilities analysis have been evolved, for example, social accounting, social audits and social reporting. Today's society is aware of happenings in different kinds of organizations and is talking about the problems openly. The expectations of the customers are higher than ever before. Therefore, corporations are very careful about their actions so they do not ruin their reputation. Successful implementation of CSR concept can help the company gain positive publicity and attract more customers. An example of well-known companies applying CSR concept are GE, Google, IBM, Intel, Johnson&Johnson, Hewlett-Packard, Nestlé, Unilever, Shell, British American Tobacco and others.

Companies follow current trends and they adopt the policies so they fit into CSR framework. Managers are gaining new skills and knowledge. Usage of internationally recognized standards, such as OECD directive, UN Global Compact, ILO and ISO 26000, CSR reporting and others, is typical for today's corporations applying CSR concept (Kašparová and Kunz, 2013). Another modern trend in the field of CSR is creating shared value. This concept was heavily influenced by Porter and Kramer (2011). They state that the principle involves creating economic value in a way that it creates value for society, too, by addressing society's needs and challenges – company is able to create its economic value by creating societal value. In their work, the authors also claim that shared value is not social responsibility of the company, it is neither philanthropy nor sustainability. According to them, it is a new way of business thinking and a new way of how to achieve economic success. Fleming and Jones (2013) critically say that the companies in these days make a big effort to communicate their commitment to social issues, which is only a key marketing and branding exercise. The authors pointed out that this trend is sometimes so aggressive that it many times goes beyond controversial industries and even, for example, petroleum or tobacco industries invest in CSR policies.

How does a Slovak entrepreneur respond to the changed interest of a Slovak consumer? Consumers in Slovakia are becoming more aware of CSR concept. They care about the products they are buying, they care about environment and the impacts of enterprises on society. However, this awareness is growing more slowly than in other western countries. According to Chomová (2012) CSR concept in Slovakia is still perceived as some kind of charity or philanthropy and domestic private companies are complaining about the lack of financial resources, which keeps them from spending money on society. Therefore, CSR concept in Slovakia is implemented mainly by big international companies (Telekom, Accenture, VÚB, Heineken Slovakia, etc.), as these companies have the same strategies for all of their subsidiaries. Chomová (2012) also criticizes education in the field of CSR, as in her opinion students of Slovak universities and managers of Slovak companies are missing the courses, classes and lectures about CSR. Repa (2012) in his contribution claims, that Slovakia was never a leader in promoting or introducing CSR con-

cept. According to him, a Slovak entrepreneur only responds to the global trends. In general, it can be said that Slovak consumers are becoming more and more familiar with CSR concept but Slovakia still needs to raise the awareness of all active participants in the market.

3.6 The Legal Context

Many countries all over the world are adopting laws and regulations in order to shape the conception and the practice of CSR. People supporting CSR feel that regulation is a positive step. As said before, implementing of CSR concept is a voluntary action, therefore, it cannot be forced by any law. However, there are regulations and directives supporting CSR.

3.6.1 European and Slovak Legislation

In the European Union, European Commission plays an important role in supporting CSR. The Commission supports the enterprises and encourages them to apply and integrate social, environmental, ethical human rights and concerns of the consumers into the operations of their business and it all should be done while collaborating with their stakeholders (European Commission, 2011). European Commission (2011) also states that CSR can help contribute to the European Union's treaty objectives, which are concerned with sustainable development and a competitive social market economy. It is believed that social, environmental and ethical performance of organizations could create favourable conditions for sustainable growth, responsible business behaviour and also a generation of durable employment.

Another EU's Principles and Guidelines that the CSR strategy is built upon are:

- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- ISO 26000 Guidance Standard on Social Responsibility
- International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy
- OECD Guidelines for Multinational Enterprises

There are directives, policies and plans published by European Commission in the field of environment:

Action Plan for sustainable consumption and production (SCP) and sustainable industrial policy (SIP): those plans are focused on continual leadership in environmental performance. It is done so with help of sustainable product policy, which is mostly connected with the proper labelling of products so it encourages consumers to buy eco-friendly products. The policy also supports eco-innovation.

Climate Change: the Commission approved the package of four legislative proposals that are supposed to help in reaching the goal of reducing greenhouse gas

emissions by at least 20%, and in general, fight climate change. Part of the package is also European emission trading scheme (ETS) Directive.

Water Framework Directive (WFD): the aim of this directive is to secure waters of good quality with proper ecological and chemical status.

Environmental Management: the Commission encourages the enterprises to implement environmental management systems (EMS), which are the set of elements that may be useful in maintaining and improving competitiveness and the performance of the enterprises. National or regional certification criteria and international standards (e.g. EN ISO 14001) are part of EMS.

Environmental liability: the issue of environmental liability was brought up by the Commission by publishing a Green Paper. The purpose of the Green Paper is the compensation for the damages caused to the environment. Over the time, there was adapted White Paper, too. This paper established a Community environmental liability scheme. Directive 2006/21/EC orders the polluter to pay for the damage caused to the environment. The directive also makes the companies to take preventive actions.

The topic of sustainability and environmental burdens in the Slovak legislation are relatively new terms and it is mostly subordinated to the European legislation, and therefore, all mentioned regulations, directives and policies are implemented in Slovakia as well.

Environmental Impact Assessment (EIA) is another international tool used in Slovakia, which serves for evaluation of environment and sustainable development. The main idea of the assessment is to propose the environmental policy based on the findings and protect the environment on the highest level.

In Slovakia, the legislation related to the topic of environmental burden is relatively new. The Law No. 384/2009 Coll. defines environmental burden as polluted area caused by human action that represents a serious risk to human health, or rocky environment, underground water and soil with the exception of environmental damage. The situation around environmental burdens in Slovak legal framework is improving, as in these days, the Ministry of Environment of the Slovak Republic provides the methodical instructions related to the risk analysis of polluted area, which are described in Directive MŽP SR No. 1/2015, published only recently on 28.1.2015. The guideline of MŽP SR on removal of environmental burden was proposed based on the Law No. 409/2011 Coll. on environmental measures.

4 Results

4.1 Characteristics of the Company

The company ZSNP, a.s., is one of the most significant metallurgical companies in Slovakia, with the special focus on aluminium processing. The company has a long history as it was established in 1951 under the name Kovohuty Hron.

During the years it went through many changes. It is situated in the Industrial Park, right next to Žiar nad Hronom, whose population is close to 19 000 inhabitants.



Figure 4 Žiar nad Hronom on the map of Slovakia

Source: own elaboration based on ZSNP a.s. Available at: <http://www.zsnp.sk/genPage.php?id=130>

The company is dedicated to the aluminium production for more than 60 years and during its existence it had to adapt to variety of changes in market environment and it was reorganized many times. In 1953, the company produced its first ton of aluminium, it was broadening its product portfolio by many kinds of products and semi-products.

In 1954, the company was renamed to Závod Slovenského národného povstania. The company also went through different stages of modernization and reconstruction, as in this type of branch the constant modernization, technological improvements and innovations are necessary.

The year 2002 was very important. In this year the company was privatized, its name was changed to current ZSNP, a.s., and, in general, it implemented new strategy and vision.



Figure 5 Logo of the Company

Source: ZSNP a.s. Available at: <http://www.zsnp.sk>

It is important to mention that the company went through significant restructuring. Part of this strategy was the sale of subsidiary companies. Stated subsidiaries (Alufinal, ZSNP Foundry, Tubapack, Sloval, ZSNP Recykling and others) were sold to the strategic investors in 2006, in 2008 the sale of Enevia and in 2012 the sale of Finalcast and Naredex took place. Understanding the restructuring is important for realizing that the structure of the company changed and together with it the number of employees decreased and the activities and operations are different than they were before. However, the structural changes have not influenced the project of reclamation, which is the main issue of this thesis. The reclamation was ongoing in the same extent even during the times of restructuring.

4.1.1 The Industrial Park

The Industrial Park, where ZSNP,a.s. is located, is situated right next to the city of Žiar nad Hronom. This Industrial Park is a very important component of the area because of its significant contribution to the development of the whole region. ZSNP,a.s. created so called “Brown Industrial Park” in cooperation with Žiar nad Hronom and without any state support.

Currently, there are about 180 business subjects located in the complex of Industrial park and it provides work for more than 4 700 employees, who are employed in the complex. Annual revenues achieved by the companies within the Industrial Park are almost 700 mil. Eur. Mentioned companies utilize different kinds of benefits arising from the fact that they are located in the Industrial Park of ZSNP,a.s. For example, there is fully operational transport with great energy and water management infrastructure, energy complex including electric energy, natural gas, thermal energy, compress air, waste dumping place, different types of waters necessary for the production and proper functioning of the park.

One of the most significant companies, which are located within the complex of Industrial park, are:

- Slovalco, Inc.: 64% Hydroaluminium Norway – production of primary aluminium
- Nemak, Ltd.: 100% Nemak, Mexico – aluminium castings

- Fagor Ederlan Slovakia, Inc.: 100% Fagor Ederlan, Spain – aluminium castings
- Sapa Profily, Inc.: 100% SAPA AB, Sweden – aluminium profiles
- Thermosolar, Ltd.: 100% German owner – solar panels
- Victor Buck Luxemburg – printing works
- Dalkia Industry Žiar nad Hronom: 100% Dalkia, a. s., Slovakia - power services

Environmental burden “kalové pole” is also located in the Industrial park, however, it was created as a result of the production of the former state company ZSNP in the 60’s.

4.2 Environmental Burden

In Slovakia, there are more than 1500 places where there are potential environmental burdens with serious risks to human health and to environment. The ones that are confirmed and to which it is officially referred to as to environmental burdens are shown on the map below. One of the greatest is the one in Žiar nad Hronom.

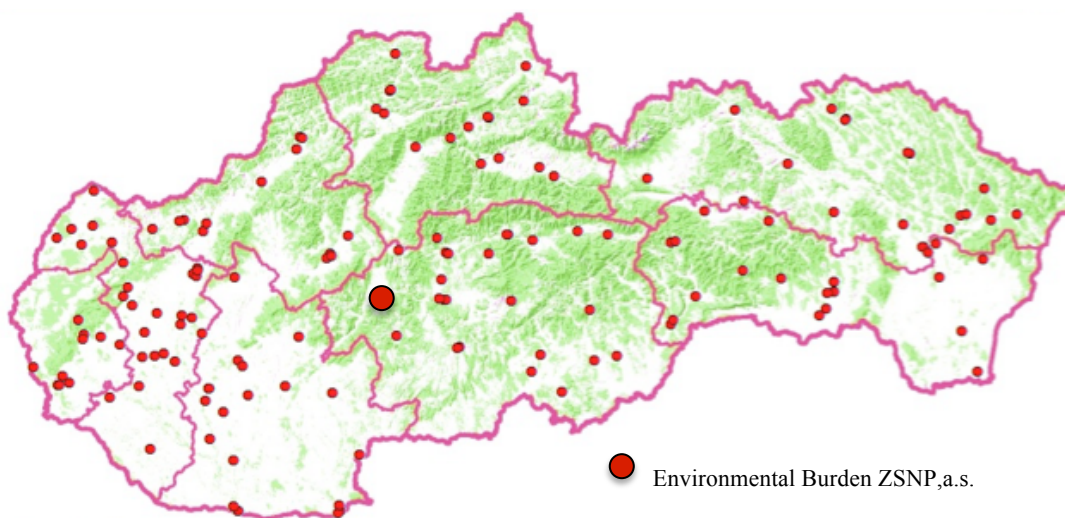


Figure 6 Confirmed environmental burdens in Slovakia

Source: own elaboration based on enviroportal. Available at: <http://globus.sazp.sk/env%5Fzazaze%5Frs>

The most serious environmental problem of ZSNP, a.s. is liquidation of an old environmental burden – the sludge bed (also called tailing dam or decanting plant) called “kalové pole”. The negative effects of ZSNP, a.s. on environment are publicly known. This ecological problem has started a long time ago, when the technological possibilities were very limited.

The aluminium is produced from aluminium oxide, which comes from bauxite. Since 1957, the aluminium in former ZSNP was produced from the imported bauxite from Hungary. After aluminium oxide was extracted from bauxite, the remaining waste was transported through pipes to “kalové pole”. Solid elements of the waste settled down and water returned to technological process. The sludge bed was created during the years 1957-1967 and there is no technical documentation available. In the 60's, the ecological situation in the surroundings of ZSNP, a.s. was catastrophic and so the company decided to modernize.

Modernization of the aluminium production was finished in 1995 with help of foreign partners. This modernization brought a new technology that is ecologically sound. In addition to that, the company started to import already prepared aluminium oxide instead of bauxite, which results in elimination of the wastes. Technological progress improved ecological situation in the area but it was still not perfect. Even though the production using the old technology was abolished, the problematic sludge bed was left there outstanding, the water was still polluted and vaporous were being released into the atmosphere.

Kalové pole has an area of 40 ha, it reaches the heights of 42-45 m above the surrounding terrain, there are 10 million tons of the sludge and the volume of alkaline waters is 1,2 mil.m³.



Figure 7 Kalové pole
Source: ZSNP,a.s. Available at: <http://www.zsnp.sk>

4.2.1 Negative Effects of the Environmental Burden

Air pollution: air pollution and industrial production are two matters that usually go hand in hand. Industrial production is very demanding and it generates emissions to air. Gas emissions reduction was started to be dealt with already in the 60's, when the first negative effects of the production on the surrounding area were noticed. Air pollution has negative impacts on huge variety of things, such as

damaging of trees, crops, plants, lakes animals and, of course, human health. Another very unpleasant effect, especially on the inhabitants of the city, was the production of the emission in the form of dust. Since that, the company has implemented many types of ecological measures in order to eliminate the quantity of emissions from production process. It can be stated that the company stabilized the problem of emissions as much as possible, except to few fluctuations of some pollutants that are not possible to eliminate because of the production process.

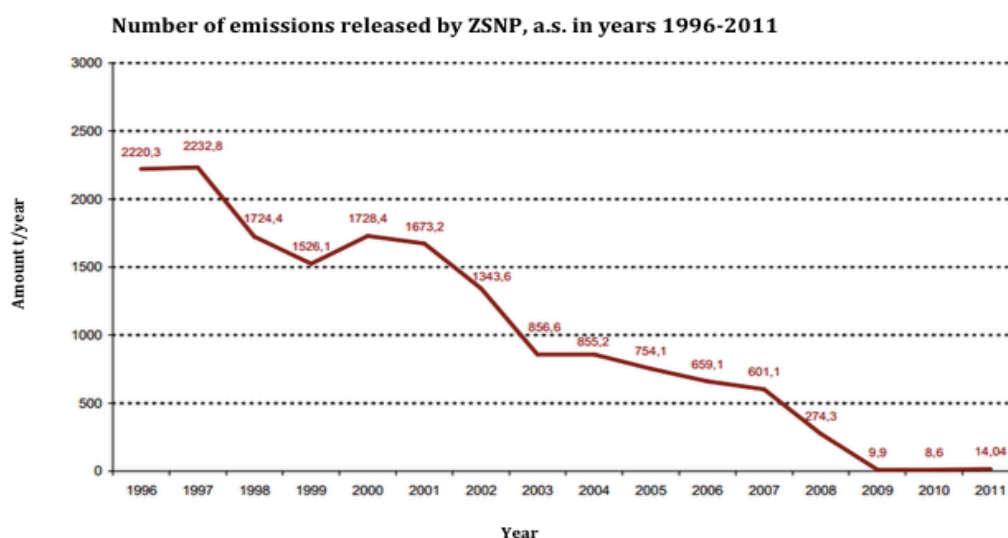


Figure 8 Number of emissions released by ZSNP,a.s. in years 1996 – 2011

Source: own elaboration based on Information on the environment, ZSNP,a.s. Available at: <http://www.zsnp.sk/genPage.php?id=33>

Water pollution and soil: the main negative effect of the sludge bed was endangering of surrounding underground and surface waters and soil. Mentioned effect had an impact mostly on water quality because the alkali water from the sledge bed came into direct contact with soil and underground water in the area. On the grounds of this process, the strong contamination of surrounding water took place. The solution to this problem was to build the sealing wall. Nevertheless, only self-cleaning ability of water is used under the sealing wall, and so getting rid of the contamination is a lengthy process. However, it will bring the positive effects in the form of permanent improvement of water quality, which is also drained into public canalization and therefore, it affects people living in the surrounding area. Among the goals of the company is also reduction of water used for technological processes and production processes, which should lead to an increase in efficiency and level of recycling. In 1996, the company produced almost 10 000 000 m³ of waste water in one year. Whereas, in 2013 it was only 270 000 m³ per a year.

Potential accident: the threat of a potential accident was very high. Most probably, it would happen in case that alkali waters situated in the sludge bed would contin-

uously gather without further cleaning. The second possible scenario, when the accident could have happened, was during electricity black – out. In such case it would not have been possible to secure constant circulation of alkali water inside the sledge bed. It would have resulted in direct leak out of alkali water directly into the river Hron. Considering the fact that alkali waters have the property of a very strong base – corrosive – the consequences of such an accident would have been enormous and they would have endangered all living beings. The situation could have been similar to ecological catastrophe in Ajka, Hungary, which happened in 2010. After the strong rains the sludge bed in Ajka cracked and the whole town was covered by toxic mud, which damaged the whole environment, destroyed tons of houses and caused 150 injuries and 10 deaths.

The Land Aesthetic Reason and Reputation: Except the serious issues like endangering health and safety of humans and animals living in the surrounding area, environmental burden was also matter of a bad appearance and negative reputation. Kalové pole was one of the greatest environmental burdens in the Central Europe. This fact was not very pleasant for anybody and it brought many problems and negative effects. A huge orange hill was recognizable and visible from the road and from the city, so everybody could have noticed it. Even the person who hadn't know anything about the environmental problem of the company knew that the hill did not represent anything positive and that it must have been harmful. The inhabitants of the area were not happy about the appearance of the landscape where they lived neither. The media were often talking about the environmental burden of ZSNP,a.s. in a negative way what was damaging the image and good reputation of the company.



Figure 9 The pools in the sludge bed kalové pole
Source: based on provided materials from ZSNP,a.s.

4.3 Internal Environment

4.3.1 Analysis of Internal Environment using McKinsey “7S” model

This method serves as an analysis of internal environment. The model shows how seven elements together influence the effectiveness of the company and how they are interconnected. Mentioned seven elements are: Structure, Strategy, Skills, Staff, Style, Systems and Shared values. The work uses Sekhar’s (2009) definitions of these elements and implements them to ZSNP, a.s.

Strategy: this element describes the strategy of the business entity, which means that it illustrates how the company is going to achieve their objectives. The company follows different strategies, however, the strategy followed by the company in the field of environment and ecology is the significant one for this thesis. The basic aim of ZSNP, a.s. within the area of ecology is reclamation of the old sludge bed but also an improvement of the production and responsible behaviour towards environment. In general, the company is concerned about the environmental situation resulting from the historical production and so it is working on reclamations of this problem and takes the necessary steps in prevention of occurrence of similar or other environmental problem.

In order to achieve the stated goals, few principles were created:

1. Activities that are executed by the company are always in compliance with legislation, regulations and requirements regarding environment.
2. Environmental protection is achieved by application of preventive measures and eradication of the problems directly in their sources.
3. The company minimizes environment pollution by adopting and implementing different environmental programmes related to all types of activities that the company executes in this area.
4. The company realizes that the public awareness is very important and therefore it informs its employees, general public, state administration and other authorities about company’s results and further future plans. All information provided by the company is objective, accurate and trustworthy as this information is proven by external participants. The company behaves responsibly and fairly towards the society and this is one of the ways in which the company achieves its stated goal.

Structure: structure defines the way of organization of the company, divides the responsibilities and functions. Company has prepared a detailed structural and business division where each unit has its own responsibilities and knows who is accountable to whom. In general, the company has statutory and auditing bodies that are The Board of ZSNP, a.s., The Supervisory Board of ZSNP, a.s. and Top Management of ZSNP, a.s. Two main persons in the Top Management of ZSNP, a.s. are

Chief Executive Officer and Financial Manager. Human resources department takes care of the employees of the company; it strives for development of employees in accordance with specific requirements of their workplace. Environmental department, the most important one for this work, was created in order to solve the old environmental burden and to implement new eco-friendly practices. This department has a director who leads, coordinates and manages the employees working in environmental department and also makes decisions and communicates with the top management. Advisory Committee of Chief Executive Officer was established in order to help and solve geo-environmental issues.

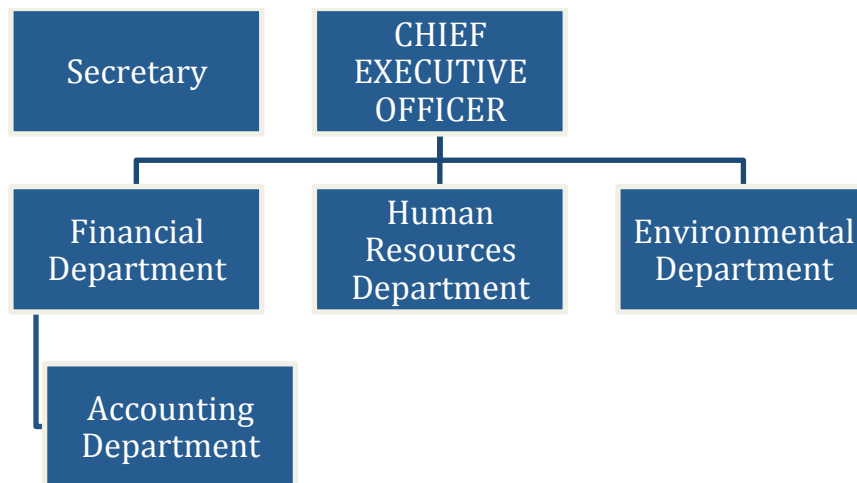


Figure 10 Organizational Structure

Source: own elaboration based on information provided by the company

System: this part consists of rules, regulations and the type of procedures implemented by the company. When analysing the system of the company from the viewpoint of removal of the old environmental burden the most substantial are regular monitoring and controls executed by the company itself but also by the specialists and professionals coming from external environment. Among these are extensive hydrogeological, geophysical, engineering and geodetic tests that are processed under strict rules given by the standards. After the testing, the results are evaluated on a regular basis and so the company finds out the efficiency and effectiveness of implemented procedures. Environmental burden is a living mechanism and therefore, monitoring and special controls are necessary for further decision - making. In case that the appraisals show imperfections or defects, the company is able to update, regulate and adjust the technological processes according the actual situation. Description of all procedures and systems implemented by the company would be really extensive to describe and, moreover, for the purpose of this thesis not that important as they are related to very complicated technologically focused processes.

Staff: staff represents human resources of an organization. As already mentioned, Human Resources Department is responsible for recruitment of new employees, it is responsible for taking care of its current employees and it is occupied also with education and trainings of the employees. During the times when the project of reclamation was carried out, there were many participants and workers engaged. The exact number cannot be stated, as a big number of workers were working for external companies that were hired by ZSNP,a.s. and so these workers were not the employees of ZSNP,a.s. These companies were specialists on specific technological process and there is no evidence of how many people participated during the years of activity. However, right now, even after the main part of the project is finished, there are about 25 employees working on “kalové pole”, who are the employees of ZSNP,a.s.

Style: this element describes managers' way of leading, motivating and managing. In case of ZSNP,a.s. a specific style of the leadership cannot be named, since the company implements the mixture of them, depending on the issue and type of the problem or depending on what kind of decision has to be made. Due to the fact that ZSNP,a.s. is the company with hierarchical division, the leadership is mostly functional leading, where there are exact processes, tasks and objectives. Everybody has a specific function and performs the duties. However, creativity, the knowledge and skills of individual employees are used in decision – making, too.

Skills: skills are capabilities and abilities of an organization as a whole but it also refers to individual capabilities. The employees of the company are specialists and each of them needs different skills and capabilities for doing their job. Managers possess conceptual skills of which the most important part is strategy. These skills are owned mainly by top managers of the company. Social and communication skills are very important among all employees as interpersonal relations create the atmosphere in the company, which affects the effectiveness and efficiency of employees. Administrative skills and knowledge of one or two foreign languages by the managers are a must. Because of the fact that ZSNP,a.s. is industrial company the managers and also the workers must have technical skills. Knowing the methods and techniques used in production or other processes is very important. Specifically, when analysing the skills and capabilities of people participating in the project of reclamation of the sludge bed, it has to be mentioned that external participants were asked to assist ZSNP,a.s. and share their professional knowledge and know-how with the company in the field of ecology, statics, chemistry, geophysics, engineering and other areas, on which the company is not specialized.

Shared Value: this refers to the objective, goals, aims and values that the company. It also consists of the fundamental, basic ideas on which a business is created. The company declares four main values – the change, the system, going forward and professionalism.

1. Change is considered in the company to be the way to success. In addition to that, the company and its employees are trying to change the matters in a responsible way.
2. The system represents the respect and development of effective organization and work performance. Parts of the system are also specified procedures and regulations that make the company effective. ZSNP, a.s. realizes the need to obey the law, the procedures, the regulations, their mutual dependence and ethical principles.
3. The creativity and activity are two main aspects that enable the company to move forward. The company and its employees are continuously developing their potential and talents.
4. Professionalism is perceived to be the base of the existence of the company. The success of the company is due to high performance of each employee working for the company. Also, customers' satisfaction is the condition for the satisfaction of the company's employees and shareholders.

Besides these values, the company puts emphasis on environment and that is why ecology and environment protection has become one of the main priorities, too. Company's aim is to reduce the negative effects and impacts that are results of production activities. Along with this, ZSNP, a.s. has been continuously working on elimination of historical environmental damages. Even though the company puts a huge effort into environmental issue, not all employees share this value, and there are differences among the employees who are participating on the project of reclamation and those who were not directly involved. The company does not have any ethical code where these values would be specifically described. Naming and describing the values in ethical code is beneficial as ethical code is accessible to all employees and it provides a clear picture of company's values and believes.

4.3.2 Environmental Department of ZSNP,a.s.

One part of the practical part of the bachelor thesis is an interview, which was done in order to find out the information and opinion about the effects of the environmental measurements of ZSNP, a.s. on external and internal environment with the special emphasis on the concept of corporate social responsibility directly in the studied company. The interview was conducted with Ing. Miriam Ťahúňová, The Head of the Environmental Department of ZSNP,a.s., Žiar nad Hronom.

The interview explained in detail various questions related to the reclamation of the sludge bed, sustainable development and corporate social responsibility from the viewpoint of the company.

Firstly, it was explained that there were many reasons for solving the environmental burden from the company's point of view. One of them was the fact that it was inevitable to start the reclamation of the sludge bed as the rate of potential danger of serious disrepair of the sludge bed was very high. The serious disrepair

could possibly destroy biotopes and ecosystems in the areas of groundwater, surface water and soil. In other words, if something had gone wrong, it would have had terrible impact on the inhabitants of Žiar nad Hronom and its surroundings. In order to eliminate the potential risk, the company decided to do something with this problem and by this action it has improved quality of life of people living in the region of Žiar nad Hronom. The answer to one of the research questions, asking to name the specific effects, which were brought by environmental measures performed by ZSNP,a.s., was as follows:

- elimination of possibility of occurrence of potential accident or so called serious disrepair
- the project secured higher stability of the sludge bed's body
- prevention of emissions of sediment's dusty particles
- better air conditions in the region, which results in cleaner and fresher air that the inhabitants of the region breath
- integration of the sludge bed into natural environment contributed to the improvement of aesthetical appearance of the surroundings of the city, which had not been very attractive before the realization of the project
- positive feedback from the public

Related to the public, in the interview it was stated that the company tried to keep the public informed about the project of reclamation through seminars, conferences, regional weekly magazines and specialized press. The public interest was noticed and evaluated by variety of awards, which the company receives as a reward for carried out work. Received awards prove how significant was the contribution of the company to the public. Some of these awards are:

- 1st place in national round of international ecological competition EKO 2011
- 2nd place in international round of international ecological competition EKO 2011
- The award Envirooskar in national eco – competition NESS 2011
- National entrepreneurial award for environment in the category process of the year 2011

From company's experience it can be stated that the legal aspect of the issue in Slovakia is improving. Many things have been changed and the legislation puts more emphasis on environmental burdens, sustainability and corporate social responsibility. When the project started, the legislation and governmental support regarding environmental burdens was insufficient, what made the work much more difficult, especially, when finding support for the project. The company had to make a huge effort to manage everything by itself. A great thing nowadays is, that it is possible to gain some financial support for research and remediation of environmental burdens from Operational program Environment. This was not

possible when the company started to work on the project of reclamation and so the company did not receive any external financial support.

4.3.3 Employees of ZSNP,a.s.

Part of analysis of internal environment is also analysis of the employees of the company. Its purpose is to find out what effects the environmental measures had on employees of ZSNP,a.s. and how they perceive the company within the framework of corporate social responsibility.

The research was conducted by means of questionnaire survey. The survey was conducted directly in the company. Thirty employees answered the questions of the survey, which is the half of the total amount of the employees working currently in ZSNP,a.s. ² Exact half of the respondents has been working for the company for more than 10 years, which indicates that these employees are experienced, they know the company and its processes precisely and they have been in the company during the most or whole time of the reclamation of the sludge bed.

In general, the survey showed that the employees evaluate the company very positively and they realize the implementation of corporate social responsibility in the strategy and actions of the company. Most of the respondents see the implementation of CSR as a moral duty (70%), four respondents (13,33%) think that it is profit – making that makes companies implement CSR and the rest (16,67%) connects implementation of CSR with company's marketing and PR. This response comes from their own experience, which means that 70% of the employees think that ZSNP,a.s. acts according to its moral conviction.

On the question whether ZSNP,a.s. is the company that behaves in socially responsible way, up to 28 employees (93,33%) said that ZSNP,a.s. is socially responsible company and 2 employees (6,67%) stated that they cannot say whether it is or not. There was nobody who would say that ZSNP,a.s. is not socially responsible company. Other closely related question asked, in which pillar ZSNP,a.s. shows its CSR behaviour the most. The most frequent answer was environmental pillar with 80% (24 employees) occurrence, which demonstrates how much effort the company puts into environmental issues. The outcome to this question also proves that the employees are aware of the actions that the company underwent during the project of reclamation and that they are able to see in it the positive contribution to society and also to themselves as 27 employees (90%) perceived environmental burden "kalové pole" as a problem to which they attached great importance. Problem was marked as serious, fairly serious and very serious in total by 28 employees (93,33%). Here comes the question of what is the reason that 3 employees said that they did not see "kalové pole" as a problem, however, only 2 employees saw the problem of "kalové pole" as not serious at all. One possible ex-

² The amount of employees has been gradually decreasing over the year by reason of restructuring and sale of subsidiaries to strategic investors as explained in Characteristics of the Company.

planation to this inconsistency might be an individual perception of the respondent. Even though the respondent is aware of the fact that the environmental burden is a serious issue, he or she does not have to consider it to be a problem, which should be solved by the company where he or she works.

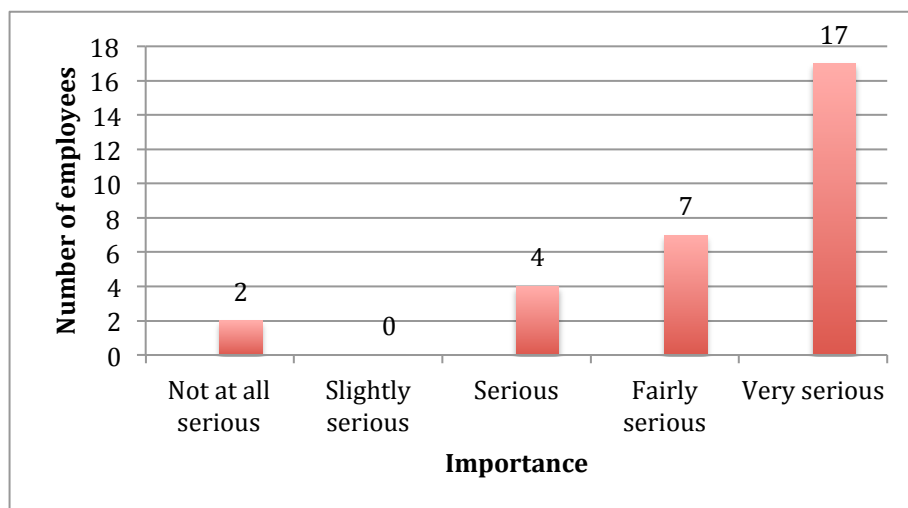


Figure 11 Seriousness of the problem perceived by the employees

Source: own elaboration based on own research

A very positive finding for the company is that the reclamation of the sludge bed really had a positive effect also in connection with its employees. There was nobody who would perceive the company in a negative way. The respondents declared that the project of reclamation of the sludge bed had a positive effect on them and so they perceive the company more positively. This opinion was expressed by 70% of the respondents and the rest (30%) stated that the project has not changed their perception because they have always perceived the company in a positive way. All respondents (100%) agreed on the fact that the project of the reclamation of the sludge bed definitely increased the reputation of the company.

In the last question, there was provided space for voluntary answer on the question of how specifically the environmental measurements of ZSNP,a.s. influenced the employees of the company. Among the answers it was stated that the employee pride of an employee increased and that now he/she is proud of the fact that the company, for which this person works, managed to deal with environmental burden from the past. Almost identical answers were provided twice when the employees wrote that the project of reclamation of the sludge bed improved and deepened their technical knowledge and they learnt many new things and gained new experiences. Change of personal approach towards environmental protection and ecology was also stated twice, even to the extent that the employee decided to adjust some habits and started to recycle and become more eco-friendly. Employees also appreciate the current appearance of “kalové pole”. Many employees are

at the same time inhabitants of the city, and therefore, it influenced their personal life and life of their families.

4.3.4 Financial Aspect

Corporate social responsibility is often associated with profit-making, or at least, with the polemic whether the companies implement CSR concept from their good will, which is considered to be contradictory to the basis of doing business, or the companies implement CSR because they see profit behind it.

One and universal answer will not be found as the intention and purpose of each company varies, however, financial aspect of ZSNP,a.s. connected to the reclamation of the sludge bed can be examined very fast because the company stands as a proof that corporate social responsibility can really be carried out because of a good will and moral reasons.

The technological processes, on which the money was spent and which started in 2001 and finished in 2014, were divided into two main groups. Those two groups are operational costs and investments costs as shown in the table:

	Operational Costs	Investments Costs	Operational and Investments Costs Together
Sum (in EUR)	40 404 545	7 067 490	47 472 035

Tab. 1 Costs related to the reclamation of the sludge bed
Source: Own elaboration based on materials provided by ZSNP,a.s.

The company spent unbelievable amount of **47 472 035** EUR on the project of reclamation of the sludge bed. It is a pure cost, which will never be returned to the company and no profit can be expected from the actions carried out by ZSNP,a.s. The thesis already explained the development of selling subsidiary companies, which started in 2006. However, the company finished its project of reclamation in 2014 and there are still some work going on. ZSNP,a.s. bound itself to reclaim the old environmental burden and it has done so, despite the smaller size and selling of the most significant subsidiaries. It is also worth to mentioned that primarily, the planed investment was three times smaller than the actual one. In order to carry out an excellent job the company increased the sum spent on the project to the extent that it was three times higher than the initial one.

ZSNP,a.s. spent the biggest amount of money on the reclamation of an old environmental burden from all private companies in Slovakia.

4.4 External Environment

4.4.1 Analysis of External Environment using PESTE analysis

PESTE analysis studies the political, economic, social, technological and ecological factors of external environment, which can influence the activities and performance of the company. It is an effective tool that finds out the factors, which affects an organization and evaluates growth or decline of the market (Jurevicius, 2013). Souček (2003) states that PESTE analysis helps us systematically analyse the development of surrounding world.

Political Factors: the most important political factor is the legal framework, law and regulations. The 1st of May, 2004 was very influential because Slovakia became a Member State of the European Union, which has brought many changes. The legislation on environmental burdens before 2004 had been very insufficient. In Slovakia, there was not a specific law on this issue which made the job of ZSNP,a.s. related to its environmental burden much harder, as there was not any legal support available. Joining the European Union, however, brought principles, directives, policies and plans that were published by European Commission and that are binding on Slovakia. These directives were already studied in the part European and Slovak legislation of this thesis. Current situation in Slovakia is much better as the gaps in legislation were filled. Nowadays, if an organization decided to reclaim or liquidate an old environmental burden, Ministry of Environment of Slovakia is able to provide methodical instructions related to the risk analysis of polluted area and it put together the guidelines that guide the company when removing environmental burden. Another fact is that Slovakia deepens its integration and globalization. This brings many opportunities, such as new investors, bigger market, foreign capital, using economies of scale, which reduces the costs, but on the other hand, there are also potential threats, such as higher competition, unbalances economies and lack of control over the markets.

Economic Factors: when using PESTE analysis for analysing external environment, macroeconomic data that indicate the development and impact on national economy are used. Those are normally GDP, exchange rates, purchasing power, inflation, state budget, foreign trade, rate of unemployment, average gross wage and others. These external factors influence company's operation and performance as they provide the conditions for running the business. It is not that necessary to analyse all these data for the purpose of the thesis, as these factors directly influence the company but not so much the project of reclamation. Except the naming of specific economic indicators it is better to focus on the most meaningful sign, which is the overall economic environment, which affects the companies in general. When this environment is convenient for doing business, the companies are able to earn more money, which they can invest into CSR strategies. According to Šikula (2008) the predictions for Slovak economy and for its opportunities for future development in next 10 years are based on two main pillars. The first are low wages and the second one is high quality of production of foreign companies in Slovakia, which means that foreign companies are important players for Slovak

economy. Combination of these two factors indicates that Slovak economy has high potential to grow, especially in the field of industry.

Economic factor that could be interesting for the company is the rate of unemployment in Žiar nad Hronom region. This is because of the fact that the work on the sludge bed is carried out mainly during the spring or summer when the weather is convenient. Hence, this kind of work can be considered seasonal work. Unemployed people are looking for seasonal jobs because they don't have a regular job and so they should be interested in working always when it is possible. The unemployment rate in the region in 2014 was 13,34%, from which 1629 were men and 1869 were women (Úrad práce sociálnych vecí a rodiny, 2014). Carried-out work on the sludge bed is physically demanding and therefore, the work is more suitable for men than women. However, 1629 available men is a high number and therefore, the company should not have any problem finding labour.

Social Factors: among the social factors are mainly demographic, social, cultural aspects and education. In Žiar nad Hronom region there were 48 025 people living in 2013 (infostat, 2013). The future predictions for this region are shown in the graph.

Year	2013	2015	2017	2019	2021	2023
Number of inhabitants	48025	47950	47865	47747	47584	47365
Year	2025	2027	2029	2031	2033	2035
Number of inhabitants	47104	46863	46544	46212	45848	45457

Tab. 2 Prediction of number of inhabitants in the region 2013 – 2035

Source: own elaboration based on infostat. Available at: http://www.infostat.sk/vdc/sk/index.php?option=com_content&view=category&layout=blog&id=12&Itemid=56

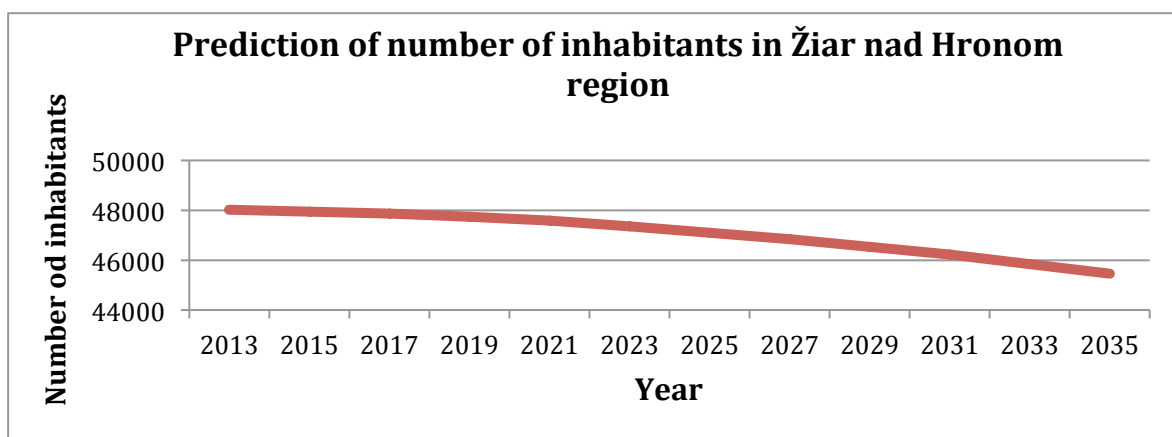


Figure 12 Prediction of number of inhabitants in Žiar nad Hronom region

Source: own elaboration based on infostat. Available at: http://www.infostat.sk/vdc/sk/index.php?option=com_content&view=category&layout=blog&id=12&Itemid=56

From the predictions of number of inhabitants in the region we can see that in 20 years from now there will be the decrease of 4,17% in population. Compare to other regions in Slovakia this decrease is less noticeable because Žiar nad Hronom region is fairly developed and the people living there do not feel the need to move to other parts of the country. From the perspective of the removal of environmental burden this means that the project was significant and will affect also the next generations, who will live in the region, as the company eliminated the threat of potential accident.

Another interesting research made by SITA (2008) found out that more than one fourth (77%) of the inhabitants of Slovakia behave ecologically if it does not limit their comfort. 17,7% of the respondents do not care about the ecology at all. Only 4,5% of Slovaks make the effort and care about the ecology and protection of environment. Even though the trend shows that people understand the importance of protection of environment more, there is still a lot of space for education in this field and for the increase of their awareness.

Technological Factors: technology is mainly important in the field of industry. These two aspects go hand in hand. Technological improvements and innovations increase the effectiveness and efficiency of the production. Revolutions in science and technologies are so significant that companies must monitor new technologies available and they must modernize. The newest technologies are also much friendlier towards nature, which makes the production more ecological. It is reflected, for example, on the number of released emissions, how much the production pollutes air and water, how much dust is created, what kinds of chemical and wastes are released etc. Nowadays, there are different types of sustainable technologies available on the market, such as technologies for remediation, which include vapour extractors, groundwater, dual phase and sparging remediation system. Another interesting type of technologies are technologies specialized in renewable energy and energy efficiency. On the market there are companies, which provide technological audits and based on the findings they prepare the proposals within sustainable technologies. Innovations play an important role in creating more efficient and better world. The research of European Commission (2014) found out that Europe is becoming a better innovator, however, there are huge differences among the Member States. The best innovators are Sweden, Denmark, Germany and Finland, while Slovakia is considered to be only a mild innovator.

Ecological Factors: Enviroportal (2015) states that all together there are 1994 environmental burdens in Slovakia, from which 263 are of high priority as they represent a potential danger for health of people and environment. Most of these locations are nowadays abandoned and there is nobody who would take responsibility, or the companies responsible for these burdens continue in their production, but they do not have enough financial resources or enough interest to deal with environmental burden in their area. However, due to technological conveniences, new environmental burdens should not be created in the future and bigger emphasis will be put on old environmental burdens and its removal. Based on the study of long – term vision and strategy of Slovak society, Šikula(2008) states that

ecological development will be characterized by average growth of air temperature, specifically 0,6-1,3°C until the year 2013. This will affect the underground water levels and intensity of springs and so water will become a strategic resource.

4.4.2 Statements of Stakeholders

Except the internal environment analysis, the thesis also studies the effects and impacts that environmental measures of ZSNP,a.s. had on external environment, and so the partners cooperating with ZSNP,a.s., companies located in the Industrial Park, stakeholders, and specialists on the topic expressed their opinions and views on the problem. Asked respondents summarized and evaluated the undertaken steps by ZSNP,a.s. in connection with environmental burden and they talked about how the project of ZSNP,a.s. affected them.

These statements are valuable and have strong informative capability, because asked stakeholders are top executives and professionals in given fields from both public and private sectors. The thesis systematically studies the participants from different organizations or field or interest. Among the most significant ones are ex-minister Dr.h.c. Prof. RNDr. László Miklós, DrSc., Ex-Minister for Environment of the Slovak Republic, Mgr. Peter Antal, The City Mayor of Žiar nad Hronom, prof. Ing. Jozef Hulla, DrSc., Faculty of Civil Engineering, Slovak University of Technology in Bratislava. Division, which shown the variety of the stakeholders, is shown in the graph.

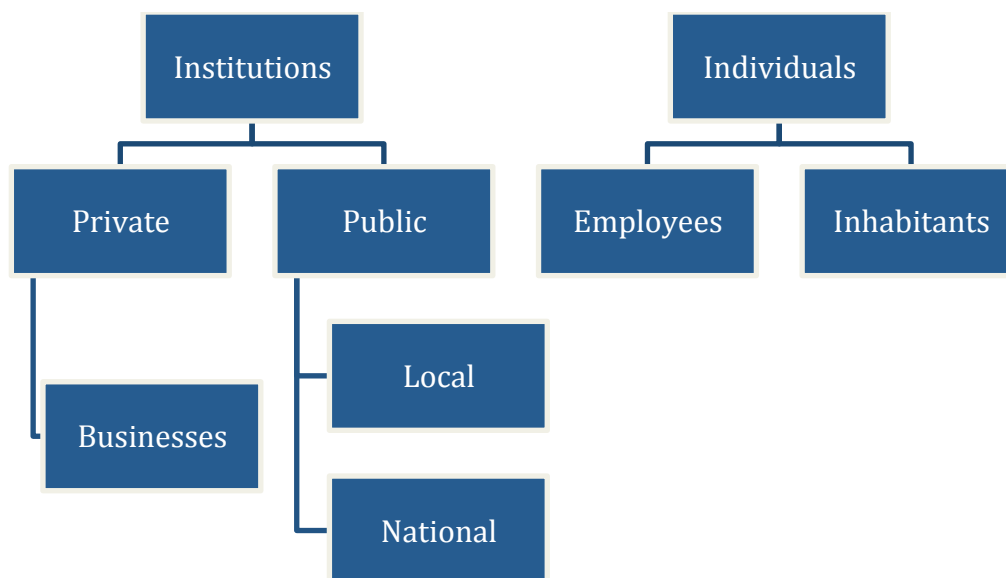


Figure 13 Division of stakeholders

Source: own elaboration based on own findings

All together there were 9 stakeholders analysed and their exact statements related to the topic can be found in the appendix. Namely, these stakeholder took part on the research:

Private Businesses:

- Ing. Milan Veselý PhD, MBA, Chief Executive Officer, Slovalco a.s.
- Vladimír Riapoš, FINALCAST, s.r.o.
- Ing. Vladimír Rapčan, Plant Engineering Manager
Nemak Slovakia s.r.o
- Joxeba Agirre, Managing director Fagor Edelan Slovakia
- Dr.h.c. Ing. Jozef Pittner, PhD., Chairman of the Board of Directors
or the Supervisory Board of ŽHS, a.s.
- Ing. Daniel Šály, Manager for water management, Veolia Energia
Slovensko, a.s.

Public local:

- Mgr. Peter Antal, The City Mayor of Žiar nad Hronom

Public national:

- Dr.h.c. Prof. RNDr. László Miklós, DrSc., Ex-Minister for Environ-
ment of the Slovak Republic
- prof. Ing. Jozef Hulla, DrSc., Faculty of Civil Engineering, Slovak
University of Technology in Bratislava

Based on the statements of stakeholders, the table was created. This table sums up the main effects mentioned by the stakeholders in exploratory research, while they were answering the research questions focused mainly on the impact and their personal perception of the project of reclamation of the sludge bed. The table summarizes the statements of analysed stakeholders and it shows, which effects were the most significant.

The participants are divided in the table according to the organizational division. Blue colour represents private businesses, orange colour represents public local institution and green colour stands for public national institutions.

Effects	Improvement of environmental situation (Water, Air, Soil)	Decreased risk of potential accident	Better quality of life, health conditions	Aesthetic Reasons	Improvement of reputation	Increased sustainability awareness
Ing. Milan Veselý PhD, MBA <i>Slovalco a.s.</i>	X	X				
Vladimír Riapoš <i>FINALCAST, s.r.o.</i>	X	X	X			
Ing. Vladimír Rapčan <i>Nemak Slovakia s.r.o</i>	X	X		X		
Joxeba Agirre <i>Fagor Edelan Slovakia</i>					X	
Dr.h.c. Ing. Jozef Pittner, PhD., <i>ŽHS, a.s.</i>				X	X	X
Ing. Daniel Šály <i>Veolia Energia Slovensko, a.s.</i>	X					
Mgr. Peter Antal <i>The City Mayor</i>	X	X		X	X	X
Dr.h.c. Prof. RNDr. László Miklós, DrSc., <i>Ex-Minister</i>	X	X		X		
prof. Ing. Jozef Hulla, DrSc., <i>STU Bratislava</i>	X		X			

Tab. 3 Mapped stakeholders' statements

Source: own elaboration based on information provided by the stakeholders

4.4.3 Inhabitants of Žiar nad Hronom Region

In order to study the inhabitants, their opinion about the issue and to find out what effects the project has had on them, the second questionnaire was made. It was targeted specifically on the inhabitants living in the region. The information and data were gathered via the Internet. All together 183 respondents answered the questions, however, 180 of them were relevant for the research as remaining three inhabitants were not from Žiar nad Hronom region. The questionnaire proved the assumptions that the project of reclamation of environmental burden has positively affected the inhabitants of Žiar nad Hronom, that it has improved the quality of their lives and its socially responsible action has encountered with enthusiastic reaction.

Moreover, the concept of corporate social responsibility was evaluated positively as 114 respondents (63,33%) said that it is very important that the corporations behave in socially responsible way and 42 respondents (35,59%) said that it is fairly important. The awareness of CSR concept is also reflected in their buying behaviour because for 54 respondents (30%) CSR concept is very important when buying products or services and for 60 of them (33,33%) it is fairly important. This also proves that being socially responsible is a current trend and it is still coming to the fore. From this it can be deduces that if the consumer becomes conscious about the consequences of the actions of corporations to the extent that it will change their buying behaviour, the companies will have to become more socially responsible. The study showed that environmental awareness of inhabitants of Žiar nad Hronom region is very high compared to the general situation in Slovakia. While only 4,5% of Slovaks really care about environmental protection and ecology (SITA, 2008), the situation in Žiar nad Hronom region is more positive. The respondents confirmed this fact right away in three questions. Firstly, up to 57% of inhabitants of the region think that environmental pillar of corporate social responsibility is the most important one.

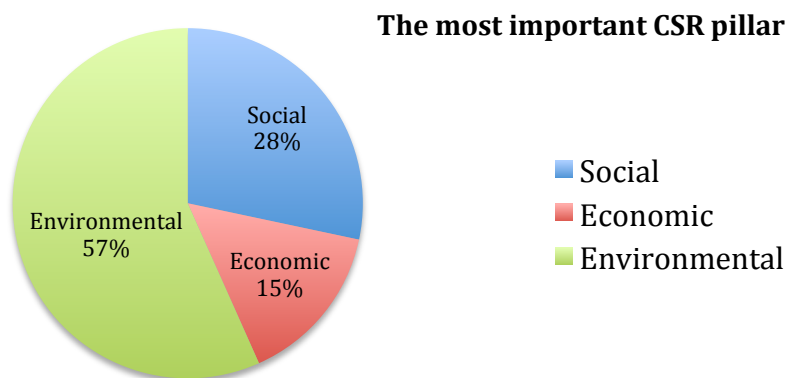


Figure 14 The most important CSR pillar according to inhabitants of Žiar nad Hronom region
Source: own finding

Secondly, when asking the question of how important it is to take care of ecology and environmental burdens according to the respondents, 120 respond-

ents (66,67%) said it is very important for them and only 3 people (1,67%) think that taking care of ecology is not important at all. Lastly, they also stated that they carry out the practices towards protection of environment at their homes as 136 out of 180 respondents (75,56%) said that they recycle, which is a great number.

Specifically, environmental burden “kalové pole” was seen as a problem. People living in the area were not happy to have such environmental burden in the city and they expressed their opinion that the project of reclamation positively influenced their lives in the city and in the region. They feel more comfortable, they do not worry anymore about the potential accident, the quality of water and air has improved and they are also pleased with more aesthetical appearance of the landscape. According to the estimations, in 2025, there will be 8 billion people living on Earth and so the consumption of water will increase as well. Water will become more precious and valuable. Draining of the waters and water pollutions were one of the main problems of the sludge bed. By its reclamation, the company ZSNP,a.s. has improved the situation related to the water in the city and the region and secured better conditions for the future. The only imperfection was in information of the public. Half on the respondents (50%) think that it was on the average and other 57 (31,67%) think that were informed insufficiently. The most frequent response was that their information about the project of reclamation came from talks among the inhabitants. The research also showed that ZSNP,a.s. has a good reputation among the inhabitants. 45% of people has always perceived the company positively, and the project of reclamation has increased the reputation of the company as 51% of the respondents perceive the company more positively, now.

4.4.3.1 Perception of the company by inhabitants

This subchapter is related to one research question, which was formulated as follows:

- What aspects and to what extent influence the company's perception by the inhabitants in the respect to the company's activities in the field of social responsibility and environment?

In order to answer the research question a structural equation model was used, see Figure 15, based on two input latent variables:

- Attitude towards CSR (based on the observed variables: importance of the CSR in general, influence of CSR on purchase behavior)
- Perception/attitude of the given environmental problem (based on two observed variables: how much was the respondent informed about the problem, how much the respondents perceive the gravity of the environmental problem)

Output variable is based on the question of the change in the perception of the company in respect to their action of removing the environmental problem.

Rectangles represent observed variables, circles represent latent (constructed) variables, flashes represent correlations, numbers in black colors represent correlation coefficients (weights) within the given latent variables, number in white color represent R square.

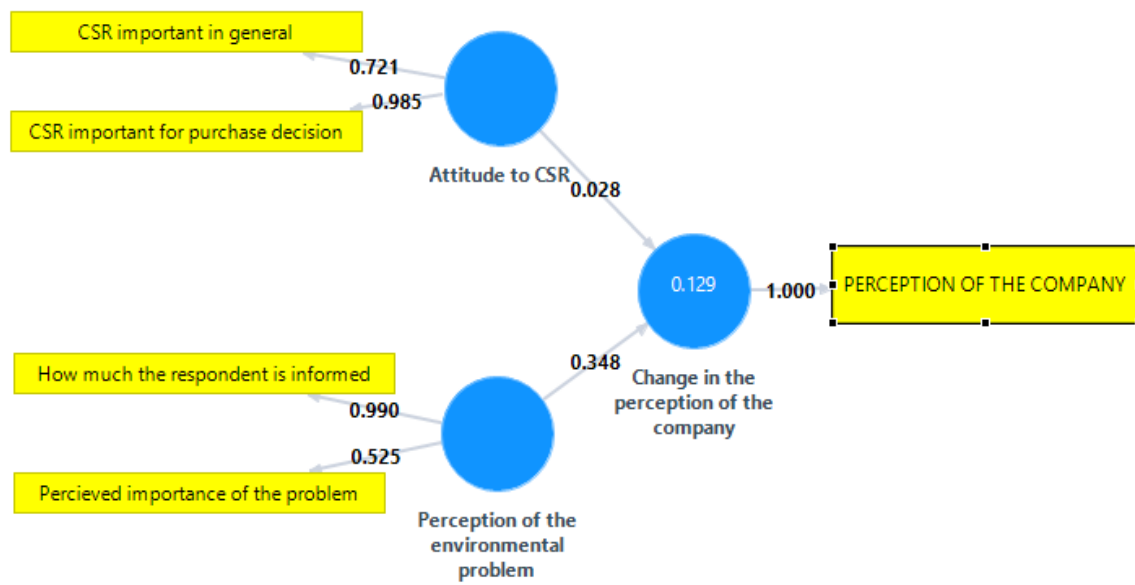


Figure 15 Structural equation model, explaining the change in perception of the company by inhabitants in respect to the company activities in the field of environment / CSR

Source: own elaboration based on the findings

The model brings the results as follows, see Fig 15 and Tab 4, input latent variable "Attitude to CSR" has only a minor impact on the output latent variable "Change in the perception of the company", also this input latent variable is not statistically significant.

On the other hand the input latent variable "Perception of the environmental problem" is both important and statistically significant as regards the overall change in perception. It is important to note, that the R square is relatively low, but it is acceptable due to the factual and empirical consistency of the hereby presented model. It is also important to mention that all the latent variables exceed the value of 0.5 of AVE parameter (Average Variance Extracted), what fulfils the methodological requirements for this model (Hair, 2013).

	Correlation coefficients	T Statistics (min. 1,96)*	P Values (max. 0,05)*
Attitude to CSR -> Change in the perception of the company	0.028	0.356	0.722
Perception of the environmental problem -> Change in the perception of the company	0.348	3.941	0.000

Tab. 4 Statistical parameters of the structural equation model - change in perception of the company by inhabitants in respect to the company activities in the field of environment / CSR

Source: own elaboration based on own findings

As a conclusion, based on the results, we can say that for the company it is important to concentrate on the communication of its environmental activities and actions and integrate it as a firm part of the CSR.

4.4.4 SWOT Analysis

Strengths:

- Well worked out strategy
- Active approach and enthusiasm of employees, who are well trained, experiences and professionals
- Strong position on the market as it is one of the biggest metallurgical companies in Slovakia
- Activities are always in compliance with legislation
- Taking preventive measures and regular controls
- The company is extraordinary among the competition due to its environmental program
- Great experience in the area of ecology
- Usage of external companies and experts, which leads to great results and professionalism
- The company owns certified Quality Management System according to standard ISO 9001:2009, it implemented Environmental Quality Management System STN EN ISO 14001:2005 and also Occupation Safety System OHAS 18001:2007
- Trainings for employees
- Won awards

Weaknesses:

- Bad reputation of the company resulting from the past actions
- Lack of expertness in the specific technical and chemical processes connected to the sludge bed, since it is not part of the specialization of the company
- The sludge bed is reclaimed, however, it is still physically there
- Insufficient ensuring of informing of people

- The project of reclamation of the sludge bed was very costly
- Sustainable development is realized mainly in environmental sphere while other spheres are not so much developed

Opportunities:

- Not many companies undertake environmental measures to such an extent
- Possibility of new technologies and innovations
- People perceive the importance of socially responsible behaviour of the companies
- Tools for environmental auditing and CSR reporting
- One of the influential factor in buying behaviour of customers is based on the fact whether the company is or is not socially responsible
- Increased interest in education in the area of corporate social responsibility and sustainable development
- Available Labour
- Constant fulfilment of the legislation gap in Slovak legal framework
- Arrival of new investors due to the reclamation of the sludge bed
- Easily accessible marketing tools such as social media

Threats:

- Fairly high relying on external support
- Decreasing number of population in the region
- Climatic change
- Natural disaster
- Bureaucracy
- Financial crisis
- Governmental risk
- Long-term ecological processes
- Uncertain predictions of economic development

5 Recommendations

Overall, the company ZSNP,a.s. went through the actions that are evaluated very positively by both internal and external participants. The environmental measures affected these environments in various ways. Positive reactions and strengths prevailed the negative reactions and weaknesses. The processes, which very carried out were on the highest-level possible as the most respected professionals participated on their creation and implementation. However, few recommendations could be made. In order to make recommendations really applicable by the company, they should not be so financially demanding, since the project of reclamation is the main part of company's CSR concept and the company spends huge amount on it.

Communication: Damaged reputation resulting from the company's past actions may still be observed among inhabitants and other involved participants. Even though, the project of reclamation of the sludge bed was extraordinary not only on national level but also internationally, which makes the company special, and the reputation of the company is increasing, what was proved by the research, the company should use its great accomplishment in the sphere of environment to a grater extent and in that way strengthen its reputation. The company should show to a broader public the exceptionality of its project, so its good name would be improved faster and would be perceived by higher number of people. Making usage of communication channels can save both time and money. To do so, the company could use easily accessible marketing tools: social media such as Twitter or Facebook, where it is possible to propagate the whole project, to post the pictures, videos and the articles focused on environment, ecology, corporate social responsibility and on sustainable development. These platforms are suitable also because of their interactive character and possible communication. This method is free of costs, since usage of the social media is for free, moreover it is very beneficial, trendy and it brings opportunities for broad involvement. The matter of fixing bad reputation is very closely connected to the imperfection of insufficient providing of information, which the inhabitants of Žiar nad Hronom perceived as a problem. ZSNP,a.s. does not inform the public about their socially responsible behaviour to the extent that is required by the public. Company's website is missing information about their CSR strategies, actions and future plans. Editing the website would not increase the expenses to the company, since it has its own IT support, which would be able to carry out this task. CSR needs to be communicated because, otherwise, one substantial part of why the companies implement CSR concept is losing its meaning.

Sustainability Reporting: the company should report its activities through Sustainability reporting, which provides a framework for publishing the information about company's activities towards internal and external stakeholders and it de-

scribes how the company contributes to sustainability. I suggest the company sustainability reporting because:

- it will contribute to higher efficiency and competitive ability of the company
- it is a great communication tool when communicating with both internal and external environment
- it is a useful document when creating strategic CSR concept
- it is practical tool for the specialists in the field

For the company's purpose, sustainable reporting template was created according to which the company could carry out its sustainability reporting. The concrete template is attached in the Appendix C - Sustainable Reporting Template. This report should be made on annual bases.

Another option is to make sustainability reporting within the framework provided by Global Reporting Initiative (GRI), which is widely used all over the world. Freely available guidelines are accessible on-line on the webpage of Global Reporting Initiative (www.globalreporting.org). The company would not have to pay anything for the platform of the report and would be made by the employees of the company who are engaged in the topic of sustainability and environmental burden. Because of the fact that creation of such report is time consuming and out of employees' working duties, I suggest their extra remuneration. Since the company does not provide the information about the wages and financial remuneration of its employees, the management of the company would have to set the amount based on their own consideration.

CEE CSR Summit in Bratislava: this summit is the biggest and the oldest CSR event in the Central and Eastern Europe. Leader of significant companies, CSR experts and the managers from different fields participate on the summit and share their experience. The main purpose of the summit is to educate the listeners about the most recent CSR topics and to share the recent information in the given field. The company has not participated in this event yet and so I would recommend attending this event as it may bring the inspiration for designing further CSR strategy and it educates the listeners about the most recent CSR trends. CEE CSR Summit in Bratislava consists of two parts, the summit itself and the workshop. The ticket prices are as follows:

Workshop only	119,00 €
Summit only	219,00 €
Workshop and Summit	269,00 €

Tab. 5 Summit prices

Source: own elaboration based on CEE CSR Summit. Available at: <http://www.cee-csr-summit.eu>

Information Sharing: As already mentioned, CSR is becoming more popular and its implementation is interesting for many organizations. These organizations are

trying to get the knowledge so they can benefit from it in the future (the proof of this is also CEE CSR Summit). The company should make a use of its experience in the field of environment, ecology and sustainable development and organize itself the conference for other companies in Slovakia who are concerned with sustainability, environment and who are dealing with environmental burden. The meeting would be divided into two parts. Firstly, the theoretical part would take place, where the issues of reclamation of the sludge bed and sustainable development would be discussed and subsequently, the participants would be taken to see the sludge bed, so they would be able to see in the practice what has been done.

These would bring even more positive effects on external environment. It would improve the awareness of the public of the specific environmental knowledge, the participants would be informed better about the steps and practices of ZSNP,a.s. and it could also contribute to the development of Slovakia in the field of corporate social responsibility and sustainable development. The project of the reclamation of the sludge bed was carried out on such a high level that it can serve as a model example for other companies. Another argument for organizing such a conference is that successful initiatives of CSR, what ZSNP,a.s. certainly is, lead to the imitations of the actions by other organizations.

This conference would be part of implementation of CSR in the company, and therefore, there will not be any profit-seeking behind it. The best option would be to organize the conference for free. In case that the company would not like this option there is an option of asking the participants to pay attendance fee in amount of costs spend on the conference. However, the second option would have to be communicated well, so it is clear that the company really wants to spread “the good” and that it will not benefit from organizing this kind of event.

The conference would take place in the company and smaller size of the audience would be preferred so the conference could be more interactive and opened to discussion. Hence, the number of participants would be limited to 20. The invitations would be sent by e-mail. In order to create friendly atmosphere and to represent the company in a good way, refreshment should be offered. The company must prepare booklet and materials, which should be given to the guests, containing useful information related to the topic of sustainability, environmental burden and social responsibility. This information would mainly come from sustainability report, which would be prepared as a first. Considering the extent of sustainability report or necessary information that the booklet would consist, estimated printing price would be 5€/1 booklet (printed in colour, high-quality paper). The last expense is transportation of the participants within the Industrial park. Considering the distance between the administration building and the sludge bed, 5 km would be driven by each car. It would be necessary to use 5 cars – 20 participants and 5 employees driving. We would count with an average consumption of 7l/100 km and price of the fuel 1,3€ (which was the average between diesel and gasoline on 19.5.2015). The estimated expenses are as follows:

Items	Total price for 20 guests:	Performed by:
Catering ³	300 €	External Company
Booklet and materials	100 €	Prepared by employees, printed by external company
Transportation	2,28€	Employees
TOTAL	402,28 €	

Tab. 6 Conference Expenses

Source: own elaboration based on examined information

To organize the conference would cost the company 402,28 €. If the company would like the participants to pay the attendance fee it should be $402,28/20 = 20,114$, so the fee would be 20€.

Certifications: I would also suggest getting certifications related to corporate social responsibility. As analysed and stated in the internal analysis of the company, ZSNP, a.s. already owns the standards ISO 9001, ISO 14001 and OHSAS 18001. However, it does not possess any certification directly related to the concept of CSR or sustainability.

A very suitable certificate for ZSNP, a.s. would be STN ISO 26000. All types and sizes of organizations can imply this international norm. It provides the strategies, expressions and definitions related to the concept of corporate social responsibility. It describes the connections, trends, characteristics, principals and processes related to CSR. It studies crucial issues and questions of CSR as well as its integration and implementation in given type of organization. Very important part of the certificate is also identification of stakeholders and identification of liabilities in the field of communication and gathering information within corporate social responsibility. The price of this certificate is 35€.

Another one is EMAS, Eco-Management and Audit Scheme, which was developed by the European Commission. It is a management instrument whose purpose is to evaluate, report and improve the environmental performance of the organizations. The main positive aspects, which are brought by EMAS, are energy and resources saving, increased efficiency, financial savings, decreased number of negative incidents, more market opportunities, better relationships among stakeholders, high quality of the system of environmental management, better working environment and motivation of employees. The price of the certificate for ZSNP, a.s. is 66€.

Since the company focuses most of its effort within CSR into environmental pillar, I would also suggest deepening the implementation of CSR strategies within social and economic pillar. The company behaves in a responsible way towards society in general, however, more specific strategies in these other two pillars

³ Based on the catering prices offered by catering companies in the region

would make the company fall into the category of socially responsible company even more. Because the thesis did not study the other two pillars in detail, I suggest analysing company's performance also in these areas and subsequently, deepening the CSR concept in these spheres.

Total Costs Possibilities

All possible costs combinations are shown in the tables. Remuneration of the employees for preparing sustainability report is not calculated in the total costs because the sum is unknown. In practice, this sum would be added to every table.

Possibility 1		Possibility 2	
Recommendation	Price	Recommendation	Price
Workshop Only	119 €	Workshop Only	119 €
Conference	402,28 €	Conference	0 €
STN ISO 26000	35 €	STN ISO 26000	35 €
EMAS	66 €	EMAS	66 €
Total	622,28 €	Total	220 €

Possibility 3		Possibility 4	
Recommendation	Price	Recommendation	Price
Workshop Only	219 €	Workshop Only	219 €
Conference	402 €	Conference	0 €
STN ISO 26000	35 €	STN ISO 26000	35 €
EMAS	66 €	EMAS	66 €
Total	722,28 €	Total	320 €

Possibility 5		Possibility 6	
Recommendation	Price	Recommendation	Price
Workshop Only	269 €	Workshop Only	269 €
Conference	402 €	Conference	0 €
STN ISO 26000	35 €	STN ISO 26000	35 €
EMAS	66 €	EMAS	66 €
Total	772,28 €	Total	370 €

Tab. 7 Possibilities of total costs of recommendations
Source: own elaboration based on own findings

6 Discussion

Corporate social responsibility together with sustainable development are areas that do not have such a long history but their development is very dynamic and they are gaining on the importance every day. The way in which companies behave and what decisions they make affect everyday lives of many people, such as the employees of the company, suppliers, partners, customers, owners, shareholders, investors, community where the company is located and future generations. These effects might be positive or negative, and therefore, the company must be responsible towards these stakeholders and it has to make only the decisions and undergo those steps, which have positive effects. The companies should also take actions to fix the mistakes and wrong decisions resulting from their previous irresponsible behaviour and in this way create better conditions for current and next generations.

Based on KPMG research, *Revue priemyslu* (2014) states that Slovak companies are behind with corporate social responsibilities. Globally, 71% of the companies claim to be socially responsible, in Slovakia, its only 57% of the companies. The studied company ZSNP, a.s. is considered to be socially responsible, which was approved by 93,33% employees working for the company. Significance of this finding is indisputable as it makes the company more special, more interesting for stakeholders, and it positively contributes to society, too.

When conducting the research on inhabitants of Žiar nad Hronom region, 183 respondents answered the questionnaire. From the viewpoint of quantitative research this sample would not be very significant. However, this thesis was interested in qualitative research on exploratory basis and so perception and opinion of examined sample was meaningful. The thesis proved through research questions how important the corporate social responsibility is for people's lives, that they are conscious of this issue and that they implement some practices even by themselves. Many positive effects can be brought to society by implementation of CSR concept. These effects can improve the quality of human's lives and they help create a better world. These effects need to be studied and analysed as was done in this thesis, so the companies know specifically what advantages and disadvantages their actions brought to society. The respondents filling in the questionnaire showed enthusiasm and positive approach towards CSR. Very similar results were gained in the research called CSR RESEARCH 2013 conducted by the agency IPSOS (2014). Both in the research and in own work was found that CSR is considered to be an important concept among the population. This is reflected in buying behaviour of 75% of population according to IPSOS (2014). According to own work it is 83,33%. Even though the percentage differs, what can be also the result of number of studied respondents (the thesis studied 180 respondents, in the CSR RESEARCH 2013 it was 1019 respondents), both numbers show that big portion of population is aware of CSR to such an extent that it influences their buying behaviour. Another finding was that people are behaving responsibility by their own will and recycling is the most popular activity in environmental sphere.

When looking on the arguments for CSR, which were stated by Coombos and Holaday (2012), the own findings were in compliance with their statements. The thesis found the same argument for CSR as it was proved by the employees that by implementation of CSR concept their motivation and identification increased and it also contributed to the development of their new skills. The authors also said that implementation of CSR concept leads to correction of social and environmental problems caused by business actions. This argument was proved right by the thesis, since correction of the old environmental problem was the main issue of the work.

There are many questions hanging in the air related to CSR and sustainability. Deficiency in the legislation connected to CSR was mentioned in the work few times. The question asking whether there should exist something like “obligatory minimum CSR”, which would be given by the law, was asked in CSR Forum (2012). Eleven respondents were asked this question and each of them responded in a negative way because they see CSR activities as voluntary actions, which should definitely stay voluntary. CSR distinguishes and differentiates the companies from others by doing something good, otherwise, the whole meaning and the beauty of CSR would disappear.

7 Conclusion

The main focus of the bachelor thesis was to find out what effects have had the environmental measures of ZSNP,a.s., Žiar nad Hornom, Slovakia, on internal and external environment. The measures were analysed with the special emphasis on corporate social responsibility and sustainable development, since ZSNP,a.s. belonged to the companies with one of the biggest environmental burdens in the Central Europe. When analysing internal and external environments of the company special tools, such as McKinsey “7S” model, PESTE analysis, SWOT analysis, semi-structured interview and questionnaires were used.

Carried our research was of qualitative character consisting of research questions, which were asking the respondents to state their own perception and opinion about the issue of sustainability, corporate social responsibility and environmental measures of ZSNP,a.s. The responses of the stakeholders were significant and valuable, since the examined stakeholders were top Slovak executives and best professionals.

The thesis showed that environmental problem of the sludge bed was really perceived as a problem by both internal and external environment. However, the project of the reclamation of the sludge bed has brought positive effects and it contributed to an improvement of the situation. Among the most significant effects were improvement of health conditions in the region and providing better conditions for life quality, increase of company’s reputation but also reputation of the city, since the sludge bed was not attractive part of the landscape, decrease of potential risk of accident, better environmental conditions including water, air and soil quality, and increased awareness of corporate social responsibility and sustainable development. The inhabitants are glad that the sludge bed was reclaimed and they perceive the company in a very positive way. They also think that the project of reclamation has improved the reputation of the company, which was problematic especially few years ago. ZSNP,a.s. as a socially responsible company contributed to sustainable development and created better conditions not only for inhabitants living in the region at the moment, but also for the next generations. The employees stated that they are proud of being part of such company, which implements CSR concept and contributes to sustainable development. They also stated that they appreciated opportunity to learn new things, the project was very educative and their knowledge of technologies, ecology and sustainable development has improved.

The improvement was also seen in the legislation, which has made a big progress in last couple of years. The State and the Ministry is more concerned of environmental problems in Slovakia and their awareness of sustainability is on increase. This statement is supported by the fact that recently there have been new guidelines and methodological support published, which encourage the organizations to contribute to solving of this issue.

The biggest deficiency was seen in communication and providing information to the public. When analysing the impacts on the perception of inhabitants, the

most impactful variables were the level of information the inhabitants had about the problem and the level of perception of the gravity of the problem. On the other hand, the general perception of the importance of the CSR was not important and is statistically insignificant. This implies that the company should integrate its environmental action into the CSR communication strategy as its important and consistent part. It could bring further positive effects also for the company itself. Before the project of reclamation of the sludge bed was done, the reputation of the company had not been very good. Stakeholders were not happy about negative aspects, which the sludge bed had been bringing to the internal and external environment. Nevertheless, the situation was changed and the company needs to use this fact for its own good and communicate better. Based on these findings the recommendations were proposed, mostly, in the sphere of communicating the concept, spreading the awareness of corporate social responsibility and sustainable development and continuous education of employees and wider public. Recommendations consisted also of sustainability report template, which was created as a guideline when creating own sustainability report.

Overall, the project of the reclamation of the sludge bed was carried out on such a high level that it could serve as a model example for other companies. Many awards that the company received as a reward for carried out work demonstrate this success.

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Appendix

A Interview

Q: What were the main reasons for solving the environmental burden from the point of the company?

A: We can say that there were many reasons, however, it was inevitable to start the reclamation of the sludge bed as the rate of potential danger of serious disrepair of the sludge bed was very high. The state of serious disrepair could possibly destroy biotopes and ecosystems in the areas of groundwater, surface water and soil. This would, of course, negatively influence the inhabitants of Žiar nad Hronom and its surroundings. That is why the company decided to do something with this problem and by this action it has improved quality of life of people living in the region of Žiar nad Hronom. We think that solving the environmental burden had highly positive effect on society as a whole.

Q: What are the effects coming from the environmental measurements performed by ZSNP, a.s.?

A: In our opinion, the main contribution lay in the elimination of possibility of occurrence of serious disrepair. The project of reclamation secures higher stability of the sludge bed's body, it prevents the emissions of sediment's dusty particles. This prevention has an impact also on the inhabitants living in the area of Žiar nad Hronom as they breath the air that is, now, much clearer and fresher. ZSNP, a.s., through the project of reclamation, significantly improved the aesthetical appearance of the surroundings of Žiar nad Hronom by integrating of the sludge bed into natural environment. This is mainly appreciated by people living in Žiar nad Hronom. The sludge bed was not attractively looking but that has changed thanks to the reclamation. Now, the sludge bed does not look as a sludge bed anymore but more like a part of the country. I cannot forget to mention our employees who are talking positively about the project of reclamation of the sludge bed as they feel to be part of the process and of doing something good for the city and society.

Q: Many authors claim that between CSR and profitmaking there is a direct connection. Reclamation of an old environmental burden was financially very demanding. What are then financial advantages resulting from the reclamation?

A: The project was realized without any expectation of financial return, or as stated in the question, profitmaking. Actually, the opposite is true for ZSNP,a.s. The money spent on the project of reclamation represents a huge amount. The final amount was three times higher than what was primarily planned, and thus, the project of reclamation is explicitly the cost of the company.

Q: In which way did you build public awareness of company's environmental activities?

A: The whole project was opened to the public since its beginning. The press conference was organized right after the approval of the project. Our activities were

presented on different specialized seminars and conferences during the whole realization of the project. We informed the public through regional weekly magazines, regional but also national television and specialized press.

Q: What about the public interest? Was the project of reclamation of the sludge bed somehow noticed and evaluated by external environment?

A: We communicated with the public not only on the local but also on national level. ZSNP, a.s. got many awards as a reward for carried out work. Some of these awards are:

- 1st place in national round of international ecological competition EKO 2011
- 2nd place in international round of international ecological competition EKO 2011
- The award Envirooskar in national eco – competition NESS 2011
- National entrepreneurial award for environment in the category process of the year 2011

Q: Based on your own experience, how well are environmental activities and corporate social responsibility supported by the government and laws? Do you think that this support is sufficient or it needs some improvement?

A: We can state that a lot has been changed in this area through the time. Unfortunately for us, these changes started to be implemented at the time when we were finishing the core of our project. When the project started, the legislation and governmental support regarding environmental burdens was missing. This made our work much more difficult and the situation was problematic for our company as we had a hard time finding support for your project. But as I have already mentioned before, the current situation is better due to the fact that necessary legislation was filled in. Now, thanks to this improvement, it is possible to gain financial support for research and remediation of environmental burdens from Operational program Environment.

B Statements of Stakeholders

Slovalco a.s. produces different types of aluminium products with the location in the Industrial park. The company employs 500 employees in average and its net income after taxes in 2013 was 71 623 000 USD.

The reclamation of the sludge bed is definitely a very positive thing. This environmental burden indicated a great risk and possible contamination of underground and surface waters. We highly appreciate the undergone steps of ZSNP,a.s. as they helped the whole basin. Even though, the reclamation of the sludge bed did not have a direct effect on the functioning of our company, I can name the impacts resulting from the project and affecting us indirectly. For example, by the removal of environmental burden, ZSNP,a.s. helped decrease the risk of potential accident, which could have resulted in extremely negative situation, as our company is also in the compound where the environmental burden is located.

Ing. Milan Veselý PhD, MBA, Chief Executive Officer, Slovalco a.s.

FINALCAST, s.r.o. is another company of the Industrial park that specializes on production of castings from aluminium alloys.

Reclamation of the sludge bed and other steps realized by ZSNP,a.s. related to this issues are from my point of view evaluated as highly positive. Environment of the region has improved and there has been also a direct improvement effecting health of people living in Žiar basin. All of this was proved by the realized measurements. Žiar basin was one of the most endangered areas with respect to quality of underground water. Therefore, the project definitely decreased the potential risks that kalové pole presented to the environment of the whole region.

Vladimír Riapoš, FINALCAST, s.r.o.

Another significant company whose location is in the Industrial park is Nematik Slovakia s.r.o. that specializes in the production of high complex aluminum components, focusing especially on automotive industry. Nematik Slovakia s.r.o. is one of 34 manufacturing plants of Nematik. All together they employ more than 20 000 employees and their revenues in 2013 were nearly 4.3 billion USD.

In general, we perceive the reclamation of the sludge bed positively, since nonaesthetic red hill has integrated into the landscape, it has decreased the negative impacts - dustiness, soak of alkali into underground water, soak of alkali into surface water, extinction of the animals living in the area of the sludge bed and it also averted ecological catastrophe of breaking the dam (similar to Ajka in Hungary).

Ing. Vladimír Rapčan, Plant Engineering Manager Nematik Slovakia s.r.o

Fagor Ederlan Slovakia is a leading supplier of automotive components and it performs the activities in its production facility located in Žiar nad Hronom in ZSNP

Industrial park. It is a member of Fagor Ederlan Group, whose plants all together employ over 2 000 workers with the total sales of €407 million in 2013.

Environmental aspects represent a very important part of our strategic priorities in Fagor Ederlan Group. Therefore, we consider the reclamation of the sludge bed and the whole performance of ZSNP,a.s. in this area as very positive one. We greatly appreciate the processes of how the stated aim was achieved and responsible approach that takes into consideration the measurements and effects of industrial companies on environment and its surroundings, which also include the city and its inhabitants. Fagor Edelan Group is part of industrial park in Žiar nad Hronom, and that is why we are very pleased with the responsible attitude of ZSNP,a.s towards the issues of environment and ecology as it is in accordance with our philosophy. We think that cooperation with the business partners whose key priorities are in compliance with ours, can bring us success, improvement, long – term prosperity, stability and better future for us and for next generations.

Joxeba Agirre, Managing director Fagor Edelan Slovakia

ŽHS,a.s. is a strategic investor in the area of aluminum processing. In the Industrial park, ŽHS,a.s. acts as the parent company and its strategic goal and plans are realized through its subsidiaries. It also owns shares in many companies in the Industrial park.

Steps undertaken by ZSNP,a.s. are evaluated in highly positive way and that is not only from the viewpoint of improvement of land aesthetic level of Žiar basin and from the integration into surrounding world, but mainly from the effects' point of view on ecology, on inhabitants of the region and from the fact that, "kalové pole", which had been perceived as a threat by the Slovak public for a long time, is nowadays a harmless hill. When answering the question dealing with the effects, which the project of reclamation had on our company, I have to say that it has not affected us from the financial point of view. However, it had a great importance and influence from the viewpoint of reputation and image of the Industrial park because it helped attract new potential investors as well as new business partners. This affected us, too, and we appreciate the act of ZSNP,a.s. There is an evident symbiosis of modernization and development of production and services performed with the feeling of responsibility for solving of old environmental burden connected to business activities of previous generation. The behaviour of ZSNP,a.s. can be considered model behaviour for many companies in Slovakia but also abroad. They acted responsibly towards the society, which is an admirable thing to do.

Dr.h.c. Ing. Jozef Pittner, PhD., Chairman of the Board of Directors or the Supervisory Board of ŽHS, a.s.

Veolia is prominent supplier of water management and energy services in Slovakia. It has two main branches Veolia Voda (Veolia Water) and Veolia Energia (Veolia Energy). It supplies Slovak municipalities with drinking water, wastewater and

energy. The company itself is aware of the importance of corporate social responsibility. It contributes to sustainability and implements corporate social responsibility principles in social, economic and environmental sphere. The company's awareness of the importance of corporate social responsibility and sustainability is one of the main reason why the opinion of Veolia on project of ZSNP,a.s. is so meaningful.

Our company sees the project of reclamation as a very positive one – it is an effort of solving the environmental problem by reinvesting of a significant amount of financial, professional and human resources. The reclamation can be considered as a masterpiece on international level. Even though I think, that the burden is still not removed (as it is still physically there for the next generations) but, fortunately, it is thanks to ZSNP,a.s. stabilized and the negative impacts on the surrounding environment is eliminated as much as possible.

My answer to the question on the effects this project has had on our company is very easy. Our company is an operator of public sewage system, which also drains water from kalové pole, and so we were affected by the reclamation directly as the whole situation and conditions there have improved. The project made our cooperation easier and the reputation of the company in our eyes has increased.

Ing. Daniel Šály, Manager for water management, Veolia Energia Slovensko, a.s.

Highly respected opinion on the issue is by prof. Ing. Jozef Hulla, DrSc. who acts in the Faculty of Civil Engineering at Slovak University of Technology in Bratislava and he is also member of Slovak Association of Hydrogeologists. His evaluation of environmental measurements of ZSNP,a.s. is following:

When using the primary technology of producing aluminium from Hungarian bauxite, at the time when the sludge bed was being created, there were occurring also serious health issues for people living in the region and for the surrounding nature. After the technology had been changed, it was necessary to solve in some way the negative measured of the sludge bed on the environment. The situation was not easy but ZSNP,a.s. put a lot of effort into solving this problem and that is why I consider their action as a very positive one. By solving the problems of the sludge bed, many negative impacts affecting the region were removed. Undoubtedly, I must say that both societal and moral sides of this project were on a high level.

prof. Ing. Jozef Hulla, DrSc., Faculty of Civil Engineering, Slovak University of Technology in Bratislava

Dr.h.c. Prof. RNDr. László Miklós, DrSc. was in the years 2002 – 2006 the Minister for Environment of the Slovak Republic. He is active at Technical University in Zvolen as the Head of UNESCO Department for ecological awareness and sustainability. His response to how he perceives the project of reclamation was following:

Kalové pole was one of the most serious environmental burdens in Slovakia. ZSNP,a.s. reassessed all previous efforts for reclamation and it approached the problem professionally and responsibly. The company has decreased the danger of contamination of underground water. Not negligible is also aesthetical part of this problem, even though safety reasons are the most important ones. It was an admirable act as ZSNP,a.s. used its own financial resources for realization of the project and by this way it helped society. I am not aware of any financial benefits that could result from the reclamation of environmental burden. Of course, only in case of environmental accident

Dr.h.c. Prof. RNDr. László Miklós, DrSc., Ex-Minister for Environment of the Slovak Republic

The last contribution was provided by the city mayor Mgr. Peter Antal.

The reclamation of kalové pole has from the point of view of the city solved more serious problems. Firstly, environmental burden was a long-term problem by which the surrounding area of the city and its ecosystem was threatened. Due to the project of ZSNP,a.s. our city got rid of the risk of environmental catastrophe. The project of reclamation has no parallel not only in Slovakia but also in European extent. Moreover, the "red hill" has been changed into "normal hill" as it became green and so the negative symbol of Žiar nad Hronom was removed. Thanks to this, the tourists and travelers will not realize that before there had been such a big environmental threat. This act performed by ZSNP,a.s. cannot be described differently than by superlatives. It is a result of responsible approach of the company and the ability to fulfil its duties. The whole Slovakia saw our city through the prism of this environmental burden, which arouse the feeling of polluted industrial environment that is not suitable for normal life. The modernization brought by ZSNP,a.s. has changed all of this. Through this project the company was able to demonstrate its responsibility towards society and environment where it runs its business. In Slovakia, there are cases when the owner of the environmental burden ignores the duties and obligations resulting from the law although it can have negative effects on the lives and health of people. Sometimes the owner ends up in liquidation or bankruptcy rather than solving the problem of environmental burden. Fortunately, this was not case of ZSNP,a.s. This project was the biggest ecological investment in Slovakia. This would not have been possible without the willingness and want to do something good.

Mgr. Peter Antal, The City Mayor of Žiar nad Hronom

C Sustainable Reporting Template

Front-page: Name of the company, logo, contact information

Preface: Statement of CEO of ZSNP,a.s.

About ZSNP,a.s.

1.1. History of the Company

1.2. Location of the company

- For better illustration shown on the map

1.3. Ownership and Legal Form

1.4. Company's business activities

- Description of products and services provided by the company

1.5. Organizational structure of the company

- Graphical and verbal description of the division of company's main bodies and departments including company's subsidiaries

1.6. Markets

- Description of the markets where the company is active, including geographical specification and types of company's suppliers and customers
- For better illustration shown on the map

1.7. Company in Numbers

The sections consists of:

- number of years on the market
- number of employees working for the company
- profit or loss of the company
- total capital
- number of sold products or services
- amount of money spent on sustainable development in the studied year
- amount of money spent on sustainable development in total

1.8. Others (Optional)

This is the space where the company can add more information, which it wants to share with the reader or it can explain some factors that might be unclear or confusing, e.g. significant changes, reorganization of the company and its property, sale of its subsidiaries, change in activities and others.

2. Sustainability

2.1. Strategy of ZSNP,a.s.

This part contains deep analysis of company's strategy consisting of:

- description of its relationship towards sustainability and sustainable development
- short – term and long – term strategic vision
- analysis of the key elements related to sustainability from the company's viewpoint
- strategic priorities

- explanation of the standards and manners, in which the strategy is implemented
- analysis of external factors that might have an influence on sustainable strategy
- explanation of its approaches towards sustainability and the way in which they will be integrated

2.2. Economic Sustainability

2.2.1. Approach of ZSNP,a.s. towards economic sustainability:

description of activities and performances of the company in economic sphere. Among these might be principles of managing and controlling the company, fight against abuse of information and corruption, fight against poverty, respecting code of conduct, safety of products and services, fair trade and dialogue with shareholders and others activities selected by the company. Here, the company summarizes and explains what steps it takes in order to be economically sustainable.

2.2.2. Progress of the Company

In the 2nd and subsequent years of reporting, the company analyses whether the goals and aims, which were set within this sphere in previous year, were fulfilled, to what extent and how successfully. The analysis should be supported with graphs, pictures and tables for creating a better picture to a reader. (This point is the same for social and environmental sphere.)

*Possible graphical interpretation of how well the goals were achieved.
Mark ✓ where suitable:*

	Not achieved at all	Not very well achieved	Well achieved	Fairly well achieved	Very well achieved
Goal 1					
Goal 2					
.					
.					
.					

2.2.3. Outcomes of Sustainable Approach of ZSNP,a.s. and its Effects on Specific Stakeholder

Outcomes of sustainable approach are named in this part also with the analysis of how these outcomes affected specific stakeholders. (This point is the same for social and environmental sphere.)

2.3. Social Sustainability

- 2.3.1. Approach of ZSNP,a.s. towards social sustainability: description of activities and performances of the company in social sphere. Among these might be voluntary actions of corporation, employment policy, safety of employees, educational and training support, employing minors, sponsorship, protection of human rights, work-balance and others. Here the company summarizes and explains what steps it takes in order to be socially sustainable.
- 2.3.2. Same as 2.2.2.
- 2.3.3. Same as 2.2.3.

2.4. Environmental Sustainability

- 2.4.1. Approach of ZSNP,a.s. towards environmental sustainability: description of activities and performances of the company in environmental sphere. Among these might be protection of natural resources, investments in ecological technologies, energy conservation, ecological policy, implementation of standards of environmental management, taking preventive steps towards environment and others. Here the company summarizes and explains what steps it takes in order to be environmentally sustainable.
- 2.4.2. Same as 2.2.2.
- 2.4.3. Same as 2.2.3.

2.5. Rewards and Stakeholders' Evaluation

This subchapter serves for evaluation of sustainable performance of the company by external environment. Positive evaluation and recognition by external participants indicates the success of the project. ZSNP,a.s. should participate on some conferences, summits, competitions and projects where these rewards and recognitions can be gained.

2.6. Future Plans

Setting the future goals and overcoming the challenges are very important, as the company needs to have a clear idea of what to do next. Future plans and predictions for next 3 to 5 years are made in this part. The goals, which the company wants to reach, should be realistic but a bit challenging. These goals are stated in all three spheres, social, economic and environmental.

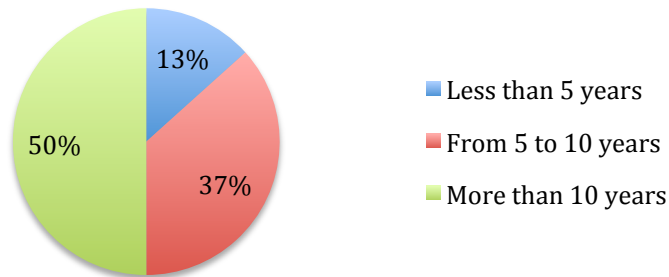
3. Appendix

Tables, graphs, figures, detailed gathered data, interviews and other additional data are stated in appendix.

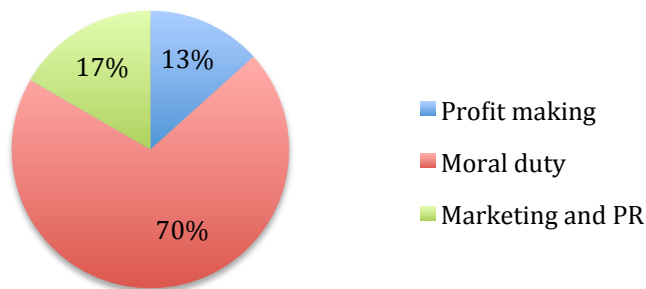
D Results from the Questionnaire – ZSNP,a.s. Employees

Number of respondents: 30

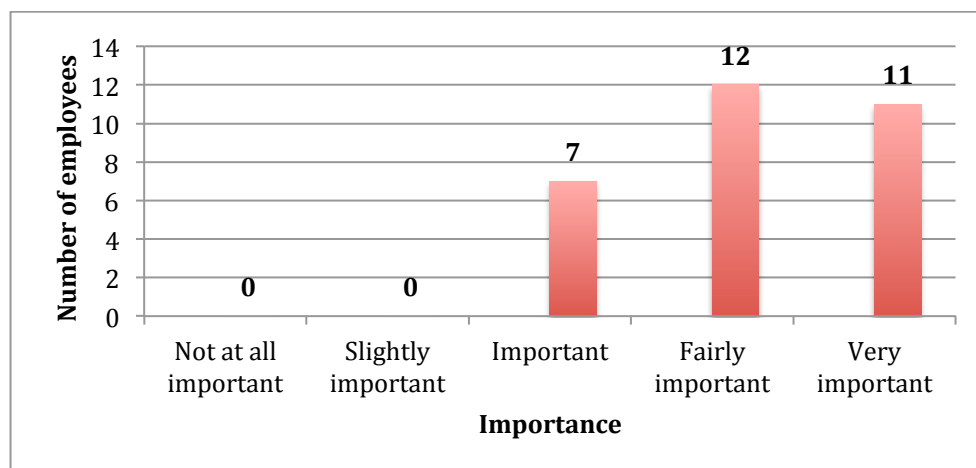
1. How long have you been working for ZSNP,a.s.?



2. According to you, which of these statements does characterize CSR the best?



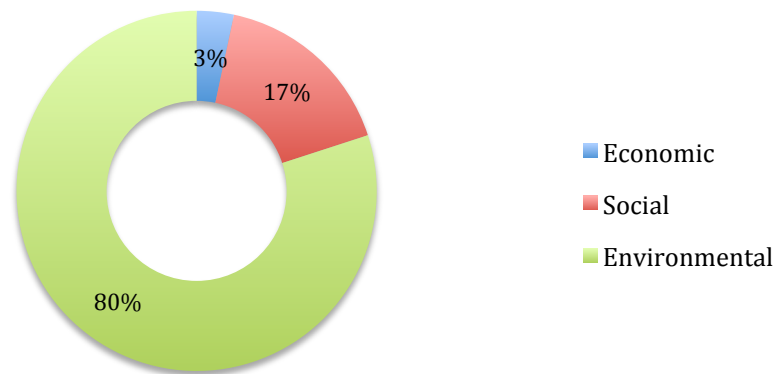
3. How important is it for you to work for socially responsible company?



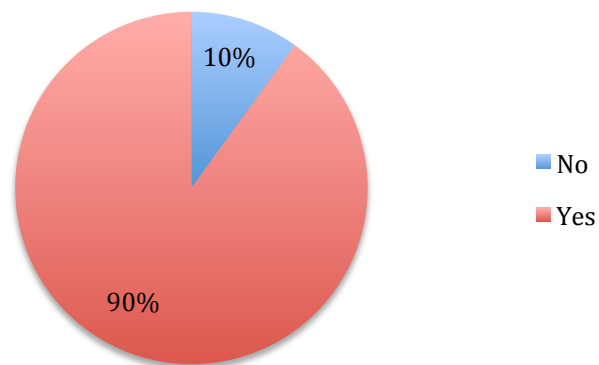
4. In your opinion, is ZSNP,a.s. a socially responsible company?



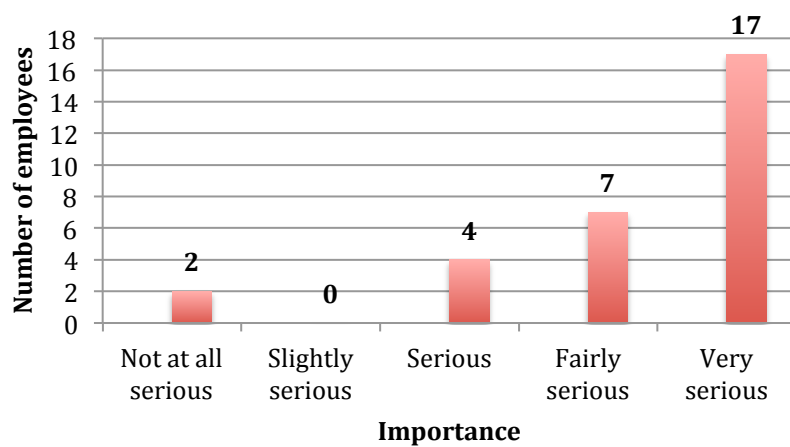
5. In which pillar does ZSNP,a.s. show its CSR behaviour the most?



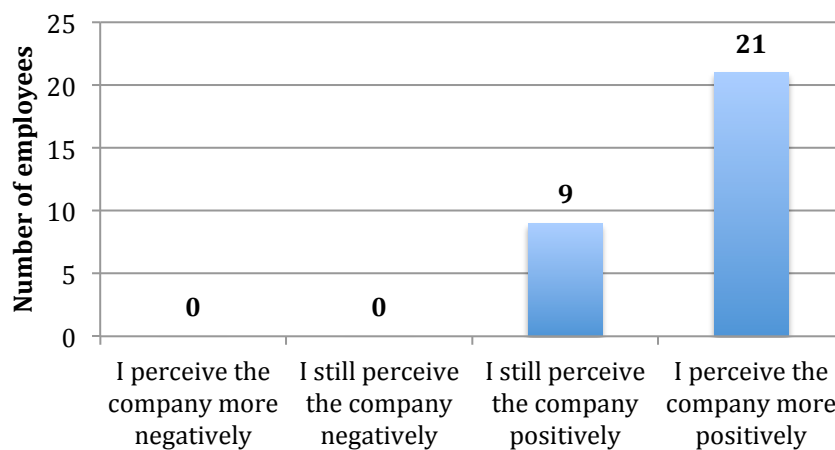
6. Did you perceive the environmental burden "kalové pole" as a problem in the past?



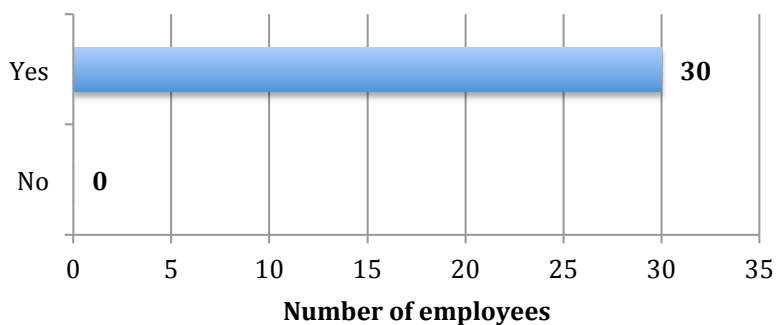
7. How serious did this problem seem to be to you?



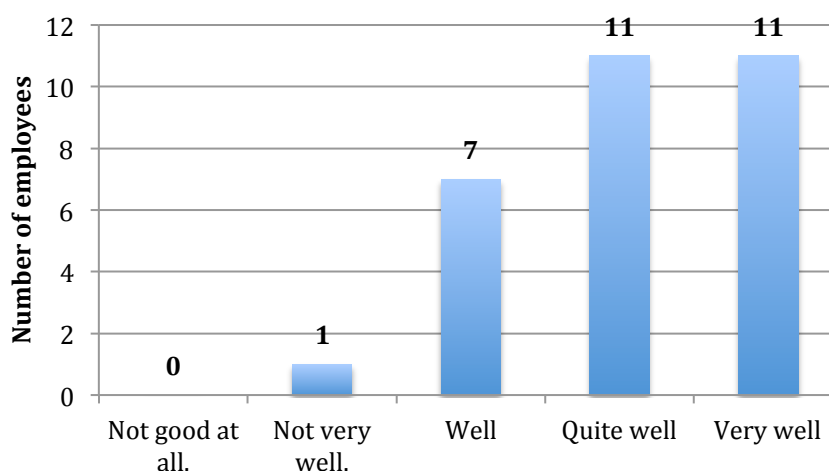
8. How did the project of reclamation influence your perception of the company?



9. Do you think that the company has increased its reputation by reclamation of the sludge bed?



10. How well does the company take care of its employees?



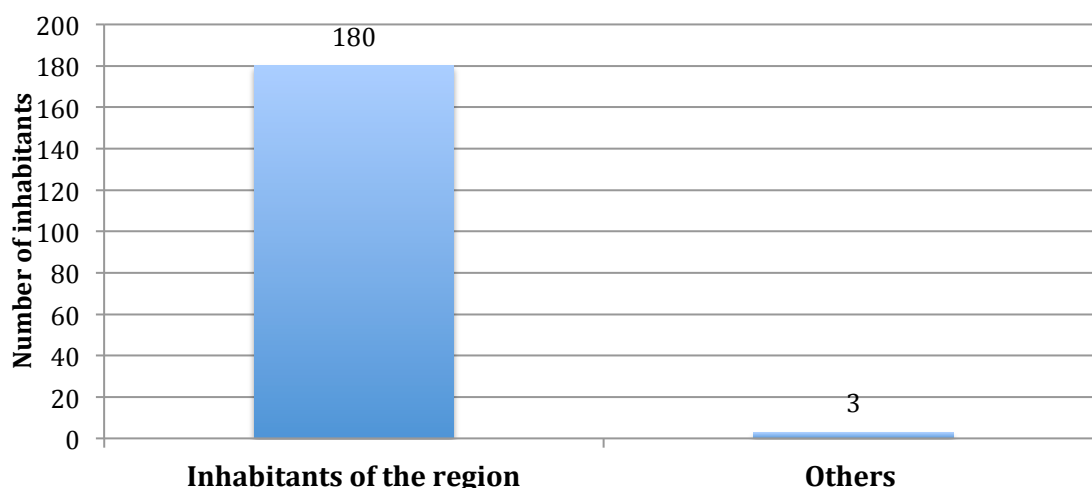
11. Has the reclamation of environmental burden had some effect on you as on the employee? Where did you get the information about the project from?

1. *This question was optional and 5 employees decided to provide their answer. The responses were following:*

1. My employee pride increased. I am proud of the fact that the company, for which I work, managed to deal with environmental burden from the past.
2. It affected me: personal perception of environment and technical trainings that improved my knowledge.
1. I perceive the reclamation of the sludge bed very positively as an employee but also as an inhabitant of Žiar nad Hronom. It had a positive effect on our life in the city.
2. Project of reclamation brought some effects for me. I got to know new technologies while solving and removing the environmental burden so I learnt many things and I am more experienced. Moreover, my perception of how ecological issues and environmental protection are important has deepened. It changed my own approach towards environment. I was informed about the project mainly by the management of the company.
3. It is great to be part of the company that carried out such a project. Orange hill was there for a long time and we were not proud of it. That's why I am glad that the company changed this. It is great to hear from the inhabitants that we did a good job, it makes me proud. I am also more caring about the ecology and I started to recycle.

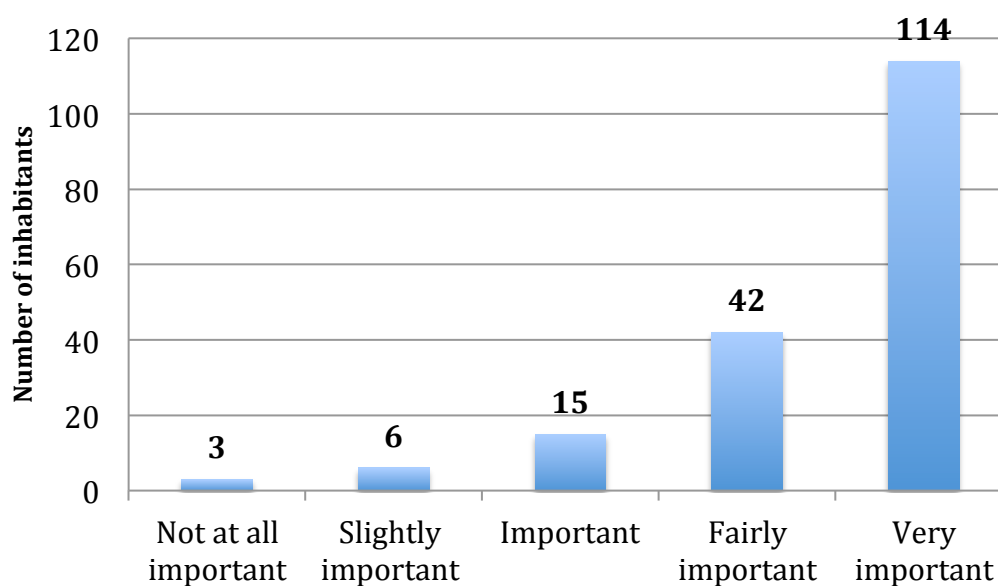
E Results from the Questionnaire – Inhabitants of Žiar nad Hronom Region

1. Are you an inhabitant of Žiar nad Hronom region?

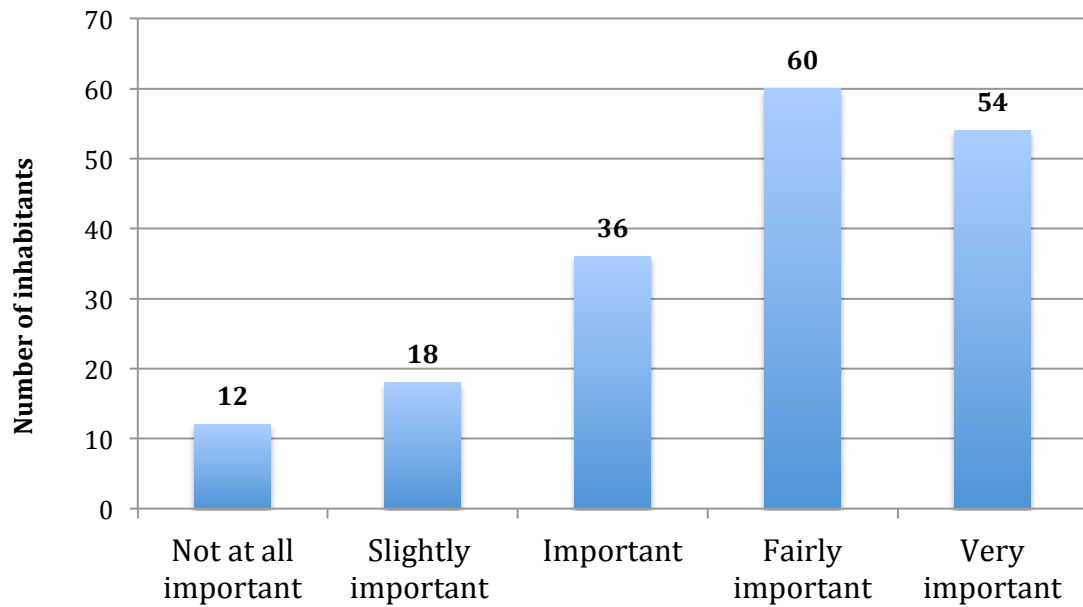


All together there were 183 respondents answering the questionnaire. However, for the purpose of the research only 180 were relevant as the remaining three were answered by the people not living in the Žiar nad Hronom region. Because of this fact, there are 180 questionnaires analysed further.

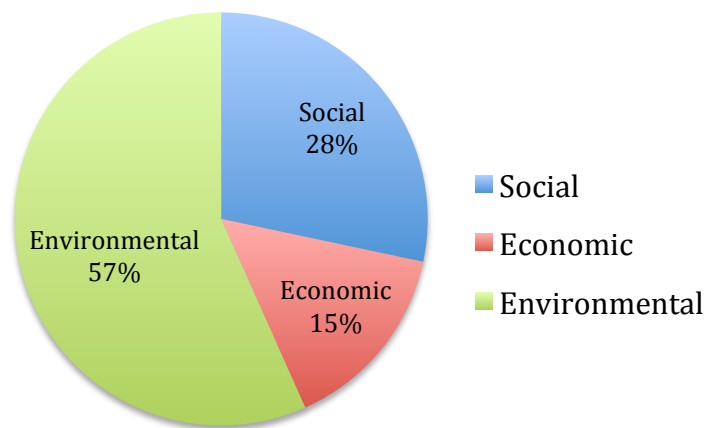
2. According to you, how important is it that the corporations behave in socially responsible way?



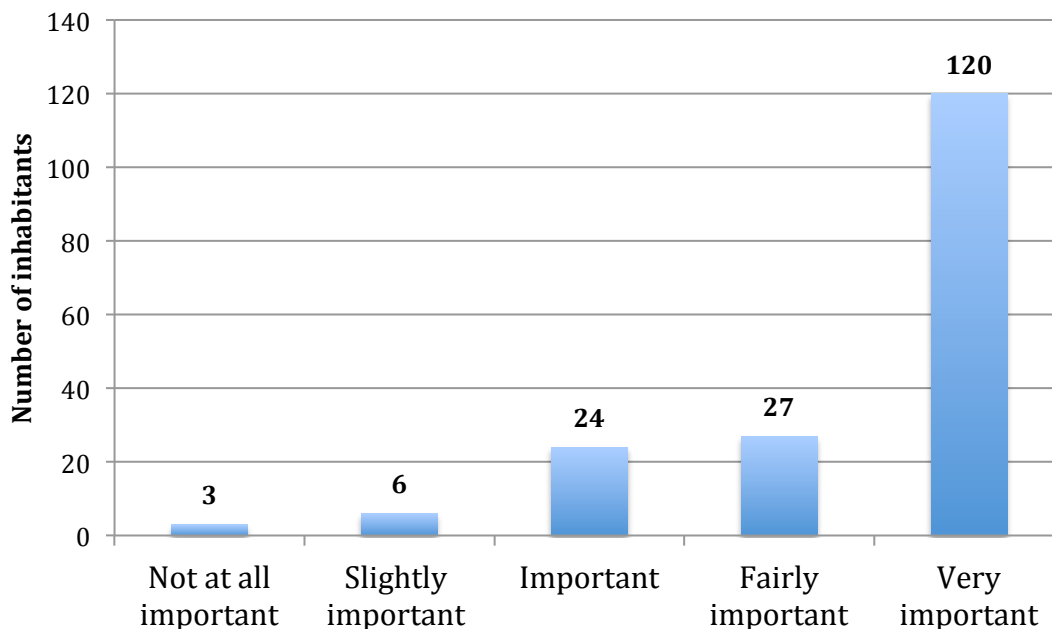
3. How important is corporate social responsibility for you when buying the products or services?



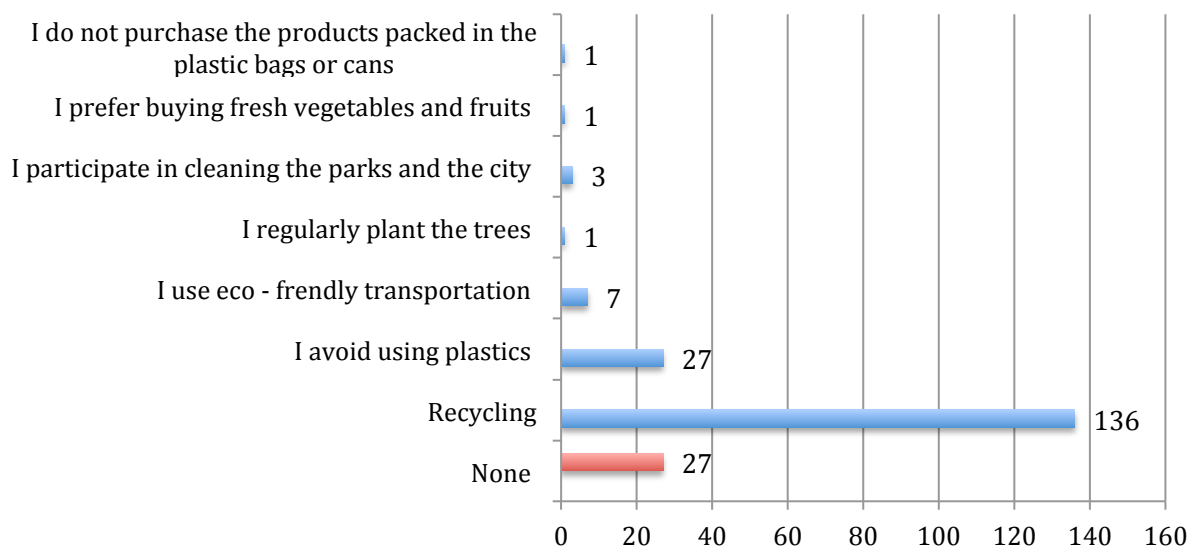
4. Which CSR pillar is in your opinion the most important one?



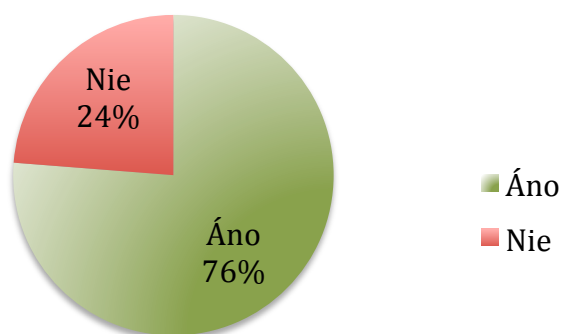
5. In your opinion, how important is it to take care of ecology and environmental burdens nowadays?



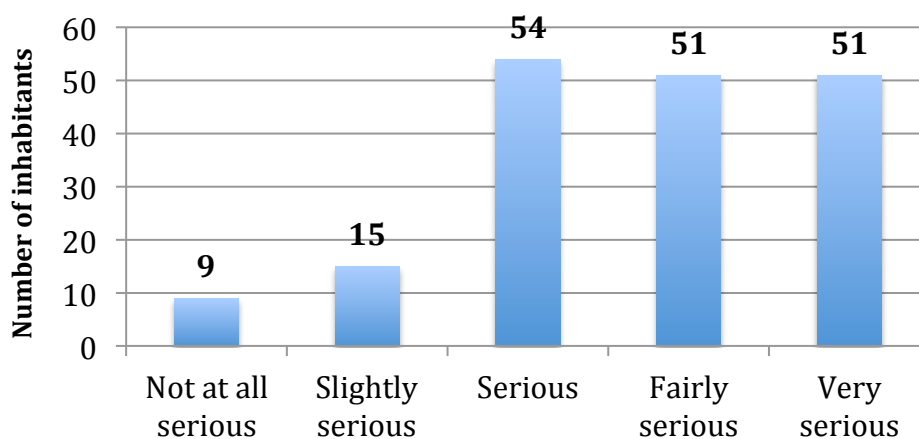
6. What practices towards protection of environment do you carry out in your home?



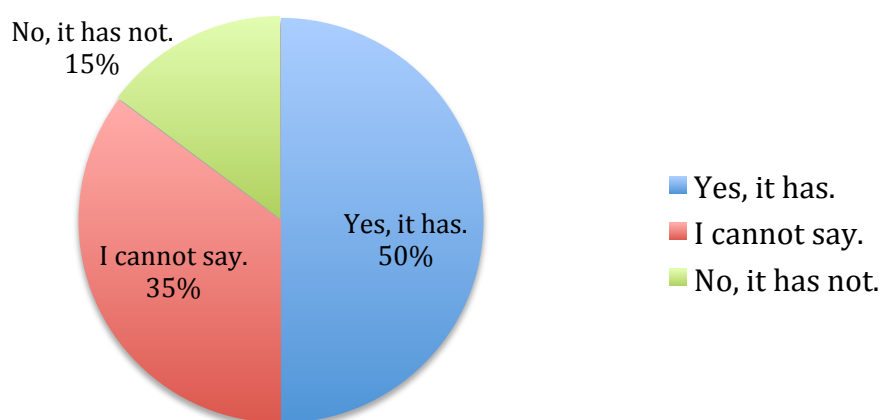
7. Did you perceive the environmental burden “kalové pole” as a problem?



8. How serious was this problem according to you?



9. Has the removal of “kalové pole” had an effect on your life in Žiar nad Hronom region?

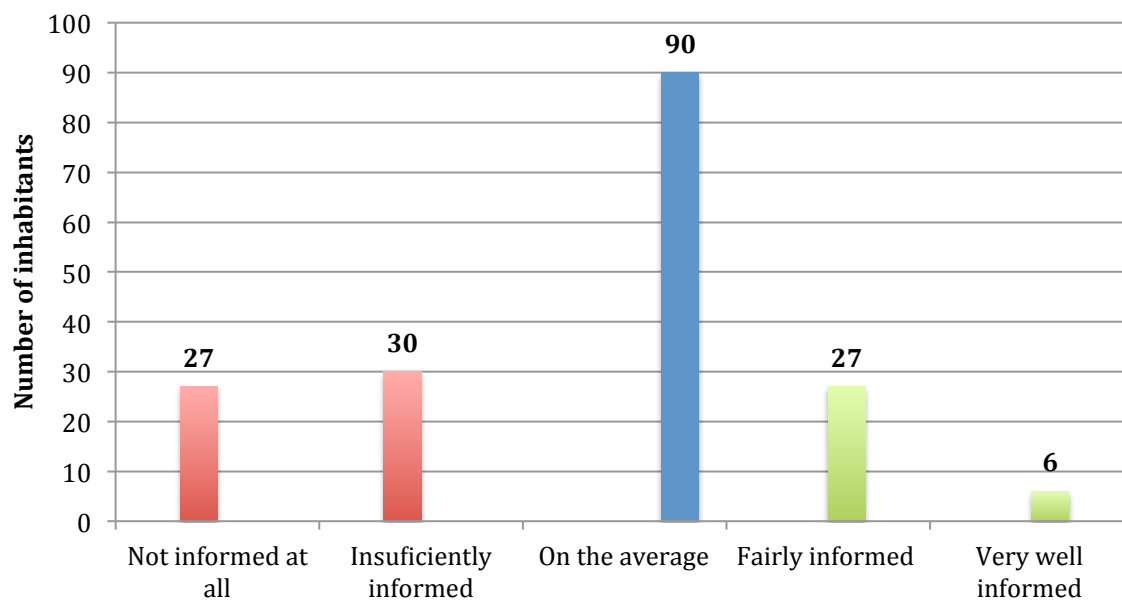


If you answered yes, could you provide example how it has affected your life?

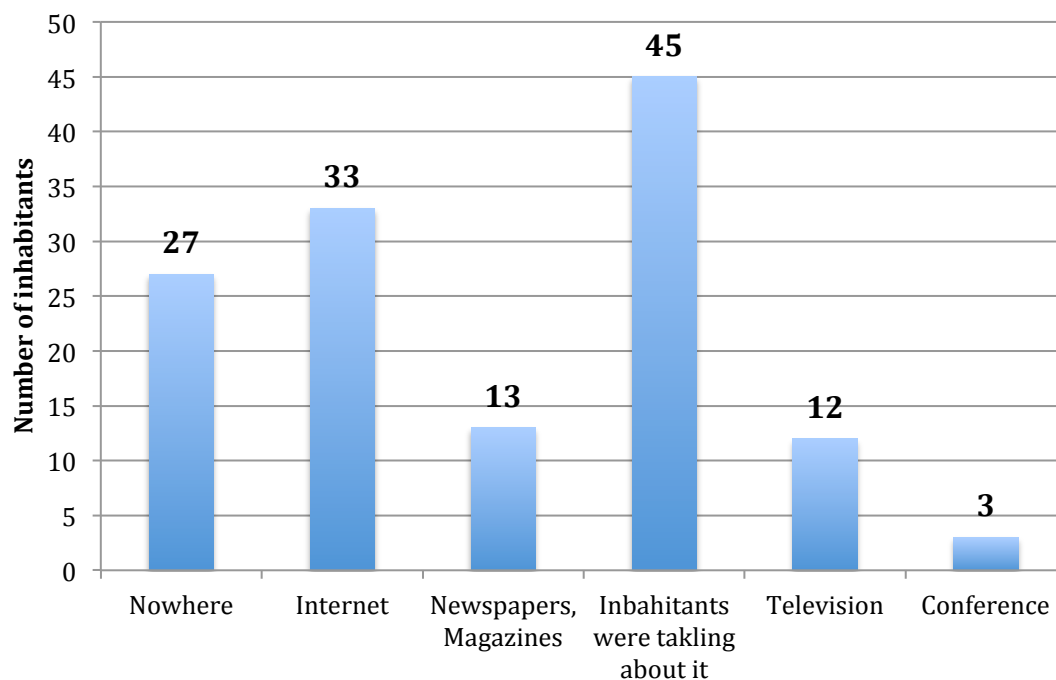
- In this question the respondents could state the effects, which the removal of the burden has had on their own life. This question was optional and 14 respondents decided to answer it. The responses were as follows:

1. The project has affected mostly my personal life. I realized the importance of environmental situation and I my awareness of ecology has increased.
2. I perceive the stabilization of the environment
3. “Kalové pole” is still physically there, which I still perceive as an imperfection, however, the project definitely had a positive effects in form of more aesthetical surrounding and improvement of environmental situation, mainly forestation.
4. Before Žiar nad Hronom was known because of “kalové pole”, which didn’t make me proud of where I live. Now, I am more proud to be an inhabitant of Žiar nad Hronom.
5. As I am a big fan of nature I am glad that the landscape looks much better, more natural.
6. In general, I feel in the city more comfortable, I have better inner feeling about where I live.
7. My concerns about potential accident or negative threats to my and my family’s health are gone.
8. Better environmental and health conditions
9. Surrounding of the city is more aesthetical.
10. It looks better.
11. Better quality of water in the city and good feeling that such a serious environmental burden was removed.
12. I attended the conference organized by ZSNP,a.s. on environmental burdens, I have to say that it was very educative and since then I care about ecology much more. I started to recycle and I avoid using plastics or cans.
13. I am 45 years old and I have lived in the city since my childhood. “Kalové pole” was always there and it presented a potential threat. I was informed many times about the fact that it was polluting the water and air. When there was alumina plant accident in Ajka people were concerned. Now, I am glad that the potential threat is gone. I feel safer. It was an important step also for future generations.
14. I like how it looks like now.

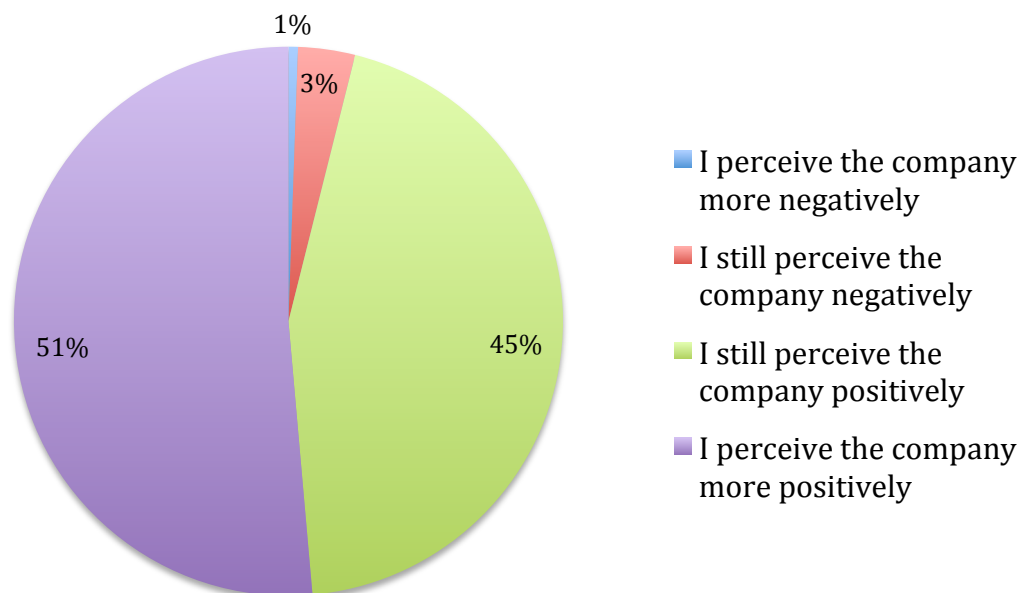
10. According to you, how well were the inhabitants informed about the project of removal of environmental burden?



11. From where were you informed about the reclamation of “kalové pole”?



12. How the project of the reclamation of “kalové pole” has influenced your opinion/perception of the company ZSNP,a.s.



13. What influence has the project of the reclamation had on your interest in ecology and protection of environment?

