

## SOCIAL RESPONSIBILITY AS THE FACTOR OF COMPETITIVE ADVANTAGE OF PUBLIC ENTITIES

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### Abstract

In the era of the increased competition, and also progressing globalization, the effective and particularly responsible activities of enterprises become the condition which is necessary for further development. Unfortunately, the success of many organizations (both public and commercial ones) is burdened with scandals. The response to the increasing social awareness has become the increasingly popular concept of corporate social responsibility. This follows from the fact that today the company cannot and should not only build economic value of long-term strategy to raise profits, but also take into account social and environmental aspects of the management strategy. Corporate social responsibility is the concept according to which enterprises voluntarily impose on themselves the duty of responsibility for local community and environment they operate in. In the broad sense of social responsibility means taking such actions, which bring economic benefits while engaging organizations in a balanced development, working with employees, the public in order to improve their lives. Therefore, one can assume that social responsibility is a concept according to which the enterprises, in their business activities, should take into consideration social problems and environmental protection and act on the principle of voluntariness with all the interested parties. Due to this fact, the concept of social responsibility should become an integral part of any business activities and their everyday practice. Particularly important is social responsibility of the state authorities, who, while ignoring this trend – fail in their statutory obligations towards the society and the environment. The present paper discusses social responsibility on the example of public entities.

**Key words:** social responsibility, public entities.

**Classification JEL:** M14 – Social Responsibility.

### 1. Introduction

Globalization enforces the need for searching for new tools to build strategies adjusted to the requirements of public entities, creating flexible organizational structures, and also the implementation of the principles of corporate social responsibility. This concept is also defined as social responsibility of the enterprise, corporation or as CSR – Corporate Social Responsibility (*Adamczyk, 2009, p. 40*). It is a complex process, bringing about both threats and opportunities. The determinants are political, technological, economic and social factors. Particularly important is social responsibility of the state authorities, who, while ignoring this trend – fail in their statutory obligations towards the society and the environment. It is desirable to adopt an active attitude towards the issues of social responsibility and treating it not as an obligation but as an opportunity for public entities. The undertaken actions may lead to some innovative solutions, solve the problems connected with the natural environment, and create new services which make life easier for customers. In the paper, it was assumed that well-thought practices in the field of CSR, with active participation of local authorities, not only solve the problems of public service but they also bring about measurable benefits to the society. The aim of the paper is to learn the social aspect of changes and their impact on modern public entities.

In these connections, this opinion of Tom Chappell is inspiration: “The fact that we provide good is the main reason of our success. Devoting certain percentage of our income to support artistic creation, educational activities, environmental protection and satisfying human needs is the benefit for business strategy, not the burden.”

As a result of the conducted query of the literature, it was established that the subject of social responsibility and sustainable development, considered as very important, is still not recognizable, and the undertaken initiatives are rather rare. This suggests the necessity to spread knowledge of social responsibility and sustainable development, to underline links between the realization of the assumptions of social responsibility and the success of public organizations and to focus on undertaking socially responsible initiatives towards the internal and external environment. While affecting the environment, in all social, ecological and ethical dimensions, public organizations should undertake initiatives favourable for the important stakeholders. The word “stakeholders” has been extensively used in the ISO guides and standards issued in recent decades to designate the individuals or groups that can not only be favourably or adversely affected by the activities of an organization or area, but also influence on their decisions. Therefore, each stakeholder (including employees, customers, competitors, local society etc.) is eligible to intervene in company’s activities. This manifests in the postulated expectations towards the enterprise and might result from the fact that each enterprise coexists in the given local community with other participants of social life (*Freeman & Evan, 1990, pp. 337–359*).

Management staff of public organizations notices the increasing significance of social responsibility, taking actions promoting this process. CSR in public entities is associated with ethics and responsibility in the processes of taking decisions. The awareness is connected with an understanding the consequences of the run activities: personal, the subordinates’, the ones concerning the use of social goods or the entrusted resources. Nowadays, public organizations are responsible for not only the achieved public goals but also for the environment, health safety of the staff, energy and water consumption and greenhouse gas emissions – an increase in the life quality of future generations.

## **2. Corporate social responsibility – historical background**

Pro-qualitative expectations of customers, expecting high transparency, are increasing. The effective management of CSR gives the confidence of gaining and maintaining and monitoring social license for the long-term and effective provision of public services (*Kroik & Bachorski-Rudnicki, 2012, pp. 21–23*).

The concept of Corporate Social Responsibility (CSR) began in the 1920s; however, due to the Great Depression and World War II, it failed to become a serious topic amongst business leaders until the 1950s. In 1953, Howard Bowen made the first significant scholarly contribution by publishing the book, *The Social Responsibilities of the Businessman*. Here he proposed the CSR definition as “the obligations of business to pursue those policies, to take those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society,” (*Bowen, 1953*). In 1979 Carroll developed the corporate social performance model whereby CSR, social issues and corporate social responsiveness were considered the leading philosophy for corporations to behave in a socially responsible manner (*Smith, 2011, pp. 1–2*).

The rise of business ethics and, along with it, social responsibility, affected the change of perception of a business activity, exclusively with respect to the created profit. This new, voluntary strategy, including social, economic, ethical and ecological aspects in running a business activity and in contacts with the environment was defined as corporate social responsibility, including (*Pogonowska & Wojtasiewicz, 2008, p. 2*):

1. Market environment – application of ethical standards in relationships with the environment, implementation of appropriate and fair rules in the processes of exchange;
2. Public environment – development of projects for the benefit of the local community e.g. health protection;

3. Area of employment – compliance with the principle of the subjectivity of the staff, opportunities for personal development, guarantee of a sense of stability and fair remuneration in human resources management;
4. Environmental protection – connected with the use of environmental resources in accordance with the requirements of the law in this field;
5. Relationships with investors – reliability and fullness of mutual information.

The process of creating trust of stakeholders by taking risk is an effective mechanism, since these are mutually complementary categories. On the other hand, an increase in trust by communicating is an effective technique, it constitutes the grounds for interaction, by means of which the staff of public entities apply the mutual norms and values. Moreover, effective feedback enables building brands and reputation of entities. Social responsibility means not only respecting the law and the compliance with its requirements but also taking voluntary obligations and actions not regulated by legal requirements, and resulting from the adopted values and ethical standards of the staff. These activities also concern, among others:

- Transparency of the decision-making process;
- Responsibility for the impact on the society and the local environment;
- Ethical behavior, including the application of principles of honesty and equality;
- Respect for taking into consideration the expectations and rights of customers;
- Compliance with international requirements, especially when they are more beneficial for the idea of sustainable development and social welfare than legal regulations.

The last three decades have seen the growth of various corporate responsibility codes, frameworks, standards, guidelines, norms, and initiatives (e.g., the UN Global Compact, ILO Standards, OECD Guidelines for Multinational Enterprises, ISO 14001, Global Reporting Initiative (GRI), Global Sullivan Principles, SA 8000, AA1000 Series) in response to calls for greater corporate accountability for social and environmental impacts. Researchers examining these initiatives have used the terms corporate responsibility standards, norms, principles, and guidelines; standardized ethics initiatives; corporate responsibility codes and standards; and corporate responsibility frameworks to describe them (*Koerber, 2010, p. 462*). Therefore, the strategy of implementation of CSR in public entities should result from the beliefs of management staff and constitute the reflection of their values. The concepts of sustainable business and social responsibility are often used interchangeably. The clarification of the areas of responsibility in the norm ISO 26000 brings about greater consistency in understanding CSR. Management of the decision-making process (an increase in the significance of the role of stakeholders), requires taking into account social and ecological aspects. Underlining the importance of the human factor in the activity of public entities constitutes one of the essential actions undertaken in the framework of corporate social responsibility. The determinants are the initiatives aiming at the promotion of attitudes of social responsibility in the decision-making processes allowing for the achievement of sustainable competitive advantage. The basic characteristics of the concept of social responsibility are readiness for the adoption and taking responsibility for the effects of activities and decisions in the society for the environment. Public entities function in a specific social and natural environment. In the view of the above, they cannot omit, in their activity, the needs and interests of this environment (*Bernatt, 2009, p. 19*).

Despite 70 years of vociferous academic debate, regarding the concept of ‘corporate social responsibility’ (CSR), it is possible to say, with certainty, that there exists no universally accepted definition of the term (*Whitehouse, 2006, p. 279*). Corporate social responsibility is also known by a number of other names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship,

responsible entrepreneurship, and “triple bottom line,” to name just a few. As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as “responsible competitiveness” or “corporate sustainability” (Hohnen, 2007, p. 4).

Social Responsibility can be defined in simple terms as the combination of several key words including “responsibility”, “stakeholders”, “quality of life” (social welfare), and “sustainability” (Caballero-Díaz, Simonet & Valcárcel, 2013, p. 4). According to E. Michalski, social responsibility can be defined as an obligation required over those regulated by the law and principles of management. Enterprises which strive for achievement of long-term goals are good for societies. For the enterprise which respects rights, a moral question appears of what is good and bad for the society. Social responsibility is fulfilled by an enterprise if it takes economic and legal responsibility and nothing more. It strives for achievement of social goals if it contributes to achievement of management goals (Michalski, 2008, p. 33).

Lack of coherent and unambiguous definition of CSR in the literature and the practical activity does not determine its value, since in all studies it is underlined that:

- Public entities, which are socially responsible, promote activities for the benefit of the environmental protection, provide high ethical standards and cooperation with stakeholders of their environment;
- The priority is the achievement of the balance between the effectiveness of the decision-making processes and social and economic interest;
- Responsible social activity, assuming permanent process of consultations, taking into account environmental, social and economic needs in the complex management of public entities.

The main reasons of coming into being and interest in CSR are the following: rapid degradation of the natural environment, growing number of spectacular affairs published by the media, increasing globalization, changing ways of competing and an increase in predatory competition and also an increase in the awareness of consumers and the power of organizations representing them. There also appear:

1. The transition from productive society with dominating the first and the second sectors to service society with the third and fourth sectors. This resulted in production changes;
2. At the time of globalization companies are moved from one country to another. There is no tie between an enterprise and a given area, by means of which an ‘informal control’ and cooperation disappears. In the past CSR was natural in a certain way. An entrepreneur who no longer cared about business and welfare of the local community also lost their clients, who most often just bought their products. Large anonymity at the time of globalization involves the necessity to pay more attention to CSR;
3. Nowadays, also consumers changed. They stopped to be passive receivers. They became more conscious and critical. They are interested not only in the price of a product and its expiry date, but also the country of origin, the way of production, preserving the rights of employees by the producer or the principles of the environment protection;
4. Organizational growth of an enterprise and therefore, it is difficult to control the activities of all the employees (they work in different places). It is also necessary to motivate them to work. Achieving different social goals binds the employees with the company and constitutes an additional *encouragement* (Nizialek & Olejniczak, 2012, p. 63).

Social responsibility, from the point of view of the public organization, refers to creating relationships with stakeholders, which can be managed (Rok, 2004, p. 19). Each

interested entity holds some expectations towards the whole, on the other hand – their behavior affects the complexity of goals of the appointed public entities. This is the strategy of management and building on the recognized values, taking into account the needs of the key stakeholders and broadly understood environment (*Filipp, 2008, p. 451*). Moreover, it allows to reduce the decision-making risk and to create the capabilities of management of the decision-making processes, while simultaneously minimizing their negative effects.

### 3. Benefits from the process of implementation of the principles of CSR in public organizations

CSR is a complex issue, taking into account the economic, ecological and ethical aspects, in the functioning of both commercial enterprises and public entities. Campbell is a representative of a group of studies that create testable propositions related to the conditions under which organizations will move towards CSR. He sees corporations' level of social responsibility as being influenced by factors such as financial conditions of the firm, health of the economy, and well-enforced state regulations (*D'Amato, Henderson & Florence, 2009, p. 4*), (Table 1, Figure 1).

Table 1: The areas of CSR (*Olejniczak 2013, p. 184*)

The area of CSR		The key issues of CSR
The economic aspect	<i>Fair market practices</i>	Fight against corruption, embezzlement and money laundering, fair competition, respecting the right of property, promoting social responsibility.
The internal social aspect	<i>Relationship with employees</i>	Providing the right for equitable remuneration, fair treatment and non-discrimination on grounds of gender, views, racial or ethnic origin etc., providing the right for decent working conditions, health and safety at work, providing the right for freedom during leisure time, inviolability, participation in the decisions concerning employment.
The external social aspect	<i>Social involvement and development</i>	Activities bringing about the improvement of the quality of life of the society, creating partnership for the benefit of development.
The ecological aspect	<i>The environment</i>	Minimizing the use of resources and energy, raising awareness of the influence of business activity on the natural environment, taking into consideration the environmental assumptions at the stage of designing innovative products and technologies.

However, introducing CSR into the strategy of an enterprise may definitely turn out to be the asset of an organization on the competitive market. Moreover, enterprises realizing CSR achieve a number of benefits. These benefits may be divided into two groups: the external and internal ones (Table 2). The benefits gained by public entities, resulting from taking social responsibility, significantly result from the level of investment in the society and the environment. These activities distinguish the public organization among competitors, improve its image in the society – provide the higher standard of life.

The basis of the concept of social responsibility is the conviction, leading to an increase in the common value of all stakeholders: creating common value, operating for the common good (*Leśniewski, 2011, pp. 164–165*). Table 2 presents the stages of the implementation of CSR in public entities.

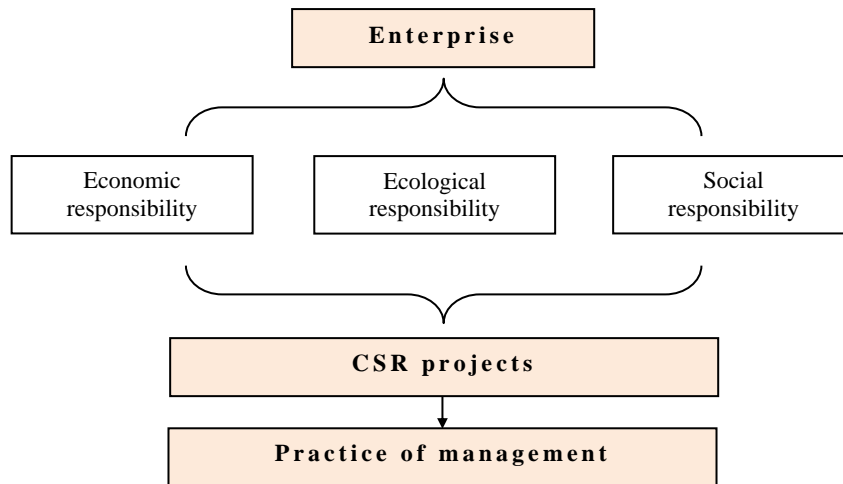


Figure 1: The categories of responsibility in the CSR concept (Olejniczak 2013b, p. 353)

Corporate social responsibility may be something more than being exposed to additional costs, an obligation or a good deed – it may be the source of opportunities, innovation and competitive advantage (Filipp, 2008, p. 457). However, being responsible is not the fulfillment of the imposed legal formalities, connected with the functioning of public organizations, but an increase in the investment in human capital, environmental protection and positive relationships with other entities. In a longer perspective, this brings about some measurable benefits for the society in the form of, among others, lowering costs of the decision-making process. At each stage of the implementation of CSR, an important role is played by the process of gaining knowledge, during which the society learn how to care about, among others, their own environment, health and the health of others. Therefore, health needs to be regarded as the resource the man rests upon in everyday life and it cannot be treated as an objective they aim at. In accordance with the “health field” concept by M. Lalonde (Lalonde, 1974, p. 87), our lifestyle in 50% is responsible for our health, therefore, the activities by public entities – employers, directed towards the promotion of the principles of CSR among the staff and their families are highly valuable.

Table 2: The external and internal benefits (Author’s own study based on (Sawicka, Ptak & Lepka, 2002, pp. 11–16)

Internal benefits	External benefits
<ul style="list-style-type: none"> <li>- growth of satisfaction and contentment of employees,</li> <li>- growth of trust of employees towards an enterprise,</li> <li>- growth of organizational culture and internal coordination,</li> <li>- positive attitude towards an enterprise by its employees,</li> <li>- growth of the sense of identification of employees with an enterprise which results in growth of their loyalty and engagement.</li> </ul>	<ul style="list-style-type: none"> <li>- building up positive image,</li> <li>- taking part in the life of local community,</li> <li>- loyalty of customers of an enterprise while the potential ones will select this enterprise,</li> <li>- growth of credibility of enterprise mission,</li> <li>- growth of interest by investors,</li> <li>- tax credits.</li> </ul>

Table 3: The stages of implementation of CSR in public entities (Filipp, 2008, p. 456)

Stages of implementation of the CSR concept	Scale of responsibility in public entities	Range of responsibility in public entities
Introduction	Avoiding any responsibility	Lack of awareness of responsibility on the decision-making process
Legal solutions in force	Negative responsibility	Awareness created by fulfillment of legal requirements
Implementation of ethical codes as the determinant of communication processes	Negative responsibility	Awareness of penal consequences enforced by the law in force
Knowledge of the principles of CSR as the beginning of the creation of complex relationships with stakeholders	Mixed responsibility, awareness of social responsibility of public entities increases	Range of responsibility enforced by legal requirements (taking into account social impact)
Social involvement as the essence of the processes of sustainable development	Positive responsibility, management staff notice the needs of the environment, which are dependent on them	Selectivity of socially desirable goals in the functioning of public entities
Socially responsible activity and sustainable functioning	Positive responsibility, the environmental impact is included in the activities	Acceptance of voluntary responsibility – they implement the activities for the benefit of the environment consciously and freely

The determinant of the long-term success is the activity for the benefit of entities and different social groups (Kostera, Śliwa 2012, pp. 40-42). The activities in the area of corporate social responsibility directed towards the staff create the image, and strengthen a sense of belonging to and identifying with the public organization. In the Internet era, the management staff has the increasing awareness that their professional position is determined by many different factors, not only by the effect of the decision-making process itself, but also the customers' opinion or the opinion on a given entity. The exposure of the staff to stressful and anxiety situations is decreased, a sense of safety increases while determining the quality of social contacts, work efficiency – the value both for the entities and for themselves. The concept of corporate social responsibility makes the public organization aware of the fact that it should run its business activity while aiming at satisfying stakeholders' needs. Frooman (1999) identifies two general questions which firms seeking to respond to stakeholder pressures need to address. First, firms need to identify their stakeholders and understand their attributes. Second, firms must enquire as to what their stakeholders want. Consistent with the instrumental stakeholder perspective, it may be that some community involvement activities arise as a direct response to company-specific stakeholder pressures. These activities may be designed to appeal solely to the particular wants or preferences of the specific stakeholders involved. However, other possibilities exist. First, even when company-specific stakeholder pressures arise, the nature of corporate responses to them may be conditioned by the preferences of other stakeholders (Brammer & Millington, 2003, p. 215). While affecting the environment, in all social, ecological and ethical dimensions, it creates initiatives favourable for stakeholders since public entities are aware of the fact that their image, of the socially responsible entities, is of strategic importance in the decision-making processes, and secondly, changeability of the environment creates increasingly high standards of providing service to clients.

Experiences show that investment in human capital and development of the environment and the improvement in relationships with stakeholders bring about an increase

in competitiveness (*Johnson, Scholes, Whittington, 2010, pp. 136–138*). Compliance with the law and the principles of the economic calculation is sine qua non of the activity of public entities. Satisfying this basic condition constitutes a starting point for the implementation of the concept of social responsibility: Meeting obligations towards the society (*Robbins & De Cenzo, 2002, p. 101*). It is connected with the moral obligation, sustainable development, consent to running a business activity and reputation of public organizations. The implementation of the principles of CSR in public organizations prefers the activities in the field of:

1. Spreading guidelines – reaching voluntary agreements allowing for specifying some real directions and the ones creating the opportunities of benchmarking;
2. Meeting growing expectations of customers – the society becomes more and more aware, customers of public entities are interested also in the remaining criteria, among others, they will expect the accordance with the environmental, social and ethical norms; their choices will be an opportunity to demonstrate the attachment to personal, pro-health values;
3. Growing awareness of prosumers – as the victims of public entities, they will efficiently use the available legal instruments;
4. Value chain – conditioned by the possibility of recording the fulfillment of criteria – sustainable procurement/purchasing-the policy of responsible purchasing.

The process of monitoring of the functioning of public entities is based on so called Key Sustainability Indicators. It informs the management staff on the status and level of realization of the assumed goals, based on the Key Performance Indicators – KPI or Key Risk Indicators – KRI by e.g.:

- The amount, scope of training in the field of CSR as well as the amount of employee initiatives; moreover
- The amount and scope of initiatives realized together with stakeholders; or
- The safety level of the processes – the results of monitoring the condition of health and safety at work.

In the present discussion, it was assumed that the more dialogue, cooperation, honesty, openness, subjective approach towards the staff and involvement in the key decision-making processes, the closer it is to the implementation of the principles of social responsibility in practice (*Gadomska-Lila, 2012, pp. 41–52*):

- Clear, transparent HR;
- Treating the staff as a resource, not costs;
- Social benefits;
- Integration activity;
- Transparent criteria of professional development;
- Flexible working time;
- Bonus system.

Summing up, it is possible to state that stages of the implementation of the policy and tools of CSR in public entities (Table 3), increases the range of responsibility, determining intangible assets, decides on competitive advantage and the realization of the assumed goals, while influencing long-term success of individual entities.

#### **4. Discussion on the research results**

Growing ecological and ethical awareness of consumers obliges public entities to take into consideration, in the decision-making processes, the activities directed to social responsibility and building organizational and functional culture on the basis of these



principles. In the framework of the author's own research, general knowledge of CSR was assessed, as well as the confrontation of the theoretical discussion with practice. The analysis of the documentation and the method of the diagnostic survey in the form of the questionnaire. The research was conducted using a random sample of 137 subjects self-government (4.80%) of the Warmia and Mazury. The research questionnaire consisted of 60 questions (10 thematic blocks), which was made available to interested parties through a web of offices. The content of the survey respondents shared with instructions for filling is contained in Annex survey. Of the 230 questionnaires sent back was obtained from the questionnaire 189 (82.0%).

The research problem was formulated in the form of the question: In your opinion, what does the definition of corporate social responsibility amount to?

The analysis of the respondents' responses allowed for the formulation of the following thesis: Knowledge influencing the complex process of public entities in the field of corporate social responsibility is relatively satisfactory.

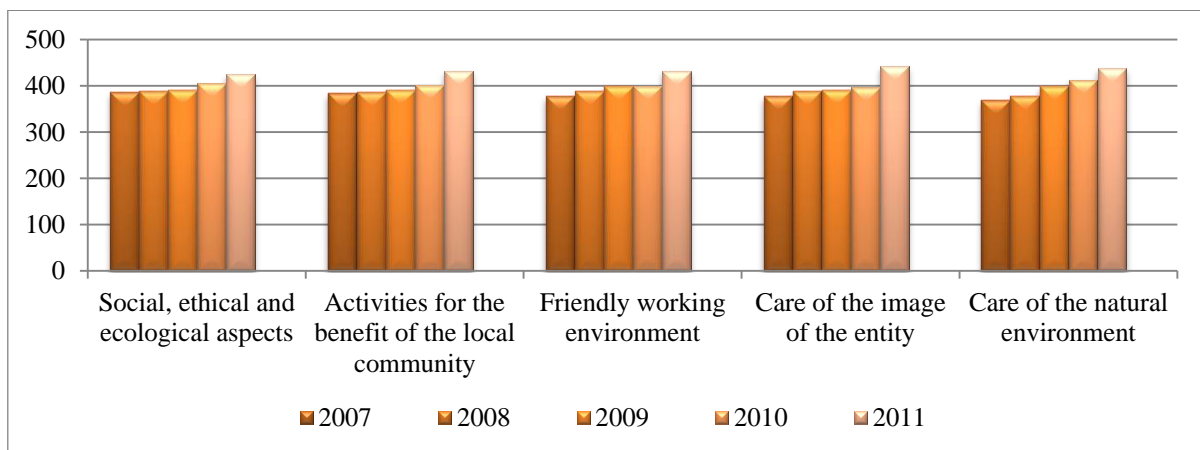


Figure 2: The significance of the concept of corporate social responsibility in the opinion of public entities (author's own research conducted from January 2007 to December 2011)

In the field of knowledge of the term of corporate social responsibility, in the area of the given variants, the respondents were able to select a few indications or express their own opinion. No one used the opportunity to express their own opinion, but the indicated responses allowed confirm that, for the respondents, the most important is taking into account social, ethical and ecological aspects in the decision-making processes. Moreover, the activities for the benefit of the local community showed that in the third position there are the activities for the benefit of creating friendly working environment. The awareness of the respondents of bringing about development of pro-ecological awareness of local and regional communities, in which public entities operate, deserves a special attention. It was also indicated, in the responses concerning the assessment of economic and social effects, achieved by the implementation of the strategy of corporate social responsibility, that such activities improve the image of entities, and that they are the motivation system for the staff. A small group of respondents acknowledged that such activities are not important.

There were also listed such activities as: enabling development and self-improvement by organizing training, development programs, workshops, organizing regular meetings with supervisors to develop some specific competences essential for further professional career, participation in management by creating opportunities for taking decisions or organizing health actions or adjusting the package of medical services for the needs of employees. The

benefits of the implementation are, among others,: an increase in involvement, building the prestige of a business activity, achieving better economic results and effective management of human capital. Respondents' opinions on the implementation of tools and techniques in the field of CSR in public entities characterized by the following statistics (Figure 3).

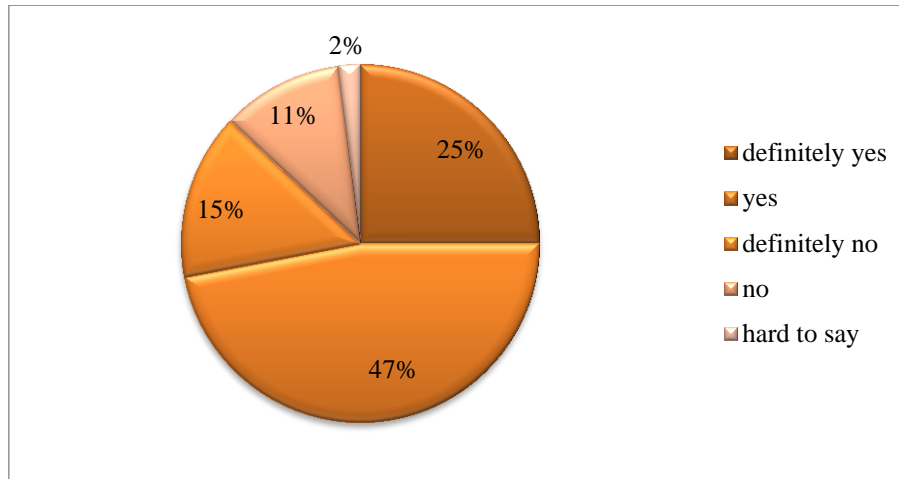


Figure 3: The significance of the concept of corporate social responsibility in the opinion of public entities (author's own research conducted from January 2007 to December 2011)

In contrast, the barriers perceived by respondents included government entities in question, which were formulated as follows: To what extent, according to the respondent, the issues listed in this question are the obstacles to the implementation of CSR to government entities? Due to the multifaceted issues raised in the question, the opinions regarding this question are presented in more detail as follows.

Table 4: Respondents' opinions on the obstacles that are barriers to the development of CSR in government entities (author's own research conducted from January 2007 to December 2011)

Potential obstacles to the development of CSR in government entities	Whether those obstacles are important?					$\Sigma$
	Definitely yes	Yes	No	Definitely no	I do not know	
Compliance with the law	102	49	20	5	13	189
Ethical principles	9	13	93	42	32	189
Social dialogue/staff	36	13	37	87	16	189
Operating conditions	85	113	50	5	33	189
Protection and repair of damage to the environment	15	25	47	90	12	189
Respect for property rights	36	54	27	57	15	189
Responsible political involvement	129	12	6	19	23	189
Complaints	16	25	84	29	35	189
Education and awareness	12	7	68	45	57	189
Participation in economic growth	66	62	34	18	9	189
Flexibility and job security	33	49	21	76	10	189

Below, there are summarized the opinions of the staff of public entities in the area of CSR:

1. Among the most important participants of public entities there are indicated the customers of entities, then the staff;
2. By social responsibility, the respondents understand, most of all, ethical behaviour, then transparency of the conducted actions, accordance of the activities with legal norms and care of the environment and partnership with stakeholders;
3. The staff of public organizations regard business development, compliance with regulations as the most important internal benefits resulting from the implementation of the CSR practices; whereas
4. External benefits refer to the improvement of reputation, which brings about sustainable development of a given region and the environmental protection, the respondents slightly underline the issues of solidarity with the local community and the loyalty of customers of entities; and
5. The greatest barriers to corporate social responsibility and the risk connected with this area, according to the respondents, is, among others, lack of appropriate regulations, costs connected with the implementation of the CSR practices and lack of economic justification for the actions undertaken in this field.

Running an ethical business – particularly the decision-making processes is a moral obligation of all participants, it is not another item in costs, but a mean to gain satisfaction of stakeholders (*Skrzypek, 2010, p. 3*). It is also an effective tool of ethical screening of social involvement. Social responsibility is potentially the best method, by means of which public entities may prove, pass their value in ethical and social dimension. Moreover, along with an increase in social awareness, the issue of transparency becomes increasingly important, and the contextual approach means the necessity of operating on many levels. What is more, CSR helps discover, analyse and use practically new dependencies, new experiences and new knowledge in the process of changes. All the projects and activities of public organizations may be analysed and assessed as more or less responsible, relatively irresponsible, from the point of view different kinds of values – both economic, social and environmental ones (*Bober, 2013, pp. 272–277*). The development of CSR proves that more and more business people and stakeholders think that it is not an option but a real need. While summing up the presented results, it is possible to state that socially responsible business – the decision-making processes, popularized in public entities, is the concept compliant with the records proposed by the European Commission. CSR develops by the interaction of business the state and the society. It is both a voluntary choice and the need supported by legal regulations.

### **Implications and discussion**

The concept of corporate social responsibility is the key category in management. The conducted survey confirmed that it is a very important subject, though not recognized sufficiently. This indicated the necessity of spreading knowledge of corporate social responsibility, underlining links between the realization of the assumptions of social responsibility and the success of public entities. The implementation of the strategy of CSR may be the way to achieve sustainable competitive advantage by the change in the thought process of management staff in the field of use of practices of sustainable business. Public organizations, taking care of their image, increasingly promote the responsible approach in the field of the CSR practices, referring to the suppliers of the first, second and third category. The implementation of the instruments of CSR may bring about the achievement of competitive advantage in: costs, quality, and punctuality.

While providing mutual benefits – shared value, they create social and economic values corresponding to multilateral expectations of clients in the decision-making processes. Public entities bring about creating social welfare, among others, by reduction of the decision-making risk, the phenomena of information asymmetry and an increase in clients' satisfaction.

Moreover, while, simultaneously, analysing the situation of public entities (in the context of CSR), we, most all, deal with information on their crisis. For the purposes of the present paper, it was assumed that the vast majority of these events could be avoided or their effects could be minimized by reduction of, among others:

- Phenomena of corruption
- Disputes of employees;
- Accidents at work;
- Lack of efficient management;
- Lawsuits;
- Pollution of the environment.

The above listing presents the share of different kinds of crises in „business of public entities”, resulting in substantial financial loss and loss of credibility, reputation etc. The thorough analysis also allowed for the perception of an interesting phenomenon (reaction of public entities on media information), consisting in bearing responsibility e.g. for third parties. Important events of the nature of crisis are corruption offences (*art. 228 of the Penal Code*) and crossing the powers and discharging duties (*art. 231 of the Penal Code*), moreover, attestation of an untruth (*art. 271 of the Penal Code*). It is typical of the early process of the implication of the practices in the field of CSR in public hospitals. The presented material will bring about supplementing knowledge in the field of social responsibility in the complex management of public entities. The condition of success is the quality of mutual, multifaceted, symbiotic relationships with the environment, which enable gaining benefits in a long-time perspective.

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