

**KAUNAS , the 23<sup>rd</sup> of September 2010**

# **SOCIALLY RESPONSIBLE BUSINESS IN THE POLISH ECONOMY**

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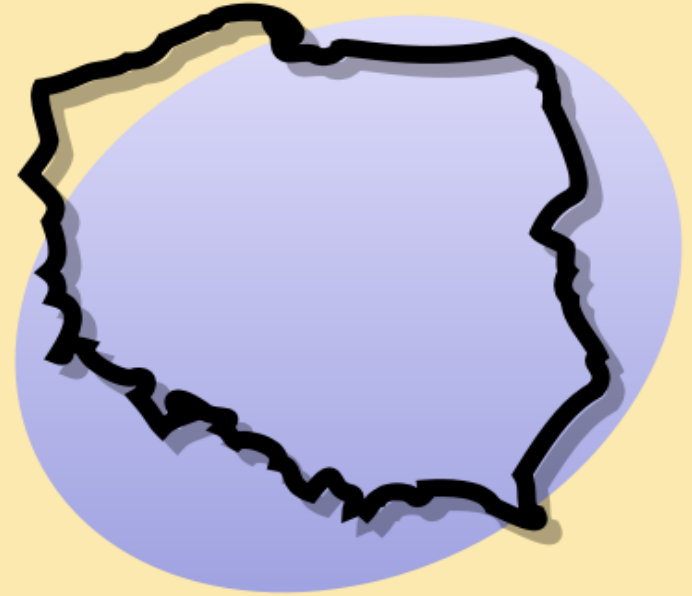
**Priorities of strategic policy of the European Union commit all equally to popularize socially responsible business.**

**Governments of the member countries implement the guidelines of European Commission with a different engagement.**

# THE SPECIFICITY OF THE POLISH ECONOMY

## POLAND:

- population: 38,1 mln
- GDP: 430,2 US\$ bln
- real GDP growth (2009): +1,7%
- GDP per capita: 11,288 US\$
- unemployment rate: 8,2%
- transition pioneer (21 years of collecting hard experiences)
- the stage of development now: transition between efficiency and innovation driven



# THE IMPORTANCE OF SMALL AND MEDIUM SIZED ENTERPRISES IN POLAND

## **SMEs : the engine of Polish economy**

- up to 99,8% (1,77 mln) of all firms are SMEs
- contributing to 47,7% of Gross Domestic Product (GDP)
- sustaining 70,1% of jobs positions on the market
- generating 60% of the total firms turn over
- to drive economic decline and support restructuring industry

# BARRIERS TO POLISH SMEs DEVELOPMENT

## Financial crisis increasing barriers to SMEs development

- hampered access to production factors and financing sources that cause lack of financial liquidity and creditworthiness
- high tax rates
- fast changing currency exchange rate
- management problems resulted from insufficient knowledge and skills of entrepreneurs
- pressure of stakeholders (customers, financial institutions, suppliers, employees)
- high sensitivity to external shocks cause immediate threat to the existence of the company

# **SMEs' SURVIVAL STRATEGY**

- **need of having a coherent and comprehensive strategy with perspective of next 5 years company's activity**
- **willing to accomplish it's financial and market targets**
- **taking action when are financial benefits apparent**
- **meeting expectations of the key stakeholders:**
  - **OWNER**
  - **INVESTOR**
  - **BANK**
  - **CUSTOMER**

# A CRUCIAL QUESTION

**\* Does it mean that employees are not important stakeholders?**

# SMEs APPROACH TO CSR CONCEPT

- **CSR concept accepted and appreciated by SMEs**
- **CSR intended as a ‘nice to have’**
- **CSR understood as:**
  - fair and ethical behavior
  - respecting rights of somebody else
  - respecting environmental issues
  - having good relations with their closest stakeholders by sponsoring local initiatives and showing that the company is a local citizen
  - adequate for big companies and corporations
- **CSR concept not intended has a strategic pillar of the company**

# HOW DID WE ACQUIRE SMEs TO THE PROJECT?

**In searching eager SMEs to attend in the project it was necessary to sacrifice much time, setup many appointments and conduct numerous conversations.**

**At each 10 companies invited, 1 agreed.**

**We have found 5.**

# COMPANIES PARTICIPATING IN FIELD TEST

Company	Business sector	Employment
<b>AM-Petro</b>	biomass supply logistics for furniture panels, energy and pellet production plants	8 employees
<b>ELCAR</b>	Authorized Auto Dealer of Škoda; automotive	35 employees
<b>Foundation for Ecological Energy ECONERGIA</b>	ecology; alternative energy sources	10 volunteers
<b>Impel Accounting</b>	business outsourcing service; member of the IMPEL Group	120 employees
<b>Specialized Orthopedic Company MED-ORTH</b>	health protection; production, trade and service	18 employees

# THE BEST OF THE METHODOLOGY „6x3”

- **very good structure of six meetings (3 hours each)**
- **very good creation of 1. and 2. workshop**
- **perfectly meets educational needs**
- **useful tool to create HR strategy**
- **adequate for bigger companies (more than 50 employees)**

# HOW TO MAKE THE METHODOLOGY „6x3” MORE ATTRACTIVE?

**Putting emphasis on analysis of market environment and other internal indicators in order to build comprehensive business strategy by taking into consideration needs of SMEs.**

- **managers have expected bigger attention put on issues related to business activities i.e. finance, logistics, external market terms determining their effectiveness.**

# RECOMMENDED CHANGES

- workshops 2. and 3. oriented on analysis and evaluation of market situation, finance, production process, logistic
- workshop 4. oriented on building business strategy with CSR perspective and taking into account dismantling the strategic targets on operational level
- workshop 5. oriented on HR policy improvement
- workshop 6. oriented on verification strategy built

# FINAL CONCLUSIONS

In Poland, among SME's are clearly seen the **mental barriers** restricting implementation of CSR concept to the daily company activities. This should be a challenge for learning and changing the hierarchy of values that seems to be a task for universities and any other educational institutions.

Engagement in socially responsible activities is strongly determined by individual characteristics of SMEs managers and employees.

Different attitudes to CSR concept is perceptible in every social group of any enterprise.