



MASARYK UNIVERSITY  
FACULTY OF ECONOMICS  
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# The Corporate Social Responsibility In The Czech Republic

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# Content of the lecture

- 1. What is CSR**
  
- 2. Why is it important**
  
- 3. What are the differences**





# What is the Corporate Social Responsibility





# What is the Corporate Social Responsibility

## Perhaps

Voluntary integration of social and environmental goals into everyday life



## How?

### **Business area:**

- No corruption
- Transparency
- Good relationships with customers, shareholders, business partners
- Intellectual property protection

### **Social area:**

- Filantrophy
- Human rights
- Equal opportunities
- Community engagement

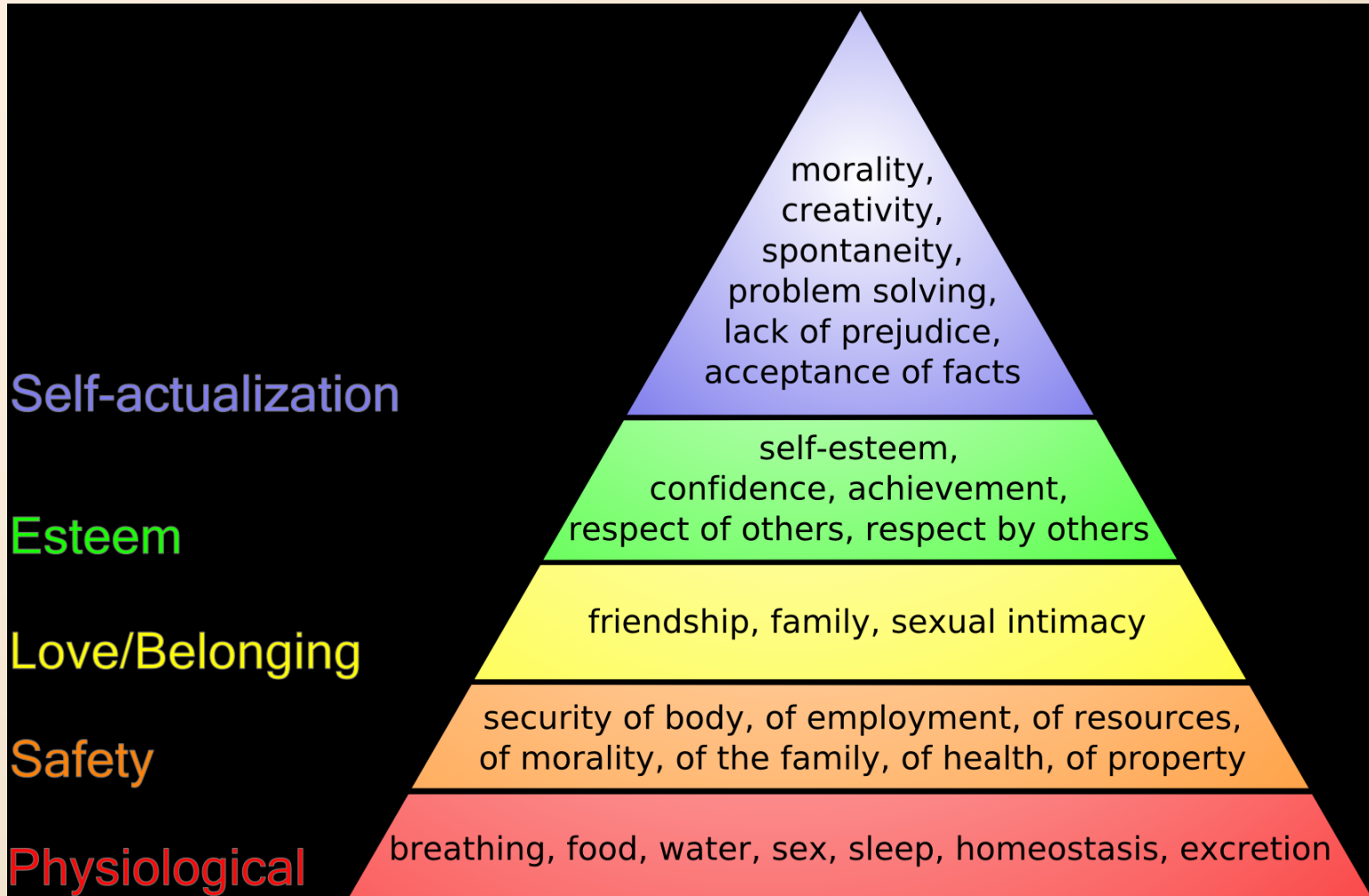
### **Enviromental area:**

- Efficient production
- Enviroment friendly behavior on all levels

# Why?

- **License to operate**
- **Avoiding additional taxation or regulation**
- **Competitive Advantage**
  - through extra value for a customer

## Needs – Values (Maslow's Hierarchy)





# Three Levels of CSR Determinants

- **Government**
- **Companies**
- **Consumers**

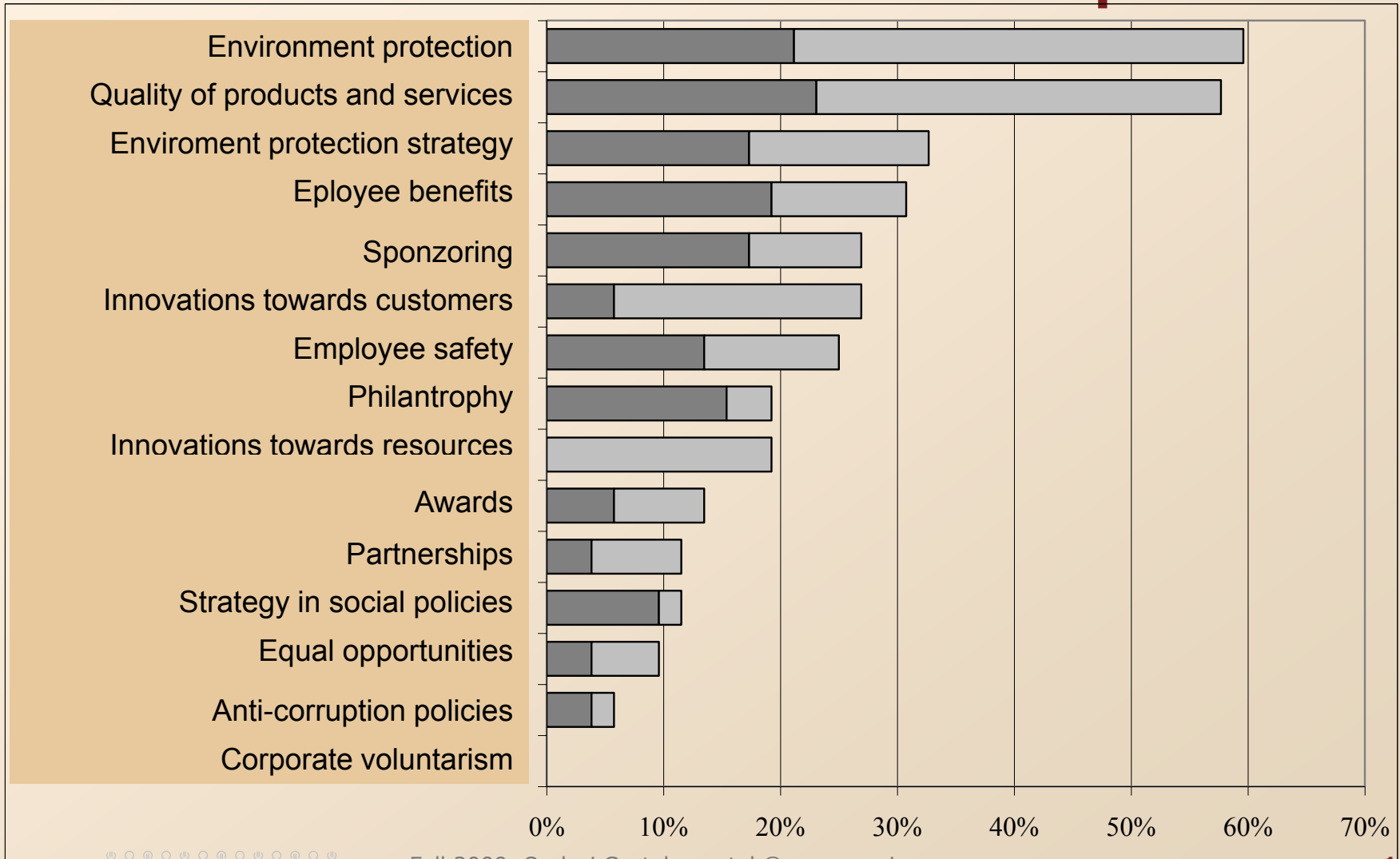




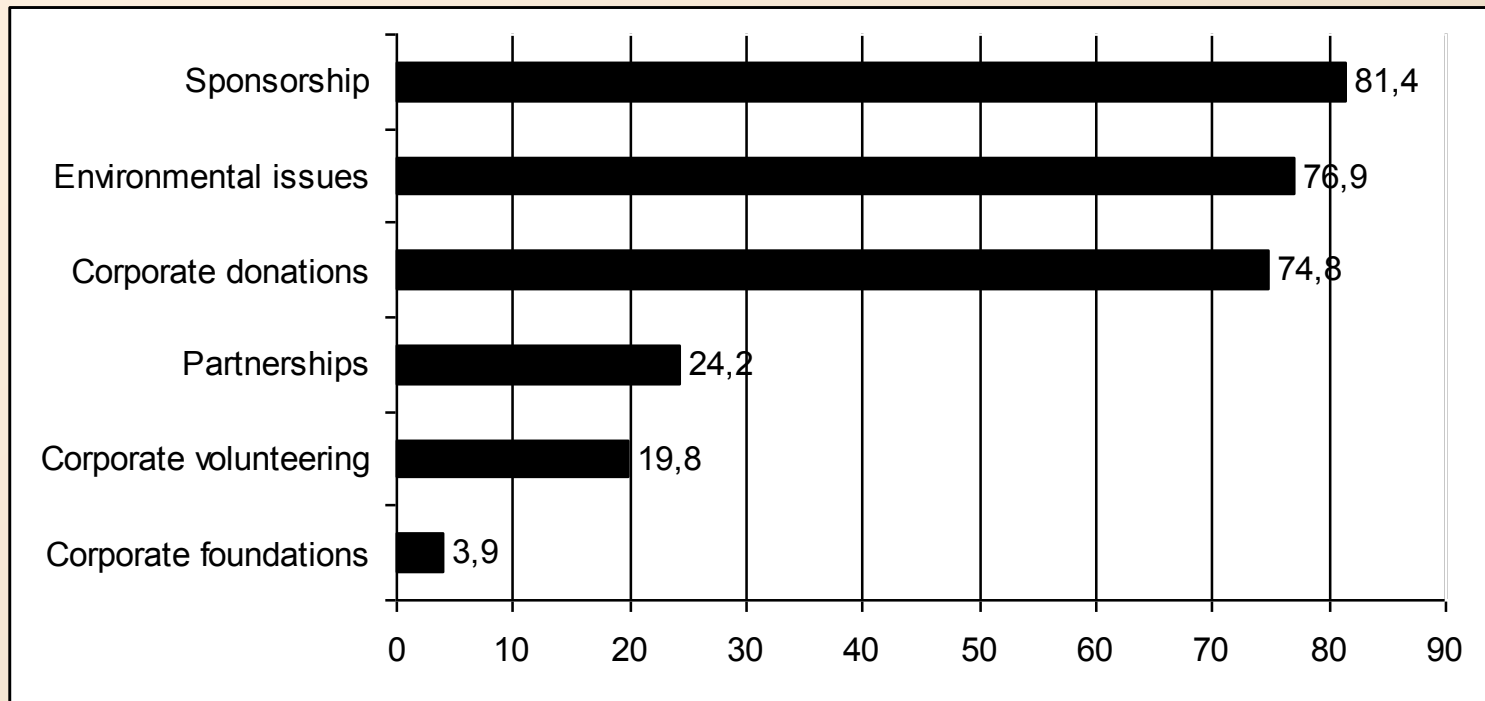
## Corporate level

- **64 % of companies claim, they know what CSR is**
  - but many of them actually don't
- **99 % think that CSR activities are beneficial**
  - but some of them only for PR purposes
- **84 % wants to broaden their CSR activities**
  - most active now: employee benefits, employee education, transparency, ecology

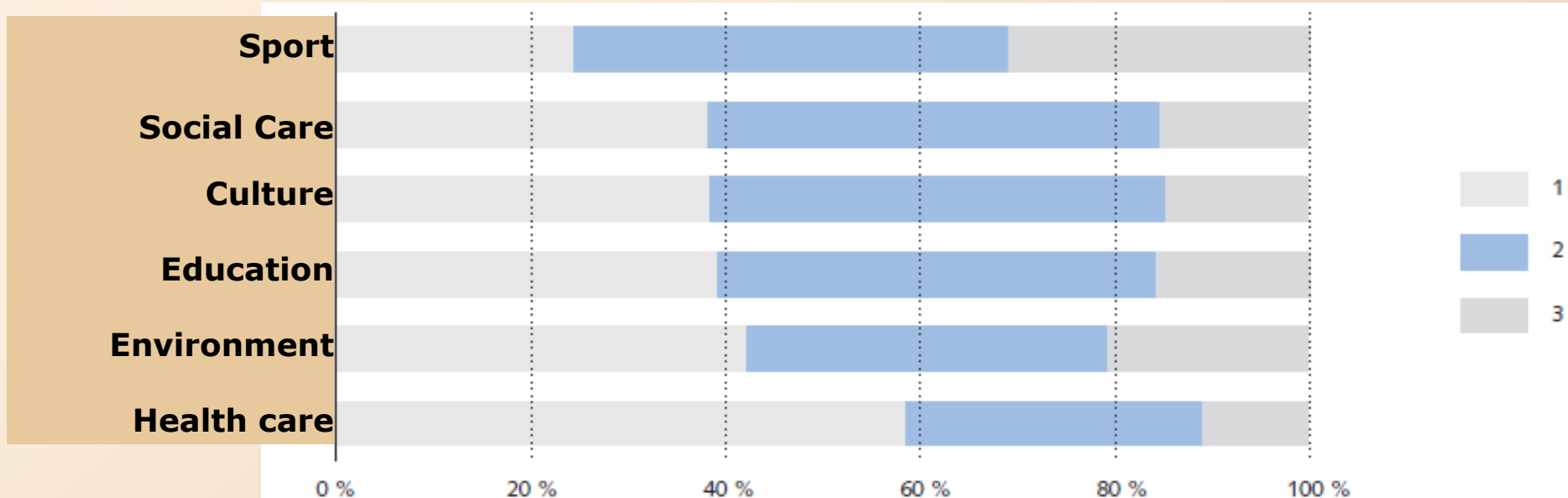
## Number of references in annual reports



## Forms of CSR (%)

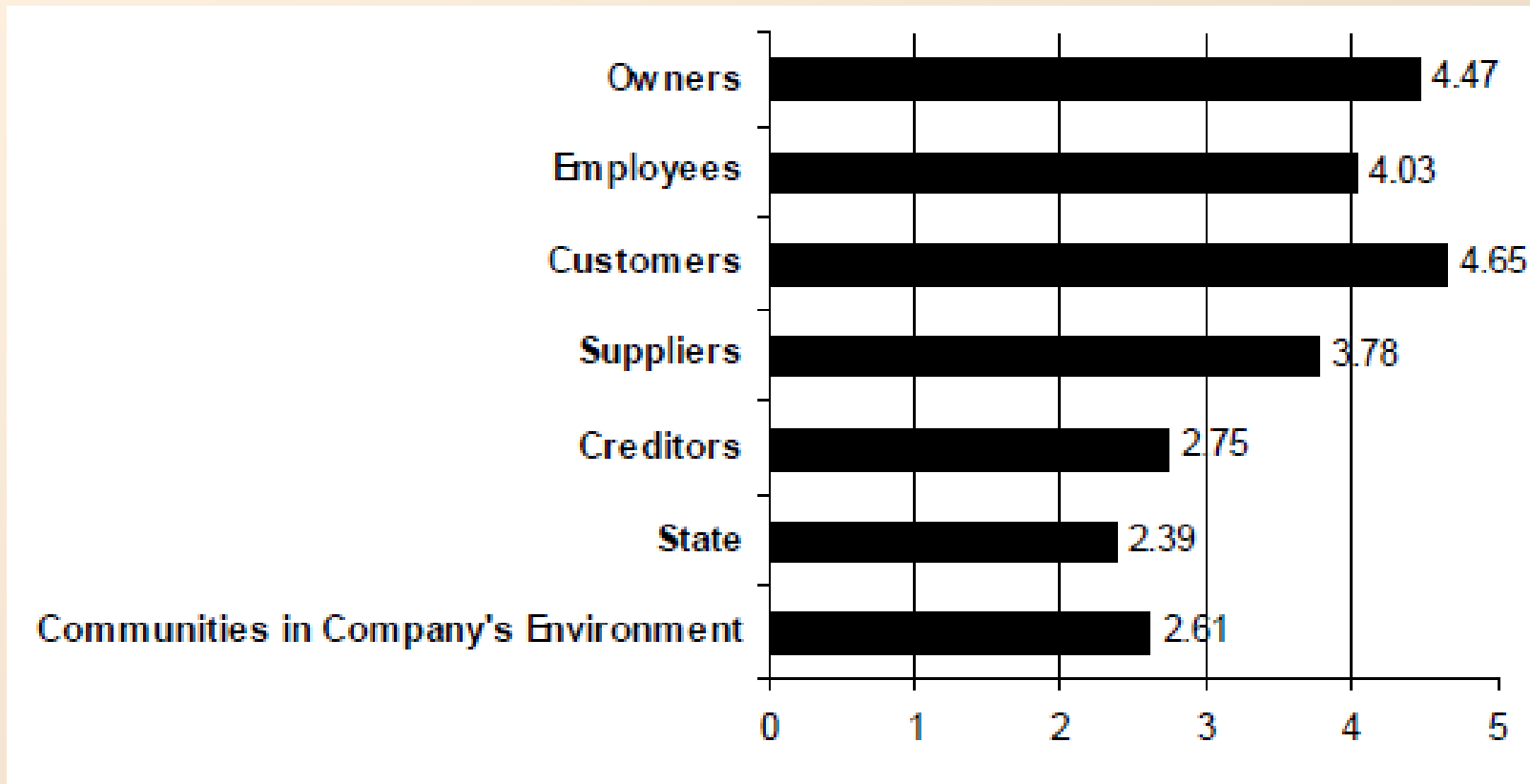


## Supported areas

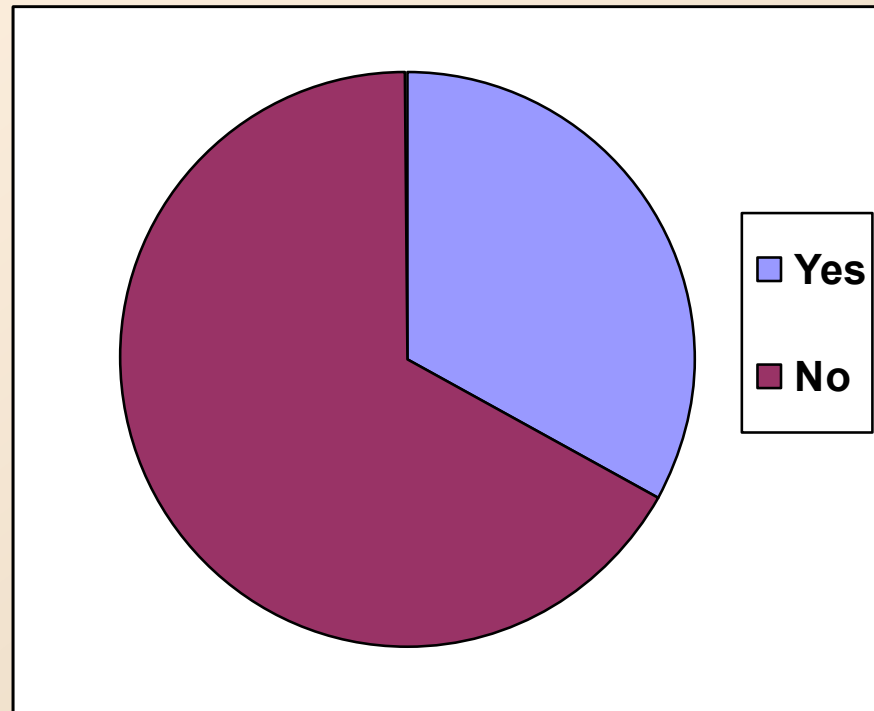


**1 – Not at all, 2 – occasionally, 3 – significantly and systematically**

## The Czech Republic – importance of stakeholders (1 – lowest, 5 – highest)



## Codes of ethics (%)





## Consumers-driven CSR

- **2009: CZ is on 80 % of EU-27 GDP per capita average**
- **55 % of income is spent on food and housing (45 % in Austria, 65 % in Slovakia)**
- **Problem with reporting about CSR activities**





## The Czech Republic specifics – information sources about CSR activities

<b>Trusted information sources</b>	<b>(%)</b>
<b>Other people</b>	<b>72</b>
<b>Own experience</b>	<b>65</b>
<b>Independent media</b>	<b>54</b>
<b>Corporate news, advertisement, website</b>	<b>33</b>
<b>Information on products</b>	<b>25</b>

<b>Preferred information sources</b>	<b>(%)</b>
<b>Information on product</b>	<b>48</b>
<b>Independent media news</b>	<b>47</b>
<b>Newspapers, TV news</b>	<b>45</b>
<b>Product brochures</b>	<b>44</b>
<b>Logos</b>	<b>34</b>
<b>Corporate PR news</b>	<b>27</b>





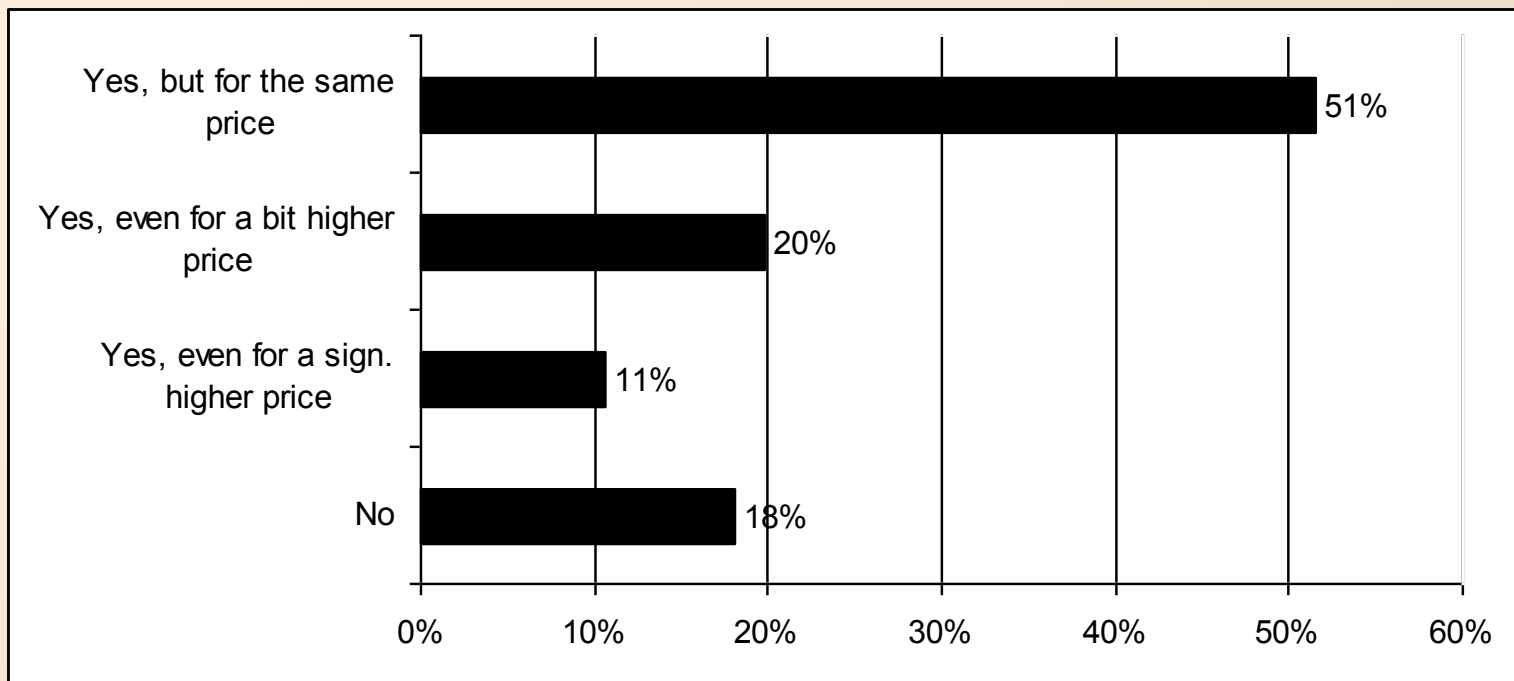


## Czech specifics – alternatives to indexes

- **Employer of the year**
- **Rhodos best companies**
- **100 most admired companies**
- **100 most influential companies**



# Would you buy a rope from recycled material?



## Czech specifics – conclusions from researches

- Higher awareness in companies with foreign owner
- Media afraid of accusation of hidden advertisement
- Relationship between CSP and CFP is not falsified, but was found weak if any at all
- CSR awareness is lower in smaller companies

## Relationship between CSP and CFP (ROA)

Causality	Correlation (year)		
	Communities	Employees	Customers
Quality of the relationship with the group depends on ROA	0,4990 (1990)	0,6410 (1990)	0,5831 (1990)
Synergic effect	0,4715 (1983)	0,6019 (1989)	0,5513 (1989)
ROA depends on the quality of the relationship with the group	0,4064 (1992)	0,5172 (1992)	0,4792 (1989)

- 67 companies, 1982 - 1992
- 270 correlations
- always positive

Source: PRESTON, L. E., O'BENNON, D. P., 1997, p. 426.

## Relationship between CSP and CFP

Relationship between	Sample size N	Average partial correlation
<b>1. CSP and CFP (whole sample)</b>	<b>373</b>	<b>0.143</b> <b>(0.135 až 0.151)</b>
<b>2a. CSP and CFP without corporate environmental performance</b>	<b>289</b>	<b>0.145</b> <b>(0.137 až 0.154)</b>
<b>2b. CSP and CFP with corporate environmental performance</b>	<b>84</b>	<b>0.140</b> <b>(0.118 až 0.162)</b>
<b>3. CSP and CFP with CSP reputation</b>	<b>268</b>	<b>0.120</b> <b>(0.110 až 0.129)</b>
<b>4. CSP a CFP with philanthropic donation</b>	<b>77</b>	<b>0.277</b> <b>(0.257 až 0.298)</b>

■ 82 studies, 1972 - 2003

Source: ALLOUCHE, J., LAROCHE, P., 2005, p. 24



**Thank you for your attention**

