

SELECTED ISSUES REGARDING THE IMPLEMENTATION OF CSR IN POLISH AGRIBUSINESS ENTERPRISES: CASE STUDY

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Abstract. The purpose of this elaboration is the presentation of selected issues related to the implementation of CSR in agribusiness enterprises from rural areas of the Mazowieckie voivodeship. Research on the opinion of entrepreneurs on the concept of CSR, its scope and application of the principles of social responsibility were carried out at the turn of 2017 and 2018 and included 325 micro (0-9 people), small (10-49 employees) and medium (50-249 employees) agribusiness enterprises conducting economic activity in rural areas of the Mazowieckie voivodeship. The research was carried out by means of a diagnostic survey, and the basic research tool was an electronic questionnaire that was sent to the surveyed entities. The survey was sent to all agribusiness entities operating in the studied voivodeship - 325 questionnaires were fully and correctly completed. The material obtained in this way was subjected to mathematical - statistical analysis. The arithmetic mean, independence test χ^2 , Chuprov convergence coefficient and C. Pearson coefficient (corrected and regular) were used. Social responsibility in the organizational structure of the surveyed companies was hardly visible because there were no people responsible for developing the CSR concept related to the subject of the activity and the specificity of the company. Only every third respondent stated that actions were being taken for the benefit of broadly understood environment and they were inscribed in the company's business strategy.

Key words: SME, agribusiness, corporate social responsibility, rural areas, strategy.

JEL code: O12, O13, O18

Introduction

Corporate social responsibility (CSR) is a concept, according to which enterprise at the stage of strategy building voluntarily takes into account social interests and environmental protection, as well as relations with their stakeholders (Ratajczak, Woloszyn, Stawicka 2012). Nowadays, more and more attention is paid to the fact that corporate social responsibility is of strategic and dynamic character and is based on constant (continuous) improvement, as well as cooperation with all stakeholders of the company (Carroll, 1974).

Therefore, the importance of CSR in management science becomes more and more crucial. In the economic practice, on the other hand, it generates a dialogue process, learning mutual expectations and opportunities, close monitoring and improving strategies within a broadly understood partnership (Willard, 2002).

Social responsibility is also defined as a moral and lawful duty towards the entire environment, both internal and external to the enterprise - the social responsibility of the company means that it is morally responsible and obliged to account for the law and society from its activities. It is responsible towards the owners, clients, employees, shareholders, creditors, ecological movements, suppliers, cooperators, banks and state administration (Vogel, 2005; Garriga, Mele, 2004).

It is also necessary to pay attention to the fact that CSR leads to building a competitive advantage strategy, based on providing long-lasting value for both shareholders and other partners-stakeholders, especially those important in the agribusiness sector (Gasparski, 2004; Waddock, 2008; Madra-Sawicka, 2016; Wysokinski, Dziwulski, 2013).

It should be stated that social responsibility should be taken into account both inside and outside the enterprise, as the basis of business, and not as additional actions and ethical procedures undertaken in selected areas and activities of the organization. Comprehensive

activities of enterprises regarding employees, society or the natural environment, having a consistent system of values on which all company's activities are based, provide the possibility of its stable and proper functioning (Zemigała, 2007; Ratajczak, 2014; Rokicki, 2016).

The European Commission defines social responsibility as an idea in which companies voluntarily incorporate social and environmental issues into their business activities and into relations with their stakeholder groups (Green Paper, 2001; Roome, 2009).

It should be mentioned that in addition to the definitions referred to above, in May 2010 at the ISO (International Standard Organization) plenary session, the first international standard of corporate social responsibility was adopted - ISO 26000, which was officially translated and presented in Poland in the second half of 2012 (Global Compact, 2010, Esty, Simmons, 2011). In its content, apart from the principles of social responsibility, a description of the basic seven CSR areas relating to: organizational order, human rights, relations with employees, the natural environment, market practices, consumer issues and social involvement and development was presented (Banerjee, 2011; Baran and Rokicki, 2015; Ratajczak, 2013).

Corporate social responsibility in Poland is a relatively little-known initiative and is not yet permanently implemented in the minds of Polish entrepreneurs, especially in the sphere of SMEs and local communities. Professional CSR tools, code of ethics, social reporting, audits and certification are mainly used by large enterprises (Gorecka and Rokicki, 2014; MCWilliams, 2001, Sethi, 1979, Reich, 2008).

The aim of the article is to present selected issues related to the implementation of CSR in the studied agribusiness enterprises from rural areas of the Mazowieckie voivodeship. The basic question about research is: is the CSR strategy implemented in Polish agribusiness enterprises and what factors influence this?

Materials and methods

Research on the opinion of entrepreneurs on the concept of CSR, its scope and application of the principles of social responsibility were carried out at the turn of 2017 and 2018 and included 325 micro (0-9 people), small (10-49 employees) and medium (50-249 employees) agribusiness enterprises conducting economic activity in rural areas of the Mazowieckie voivodeship.

The research was carried out by means of a diagnostic survey, and the basic research tool was an electronic questionnaire addressed to the surveyed entities. The survey was sent to all agribusiness entities operating in the studied voivodeship - 325 questionnaires were fully completed correctly. The material obtained in this way was subjected to mathematical - statistical analysis. The arithmetic mean, χ^2 independence test, Chuprov convergence coefficient and C. Pearson coefficient (corrected and regular) were used.

Small companies dominated in the analysed sample - they accounted for 64.7 %, micro enterprises - 29.7 %, respectively, and medium enterprises - 5.6 %. Men owned 58.7 % of analysed enterprises, and women 41.3 % of business entities from the agribusiness sector. The structure of owners of the surveyed enterprises by their education was advantageous. The managers of 62 % of companies had higher education - this is definitely a positive phenomenon considering the trend of migration of educated people from villages to large urban agglomerations. Over 32 % of respondents had secondary education. The remaining subjects were characterized by primary education and accounted for about 6 % of the respondents.

Nearly 66 % of the respondents were active in the industrial processing section, which is characteristic for small and medium-sized agribusiness companies on a national scale, especially in rural areas. Every fourth respondent dealt with wholesale and retail trade, which resulted from frequent localization of business entities in rural areas near large urban agglomerations (distribution and sale of offered goods), especially in the vicinity of Warsaw, Radom, Skierniewice, Ciechanow or Plock. The remaining two sections, agriculture and transport, accounted for around 10 % in the structure of the surveyed entrepreneurs.

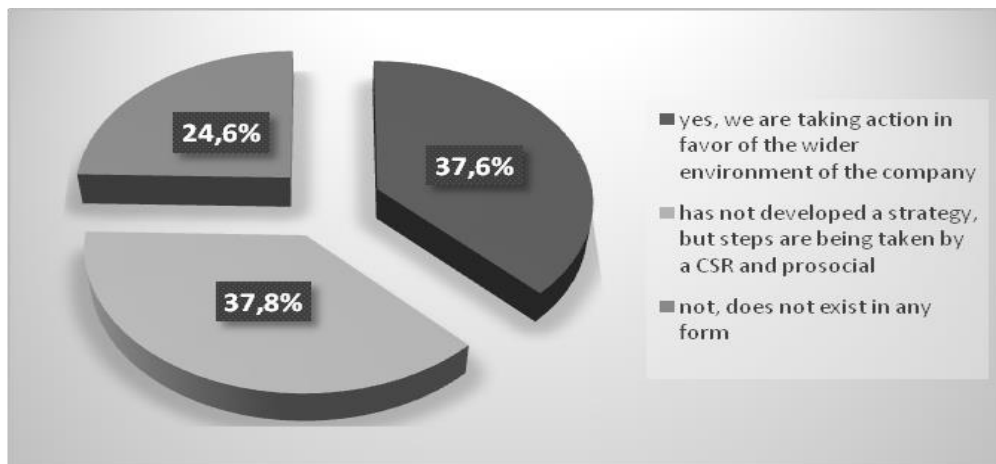
The largest number of studied enterprises (almost 56 %) functioned as natural persons conducting economic activity - this form is also the most common in the whole country in rural areas. In other cases, these entities were registered as limited liability companies, civil (every eleventh entity) and general partnerships (approximately 10 % of the surveyed population).

Research results and discussion

The results of research carried out in small and medium-sized agribusiness companies in the Mazowieckie Voivodeship showed that almost 25 % of entrepreneurs do not take actions in the field of CSR in their policy (Figure 1). Unfortunately, in the case of such business entities, we can talk about the attitude of resistance to CSR and related changes. Only every third respondent stated that activities are undertaken for the broadly understood environment and they are inscribed in the company's strategy. In the case of these enterprises, one can speak of a conscious attitude of social contribution and actions aimed at improving the quality of life of citizens. On the other hand, almost 38 % of respondents declared taking steps of a CSR and prosocial character, but rather in an occasional way, if they were asked for it.

In order to determine the statistical independence between the education of the owners of the surveyed enterprises and having the CSR strategy, the χ^2 independence test was carried out, which showed that the analysed variables are mutually dependent (Table 1). Activities for the broadly understood business environment were implemented primarily by owners with higher education and CSR steps, but without a strategy, were undertaken by entrepreneurs with secondary education. Practically, no elements of the CSR strategy existed in people with elementary education. It should also be emphasized that the calculated indices show a moderate strength of the relationship between the variables studied.

Statistical independence was also determined between the activity section and having a corporate social responsibility strategy (Table 2). The χ^2 independence test carried out for this purpose showed that the variables under study are not mutually independent. In a wide range of CSR activities in the context of the company's environment, they were undertaken by small and medium-sized enterprises from the industrial processing sector as well as wholesale and retail trade. Prosocial steps were taken primarily by economic entities from the agricultural section, and in the smallest scope such activities were carried out by transport companies. The strength of the relationship between the analysed variables is relatively strong, as illustrated by the calculated coefficients.



Source: authors' elaboration

Fig. 1. Possession of CSR strategy by surveyed agribusiness companies (%)

Table 1

Determination of statistical independence between surveyed business owners' education and possession of social responsibility strategy

χ^2 TEST OF INDEPENDENCE	
Hypothesis: H₀: [tested variables are independent] H₁: [tested variables are not independent]	
$\chi^2 = 12.45 > \chi^2_{\alpha} = 5.65$ the null hypothesis H ₀ is rejected in favour of alternative hypothesis H ₁ at $\alpha = 0.05$	
T Chuprov convergence coefficient	Txy = 0.65
C Pearson contingency coefficient - simple	Cxy = 0.72
C Pearson contingency coefficient - corrected	skorCxy = 0.85
Variable X: Enterprises owners' education Variable Y: Corporate social responsibility strategy possession	

Source: authors' elaboration

Table 2

Determination of statistical independence between the section of activity (NACE) and possession of social responsibility strategy

χ^2 TEST OF INDEPENDENCE	
Hypothesis: H₀: [tested variables are independent] H₁: [tested variables are not independent]	
$\chi^2 = 23.77 > \chi^2_{\alpha} = 11.54$ the null hypothesis H ₀ is rejected in favour of alternative hypothesis H ₁ at $\alpha = 0.05$	
T Chuprov convergence coefficient	Txy = 0.69
C Pearson contingency coefficient - simple	Cxy = 0.77
C Pearson contingency coefficient - corrected	skorCxy = 0.87
Variable X: Activity section (NACE) Variable Y: Corporate social responsibility strategy possession	

Source: authors' elaboration

The validity of the above-mentioned independence test is demonstrated by the data on possession of a responsible business strategy according to the section of the economy. The analyses carried out show that activities in favor of the broadly understood business environment occurred mainly in industrial processing enterprises (over 72 % of responses) and commercial companies (over half of indications). In turn, the steps of CSR character, but without the strategy

developed, took place primarily in companies from the agricultural sector - about 44 % of responses. It should also be noted that in the transport industry over 76 % of the surveyed entrepreneurs do not have any CSR strategy in any form.

An important issue is also the possession of a CSR strategy according to the size of the enterprise. Only 9 % of micro-enterprises had a strategy of responsible business, and about 13 % of them took pro-social activities. A more positive trend was observed in the activity of small and medium-sized business entities - over 57 % of surveyed business owners indicated possession of a formal CSR strategy, and about 38 % undertook extensive activities to build social responsibility of their company, which is certainly very important, especially in the agribusiness sector in Poland. In this group of companies, only about 4 % of respondents did not undertake any activities aimed at building a CSR strategy.

Table 3

Determination of statistical independence between the year of company establishment and social responsibility strategy possession

χ² TEST OF INDEPENDENCE	
Hypothesis:	
H0: [tested variables are independent]	
H1: [tested variables are not independent]	
$\chi^2 = 17.89 > \chi^2_{\alpha} = 5.56$ the null hypothesis H0 is rejected in favour of alternative hypothesis H1 at $\alpha = 0.05$	
T Chuprov convergence coefficient	Txy = 0.65
C Pearson contingency coefficient - simple	Cxy = 0.71
C Pearson contingency coefficient - corrected	skorCxy = 0.88
Variable X: Year of company establishment	
Variable Y: Corporate social responsibility strategy possession	

Source: authors' elaboration

Statistical independence was also examined between the company's year of establishment and possession of a social responsibility strategy (Table 3). Also in this case, the χ^2 independence test showed that the variables studied are interdependent. The CSR strategy was mainly present in companies established in 1990-1999, and also before 1989. In contrast, in enterprises that had a shorter period of existence on the market, the frequency of occurrence of CSR strategy elements was much less frequent, especially in entities established after 2004. The coefficients calculated for this purpose show that the strength of dependence of these features was strongly moderate - the highest value was achieved by the corrected Pearson's contingency coefficient.

Very often it happens so that the implementation of CSR principles depends, to a large extent, on the attitude of the person managing the enterprise and those responsible for compliance with these principles in business practice. Over 27 % of respondents confirmed that the company does not have a person responsible for activities related to social responsibility. Almost 60 % of entrepreneurs declared that persons responsible for CSR activities also have a different scope of professional responsibilities or deal with these issues temporarily. The implementation and execution of these principles becomes an additional duty and may lead to discrepancies in their implementation in practice. It should also be emphasized that only 13 % of the respondents confirmed that there is an independent position for CSR in the company and this person aims to prepare all elements related to the implementation of responsible business in the enterprise.

Conclusions

If we take into account only the formal side of the CSR concept functioning in the surveyed agribusiness enterprises, it should be stated that the social responsibility in the organizational structure was not very visible because there were no people responsible for developing the CSR concept related to the subject of the activity and the company's specificity. Only every third respondent stated that actions are being taken for broadly understood environment and they are inscribed in the company's business strategy. In a wide range of CSR activities, in the aspect of the company's environment, they were undertaken by small and medium-sized enterprises from the industrial processing and wholesale and retail trade sectors. It is certainly disturbing that in the economic entities from the agricultural and transport industries, the activities in the field of responsible business were taken very rarely, or they were not there at all. In the agribusiness sector, these are very important issues and should be properly promoted and popularized.

Summarizing the above considerations, it should be stated that entrepreneurs in their companies must try to implement instruments of social responsibility policy, including by creating a uniform strategy in this area. In practice, declarations that are recorded and followed give a much greater guarantee of quality and inspire confidence among stakeholders.

The precisely defined scope of the CSR strategy and its form will also allow it to be adapted to the type of business activity conducted, especially in the agribusiness sector, which is crucial for the economy of each country. In this way, it will be easier to engage employees in such activities by showing key elements of socially responsible business and encouraging them to be active in this area. Certainly, the interest and tendency to implement CSR in Poland is improving every year, but much more attention should be paid to this in rural areas, as demonstrated by research in this field.

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