

UDC 33

DOI: 10.15587/2313-8416.2015.38672

CORPORATE SOCIAL RESPONSIBILITY AND HUMAN PERFORMANCE© **Błażej Balewski, Andrzej Janowski**

Enterprises operating in the 21st century, face constant and perpetual changes, which determine the rise of many obstacles for development. Mentioned organizations constitute parts of larger and more complex structures, comprising international networks. Therefore, their existence is determined by finding solutions that would improve weaknesses and facilitate growth acceleration

Keywords: organizations, human performance, corporate social responsibility, society, global management, effectiveness

Підприємства, що працюють в 21-му столітті, стикаються з постійним і безстроковими змінами, які визначають ріст багатьох перешкод для розвитку. Зазначені організації становлять частину більш великих і більш складних структур, включаючи міжнародні мережі. Таким чином, їх існування визначається шляхом знаходження рішень, які могли б поліпшити слабкі місця та сприяти прискоренню зростання

Ключові слова: організації, можливості людини, корпоративна соціальна відповідальність, суспільство, глобальне управління, ефективність

1. Introduction

The term corporate social responsibility (CSR) encompasses the social responsibilities of business corporations. Most definitions of CSR describe it as a concept, whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis [1]. Analysing previously conducted studies concerning the essence of corporate social responsibility allows one to note that CSR has not only supporters, underscoring its contribution to the increase of economic innovativeness, but also many opponents.

Additionally, the sceptical attitude to this notion strengthens critical approach to the ethical dimension of business (*Presently, its main opponent is M. Friedman, who announced, that the responsibility of business is maximising its profits and not solving social issues*) [2]. Therefore, defining the space for the voluntary consideration of social and ecological aspects by an organisation is the preliminary task for the realization of the concept.

2. Literature review

Determining the essence of voluntariness facilitates the inclusion of other, thus far unused, approaches in the development of the notion of CSR. One such approach, defining the socio-philosophical space for the notion of corporate social responsibility, was formed in the encyclicals of Pope John Paul II, concerning the place and role of individuals in society. Ana-

lysing the content of some of his work [3], one may conclude that the voluntary consideration of social aspects by persons constituting an organisation falls somewhere between individualism and personalism. However, the notion of CSR is not directly associated with either of these approaches as both as individualism and personalism, appears to describe unattainable forms of perfection.

Additionally, in the context of the voluntary aspect of social and ecological deliberations undertaken by organisations and furthering the notion of corporate social responsibility, one should pay particular attention to the fact that this principle conditions the lack of determination of all those aspects of socio-economic life that are accompanied by hierarchic relations in the specification of research areas (*Hierarchy, from the Greek words hieros – holy and arche – rule, a concept characteristic of Byzantine thought, became popular in Western Europe during the Middle Ages. It was equated with the essence of order and subordination*) [4].

The presence of such relations significantly limits the existence of voluntariness. In practice, a form of subordination takes the place of voluntariness (*There are various forms of subordination; one extreme example is the perception of the employee as a “human appendage to the assembly line” – Ford Motor Company, beginning of the 20th century*).

The need to ensure the usefulness of action raises an additional question: what form of effectiveness are we to encounter during the practical realization of the notion

of corporate social responsibility? Analysis of the theoretical premises of the individual concepts of effectiveness allows to assume, that models of technical-economic effectiveness and the function describing the principle of social usefulness correspond to extreme forms of action taken by individuals within a community. The notion of CSR should be accompanied by social effectiveness (Fig. 1).

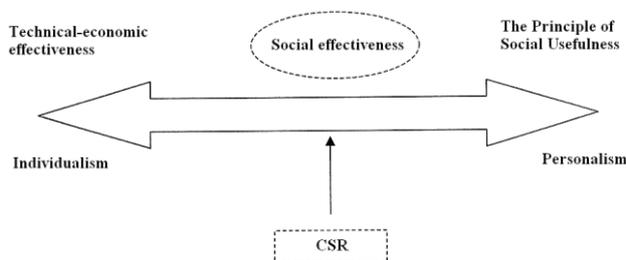


Fig. 1. Theoretical model – the place of CSR
Source: own work

Corporate social responsibility cannot be enforced by any legal regulations, notwithstanding, the state may encourage organisations to implement this notion. In the pursuit of its goals, an organisation incurs economic and social costs. Social cost includes especially: work dissatisfaction, problems with the ability to improve, social disintegration of work teams or the whole organisation, issues with the mental health of the organisation’s members, poor interpersonal relations, alienation, as well as lack of autonomy and individual self-realization. Using the concept typology known from praxeology (*proficiency, effectiveness, and efficiency*), Sz. Sołtys constructed the concept of social effectiveness of an organisation, which includes: “social efficiency of work” (*i. e., the relation between the achieved social goals to the incurred social cost*) and “social effectiveness of work” (*understood as the relation between the planned and the achieved social goals of work*).

Based on the introduced conceptual categories, Sz. Sołtys created several sociological measures for the social effectiveness of work, including: alienation, mental health, work satisfaction, level of the organisation’s formalization, group connectedness, morale, identification, character of interpersonal relations. The described concept is one of many attempts to search for the social measures of organisational effectiveness.

Both internal and external dimensions of corporate social responsibility may be considered. This division is presented in the Green Paper published by the Commission of European Communities. The internal dimension includes responsible conduct within the internal structure of an enterprise, *i. e.*: workplace security, human capital management, the management of resources used by the company, and the impact of the company’s economic activities on natural environment [5]. In turn, the external dimension involves responsible conduct in relation to activities conducted outside the company’s internal structure, *i. e.*: the impact on local communities, relations with business partners, stakeholders, suppliers, clients, and public institutions, adherence to human rights, and protection of natural environment.

In the context of responsible conduct, it is indispensable to determine to what extent a company is responsible for its actions. Four types of responsibility can be distinguished [6]: society requires legal responsibility and economic effectiveness, desires philanthropic responsibility, and expects ethical responsibility.

However, in order to confirm these model assumptions, empirical verification is required. Data obtained in this manner will facilitate the quantification of the results of further studies on the essence of CSR, thus optimizing the management of the concept’s practical realization.

Aspiring to increase the usefulness of research results also directs attention to other idealistic aspects. Among them, particularly to the concept of *respectful price* (*St Thomas Aquinas postulated that the main thesis of the theory of respectful price (iustum pretium) is the principle of exchange equivalence. In Summa Theologiae, this idea can be found in the chapter titled “May one lawfully sell a thing for more than it is worth?” Respectful price is the price equal to the worth of the sold good. Exchange equivalence corresponds to the equality of exchanged goods. This begs the question: how can value be determined (and measured)? Let us remember the approach to this subject presented by Aristotle in his Nicomachean Ethics and his problems with ensuring the consistency of relations between persons and things, formed during the process of exchange. St Thomas was more precise in this matter, establishing the value of goods as the sum of work, materials, and services they require. As each of these components has its own value (and just price!), the problem of measuring these values continues to be actual in economic thought. The measuring of the value of work remains particularly problematic, especially if its quality must be considered*), which is often considered to be the value constituting the price for taking over another organisation in the so-called friendly takeovers, etc.

To conclude, it should be stressed that CSR is a real entity, even though its extent is limited by the voluntariness of the considerations given to social and ecological aspects in the conduct of business organisations. Therefore, not all elements of the internal and external dimensions can be considered expressions of realizing the notion of corporate social responsibility. However, expressions of realizing the notion of corporate social responsibility can surely be observed in those aspects of socio-economic life that constitute *grassroots work*, which includes work performed to the benefit of educational development, especially by developing competencies and talents.

Additionally, with regard to the form of this activity’s expression, it should be stressed that, according to the concept of K. Perechuda, modern enterprises come form networks. Hence, deliberations whether value is created inside, outside, or on the margins of the company and its environment, are pointless [7]. Considering organisations to be networks of relations, formed between the organisation’s interior and exterior, K. Rogoziński also emphasises the significance of including customers in the organisational structure of an enter

prise as a determinant of its service-oriented character [8]. Thus, paying attention to the development of employee skills (*Particularly in companies characterized by a high level of customer relations*), constitutes evidence of a company's social responsibility towards its clients. There are scientifically proven examples for the existence of the following mutual relationship: the satisfaction of a customer service employee determines customer satisfaction, which in turns enhances the employee's belief that one's work is important (Fig. 2).



Fig. 2. Logical conditioning of the relationship between customer satisfaction and the satisfaction of a frontline customer service employee

Source: [9]

Customers are included in the organisational structure of a service-providing enterprise. The results of studies pertaining to service quality in the eyes of the customer and adherence to the quality of products and internal processes by the personnel indicate their mutual correlation.

3. Managing employee competencies in the context of corporate social responsibility

The literature of the subject includes various formulations of the term competency (*Competentia [latin] – responsibility, agreement, from competere – to agree, to be suitable, to compete. Also due to the fact that this concept constitutes an expression constructed from two functioning elements: com – jointly and petere – to ask, demand, require*). The reasons for this variety should be sought especially in the perpetuation of the colloquial formulation of this notion [10]. Hence, linguists usually define competency as a range of rights and entitlements of an institution or person to conduct particular activities, the range of one's knowledge, skills, and responsibilities (*In Polish: jurisdiction-related - related to the range of jurisdiction; competent – entitled to act, decide, qualified to evaluate and assess; authoritative, credible*). The subject of competence is addressed by many disciplines of science, including sociology, psychology, pedagogy, administration and law, and praxeology, which results in a number of ambiguities in the interpretation of this concept. Furthermore, competency management includes: needs analysis, design of competence portfolios, ensuring the presence of required competencies at the desired time and location, encouraging people to acquire and develop indispensable skills, as well as analysing and evaluating the relationship between needed and practically available skills in order to achieve an agreement between both. Therefore, it is a broader concept than knowledge man-

agement, as knowledge is only one of several elements of competency.

When managing competencies, one should strive to optimize the relationship between the incurred costs and achieved effects, use the principle of economization [11] and business ventures (*this criterion (economy of effort) forces one to consider which mode of action will bring best results while requiring the smallest amount of effort or causing the least amount of disturbance in the functioning of an organisation*) [12]. Competence management may be understood as an important element of human resources management (HRM).

The subsystem of competency management constitutes one of the most significant and extensive parts of HRM. For the 21 distinguished functions of HRM, 18 can be considered to be identical or strongly correlated with competency management, which gives rise to a thesis that it is impossible to create an effective system of HRM without mastering competency management.

4. Efficiency at work vs. competencies

The ability of employees to realize the goals of an organization through performing professional work, is considered as one of the more important competencies in market economy. It is, however, erroneous to assume that competency automatically results in desired effects (*Employee competencies are related to skills. Using these abilities is not equal to being competent although using them skilfully increases this probability, whereas using them incompetently or failing to use them – decreases this probability*) [13]. The relations between work effectiveness and salary are indirect and usually difficult to determine. However, one should distinguish effectiveness, which comes from the employees' actions from factors beyond their control, which also determine the effectiveness of their work. Better results of an organization's activities may stem from increasing prices, negotiating more profitable contracts, or buying more efficient machines operated by the employees. All these factors facilitate effective employee action, while still relying on their competence, and contribute to the improvement of product or service quality, particularly, if it is taken into consideration the example of talented individuals.

5. Talent as the highest degree of competence

The term of *talent* comes from the Greek name for balance – *τάλαντον* [14]. At that time, "balance" pertained mostly to money. Presently, the word *talent* has more than one meaning as it is used in many areas of knowledge, including management and administration. Unfortunately, this discipline also includes numerous definitions of talent, which can be divided into several groups. This may contribute to the optimization of activities pertaining to talent management and bring talent management closer to competence and knowledge management (Table 1) [15].

Table 1

Selected definitions of talent		
Author	The substance of the definition	Definition group
Dawid J. W.	Talent is a strengthened aptitude.	Descriptive definitions define the substance of the phenomenon in a synthetic fashion
Tannenbaum A. J.	Talent is constituted by: 1. general skills, i. e., outstanding intellectual potential 2. specialized skills, i. e., abilities pertaining to specific areas of functioning 3. a factor that is unrelated with thinking, i. e. motivation for achievement, emotional maturity, and mental toughness	Descriptive-numerical definitions are limited to enumerating the components of talent and emphasising the most important component.
Kotarbiński T.	Craft mastery consists of knowledge about the material and the principles that govern it, knowledge about the methods of action and the equipment, knowledge of the co-workers and their social association, as well as awareness of the planned undertaking	
Renzulli J. S.	Talent is constituted by three components, i. e.: outstanding skills, creativity, and work engagement	
Listwan T, Chępa S.	The most important trait of talented persons is the so-called personal intelligence	
Maliszewska E. et al.	Talent as an expression of outstanding aptitude does not guarantee success. It must be developed constantly	Psychological definitions focus on the processes of talent development

Source: own work based on [15]

All definitions of talent underline, that its presence is associated with the saturation of abilities, knowledge, and positive work attitude, expressed by developed internal motivation and work engagement (Fig. 3).

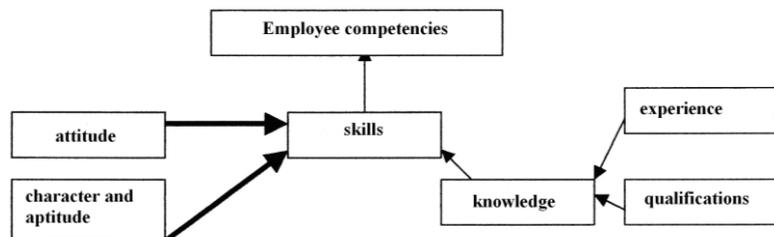


Fig. 3. Relationship between competencies and skills

Source: [16]

These elements constitute components of competency. Therefore, talent management can be understood as the management of the highest level of competency. It is, therefore, authorized to presume that managing talents consists in taking action to develop them in order to realize the goals of the company. (Fig. 4)

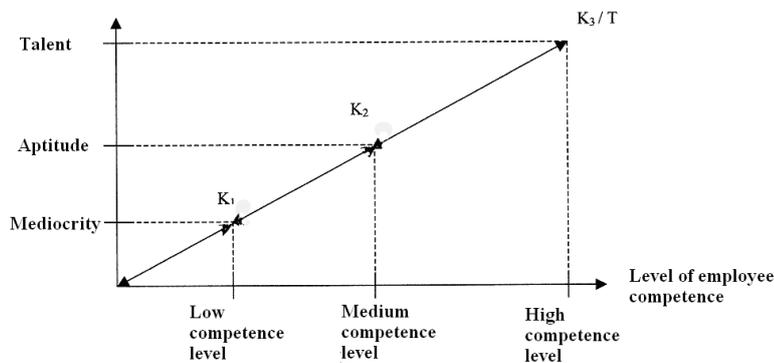


Fig. 4. Relationship between competence level and aptitude level

Source: own work

As in the case of competence management, such activities should be conducted in accordance with the organizational cycle and the concept of the company as a system open to activities associated with talents entering the organisation, going through transition, and leaving the organisation [17].

6. Conclusions

According L. von Mises, competent, creative, brave, and honest individuals are indispensable for growth [18], accordingly, it is justified to postulate that human capital is the most important resource in development, determining the success of any organisation, which bears social responsibility for its actions towards all stakeholders.

Although the literature of the subject features a statement that “(...) *Many mechanical arts, indeed, require no capacity; they succeed best under a total suppression of sentiment and reason (...)*” [19], in this day and age, known as the age of reason, it appears rather archaic. Analysing the trajectories of the development of organizations, particularly those providing services, one can note that the development of organisational networks requires mastering the “*art of talent and competence management*”. Its realization, apart from its strictly economic dimension, is also an expression of the consideration given by the organisation to the social human of its operations, as it contributes directly to the strengthening of human capital, which, as has been widely known for over a decade, constitutes a factor of growth.

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Дата надходження рукопису 11.02.2015

Blazej Balewski, PhD, Dean of Faculty of Economics, Higher School of Personnel Management in Konin, Zagórska st., 3a, Konin, Poland, Zip Code 62-500
E-mail: blazej@balewski.pl

Andrzej Janowski, PhD, The Headmaster of Banking and Insurance Faculty, Higher School of Personnel Management in Konin, Zagórska st., 3a, Konin, Poland, Zip Code 62-500
E-mail: andrzej.j@poczta.fm