

## Parallels between corporate social responsibility and safety culture

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### **Abstract**

*Corporate Social Responsibility is a modern business concept, which takes into consideration not only economic interests of a business subject, but also social and ethical questions. A well defined safety culture, which relies on company's culture, helps organizations to successfully fulfill conditions, which socially responsible businesses are faced with. The article outlines individual factors that influence the character or social and ethical responsibility of an organization, while the main focus is on responsibility towards an organization's employees. The conclusion identifies parallels, common signs, which connect both phenomena - social responsibility and safety culture.*

**Key words:** Business, Corporate Social Responsibility, Safety Culture

**JEL Classification:** M21, J280, K320,

### **1. Introduction**

Negative factors in today's business environment are enormous pressure to continually increase productivity, pressure from competitors to decrease expenses, as well as increasing globalization. One possible solution unfortunately becomes saving on employees, on safety, on environmental processes, and others.

As a reaction to negative factors in business practices, several recommendations and examples of companies' ethical processes have surfaced in recent years. These should focus internally (mainly towards its employees), but also externally, towards their outside environment. Corporate Social Responsibility (CSR), specifically Social Accountability (SA), is a specific segment of management that focuses on improving ethical behavior of organizations inward and outward. The European Union outlines CSR as voluntary integration of social and ecological outlooks into company's everyday operations and interactions with stakeholders (European Commission, 2011). According to the World Business Council for Sustainable Development, CSR presents company's continuous commitment to act ethically, to contribute to economically sustainable growth, and to carry out improvement of quality of life of its employees and their families, as well as the local community and the society as a whole (Alhouti et al., 2016).

Developed and forward thinking organizations aim to provide care for their employees and work safety beyond set legislative regulations, by implementing voluntary work safety management and by implementing a safety culture as part of their corporate culture. They declare interest in their employees and in a pleasant work environment as a priority. They understand that a person's quality of life depends, among other factors, also on specific work that the employee performs and on work conditions where the work is being performed (Nielsen, 2013). In relation to this, it is important to realize that expenses on health issues that result from performing work are extremely

high. Studies from some EU countries indicated that such incurred economic losses reach between 3-5 % of gross domestic product and final economic losses can even be higher if we take into consideration shortening of productive work life due to illness or passing of highly productive employees.

The aim of the article is to show common elements and interconnectedness between safety culture and corporate social responsibility, to find common parallels of these existing phenomena, which strive for the same goal, to improve corporate processes in a competitive environment.

## 2. Characteristics and Principles of Corporate Social Responsibility

Since Corporate Social Responsibility (CSR) is becoming an important factor of company's competitiveness in today's corporate world, business subjects need to strive to continuously improve their CSR standards. The European Union considers it its priority to enforce ideas of this concept, as a result, ideas related to implementation of CSR principles gain importance.

Carroll (1999) briefly characterizes socially responsible business as company's continuous commitment to act ethically. CSR can be understood as company's voluntary commitment to act responsibly toward the organization and the environment in which it conducts business, while performing its activities (Habek, Wolniak, 2015).

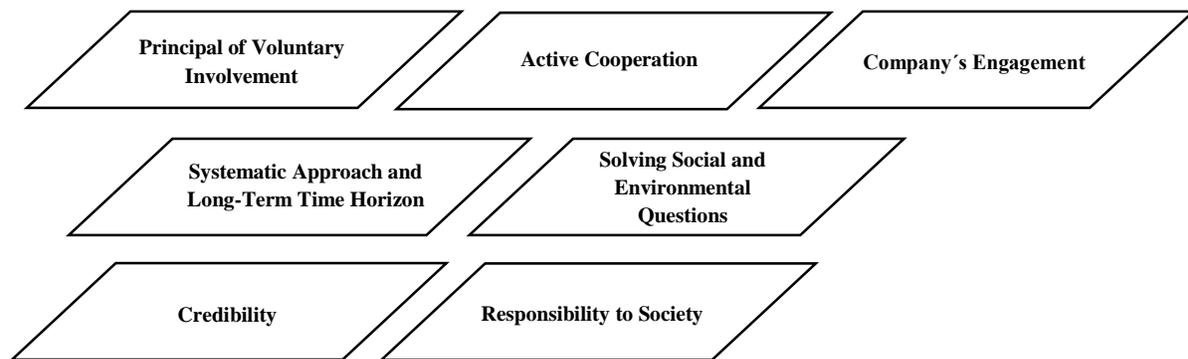
We can specify seven typical signs of the CSR concept based on many definitions and characteristics of corporate social responsibility (Fig. 1):

1. **Principal of voluntary involvement** – companies with corporate social responsibility voluntarily embark on activities and accept commitments, which are not within the scope of their responsibility as determined by legislative regulations. Therefore, they are not forced to act this way by law, but act based on company's beliefs.
2. **Active cooperation** and open dialogue with all interested parties – this commitment goes beyond the traditional requirement that a company should act responsibly toward its shareholders. It encompasses other stakeholders, whether employees, suppliers or local communities. An important component is also cooperation with the not-for-profit sector and the government, often with the aim to improve the company's status quo and to resolve important social problems.
3. **Company's engagement** – companies with corporate social responsibility, which create new positive trends in a company, already include CSR into their company's strategies and take them into consideration when creating corporate values and goals.
4. **Systematic approach and long-term time horizon** – corporate social responsibility is a long-term commitment. CSR should become part of strategic planning, of continuous checks, and evaluation of companies.
5. **Credibility** – only credible corporate social responsibility will allow a company to fully take advantage of benefits that implementation of CSR principals brings. They identified four main conditions for achieving credibility in the eyes of the public: personality, authenticity, transparency, and importance.
6. **Company's activities with regard to the so called triple – bottom – line business** – corporate social responsibility is a modern business concept, which stands on three pillars (economic, social, and environmental). For this reason, it emphasizes as one of its main

ideas that companies should aim to not only maximize their profit and economic growth, but also focus their attention on solving social and environmental questions.

7. **Responsibility to society** is company's commitment to contribute to improvement of people's lives. Social responsibility consists of ethical imperatives to work for the benefit of the society. All themes and activities fall under this fairly broad concept, whether it is conception, protection of the environment or fight against abuse and discrimination of employees. They are characterized by contribution to health of the society around the organization and of society as a whole. (Kunz, 2012).

**Figure 1. Seven Signs of the Corporate Social Responsibility Concept in Business**



Source: Sujová, based on Kunz, 2012

Corporate Social Responsibility requires a shift in approach from focusing on company's profits to focusing on a view that will allow it to understand business in a broader system of social and ecological relationships (Kotler, Lee, 2005). According to the above stated, in this article the term corporate social responsibility is understood as monitoring and improvement of processes through which an organization contributes to development of the economic environment and its aspiration to minimize negative impacts of its activities. A socially responsible business appeals to a change in orientation of organization from short-term to long-term goals, from maximum to optimal profit (Horska et al., 2011). Socially responsible organizations act so as to keep in mind requirements of the internal and external environment, to contribute to sustainable development, and to remain transparent, so that they can contribute to overall improvement of the society. In practice, Corporate Social Responsibility is seen as integration of positive attitudes, practices or programs into strategies of a business subject at the upper management level. To act in accordance with the social responsibility principles brings a business subject many advantages and benefits, especially non-financial ones. They also play an important role in good and long-term sustainable operation of an organization (Čierna, 2008).

### **3. Specific Features of Safety Culture and Management of Occupational Health and Safety (OHS)**

Occupational health and safety were in the past based only on legislative rules and regulations, of strict safety requirements, mainly technical. However, it was study of management systems that

revealed a way how to continuously improve it by measures in work organization, by solving specific situations at a workplace, and by implementing system regulations. Implementation of an OHS management system in an organization should be seen as a tool for improvement of efficiency of work organization and optimization of the work process. An ability to continuously maintain functioning of a system is a unique factor of a company and its productivity. Even though it is true that implementation of an OHS management system needs to remain voluntary, there are legislative regulations that impose obligations to implement some measures, which are also elements of the OHS management system (Sujová, 2013). In terms of managing activities, an organization's management has direct responsibility for activities that fall under the umbrella of OHS, such as protection of the environment, safe production and maintenance, safety of manufactured products, as well as offered services in accordance with relevant legislative regulations. Upper management directly influences corporate culture and creates conditions for implementing of safety culture in an organization (Schwarz et al., 2013). The consequence of successfully implementing attributes of safety culture in an organization is applied in the following principles:

- OHS needs to be included in organization's development strategy;
- prevention has to be priority and it has to be included in the complex of organization's management activities;
- responsibility within the scope of OHS tasks cannot be delegated and must be part of upper management's activities;
- life and health of colleagues take priority over other decisions taken by the organization;
- the OHS management system must also include measures for "third" parties;
- focus needs to be on minimizing harm for humans and material damage;
- OHS must be a priority within the scope of all technical and non-technical processes of an organization;
- every employee is required to adhere to regulations and measures that result from the OHS management system;
- create conditions for continuous improvement of OHS systems and for efficiency (Sinaj, 2009).

Above indicated characteristics for increase of efficiency of OHS management should become part of organization's corporate culture. By including these informally and organically into values, norms, and organizational measures of an organization, they can be a motivation to approach OHS, to prevent work injuries, and other unwanted incidents.

#### **4. Attributes and Measures of Safety Culture**

Safety culture can be defined as summary of processes and personal approaches in an organization and thinking of people that ensures that problems in the organization are given appropriate priority, correlated to their importance.

Safety culture in itself is:

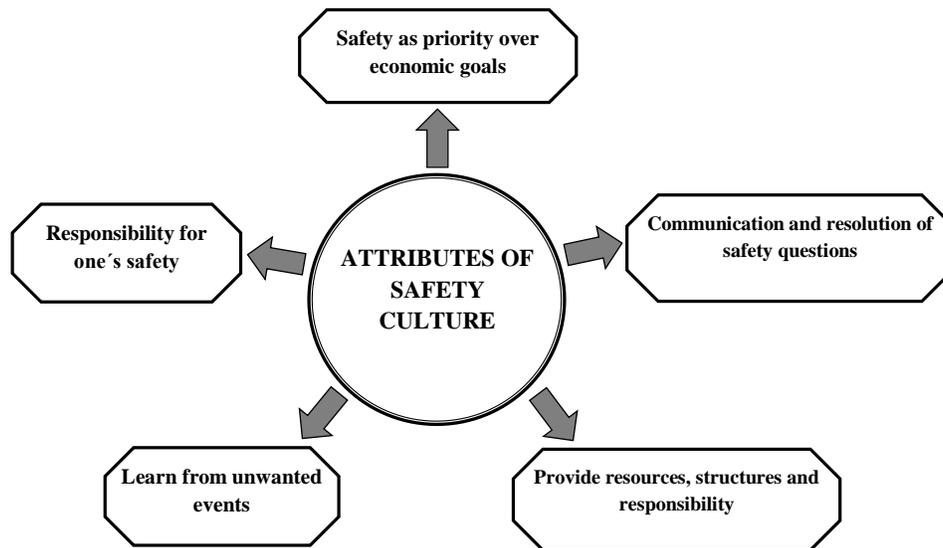
- a sum of adopted ideals of social behavior, beliefs and thinking of a given community in relation to safe activities;

- an element affecting all aspects of organization’s activities;
- organic part of corporate culture.

When defining safety culture, five basic, characteristic, attributes were identified (Fig. 2):

- all employees (including employees on the front lines and administrative staff) accept responsibility for their own safety, safety of their colleagues and safety of interested third parties;
- gives preference to safety over financial and production goals;
- supports identification, communication, and resolution of safety related questions;
- ensures that all can learn from unwanted events affecting safety;
- provides appropriated resources, structures, and responsibility to ensure effective safety systems.

**Figure 2. Attributes of Safety Culture**



Source: Sujová

By developing basic attributes of safety culture in organizations, we can improve processes and rules necessary for ensuring safety. It is imperative that all employees adopt the stated principles as their own, follow them continuously, and improve processes to attain these principles.

To improve processes and to create a favorably safety environment, the following basic principles of safety culture, which can be divided into three categories (Table 1), contribute. These are safety, people, and work conditions.

The current approach to safety culture is based on the view that safety culture is equivalent to conscientious culture and corporate social responsibility of organizations, where organizations actively focus on an individual within a work process, on organizational and technical questions, on environmental questions in the context of the work place and the environment, as well as on protection of natural resources.

**Table 1 Basic Principals of Safety Culture**

| <b>Area</b>            | <b>Breakdown of Principals for a Given Area</b>   |
|------------------------|---|
| <b>Safety</b>          | <ul style="list-style-type: none"><li>• safety is a high priority</li><li>• self-evaluation and measuring indicators of safety performance</li><li>• attitude that safety can always be improved</li><li>• quality of documentation and processes</li><li>• alignment with regulations and processes</li></ul>  |
| <b>People</b>          | <ul style="list-style-type: none"><li>• managers' behavior; relationships between managers and employees</li><li>• clearly defined tasks, powers, and responsibilities</li><li>• motivation and satisfaction at work</li><li>• inclusion of all employees</li><li>• collaboration and team work</li><li>• conflict resolution</li><li>• open approach and communication</li><li>• willingness to learn from better performers</li></ul> |
| <b>Work Conditions</b> | <ul style="list-style-type: none"><li>• optimal work conditions</li><li>• appropriate material and technical resources</li><li>• machine, equipment, and building maintenance</li><li>• taking care of the work place and the environment</li><li>• protection of natural resources</li></ul>   |

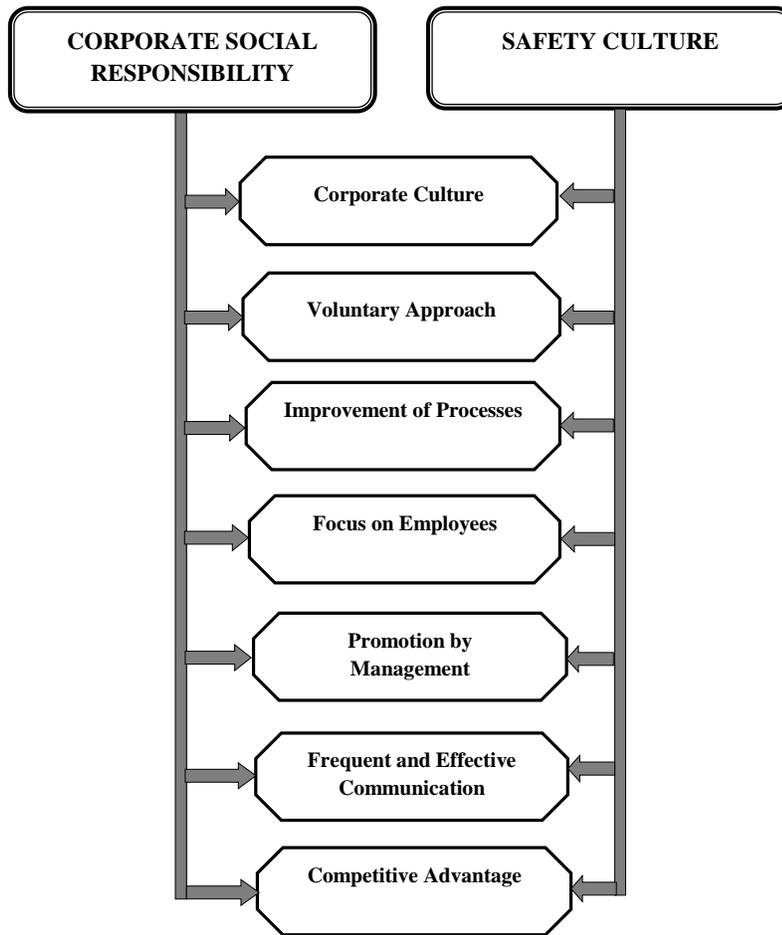
Source: Sujová

#### **4. Identification of Parallels between Social Responsibility and Safety Culture**

Based on the above indicated analysis, we have identified the following common attributes of both phenomena (Fig. 3):

- they are an inseparable part of corporate culture;
- they are based on voluntary performance;
- their implementation leads to improvement of corporate processes;
- they are mainly focused on an organization's employees;
- they are performed and promoted by organizations' managers;
- they require frequent and effective communication within organizations' organizational structures;
- their implementation and declared fulfillment increases organization's overall value in the public's eyes and thereby creates competitive advantage in comparison to subjects that have not implemented such systems.

**Figure 3 Parallels between Corporate Responsibility and Safety Culture**



Source: Sujová

### **Conclusion**

The object of the article was to define basic attributes of safety culture and to find interconnectedness with elements of socially responsible business, a new phenomenon for increasing organizations' competitive advantage. Level of safety culture is a dimension that cannot be directly or exactly measured. Despite this, it has an important influence on organizations' employees, style of management, and level of technology. Measures of safe work and an overall feeling of safety at workplace, without prediction of illnesses caused by work or the threat of a work accident, create a calm work atmosphere and stimulate employees. In conclusion, we can state that adhering to principals of social responsibility conditions creation of processes of developed corporate culture, since requirements for both systems in many ways intertwine and complete each other.

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