

CORPORATE SOCIAL RESPONSIBILITY OF AGRIBUSINESS COMPANIES IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

Izabela Wielewska

UTP University of Science and Technology in Bydgoszcz
Faculty of Agriculture and Biotechnology, Department of Agronomy
Fordońska 430
Bydgoszcz, Poland
e-mail: izabel2000@wp.pl

Abstract

The main goal of the article is to describe the issue of social responsibility of agribusiness companies in the context of sustainable development. Social responsibility in business is the concept of the organization's voluntary consideration for social and environmental aspects while conducting business. The article presents the issues of CSR and sustainable development in a theoretical approach and the results of research carried out by means of a diagnostic survey in 2016 in 200 Polish agribusiness companies, concerning their practical application of the idea of social responsibility in their functioning. The survey questionnaire was targeted at the management staff of 210 deliberately selected agribusiness companies from Kujawsko-pomorskie and Pomorskie Provinces of Poland. The feedback, in the form of correctly completed questionnaires, was obtained from 200 respondents. The data thus obtained was then analyzed statistically. Research has shown that the state of knowledge about CSR and sustainable development is quite good, however, daily practice is slightly different from the theory and knowledge.

Keywords: agribusiness, CSR, corporate social responsibility, sustainable development

JEL classification: Q01, Q13, Q56

1 Introduction

In a dynamically developing market economy, more and more enterprises, including those of agribusiness, strive for economic success and also recognize the need to implement social and ecological activities (Olejniczak, 2013). This management should focus on respecting the principles of sustainable development. Sustainable development is defined as socio-economic development, in which occurs the process of integrating political, economic and social activities, while preserving the environmental balance and durability of basic natural processes, in order to guarantee the possibility of satisfying the basic needs of individual communities or citizens of both the contemporary generation as well as future generations (Environmental Protection Law, 2001; Wielewska, Gliniak, Sobczyk, Prus 2017).

A. Pawłowski (2009) proposes to expand the number of determinants of sustainable development by such areas as:

- ethical considerations (the question of man's responsibility for nature),
- the ecological aspect (protection of the natural environment and that processed by man, in this aspect spatial planning is also included),
- social consideration (not only the natural environment, but also the social environment can be degraded),
- political aspect (formulation of sustainable development strategies, their implementation and control),
- technical aspect (new technologies, economising on raw materials),
- economic aspect (taxes, subsidies and other economic instruments),
- legal aspect (environmental law).

This concept shows social responsibility of business enterprises (*Polish abbr. SOP*), also called corporate social responsibility (CSR) or most often just CSR.

1.1 CSR and sustainable development

CSR is a concept of integrated management that takes into account the company's responsibility for the impact that it has on employees, customers, shareholders, local communities and the natural environment. It is also a search for synergy and business contribution to the implementation of all dimensions of the policy of sustainable economic development. Generally speaking, corporate social responsibility (of a company) is a concept according to which economic entities which are at the stage of building a business strategy voluntarily take into account social interests and environmental protection as well as relations with various

stakeholder groups (Ratajczak, 2012). In the context of the concept of corporate social responsibility, the stakeholders of agribusiness entities are: investors, shareholders, customers, competitors, employees, as well as the state, local communities and social organizations (Filek, 2006), which are in the range of their impact.

The objective scope of corporate social responsibility includes, among others,: compliance with legal norms, philanthropy and development of the local community, environmental protection, sustainable development, animal rights, human rights, employee rights, market relations, corruption and corporate governance (Codogni, 2012).

Table 1 Arguments for and against corporate social responsibility

Arguments in favour of social responsibility	Arguments against social responsibility
<p>Economic activity creates problems and therefore enterprises should participate in solving them.</p> <p>Employees of the enterprise also create social groups to which the company is responsible.</p> <p>The enterprise has the necessary resources to solve social problems.</p> <p>Enterprises are partners in economy, just like the government and society, therefore they should strive to meet the socio-economic and ecological needs of their partners.</p> <p>By accepting its social, economic and ecological obligations, it acts in its own and social interest.</p>	<p>The purpose of a business enterprise is to bring profits to its owners.</p> <p>The enterprise has no non-economic obligations except for those stipulated by legislation.</p> <p>Involvement in social programs allows enterprises to influence the environment.</p> <p>There is a possibility of a conflict of interest.</p> <p>Enterprises lack experience in managing social programs.</p> <p>All decisions unrelated to the market game cause a decrease in economic efficiency and loss of management time and energy, which reduces economic efficiency.</p> <p>It is dangerous for democracy, because it can lead to the politicization of the enterprise.</p>

Source: Kryk, 2005.

It is crucial for enterprises to preserve economic efficiency which, combined with the need to adapt to any applicable legal regulations - in particular also environmental ones, enforces certain necessary formal requirements as well as high environmental awareness, responsibility, motivation and effective, active management of production assets. Also, there is often the necessity to invest considerable financial means in the sphere of environmental protection. In conclusion, CSR is based on the principle that enterprises in connection with their activities do not only bear legal and economic responsibility, but are also obliged to undertake

activities that will contribute to the protection and raising social standards (Nakonieczna, 2008).

The following factors that particularly speak for the realisation of this concept in companies as well as the integration of their business strategies with environmental requirements (Kaczmarek, 2011):

- emergence of norms and regulations regarding environmental protection;
- increase of consumers' sensitivity to ecological issues combined with 'rank and rifle' pressure exerted on enterprises to care for the condition of the environment;
- technological progress contributing to the emergence of pro-ecological technologies.

It should be noted that "the concept of sustainable development refers not only to business operations, but also applies to the attitudes of governments, local government units, all state institutions and the whole society. The concept of CSR focuses on a given organization; it is both a certain philosophy and a set of tools to achieve a sustainable business status which, in the long term, apart from obvious environmental and social benefits, guarantees a long-term increase in the value of the enterprise" (Żelazna-Blicharz, 2013, p. 40).

It follows that the concept of sustainable development should be considered a much wider issue than corporate social responsibility.

2 Data and Methods

The aim of this study is to present the issue of social responsibility of agribusiness enterprises in the context of sustainable development. Research was conducted in 2016 by means of a diagnostic survey, in which a questionnaire technique was employed. The survey questionnaire was addressed to the management staff of 210 intentionally selected agribusiness companies from Kujawsko-pomorskie and Pomorskie Provinces of Poland. The feedback was obtained from 200 business entities, in the form of correctly completed questionnaires. There were 151 small companies with 10-50 employees (75.5%), 40 medium-sized companies with 51-250 employees (20.0%) and 9 large companies with over 250 employees (4.5%). The research excluded micro businesses with fewer than 9 employees. The data thus obtained was then subject to a statistical analysis.

3 Results and Discussion

The questionnaire was answered by 200 respondents – representatives of management staff of agribusiness companies from the Kujawsko-pomorskie and Pomorskie Provinces. The study included 31 women (16.5%) and 169 men (83.5%). The respondents were mainly people from the 46-55 age group. They constituted 41.5% of the respondents (83 people). In the age group of 36-45, there were 44 respondents (22.0%). In turn, 39 people (14.5%) were aged 26-35. The group of respondents over 55 (33 people) accounted for 16.5% of the total. Only one of the respondents (0.5%) was younger than 25 years old.

The respondents were asked to self-assess their knowledge of the concept of corporate social responsibility. Nearly 80% of the surveyed claimed to know the concept, of whom 37.5% said they definitely knew it (75 people), and 43.5% said they fairly knew it (87 people). 5% of the respondents (10 people) were not able to specify whether they have any knowledge of the CSR concept or not, and 14% concluded that the idea was not known to them (27 people).

The vast majority of the respondents (83%) identify the concept of corporate social responsibility of business enterprises with the idea of sustainable development (Table 2). The opposite answer was given by 15% of the respondents, and 2% did not have an opinion in this regard.

Table 2 Identifying the concept of corporate social responsibility with the idea of sustainable development, in the opinion of the respondents

Specification	N=200	%
definitely yes	70	35.0
rather yes	96	48.0
difficult to say	4	2.0
rather not	25	12.5
definitely not	5	2.5
Total	200	100.0

Source: Author's own study based on research conducted.

The identification of the concept of corporate social responsibility with the idea of sustainable development can be found in many studies. These issues are dealt with, among others, by B. Jamka (2010), A. Chodyński (2012).

Those enterprises which are guided by the principle of corporate social responsibility should primarily (Kryk 2011):

- cease and refrain from activities considered to be socially harmful, especially from an ecological point of view,
- provide goods and services in unprofitable areas as well as environmentally friendly goods and services,
- accept responsibility for economic and social development and the quality of life.

A significant area of activities undertaken within the framework of CSR implementation should be protection of the natural environment. The respondents were asked about the importance of environmental protection in the concept of corporate social responsibility (Table 3).

Table 3 The position of environmental protection in the concept of corporate social responsibility in the opinion of the respondents

Specification	N=200	%
definitely important	63	31.5
rather important	71	35.5
difficult to say	15	7.5
rather not important	42	21.0
definitely not important	9	4.5
Total	200	100.0

Source: Author's own study based on research conducted.

According to 31.5% of respondents, the position of environmental protection in the concept of corporate social responsibility is definitely important, and for 35.5% it is rather important. Slightly over a quarter of the respondents recognized that this issue is not important in the context of CSR. 7.5% of respondents refrained from a specific response.

Another aspect of the research was the position of economic aspects in the concept of corporate social responsibility (Table 4).

Table 4 The position of economic aspects in the concept of corporate social responsibility in the opinion of the respondents

Specification	N=200	%
definitely important	41	20.5

Specification	N=200	%
rather important	57	28.5
difficult to say	23	11.5
rather not important	56	28.0
definitely not important	23	11.5
Total	200	100.0

Source: Author's own study based on research conducted.

20.5% of the respondents recognized economic aspects as definitely important in the concept of CSR, whereas 28.5% as rather important. It was considered rather unimportant by 28%, and 11.5% of the respondents stated it was definitely not important. Another 11.5% of the respondents answered 'difficult to say'.

Table 5 The position of social aspects in the concept of corporate social responsibility in the opinion of respondents

Specification	N=200	%
definitely important	52	26.0
rather important	57	28.5
difficult to say	27	13.5
rather not important	46	23.0
definitely not important	18	9.0
Total	200	100.0

Source: Author's own study based on research conducted.

The position of social aspects in the concept of corporate social responsibility (Table 5) was considered important by 26%, and 26.5% considered it rather important. A large part of the respondents (32%) considered this aspect of CSR as not important, and 13.5% did not have an opinion in this matter.

The analysis of tables 3-5 shows that the idea of CSR is most often understood among businesspeople as activities for protection of the environment and activities for the benefit of the local community. The position of economic aspects had a slightly lower rank in the opinion of the respondents.

It is important that the CSR concept be a daily practice in agribusiness companies, not just theory. The respondents were asked about the state of implementation of corporate social responsibility (Table 6).

The concept of corporate social responsibility has been fully implemented in 20% of the surveyed enterprises, and in 18% of companies it is under

implementation. In turn, 23% of enterprises plan to implement CSR activities. For 27.5% of the surveyed companies, this is only a theoretical concept that has no chance of implementation. The remaining 11.5% did not have a precise opinion on this matter.

Table 6 The current state of implementation of corporate social responsibility in the surveyed business enterprises

Specification	N=200	%
CSR has already been fully implemented	40	20.0
CSR is under implementation	36	18.0
the implementation of CSR is planned	46	23.0
this is only a theoretical concept that has no chance of implementation	55	27.5
difficult to say	23	11.5
Total	200	100.0

Source: Author's own study based on research conducted.

According to M. Smolarek and M. Sipa (2015), taking actions within the scope of corporate social responsibility by small and medium-sized enterprises depends mainly on the businessperson-owner, their knowledge, skills and experience, and in particular their system of values.

Table 7 Benefits resulting from the introduction of the concept of corporate social responsibility in the opinion of the respondents

Specification	N=200	%
improvement of the company's image	72	36.0
conservation of natural resources for future generations	66	33.0
cost reduction in the enterprise	18	9.0
increase in the company's competitiveness	88	44.0
increased commitment and motivation of employees	60	30.0
better relations with stakeholders	94	47.0

* the respondents could choose more than one answer

Source: Author's own study based on research conducted.

The implementation of the concept of socially responsible business implies many benefits. M. Sznajder (2013) writes extensively about this. The respondents indicated relations with stakeholders (47%) in the first place, then the increase in

the competitiveness of the company (44%), as well as improvement of the company's image (36%). Conservation of natural resource for future generations was also considered to be a significant benefit (33%). In the respondents' opinion, the less important benefits include the increase in commitment and motivation of employees (30%) and the reduction of costs in the enterprise (9%).

Table 8 Factors that constitute a barrier to implementing corporate social responsibility in the surveyed agribusiness enterprises

Specification	N=200	%
lack of management's awareness of CSR issues	18	9.0
lack of employees' awareness	22	11.0
identifying CSR as only philanthropic activity	28	14.0
associating the idea of CSR with large and rich companies	98	49.0
difficulty defining CSR	55	27.5
linking CSR with the necessity to incur large financial outlays	110	55.0
the belief that there is no link between CSR activities and the company's market success	131	65.5
lack of awareness that the CSR strategy provides a long-term economic profit	73	36.5

* the respondents could choose more than one answer

Source: Author's own study based on research conducted.

Another question in the study of corporate social responsibility of agribusiness in the context of sustainable development concerned the barriers to implementing CSR (Table 8). As the most significant barrier, the respondents considered (65.5%) the belief that there was no link between activities in the area of socially responsible business and the company's market success. This has also been confirmed by research by D. Zuzek (2012), where about 30% of the respondents gave the same response.

In the views of the respondents, linking CSR with the necessity to incur large financial outlays (55%) is a significant barrier. An important threshold, according to 49% of the respondents, is also associating the idea of CSR with large and rich companies. It should be noted that such views stop small and medium-sized agribusiness companies from implementing CSR, although they largely affect the shape of the local market and interact with the community and the natural environment (Witek-Crabb, 2004). In the opinion of the respondents (36.5%), another barrier is also the lack of awareness that the CSR strategy provides a long-term economic profit. This is also mentioned in research by I. Codogni (2012).

4 Conclusion

To sum up, social responsibility of agribusiness enterprises is the response of this economic sector to the challenges set by the concept of sustainable development. Both ideas have many common points and thus they overlap. Thanks to the minimization of negative impact on the external environment by agribusiness companies and the consideration of social and environmental aspects while conducting business, it can be concluded that they operate in accordance with the concept of sustainable development.

The respondents indicated that they were familiar with the term “corporate social responsibility”. They also identify this concept with the idea of sustainable development, which is a correct observation, although sustainable development should be considered a much broader issue than corporate social responsibility.

In the conducted research, the idea of CSR was most often understood among entrepreneurs as activities for protection of the environment and activities for the benefit of the local community. The position of economic aspects in the opinion of the respondents had a slightly lower rank. The respondents do perceive a wide range of benefits brought by the implementation of the CSR idea. As the basic barrier in the implementation of CSR, the respondents recognized the belief that there is no link between CSR activities and the company's market success and the linking of CSR with the necessity to incur large financial outlays.

Generally, the research has shown that the state of knowledge of CSR and sustainable development is quite high, however daily practice in agribusiness enterprises in this respect is slightly different from the theory and knowledge, and their activities in this area are still significantly limited.

Acknowledgements

The article was created as part of the project entitled “Contemporary changes in the functioning of rural areas and agriculture in the light of the Common Agricultural Policy of the European Union.” Project no. : BS 53/2014.

References

1. CHODYŃSKI A. (2012). Sieciowość w koncepcjach biznesu – aspekty społeczne i ekologiczne (Networking in Business Concepts – Social and Environmental Aspects). In CHODYŃSKI, A. (Ed.), *Zarządzanie odpowiedzialnym rozwojem przedsiębiorstwa (Managing Responsible Development in a Company)* (pp. 93-94). Kraków: Oficyna Wydawnicza AFM (AFM Publishing House).

2. CODOGNI, I. (2012). Szanse i ograniczenia stosowania strategii CSR w polskich przedsiębiorstwach (The Chances and the Limitations of Applying the CSR Strategy in Polish Enterprises), „*Annales. Etyka w życiu gospodarczym*” (*Annales. Ethics in Economic Life*), No. 15, p. 281-294.
3. FILEK, J. (2006). Społeczna Odpowiedzialność Biznesu. Tylko moda czy nowy model prowadzenia działalności gospodarczej (Corporate Social Responsibility. Just a Fad or a New Model of Running a Business), Warszawa: Wydawnictwo Urzędu Ochrony Konkurencji i Konsumentów (*Publication of Office of Competition and Consumer Protection*).
4. JAMKA, B. (2010). Redefinicja celu współczesnego przedsiębiorstwa wobec koncepcji zrównoważonego rozwoju i kapitału społecznego (A Contemporary Enterprise's Purpose Redefinition in Concern to Concepts of Sustainable Growth and Social Capital), „*Organizacja i Kierowanie*” (*Organisation and Management*”), No. 3, p. 17-32.
5. KACZMAREK B. (2011). Formułowanie polityki i strategii ekologicznego rozwoju przedsiębiorstwa – zarys problematyki (Formulating Policy and Strategy for Ecological Development of the Enterprise – a Sketch of the Problem), „*Budownictwo i Inżynieria Środowiska*” (*Civil and Environmental Engineering*”), No. 2, p. 507-510.
6. KRYK, B. (2005). Koncepcja społecznej odpowiedzialności biznesu za środowisko przyrodnicze (The Concept of Corporate Responsibility for the Natural Environment). In D. Kopycińska (Ed.), *Teoretyczne aspekty gospodarowania (Theoretical Aspects of Management)*, (pp. 199-209). Szczecin: Katedra Mikroekonomii Uniwersytetu Szczecińskiego (University of Szczecin, Department of Microeconomics).
7. KRYK, B. (2011). Raportowanie społecznej odpowiedzialności przedsiębiorstw za środowisko przyrodnicze, (Reporting Social Corporate Responsibility for Natural Environment), „*Zeszyty Naukowe Uniwersytetu Szczecińskiego. Finanse, rynki finansowe, ubezpieczenia*” (*Scientific Papers of the University of Szczecin. Finances, Financial Markets, Insurance*”), No. 32, p. 253-269.
8. NAKONIECZNA J. (2008). *Społeczna odpowiedzialność przedsiębiorstw międzynarodowych (Corporate Responsibility of International Enterprises)*, Warszawa: Difin.
9. OLEJNICZAK, K. (2013). The Influence of the Selected Factors of the Ecological Aspect of CSR on Competitive Advantage of the Enterprises Operating in the Area of Śląskie Province, *The Environment Protection Yearbook*, Vol. 15, p. 2840-2849.
10. PAWŁOWSKI, A. (2009). Teoretyczne uwarunkowania rozwoju zrównoważonego (Theoretical Aspects of Sustainable Development Concept), Kos-

- zalin: „Rocznik Ochrona Środowiska” (*The Environment Protection Yearbook*), No. 11, p. 985-994.
11. RATAJCZAK, M. (2012). Działania CSR w zakresie społeczności lokalnej na przykładzie przedsiębiorstw agrobiznesu z województwa mazowieckiego (CSR Activities in the Field of Local Community on the Example of Agribusiness Companies from Mazowieckie Province). In J. Wołoszyn (Ed.), *Spółeczna odpowiedzialność biznesu w obszarze przedsiębiorczości (Corporate Social Responsibility in the Field of Business)* (pp. 77-84), Warszawa: Wydawnictwo SGGW (SGGW Publishing).
 12. SMOLAREK, M., SIPA M. (2015). Społeczna odpowiedzialność biznesu szansą na zrównoważony rozwój społeczno-ekonomiczny małych przedsiębiorstw (Corporate Social Responsibility as a Chance for Social and Economic Sustainable Development of Small Businesses), „*Zeszyty Naukowe Wyższej Szkoły Humanitas w Sosnowcu. Zarządzanie*” („*Scientific Papers of Humanitas College in Sosnowiec*”), No. 2/2015, p. 49-62.
 13. SZNAJDER, M. (2013). Korzyści z wdrożenia koncepcji społecznej odpowiedzialności biznesu (z uwzględnieniem koncepcji interesariuszy) (The Benefits of Implementing the Concept of Corporate Social Responsibility (Including the Concept of Stakeholder)), „*Economics and Management*” No. 2, p. 194-211.
 14. Ustawa z dnia 27 kwietnia 2001 r. - *Prawo ochrony środowiska*, (Dz. U. z 2001 r. nr 62 poz. 627 z późn. zm.). (*Environment Protection Act of 27 April 2001*).
 15. WIELEWSKA I., GLINIĄK M., SOBCZYK W., PRUS P., 2017. Edukacja ekologiczna na rzecz zrównoważonego rozwoju obszarów wiejskich (Ecological Education for Sustainable Development of Rural Areas). *Economic Science for Rural Development. Proceedings of the International Scientific Conference, Integrated and Sustainable Regional Development Production and Co-operation in Agriculture*, No. 45 (pp. 250-257). Jelgava: Latvia University of Agriculture.
 16. WITEK-CRABB, A. (2004). Europejska kampania na rzecz społecznej odpowiedzialności biznesu jako wyzwanie dla małych i średnich przedsiębiorstw (European Campaign for Corporate Social Responsibility as a Challenge for Small and Medium-sized Enterprises). In *Przedsiębiorczość i innowacyjność małych i średnich przedsiębiorstw – wyzwania współczesności (Entrepreneurship and Innovativeness of Small and Medium-sized Enterprises)*, „*Publikacje Naukowe AE we Wrocławiu*” („*Scientific Publications of the Academy of Economics in Wrocław*”), No. 1030, p. 675-681.
 17. ZUZEK, D. K. (2012). Społeczna odpowiedzialność biznesu a zrównoważony rozwój przedsiębiorstw (Corporate Social Responsibility in the Sustainable Development of Enterprises), „*Zeszyty Naukowe Małopolskiej Wyższej Szkoły*

Ekonomicznej w Tarnowie („Scientific Papers of Małopolska College of Economics in Tarnów”), Vol. 21, No. 2, p. 197-207.

18. ŻELAZNA-BLICHAZ, A. (2013). *Spółeczna odpowiedzialność w procesie gospodarowania a zrównoważona produkcja i konsumpcja (Social Responsibility in the Process of Management vs Sustainable Production and Consumption)*, Lublin: Politechnika Lubelska (Technical University of Lublin).