# CSR Project Implementation in DHL Express CZ and its Impact on Stakeholders.

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#### Úvod

#### I. Teoretická část

- Zpracujte teoretické poznatky v oblasti Společenské odpovědnosti firem.
- Zhodnotte potenciální přínosy a problémy Společenské odpovědnosti firem.

#### II. Praktická část

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- Provedte analýzu současného stavu Společenské odpovědnosti společnosti DHL.
- Vypracujte koncept aktivit Společenské odpovědnosti ve společnosti DHL Express CZ ovlivňující image zaměstnavatele, konkurenceschopnost a společnost.
- Formulujte závěrečná doporučení pro implementaci projektů v oblasti
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#### **ABSTRACT**

The aim of this thesis is to outline projects within Corporate Social Responsibility (CSR), focusing on what can be implemented in the organization DHL Express CZ and to point out key stakeholders and its impact. The first part is focused on gaining theoretical knowledge about CSR, how to implement this concept into the core business and give examples of concrete initiatives which organizations can do. The second part is focused on current situation within CSR and shows concrete case studies globally and in the Czech Republic as well as to analyze the situation in DHL Express CZ. The last part consists of two chapters. In the first chapter is the research among university students and customers, aimed at finding the awareness of CSR, its relevance for these groups, etc. In the second chapter are suggestions for concrete projects within Business, People, Community and Environment areas outlined with targeted stakeholders, action steps, needed resources or benefits.

**Keywords**: Business, Community, Corporate Social Responsibility, CSR, Economic, Ethics, Environmental, Governance, Impact, Partnerships, Social, Society, Stakeholders, Sustainability, Transparency, Values

#### **ABSTRAKT**

Cieľom tejto práce je navrnúť projekty v rámci Spoločenskej Zodpovenosti Firiem (SZF), ktoré môžu byť zavedené v organizácii DHL Express CZ, zdôrazniť kľúčových stakeholdrov a ich vplyv na spoločnosť. Prvá časť obsahuje teoretické poznatky o SZF, postup ako implementovať tento koncept do jadra spoločnosti a uvádza príklady aktivít ktoré môžu spoločnosti vykonávať. Druhá časť popisuje súčastnú realitu v rámci SZF (celostvetovo a v Českej Republike) a analyzuje situáciu v DHL Express CZ. Posledná časť pozostáva z dvoch kapitol. V prvej sú uvedené výsledky výzkumu, medzi univerzitnými študentami a zákaznikmi, ktorého cieľ bolo zistiť povedomie o SZF, dôležitosť tohto konceptu pre dané skupiny, atď. V druhej kapitole sú konkrétne návrhy na projekty v rámci oblasti biznisu, personálnej, komunitnej a životného prostredia, rozvrhnuté na kľúčových stakeholdrov, postupy zavedenia, potrebné zdroje či benefity.

**Kľúčové slová:** Ekonomická a Sociálna oblasť, Etika, Hodnoty, Spoločenská zodpovednosť firiem, Stakeholders, Transparentnosť, Udržateľnosť, Životné prostredie

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5

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#### Motto

"If your actions inspire others to dream more, learn more, do more and become more,

You are a Leader."

John Quincy Adams

## CONTENT

INT	TRODUCTION	8
<b>I. T</b>	HEORETICAL PART	10
1 Rl	ESPONSIBLE COMPANY	11
2 C	ORPORATE SOCIAL RESPONSIBILITY CONCEPT	13
2.1	DEFINING CORPORATE SOCIAL RESPONSIBILITY	13
2.2	THE EMERGENCE AND GROWTH OF GLOBAL RESPONSIBILITY	17
2.3	CSR COSTS AND BENEFITS	18
2.4	CHALLENGES AND BARRIERS FOR IMPLEMENTING CSR	19
3 IN	NTEGRATING CSR INTO BUSINESS	20
3.1	CSR, ETHICS AND VALUES	20
3.2	MANAGEMENT, LEADERSHIP AND CSR	20
3.3	CSR AND STRATEGIC PLANNING	21
3.4	INTEGRATING CSR INTO HUMAN RESOURCES	22
3.5	VALUE MAXIMIZATION FOR STAKEHOLDERS	22
3.6	CORPORATE COMMUNICATIONS AND CSR	23
3.7	CSR AND BRANDING	24
3.8	CSR AND MARKETING	24
3.9	CSR AND SALES	27
4 M	IANAGING FOR SOCIAL RESPONSIBILITY	28
4.1	STAKEHOLDERS DIALOGUE	28
4.2	CORPORATE GOVERNANCE	28
4.3	EMPLOYEE ENGAGEMENT	29
4.4	REPUTATION	30
4.5	Partnerships	31
4.6	Norms	31
4.7	Reporting	32
4.8	COMMUNITY INVESTMENT	32
4.9	ETHICAL SOURCING	33
CO	NCI LISIONS	33

II. P	PRA (	CTICAL PART	34
5 CS	SR C	URRENT STATE	35
5.1	CS	R AND FINANCIAL CRISIS	35
5.2 MOVING FORWARD			36
5.3	SU	RVEYS' FINDINGS	37
5	.3.1	CSR EUROPE	37
5.3.2 Priorities for CSR – Example from Hong Kong		37	
5	.3.3	GREEN LOGISTICS SURVEY	39
5	.3.4	CLIMATE CHANGE STRATEGY SURVEY	40
6 BU	JSIN	ESS CASE STUDIES	41
6.1	SIT	UATION GLOBALLY	41
6.2		UATION IN THE CZECH REPUBLIC	
7 DI	HL (	SLOBALLY	46
8 DI	HL E	EXPRESS, CZECH REPUBLIC	50
8.1	CS	R RESEARCH INTRODUCTION	50
8.2	Co	RPORATE SOCIAL RESPONSIBILITY AT DHL EXPRESS CZ	50
8.3	Co	NCLUSIONS	61
9 CS	SR P	ROJECT IN DHL EXPRESS CZ	62
9.1	RE	SEARCH RESULTS	62
9	.1.1	University students	62
9	.1.2	CUSTOMERS	65
9.2	MY	RECOMMENDATIONS	70
9	.2.1	BUSINESS AREA	71
9	.2.2	PEOPLE AREA	78
9	.2.3	COMMUNITY AREA	82
		ENVIRONMENT AREA	
ENI	OIN(	y	91
		ENCES	
		ΓΟ ABBREVIATIONS AND SYMBOLS	
		ΓΟ PICTURES	
IND	EX '	TO TABLES	99
IND	EX '	TO ATTACHEMENTS	100

#### INTRODUCTION

I first encountered the concept of Corporate Social Responsibility (CSR) a few years ago at one conference but I didn't quite understand that time what does it really mean, it was too complicated. Maybe it was influence by my attitude, how I perceived the world around me or how much did I care about having an impact on the society around me. It stayed in my head as unanswered question.

Two years ago I went to People's Republic of China where I spent one year. My main responsibility was taking care of CSR projects and their implementation. I still didn't have a proper knowledge about CSR but I told myself that it can be very good opportunity to learn something new, something which lot of people called "very important growing trend".

I worked on particular projects, established and managed different partnerships, attended a lot of seminars, conferences and trainings about CSR and got to know business people responsible for CSR programs in multinational companies.

After one year, I got so passionate about the CSR topic because I can see the real impact of it and its relevance. I learned about CSR reality in the People's Republic of China and coming back home I wanted to know more about reality here. About companies' impact on our society, their drivers, actions and space for growth or improvements. That is why I decided to write my Diploma thesis around CSR topic.

My diploma thesis is divided into three parts. In the first part we can find theoretical knowledge about CSR, its definitions, why companies should be responsible, its concept and history, benefits and costs as well as how to integrate CSR into core business and described concrete actions what organizations can do once they want to implement CSR into their company. Second part is focused on practical knowledge, what is the current situation during financial crisis and what should be next steps and attitudes, showcasing concrete examples of companies and their CSR projects in Czech Republic and globally. The next chapter is focused on DHL Company globally and research about DHL Express CZ CSR Program. Here are described concrete activities what currently DHL Express CZ does and at the end is SWOT analysis as the evaluation of their CSR area.

The third part is divided into two chapters. First chapter is focused on research results made among university students and customers with aim to find out what is the awareness about CSR among these two groups, how do they perceive responsible companies, how

CSR influence purchasing decisions and as well what is important for university students as future employees and what is their opinion about global problems in the world.

The second chapter consists of different CSR projects for DHL Express CZ that they can implement. These projects are created based on the analysis of reality at company, analysis of the situation in Czech Republic and globally and lastly based on the surveys focused on those two groups. The description of projects consists of general introduction, targeted stakeholders, time frame, action steps, benefits and needed resources. DHL Express CZ can choose from these projects based on their current interest, resources or long-term goals.

"People get involved in something because either

✓ they love it and want to contribute to its growth

or

✓ they hate it and want to fix it."

Unknown author

# I. THEORETICAL PART

## 1 RESPONSIBLE COMPANY

Our Earth's resources are limited and the problem is that we are using them much faster than they can be renewed. If the Earth's ecosystem were a bank account it would be seriously overdrawn. If we push these limits even further then people will have a more uncomfortable life, not just in developing countries but in the developed world. The situation is not sustainable and that is why every single citizen should care about the world around him or her. [27]

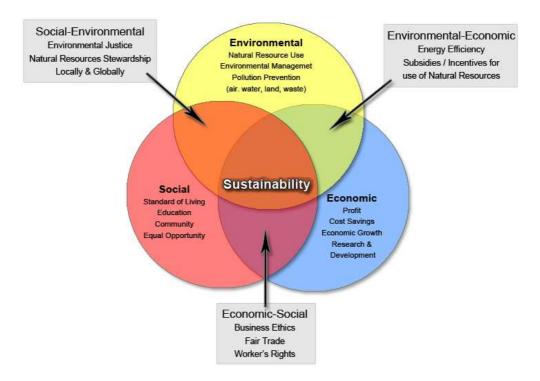


Figure 1. The three spheres of sustainability [28]

Sustainability is becoming the most critical issue for all corporations, government and citizens. There are three main areas within sustainability which is described on the figure below. Three areas consist of economical, environmental and social issues and also three cross connected areas of Economic-Social, Environmental-Economic and Social Environmental issues. Every area is very important for each organization to ensure sustainability for the future.

## 1.1 What is 'Responsibility'?

Humans have an intuitive feeling and are able to understand 'responsibility' as well how to behave responsible or irresponsible. It is up to every single citizen, one by one, to behave responsibly towards our planet, community, life or people around us. It is up to people who lead companies and other organizations to behave responsibly. [6]

According to Webster's Deluxe Unabridged Dictionary, 'responsibility' is derived from the late-Latin responsabilis – requiring an answer. The work can be seen as having two parts: response + able, i.e. the ability to respond, to be able to answer for one's conduct and obligations. Ultimately it means: 'expected or obligated to account (for something, to someone)...involving duties...able to distinguish between right and wrong...trustworthy, dependable, and reliable'. [6]

We can start to ask ourselves questions such as why to be responsible or accountable, what would it bring to us, etc. On the other side we need to ask question if we want to be responsible, to think about our values and our principles we live our lives.

## 1.2 Why to become responsible company

All companies, no matters if they are big or small, realize that being socially responsible is not optional or just some image; instead, it must be integrated into their core business. Why? There are different points where should we look at for instance consumers are no longer passive purchasers. Instead, they want to be informed, and sometimes they are determined, group of buyers who can act massive, spread information, and have a major impact on a company's reputation and brand. [18]

Currently the question is not whether responsibility and sustainability is important but how can companies become socially responsible or how to be really good at it. For instance there are three essential steps that companies can follow to start [18]:

- 1. To know what is it to be responsible (based on values, principles, business, etc.)
- 2. To find an approach that works (there are lot of case studies around the world)
- 3. To get people involved and implement (it is important to have employees' commitment towards responsibility)

Companies who put the effort into this realize that they are not only doing something good and positive—which is valuable in its own right—but that they are also building a better company that generally stands better in the marketplace. It can increase competitiveness among companies as well. [18]

## 2 CORPORATE SOCIAL RESPONSIBILITY CONCEPT

Corporate Social Responsibility (CSR) is defined by The European Commission, United Nations Development Program or by CSR Europe like this "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". Ideally, based on the CSR policy there would be system that monitors transparency and loyalty to ethical standards, international norms and law. Corporate sector would address the responsibility for the impact of their activities on all their stakeholders such as consumers, employees, communities, public etc. As well business would proactively care about public interest by encouraging community growth and development, and voluntarily practices. Essentially, CSR is the incorporating public interest into corporate decision-making, and the addressing a triple bottom line: People, Planet, and Profit. [2]



Figure 2. Triple Bottom Line [36]

## 2.1 Defining Corporate Social Responsibility

CSR has become a growing trend. It depends on the background of the organizations or people, their values and priorities what do they consider the most important within CSR. We can find wide range of components within this topic from diversity at work place through employee volunteering and equal opportunities to environmental problems or transparency in supply chains. [15]

CSR can be unique for each organization as it should reflect the reality and relevance and help to achieve their business objectives. It is basically about recognizing the sustainability and long term success which is also thanks to good relationships with different groups of its stakeholders. Based on the CSR guide 'Getting started with CSR' the definitions are [15]:

"CSR is about companies achieving commercial success in ways that honor ethical values and respect people, communities and the natural environment.

There are some CSR practitioners who see CSR as being synonymous with the term "triple bottom line", which is the sum total of a company's economic or financial responsibility, its environmental responsibility and its social responsibility. This is also known as a company's contribution to sustainable development or its "People, Planet, Profit" approach for doing business".

There are three main dimensions of Corporate Social Responsibility explained on the Figure below which aims to support sustainable development in long-term base.

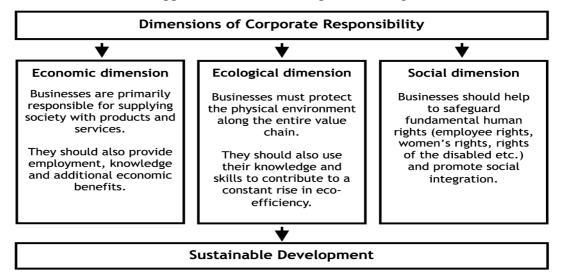


Figure 3. Dimensions of CSR [8]

Under each dimension we focus on particular stakeholders and we have concrete activities which organizations can do. They can decide which activities they will implement based on their core work and stakeholders requirements. The concrete table with activities is in the attachment number 1 and will be used in practical part about DHL Express CZ.

#### 2.1.1 CSR is a business imperative

With advanced technology, globalization of markets and 24-hour media, stakeholders are more demanding than ever before. They requires from companies to operate transparently and demonstrate that they are socially responsible. Stakeholders (internal and external) have a strong power and voice and that is why many companies take CSR as a must do.

It is important that companies understand that CSR in not about "not doing bad things" like polluting the environment or treating employees badly etc. but it is about positive impact

on society around them through their activities. Let's think about three groups of stake-holders: employees, customers, and investors and what do they want. [15]

Employees want to work for an employer who treats them fairly, provides development and growth opportunities and support them in professional-personal life balance. These employees would stay loyal to that employer. Customers want to buy products or services that are affordable, reliable and safe and they prefer those which don't harm the environment or abuse people. Investors, over their return on investment, want to ensure sustainability of the company, its transparent operations and have trust of its stakeholders and support the growth of the corporation. [15]

On the other side we have to look at risk-management point of view. The consequences of irresponsible behavior can be really harmful for organizations. For example water polluting or corruption or ambiguity in supply chains can really influence reputation and positioning of the company. So there is another reason why companies should be more interested about CSR and prevent their companies against similar damages. [15]

## 2.1.2 Response to CSR skeptics

There are a number of common arguments we hear from skeptics of CSR.

"CSR is purely a marketing activity for companies giving money to charity."

There are many business reasons why a company wants to be involved in CSR and market positioning is certainly one key reason. Just pure charity is not the same as CSR – it is one element of CSR and belongs under a company's community investment. [15]

"The purpose of business is to maximize profits. CSR adds to costs and reduces profits."

CSR should be taken by a company for business reasons – it must be seen as an investment with potential long term benefits rather than as a cost. Like any investment, it may or may not have the expected returns. These returns don't have to be just financial but in long term there are lots of areas from where it can be monetary return. [15]

"CSR is for large companies who can afford it and not for SMEs."

We can hear this argument mostly from people who think that CSR is just about charity and financial donations. There are lots of CSR activities which not require financial costs or can be easily implemented and even decrease company's costs. For instance conserving

energy or higher efficiency in particular processes can save costs both in big and small companies or switch the computers, lights and similar electrical equipments are easy to implement and without any costs. [15]

#### 2.1.3 CSR's Stages of Development

CSR has a long history and evolution. According to The Oxford Handbook for CSR, it evolved from early beginning in four chronological phases illustrated on the next Table. Not all companies pass through all four phases, although many of today's leading CSR enterprises manifest all of them all together. [6]

Table 1. CSR's stages of development [6]

CSR<sub>1</sub>: CORPORATE SOCIAL STEWARDSHIP (1950s – 1960s)

Guiding CSR Principle: Corporate managers are public trustees and social stewards

Main CSR Action: Corporate Philanthropy

CSR Drivers: Executive conscience and company reputation

CSR Policy Instruments: Philanthropy and public relations

CSR<sub>2</sub>: CORPORATE SOCIAL RESPONSIVENESS (1960s – 1970s)

Guiding CSR Principle: Corporations should response to legitimate social demands

Main CSR Action: Interact with stakeholders and comply with public policies

CSR Drivers: Stakeholder pressures and government regulations

CSR Policy Instruments: Stakeholder negotiations and regulatory compliance

CSR<sub>3</sub>: CORPORATE/BUSINESS ETHICS (1980s – 1990s)

Guiding CSR Principle: Create and maintain an ethical corporate culture

Main CSR Action: Treat all stakeholders with respect and dignity

CSR Drivers: Human rights and religion-ethic values

CSR Policy Instruments: Mission statements, ethic codes, social contracts

CSR<sub>4</sub>: CORPORATE GLOBAL CITIZENSHIP (1990s – 2000s)

**Guiding CSR Principle:** Accept responsibility for corporate global impacts

Main CSR Action: Adopt and implement global sustainability programs

CSR Drivers: Globalization disruptions of economy and environment

CSR Policy Instruments: International code compliance, sustainability policy

## 2.2 The Emergence and Growth of Global Responsibility

Theories about CSR are still dominated by an economic view of the companies and an active view of CSR projects. The view that social performance contributes to the financial performance through e.g. stakeholders' management, or economical projects, is common understanding of temporary CSR approach. [6]

In the past years there has been a dramatic growth of so called the Global Responsibility (GR) industry. It has grown through the development of a diverse management and organizational models or approaches. Although these innovative management and organizational approaches or models generally strive for the same purpose, they focus or emphasize on different aspects limiting their usefulness for solving systemic problems. [33] Next Figure shows all elements within management models or approaches.



Figure 4. GR integrates key elements of different models [33]

These models or approaches are driven by diverse groups of stakeholders such as: consumers/customers, investors, media, activists and concerned citizens. All of those groups separately put more and more pressure on companies' leaders to change they approach how do they make profits and what they do with them. Meanwhile, we need to look at problems we face currently as they are more systematic, dangerous and costly. [33] Under pressure of changing expectations from society around, some global corporations have started to develop more their CSR engagement. Corporations start to be more transparent, fight against corruption, think about more efficient business processes, drive human rights initiatives or addressing public health and work on corporate governance. They do care about all four sectors in the society and their stakeholders in the wider and global way. [6]



Figure 5. The Business in Society [9]

## 2.3 CSR costs and benefits

CSR also offers direct business benefits to corporations. Building a reputation as a responsible business is one way as many customers prefer to buy from ethical businesses. There were so many cases and problems for instance with supply chain management so organizations prefer suppliers who demonstrate policies which are responsible as this helps them to minimize the risk of any damage to their own reputations. [1]

It depends where you are from, what are your values or principles if you are customer who doesn't just prefer to deal with responsible companies, but insist on it. For example, selling of "environmentally friendly" services or products is increasing - and these products often sell at a premium price. Reducing emissions and waste doesn't just help the environment but it saves money too but it is difficult for people to see concrete short-term benefits. [1]

To summarize main benefits [10]:

- Increasing profit implementing policies such as environmental, social or governance to create long-term competitive advantage, reducing costs on business processes.
- Top Talents attractiveness easier to attract bright young people
- Risk management through better stakeholder relationships
- Positioning building a brand reputation and integrity
- Understanding the needs of customers and the behavior of potential market
- Good relationships with all stakeholders make doing business easier
- Increasing retention rate of employees, reducing the costs and distraction of recruitment and retraining

- Development of employee competencies to support competitiveness
- Employees are committed, motivated, and more productive
- Activities such as involvement with the local community are ideal opportunities to generate positive impact
- CSR can increase competitiveness, reduces the risk of sudden damage to the reputation (and sales). Investors recognize this and are more willing to finance organizations.

Although CSR can have many benefits, CSR is not a magic recipe for success and doesn't do anything with the wrong decision of managers and leaders. CSR initiatives will not always have immediate financial returns and costs may be higher than benefits – particularly in the short term. [10]

## 2.4 Challenges and barriers for implementing CSR

Implementing CSR in this world full of competitiveness and problems requires also a lot of strong will, good sense of implementation skills and of course belief to see the purpose behind. However there are still challenges and barriers while implementing CSR.

The companies noticed a number of challenges while implementing CSR including [5]: changing the corporate culture; developing performance measures; and, ensuring continuity of CSR programs in the face of management and staff turnovers.

Here are examples of barriers and challenges companies are facing:

- Understanding of CSR and its integration into the core business
- Difficulties to recognize improvements of social and environmental performance and impact, but very obvious are costs invested into CSR
- Doubts regarding future framework (policies, regulation, etc.) makes it difficult to plan strategically and in long term
- CSR requires an approach from each departments and cooperate among each other
- Management is too busy and has other priorities there is a lack of awareness, commitment and behavior of "role models"
- Companies don't consider the tracking of a CSR issue as strategically relevant, this is mostly due to a lack of risk or business opportunity
- Integration of environmental or social elements requires a deeper transformation of companies' core business which is costs demanding

## 3 INTEGRATING CSR INTO BUSINESS

In the next chapter is described CSR integration within different business areas.

## 3.1 CSR, Ethics and Values

Where previously many companies viewed business ethics only in terms of administrative harmony with legal standards and devotion to internal rules and regulations, the focus now is on ethical behavior, moral judgment and transparency. Lot of companies consider responsibility, ethics, integrity, and values, as just a nice to have but they are now required.

It is obvious that good ethics lead to better management of companies and a high probability of sustainable business success. CSR is not just doing good things but all these things have to be connected with the organizations' values, just then they can have a sense.

Organizations respond to expectations of stakeholders with various initiatives such as values, citizenship, diversity, etc., and programs such as ethics, compliance, reputational management efforts, corporate identity efforts, supplier codes of conduct and employee volunteer programs. [32]

## 3.2 Management, Leadership and CSR

CSR basement is at very top of the company. In the structure the CEO is the key person who sets the direction for the entire company. It is at this level where implementation of CSR takes on an important and critical role in creating the corporate and cultural identities of companies that influence every part of an organization. It is here where thinking of the people in the organization starts and mindsets are set which influence how people think, how they act internally and externally and what roles an organization will have in their communities. This is where the invisible principles and rules of company culture and corporate branding are generated as the demonstration of behavior, values and beliefs which are the prime drivers of the attitudes and actions that influence the performance and missions of entire organizations. [32]

The CEO is a key person from whom the message is spread among external and internal stakeholders that a company is serious about CSR. Top managers are challenged to foresee future opportunities, threats and challenges and to kick off their whole organizations. These leaders need to demonstrate every day actions towards achieving their vision and integrate

CSR elements into everyday business operations. They should act to develop new ideas, take care of people on an emotional level and face efficiently challenges. [32] Mr. William Valentino (Bayer China, CSR Director) wrote as well following [32]:

"Visionary CEOs and top managers are using CSR to establish innovative and creative approaches to create additional value through competitive advantage and by shaping, defining, and articulating purpose, while guiding people through organizational processes. When vision and values are interconnected through CSR and used by CEOs and managers in running their businesses, this links the organization's goals with action. They everyday decisions and activities of companies then reflect the tremendously positive image of what an organization can be or can do in the future through management and leadership. This enables them to better success in the marketplace through CSR, an innovative means of creating greater value for their stakeholders and their organizations."

## 3.3 CSR and Strategic planning

Integrate CSR into the core business and place into a strategic context means that company know continuously its direction and is flexible in reflecting external and internal reality and needs happening in dynamic environment. CSR is one of the key elements for organizations' strategy to ensure sustainability and drive competitive advantage. Usually profits are from revenues, which come from customers and stakeholders who are satisfied with the value company promise and delivers. [32] At the following Figure we can see the integration of CSR into the core strategy with connection of other departments.

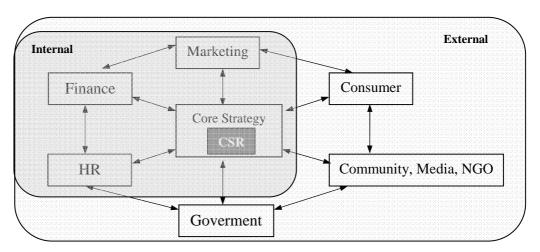


Figure 6. CSR integration into Core Strategy [32]

## 3.4 Integrating CSR into Human Resources (HR)

HR helps in increasing competitiveness of the organizations through development, growth of their employees. This department also ensures that the policies and organizational practices are in synchronization with the legal norms and external demands of the market. They take care about development of full potential of their employees and make sure that there is alignment between organizational and personal goals. This supports development of work environment that express values and authenticity while encouraging collaboration, affiliation, responsibility and commitment. [32]

All talent management or HR processes such as attracting, developing, motivating and retaining talents are as well one of the primary business reasons for CSR. CSR provides approach and solutions for all these processes where thanks to particular CSR activities organizations can even decrease their costs for HR processes as they will have talented, motivated and loyal employees who are proud to be part of their organizations. Another very relevant thing for CSR initiatives is that they are driven by employees who increase their commitment, motivation and pro-activity. [32]

One of the most usual and visible CSR initiatives is community relations which can influence a lot company's reputation and brand. Once companies have good and strong relationship with the communities around it can be much easier to drive their CSR programs and increase their competitiveness in the market. CSR programs focused on community relations can solve particular problems of organizations for instance issues like decreasing employee turnover, savings on cost per hire and attracting talented individuals. [32]

#### 3.5 Value Maximization for stakeholders

According to Mr. Valentino's publication, stakeholders are defined as "The individuals and constituencies that contribute, either voluntarily or involuntarily, to a company's wealth creating capacity and activities, and who are therefore potential beneficiaries and/or risk bearers. This also includes groups and individuals who benefit from or are harmed by, and whose rights are violated or respected by, corporate action." [32]

There are diverse groups of stakeholders based on this definition which are influencing company's operations. These groups can be following: consumers, customers, employees, a host government, media and press, local communities, suppliers, partners, activists, advo-

cacy groups, NGOs, competitors, educational institutions, research institutes, etc. [32] All these stakeholders are connected around particular issue as is described at following figure:



Figure 7. Enterprise in Society [32]

The World Business Council for Sustainable Development says that in the 21<sup>st</sup> century, many stakeholders agree that:

- "... the fundamental purpose of business is to provide continually improving goods and services for increasing numbers of people at prices that they can afford;
- ... leading global companies will be those that provide goods and services and reach new customers in ways that address the world's major challenges; and
- ...If action to address such issues is to be substantial and sustainable, it must also be profitable."

## 3.6 Corporate Communications and CSR

The proper and right strategy for Corporate Communications and its channels are critical success for every company. Corporate Communication can include corporate advertising, public relations, media relations, community engagement, research and measurement, reputation management, internal communications, employee engagement, government relations, online communication, and event management. The objective for corporate communications

nication remains the same: to enhance the brand, the image of reputations of a company and to drive profitability. These products of communications are often defined by memos, letters, reports, Web pages, community engagement, social and environmental initiatives or programs. It is very considerable which are the right channels and what is the right message that company send to its stakeholders. [32]

## 3.7 CSR and Branding

Strong brands have to be connected with the values of the organizations and have to be able to respond to changes in markets, culture, competition, legislation, environmental issues in whatever market they are competing in. Currently organizations will have to focus on providing brands with a powerful and strong emotional content and to deliver messages about their products, which are transparent and clear to customers and also have relevance in respect to social and environmental issues. [32]

CSR concept and integrity with the core work can influence companies' brand a lot in different ways. It is also up to companies' decision to choose what they will emphasize in their communication and what kind of brand they want to build through communicating CSR. There is one possible threat that people will perceive those messages and initiatives just as a branding and not that organization really care about having positive impact on society. This greatly influences stakeholders to be open to the messages and perceptions communicated by logos, which act as a symbol of what organization represents or desires to represent. [32]

## 3.8 CSR and Marketing

Using marketing activities to implement CSR or to support different causes can be done in three possible forms: cause-related marketing, cause promotions and corporate social marketing. P. Kotler and Nancy Lee defined and described these three forms like this [17]:

"Using cause-related marketing, companies make contributions or donate a percentage of revenues to a specific cause based on product sales. Mostly commonly this offer is for an announced period of time, for a specific product, and for a specified charity.

Through cause promotions companies provide funds, in-kind contributions, or other corporate resources to increase awareness and concern about a social cause or to support fundraising, participation or volunteer recruitment for a cause.

Corporate Social Marketing is utilized to support the development or implementation of behavior change campaigns intended to improve public health, safety, the environment, or community well being. The distinguishing feature is the behavior change focus, which differentiates it from the cause promotions that focus on supporting awareness, fundraising, and volunteer recruitment."

#### 3.8.1 Sustainable Marketing

One of the ways we explain sustainable development in the business context is that it means taking a triple bottom line approach. This approach means that the company measures its success not just on the financial performance, but on its environmental and social performance too. The goal [27]: "To meet the needs of this generation without jeopardizing the ability of future generations to meet their own needs."

So where does marketing fit into the equation? Sustainable marketing is the contribution from marketing department to sustainable development.

Fuller defines sustainable marketing as [27]:

"The process of planning, implementing and controlling the development, pricing, promotion and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met (2) organizational goals are attained, and (3) the process is compatible with ecosystems."

#### 3.8.2 What can marketers do?

Marketers have a power to make a significant difference for their stakeholders, community and to the triple bottom line. In practice it is about looking at products or services, assessing their impact on environment around and ensures the right and transparent communication to the customers. [27]

So what can sustainable marketing do for business? In the Sustainable Marketing Guide done by CSR Europe we can find following elements [27]:

- Mitigate risks & Identify Opportunities

- Differentiate the brand
- Increase customer retention & brand loyalty
- Create new market opportunities & win new business
- Drive innovation and creativity
- Motivate employees
- Protect reputation & build strong brand
- Delight customers
- Save costs
- Retain the best staff
- Head off potentially restrictive legislation
- Attract investments

The problems are arising in different ways. Business leaders are as well concerned about their own families, lifestyles and professional legacies so they are trying to ensure right decisions within their organizations to have positive impact on all these issues. As I already mentioned, customers' expectations are changing as they are looking for companies and brands they feel have authentic commitments to economical, environmental and social issues. [27]

#### 3.8.3 Consumers as drivers for CSR

Consumers' decision making and preferences are influence by ethical and corporate responsibility. These consumers take actions towards these issues and currently it can be a sizable minority (e.g. free-range eggs, Toyota Prius), if not a majority (e.g. major consumers boycotts, such as Montgomery bus boycott, Shell Brent Spar Boycott). Sustainability and CR-related considerations do influence consumer behavior, but our understanding is limited of when, how and why. [6]

The Oxford Handbook for CSR describes one research about companies' approach towards consumers' behaviors and decision making in particular upon the following [6]:

- Company action on the corporate responsibility issue how much it is doing in support of, or conversely, how egregious its conduct is on the issue
- Company use fit-salience relative to core activities of the company and reputation (e.g. action on carbon emissions is an obvious priority for energy companies but less relevant to professional services firms)

- Company communications of corporate social performance quantity, quality, and credibility of information provided, whether it is endorsed by third parties (e.g. media, campaign groups, auditors of social reports) and recognizing the potential for backlash against companies that overstate their performance (i.e. greenwash)
- Consumer concern for the CR issue do they know and care sufficiently about issue?
- Consumer perceived effectiveness can they make a difference?
- Consumer sacrifice involved (higher price, lower quality, greater inconvenience, etc.)
- Consumer scope for self-enhancement does the ethical consumption behavior make consumers feel better about themselves? (e.g. via conspicuous consumption, etc)
- Consumer recourse to counter-arguments (e.g. possibility of free-riding on ethical consumerism of others, sense of being too small to make a difference).

All these reasons and elements have to be careful considered and we can't forget to give the same importance for instance to reputation, brand image, willingness to pay a price premium, word-of-mouth, loyalty, or resilience. [6]

## 3.9 CSR and Sales

In today's world it is significant to create trust from stakeholders as it can be another way of the ultimate competitive advantage. "Instead of just talking about products, the role is now to communicate a message in which a company adds value, provides perspective, and provides products and services that meet not only the functional needs of customers but also appeal to their wider aspirations as individuals, citizens or more fundamentally, as human beings. CSR can facilitate a genuine value added and beneficial process for buyer, seller and ultimately society alike."[32]

CSR become not just way to increase profitability but also a tool for persuasively demonstrating values to the customers how the buyer-seller relationship can be constantly improved. Some companies developed programs which add small percentage to their products' or services' price which support concrete CSR initiatives such as climate change, children's conditions etc. [32]

## 4 MANAGING FOR SOCIAL RESPONSIBILITY

Many companies are making significant improvements in their economical, environmental and social management practices. Business is becoming more responsible what can be caused for instance by changes in consumer behavior, by pressure from stakeholders and employees, or by progressive leadership who is committed. This change is mainly driven by leadership or top management of the companies that is why we need practices such as credos, organizational alignment, education of young future leaders, audits and accounting practices, reporting, etc. which can contribute to manage more effective environmental and social responsibility. [22] Let's look at key areas which help to manage CSR well.

## 4.1 Stakeholders Dialogue

It is increasing trend that corporations are motivated to become more socially responsible which is also driven by the most important stakeholders who expect from them to understand and address the economical, social and community issues that are relevant to them. We can mention key external stakeholders such as customers, consumers, investors, media and academic. It is really important to identify, prioritize, and engage with stakeholders in an ongoing stakeholders' dialogue. [2]

## 4.2 Corporate Governance

Governance is a term that we hear recently a lot. In Wikipedia corporate governance is described like following [2]: "For corporations, when confronted with a hostile take-over bid, an ecological disaster, or the untimely death of the president, the governance role of the Board of Directors becomes a real and meaningful one. When all is going well, too little seems to be done about crisis prevention and influencing the overall direction of the corporation."

Decision making based on values is one of the elements within corporate governance which support sustainability of organizations. Another elements we can mention are standards, clear directions and set goals, managing allocation of human and financial resources or balancing the interests of stakeholders. All these things have to be aligned among each other and it is really important to keep goo relations among top management, key stakeholders and Board of Directors. [2]

Corporate governance is the starting point for putting CSR areas into practice. There is a need in many corporations for a new debate on corporate governance to address particular issued such as [2]:

- What are the responsibilities of the firm to various stakeholders?
- Can competitive advantages be gained by building relationships with stakeholders?
- What standards of performance and behavior are expected of the organization?
- What incentives are needed to encourage more socially/environmentally results?
- What information and measurements are needed to set goals and to evaluate corporate social and environmental performance?

The outcome of this debate can help to define what is expected of management and implement tangible things within organization.

## 4.3 Employee engagement

Employee engagement is a concept that is generally viewed as managing open effort, that is, when employees have choices, they will act in a way aligned with organization's interest. An engaged employee is a person who is fully involved in, and passionate or enthusiastic about, his or her work. Employee engagement is can be measured by items which have been linked to key business outcomes. They are [13]:

- 1. "I know the outcomes for which I am accountable."
- 2. "My manager really knows me."
- 3. "My talents and abilities are fully utilized."
- 4. "My successes are recognized by my manager and coworkers."
- 5. "My manager does a good job of coaching me to build on my strengths."
- 6. "Of all the managers I've had, my current manager is the best."
- 7. "Every day, I see clearly the value that I bring to the organization."
- 8. "I am a member of one of the strongest teams within the organization."
- 9. "In the past year, I have grown professionally more than any other year."
- 10. "I have abundant confidence in our leader's decision and direction."
- 11. "Overall, I am extremely satisfied with my organization as a place to work."

## 4.4 Reputation

Generally the reputation for the company really matters. A strong interrelation was found between a company's overall reputation and the probability that consumers will purchase, recommend or invest in a company or its products and services. [22] The next figure shows us the areas influencing corporate reputation.



Figure 8. Corporate Reputation [30]

In my research in the practical part I focused on customers' point of view, mainly what is important for customers while they are purchasing and one of the element was reputation.

For the reputation credos are very important. They define the core values and a purpose of organization's existence. It keeps companies focused and supports companies that are well known and successful in the long term.

Whether in the form of a mission statement, code of conduct, or credo, the uniqueness is special for each organization. The commitment of employees, alignment with organizational processes and reflecting daily behavior or decision making are really important elements connected with credos. Usually companies discuss it with their stakeholders. [22]

## 4.4.1 Organizational Alignment

Looking at particular organizations, those that have prospered and have been continuously growing have shown more than a clear sense of purpose and core values. They have also translated these values into action and ensured that they are reflected consistently throughout the organization in everyday actions and everything the company does. [22] They achieve this alignment through [22]:

- Their goals, strategies, tactics, and systems
- The way they organize (structures, building, office layouts), HR policies and practices
- Their day-to-day decisions

## 4.5 Partnerships

It is more difficult to make an effort alone. For having even bigger impact organizations can establish partnerships. To have partners for legitimacy, capacity, knowledge, etc. It is important to have good relationships with you partners, to leverage on partnership from all sides.

## 4.6 Norms

There are three main ISO norms which are connected with CSR and those are:

- ISO 9001 focus on having right procedures to ensure that all key processes are set, making sure that processes in the company are effective, keeping track on particular processes done by individuals and also ensuring sustainable future improvements.
- 2. **ISO 14001** helps to manage environmental performance and shows stakeholders that companies are committed towards environment and society around. It helps to control environmental impact of different activities, guide organizations in setting their objectives and goals and improve their performance.
- 3. **ISO 26000** is focused on CSR definitions and key issues that organizations should address, providing best case practices so companies can implement it into their business, guidance and principles how to implement CSR in the effective way. ISO 26000 should be published by the year 2010.

## 4.7 Reporting

Below we can see some of the benefits of CSR Reporting [26]:

- Clear CSR Reports help different groups of stakeholders for instance investors need information on CSR performance.
- CSR Reports must show value added year by year, its improvements and should highlight new areas of CSR performance.
- CSR Reports help internal strategy too mainly in assessing, monitoring and reporting, it
  helps with developing the strategy or case studies from one department can be applied in
  others.

## 4.7.1 Audits and Accounting Practices

Some organizations from the corporate sector are involved in environmental and social accounting and this number is growing. Several NGOs and other organizations such as AccountAbility and the Global Reporting Initiative started with development of standards, terminology, and accreditation procedures for social and ethical accounting and auditing. These initiatives are developed in sophisticated way to cover all demands from stakeholders, what is for them important and then create particular activities based on their interest and to achieve specific objectives and have the similar principle as financial reports. [22]

## 4.8 Community Investment

It is not just donating money or charity, it is more about engaging with the community around us. Another problem was that organizations donate money to NGOs and there is low transparency in financial operations where the money was used. It is important to hold NGOs accountable and keep track of it and can be done also through being involved in their activities. Also using other forms of support such as in-kind support, time, resources, assets, charities, sponsorships or help with capacity building etc. [22]

Another issue is education. It is really important to start educating students about social responsibility from real beginning – either from High School or University age, as these students are future. There is a need to build business ethics, environment, and social responsibility into educational programs for business students and managers. These students are future employees, managers or business leaders so it is essential that they have knowledge about CSR. Topics should cover globalization, new economics, ecology and sustain-

able development, sustainable corporate management, humanity and enterprise, corporate citizenship, etc. [22]

## 4.9 Ethical Sourcing

The range of ethical sourcing now focuses on the utilization of all resources in the supply chain, not just the classically accepted problem with improving of labor conditions. Environmental sourcing concerns will become even more important in the future. It is estimated that ethical sourcing can increase production costs by between 5% -10%. If consumers are able and willing to pay extra money for that then there is no problem for companies and retailers but once it is a problem then companies will have to find better relationship and negotiating with their suppliers. [22]

#### CONCLUSIONS

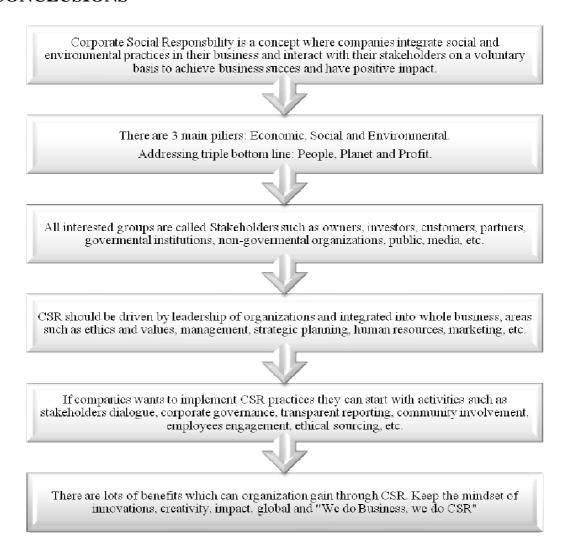


Figure 9. Theoretical conclusions

# II. PRACTICAL PART

#### 5 CSR CURRENT STATE

## 5.1 CSR and Financial Crisis

Today, there are probably even more reasons to consider CSR issues. Stakeholders and the whole society can look at sustainability issues from different perspectives. Business can take this as an opportunity to think more about their attitude towards sustainability as well as to take it as advantage. On the other side there are lot of other crisis, problems and issues in the world we shouldn't forget and make contribution. Issues within economical, social and environmental areas such as corruption, transparency, poverty, health, education, pollution, climate change, micro-finance, and so many other things influencing all countries around the world. So the whole world, country by country, has particular problem and it is even doubled and influenced by financial crisis. There is no better time to call it "We need Action, NOW" and it is up to every single citizen, each corporation, each organization, each government etc. to take this responsibility and make step towards making things better and sustainable. Corporations should start to think in long term and in even more sustainable way to ensure growth within their organizations. Business leaders should consider how to make their operations more efficient and sustainable for the future.

Another key thing is that every single citizen will be aware about own financial income mainly what is their current situation, what they want to achieve and how to make it sustainable to ensure their good financial situation during retirement. Financial institution should take care about increasing awareness of personal financial management.

Business should start to focus on increasing their stakeholders value, and focus on particular stakeholders groups such as investors, employees, communities, customers, etc.

Companies can say they don't have money for CSR because of crisis, but what about:

- Just to think in more creative way how they can contribute
- How much are they involving employees to different initiatives?
- How often do they have dialogue with stakeholders to come up with common solutions?
- How do they address particular sustainability issues like climate change, different diseases, human rights, education etc. within their campaigns, marketing, etc.?
- What is the key thing they increase loyalty of their customers and investors?
- Implement new technologies, making processes more efficient, involve communities into this thinking

- What is the essential motivation of employees to be even more productive?
- Can they use any seasonal approach to promote particular thing which can contribute e.g. to decrease impact of some issue?
- Organize online event, something like World Earth Hour to be role model organization
- Building stronger partnerships with diverse organizations (non-profit, governmental, corporations, etc.) as it can have even bigger impact when there is more parties involved
- Having strong culture within organization driven from top management, from leadership bodies

It is not JUST about money, donations and charity. Once I heard "When there is no good business, there is no CSR." and "When CSR is not connected with business, there is no reason to do CSR." Because of course, we don't do charity, we do CSR. And even I read somewhere that if you change Social to Sustainable; it can have even bigger sense – Corporate Sustainable Responsibility, as it is not just about social issues.

CSR won't be forgotten because of financial crisis but there is finally an opportunity for CSR that organizations will start to think deeply about it, will start to search for creative ways and in couple of years CSR will be something that everyone do, like brushing your teeth in the morning, something completely natural, because WE CARE.

## 5.2 Moving forward

- Think different: transparency, corruption, employees involvement, volunteering, innovations, increasing awareness, being role model, working on gaining trust through transparency and proper communication, "We think business, we think CSR"
- It is natural: make current initiatives more sustainable, connect them with core business, have often stakeholders dialogues,
- We know HOW: there is simple platform and standards for implementing programs
  which can help organization to make it even easier, aligned with business and knowing
  concrete goals.
- It is not just giving money: even the budget is cut, there are other ways around what can we do within CSR.
- We have a partner: there are so many organizations, which can work together on one
  program and ensure even bigger impact.

- Measure impact and Evaluate: what was the impact of what did we do, how has it
  helped to us to increase e.g. employer branding, customer loyalty, etc., are these programs sustainable.
- Go Global the companies start to think more globally, not just influencing their community but on the other side they will act globally and have impact on the society even bigger.

# 5.3 Surveys' findings

In the next chapter I will describe current situation at different markets based on the surveys done by different organizations.

## 5.3.1 CSR Europe

The organization CSR Europe made a research and one of the outcomes was that out of 100 organizations' responses, 68% didn't have any costs from activities in CSR area. According to the research made by Institute of Business Ethics in the year 2003, had socially responsible companies about 18% higher revenue. Another fact is that 70% of West-European consumers are considering company reputation, whose products and services they buy, as really important. 1 out of 5 consumers are willing to pay higher price for products and services of the companies which are behaving socially responsible. [12]

From the research mentioned at the beginning, there are companies which start to think that CSR is not just about money but about their contribution to the society. In my research below, I tried to see how much CSR is influencing customers and also future employees, as both of these groups are stakeholders of particular company and adding value to their revenue. Another point is that EU supports socially responsible behaving.

# 5.3.2 Priorities for CSR – example from Hong Kong

Based on my 1 year experience in P.R. China, I was interested about what organizations in Asia think. This research was done by the CSR Asia in cooperation with the Centre of Urban Planning and Environmental Management at the University of Hong Kong. The goal was to find out what Hong Kong companies and their stakeholders thought were the most important factors for them to be socially responsible. [23]

The questionnaires were sent out different groups – business and different stakeholders which were divided together into the 7 groups (government, environmental NGOs, inves-

tors, social NGOs, the university sector, media, and others). The figure below is break down of groups which completed questionnaire. [23] There were together 491 completed questionnaires.

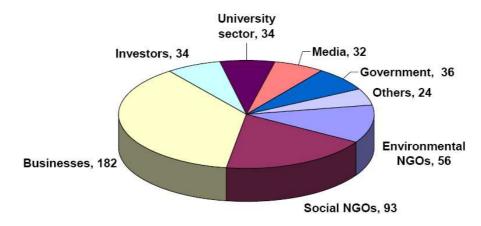


Figure 10. Summary of respondents [23]

The top five factors identified by businesses are almost the same as the top five factors in the overall ranking (look at the Table 2). That means there can be an common understanding what is important and what do socially responsible really mean for all the groups, however there are slightly small differences when we look at concrete groups individually but not such an obvious differences. [23]

Table 2. The comparison of Business and Non-Business Stakeholders [23]

	Business		Non-business stakeholders
1	Health and safety	1	Environment
2	Environment	2	Health and Safety
3	Governance	3	Corruption
4	Human Resource Management	4	Governance
5	Corruption	5	Human Resource Management
6	Supply chains	6	Supply Chains
7	Stakeholder dialogue	7	Stakeholders dialogue
8	Product responsibility	8	Policies
9	Policies	9	Reporting
10	Reporting	10	Partnerships
11	Community	11	Product Responsibility
12	Partnerships	12	Human rights
13	Human rights	13	Standards
14	Standards	14	Community
15	Philanthropy	15	Philanthropy

It could be interesting to see the similar survey in Czech Republic (CR) for corporate and non-corporate sector, compare the differences what is the most important for each group and see the impact on CR society. I tried to search for similar resources in CR but I haven't found any so it can be another useful survey to find out this importance and then cooperate together to achieve the best outcomes.

# 5.3.3 Green Logistics Survey

There was survey done by Transport Intelligence and they approached 450 logistics in September 2008. Companies were mostly manufacturers and retailers from around the world. Here I would like to describe briefly key findings.

#### **Key findings:**

Shippers are forced to cut the carbon emissions, which is the pressure from their suppliers but they are not willing to pay more for a cleaner and better supply chain. [4]

- While 73% of respondents made "environmental compliance" part of their tender documents, less than half them (46%) "consequently make a provision for extra costs".
- Logistics companies see the environmental measures they are forced to adopt as another cost burden pushed on to them by their clients.
- Green-thinking shippers seem likely to continue to push for environmental compliance clauses in awarding logistics contracts, with 70% of survey respondents citing it as either "reasonably important" or "very important".
- Nearly 70% of respondents claimed to have a corporate "formal environmental policy", which included reviewing transport modes with the goal of cutting their supply chain carbon footprint.
- 75% of respondents thought the environment an "important" or "very important" driver for change. However, only 10% agreed with the statement "we must reduce our impact on the environment at all costs, even if my company is less competitive."

Based on the research I would say couple of conclusions from my point of view:

- There is chance to have programs where you add certain % to the prize of the product/service to support decreasing CO<sub>2</sub>.
- Need of increasing awareness of long-term benefits from programs supporting CO<sub>2</sub>.
- Providing another benefits to long term clients who are using green products/services, either from companies or government.
- Ensure proper contracts based on the same values within supply chain.

On the other side I don't really agree with the statement of chance to decrease competitiveness. If companies do so, they would have a smaller demand and profits, then the employees would be pushed even more to increase that, and every employee in the company would be thinking about achieving set goals, they will have "in the box" thinking and not looking for another solutions and opportunities around.

# **5.3.4** Climate Change Strategy survey

60% of the leaders across the world believe climate change is an important issue currently happening in our world. This survey was done by McKinsey company, published in March 2008, was based on responses from 2,192 executives around the world, and of which one quarter were CEOs or other top managers. Again as in the previous chapter I would like to mention here some key findings. [4]

#### **Key findings [4]:**

- 70% see it as important for managing corporate reputation and brands, while over 50% say it is important to account for climate change in product development, investment planning, and purchasing and supply management.
- 1/3 of respondents view climate change as representing an equal balance of opportunities and risks. 61% of respondents view the issues associated with climate change as having a positive effect on profits if managed well. Respondents in Europe are the most optimistic, while those from developed Asian countries least so.
- Few executives have taken action to tackle climate change. More than 60% of companies where respondents consider managing environmental issues to be at least somewhat important have failed to define emission targets for GHGs, and 15% don't know if their companies have set targets.
- More than 80% of business leaders expect some form of climate change regulation to be introduced in their company's home country within five years.

It is important to make sure to know as CEO/manager what are the steps my company is doing towards this, what are the other solutions we can do and when can we implement them. Organizations should not focus only on climate change but as well on other issues within society which they can influence. I completely agree that there are lot of processes in the company which can be managed more efficiently, thanks to that the bad environmental impact can be decreased and it can safe costs of the companies as well.

#### **6 BUSINESS CASE STUDIES**

One goal of my diploma thesis is to make a research about companies' CSR programs. This research is divided into two parts – what kind of CSR programs do have companies globally and what do they do in CR.

Globally I focused mostly on transportation and logistics companies that are more relevant during this research. In CR I chose companies from different business fields to see also their case studies and also can be consider as a leaders within the CSR area.

There is an introduction of CSR mission for each company, followed by concrete examples of their CSR activities and last part is a brief summary "Being a Role Model", which I consider as an overview of what can we really learn from each company.

# 6.1 Situation Globally



## **CSR** mission

FedEx is committed to its employees and the communities it serves. Behind corporate philanthropy and employee volunteerism, FedEx has developed strategic relationships with charitable organizations that share its values. FedEx mission is to actively support and provide a valuable benefit to the communities it serves, and to strengthen its global reputation through strategic allocation of its people, resources and network. [14]

# Core CSR areas

# **Emergency and Disaster Team**

They have cooperation with different agencies focusing on crisis management and help during disasters. It ensure that teams reach people very fast and efficiently to provide them with proper aid and help.

## **Pedestrian and Child Safety**

FedEx has another partnership with the Safe Kids Foundation. This partnership is focusing on help with promotion of child and pedestrian safety, and also supports other organizations that work on these issues to increase the safety of children and at streets.

#### **Education**

FedEx Brake Road Safety Academy is another program where company cooperates with educational organizations to increase knowledge of young people in the following areas: environment, technology, global economics, cultural diversity and trade to enhance learning.

# **Health and Human Services**

Through its relationships with Foundation de France, Child Relief and You, India, and SOS Kinderdorf in Germany, FedEx provides support for health and human service needs.

#### **Environment**

FedEx consider itself as very responsible towards environment. They are integrating different practices into the business which reduce emissions as modernizing the aircrafts or buying vehicles with alternative fuels. To ensure all these things are implemented and influence reducing of CO<sub>2</sub>, FedEx has taken these actions for instance:

- Participation in the development of sound environmental policy within the transportation and business sectors, usage of innovations and technologies to minimize emissions
- Efficient usage of natural resources to minimize waste generation through efforts that include recycling, innovation and prevention of pollution
- Evaluation of environmental impacts of packaging products, operations and facilities, with a commitment to minimize impacts and restore properties affected by our operations

#### Being a Role Model

FedEx has very **practical web pages** where each section is connected with **interesting videos** showing the real situation in action. It is important for them to have **strategic relationships** with organizations that share its values. They do have **Disaster Teams** however I haven't found any concrete activities for FedEx in CR, as there is lot of floods and other similar disasters. The **program supporting global economics and trade, environment, cultural diversity and technology** to enhance learning are one of the important topics to be educated. There is another initiative to mention and it is FedEx **Special Delivery** supports local organizations by donating transportation services and manpower to help them

fulfill their missions. **Sports** support as FedEx cup, children in hospital and sports awards. Companies UPS, TNT, DPD and DELL are analyzed in the attachments Nr. 2, 3, 4, 5.

# **6.2** Situation in the Czech Republic

In the year 2008 Business Leaders forum (BLF) conducted survey about CSR among 225 Czech companies. Here I would like to show some of the research main results. [25]

- Awareness of CSR has been found among 47% of the companies. The larger the company the higher the probability that the company has encountered CSR.
- If the company is to be prosperous in the long run it must behave responsibly and ethically to the employees, to the environment and to the community in which it works. Almost 80% of the companies agreed completely, 19% rather agreed.
- Most frequently companies support education (66%) and cultural and sporting activities, the companies cooperate with not-for-profit organizations, and focus also on the integration of disabled citizens.
- Forms of supports are mainly philanthropy (63%), sponsoring (47%), cooperation with other institutions in social projects (33%), and also cooperation with employees within the company (24%). Motivation towards CSR and benefits they mainly mentioned ethical and moral reasons (74%), better satisfaction of their own employees (64%), also better relations with their business partners or investors (40%), and tradition (32%).
- Reasons limiting their CSR the most frequent reason were bureaucracy, limited time and high costs. Plans for near future (3 years) 70% planned to maintain the current level of their activities. 26% of companies planned to increase the work.

As we can see there are companies which want to continue in their sustainability programs. Even though there is a crisis which I mentioned before, that doesn't mean that companies stop to be responsible towards their society. They could see how much it influences a satisfaction of their employees and customers, or at the end satisfaction of all stakeholders. It is important for them that their employee will say "I am proud to work in this company" which mean the loyalty and bigger contribution towards company's growth.

BLF published also on their web pages online CSR guide. It helps companies in implementation CSR strategy. It is break down into the 10 steps and 3 areas – Economic, Social and Environmental. Inside this guide companies can find also questionnaires which help them in self-assessment of the reality within their company. [25]

Following research of the situation in CR has the similar flow as I did in the global part research. Here I didn't really focus just on the transportation and logistical companies because I didn't really find much about their CSR. So I decided to select companies from different business fields and see what kind of impact they have on CR society and what can we learn from them. I chose Skoda Auto and Vodafone and Microsoft are in the attachments Nr. 6 and 7. As student of Tomas Bata University I also looked what Mr. Tomas Bata was doing around CSR as he is considered as pioneer within CSR area (attachment Nr. 4).



#### **CSR** mission

Social responsibility is an important part of the corporate culture and strategy. With regard for the position in the Czech Republic economy and numerous international ventures, they at Skoda Auto are aware of their responsibility toward the general public and their employees. At the same time, they consider responsible behavior toward the public and their employees to be an integral part of their corporate strategy.

One of the priorities is to maintain a balance between economic, environmental and social aspects; such balance is a fundamental condition for sustainable development. [24]

# **Economic impact**

Skoda Auto has implemented particular rules and advices for running a business which are written down in Code of Corporate Governance. It is based on the OECD Principles, so the company strive for the open relationship with the community around, have transparent internal processes, have positive impact on the environment around and good relationships with the key stakeholders

#### People impact

Company focuses on the health and safety of its employees and pay to this strong attention.

Another element is to focus on their professional and personal development and growth, to ensure proper qualifications and other necessary needs for the job. Skoda Auto has also initiatives towards the equal opportunities at the workplace and work force ethnic composition. They do care as well about disabled people (focus on handicapped people) and make sure they can find a permanent and temporary employment.

A really special for Skoda Auto is that they have a special university. The university is focused mostly on economy, commerce and marketing. Students have opportunity to get to know more in practical way about Skoda Auto's processes, work and partners, during their studies through special internships.

Another initiative supporting a development of its employees is Skoda Auto Coaching which one part is focus on personal growth and development of individuals provided through Assessment Centers and individual meetings.

#### **Environmental impact**

Skoda Auto is implementing long-term programs to decrease the impact of its activities on the society and environment. One of the priorities is to keep a balance between economic, environmental and social areas; such balance is a basic element for sustainable development.

Technical development, environmental friendly car production, service and ecology, for instance recyclability of Skoda cars is ensured, ecological engines, waste and water management, protection of the soil and underground water, etc.

#### **Partnerships**

Sports – Ice-hockey, Tour de France, Czech Olympic team

Culture – International Festival for children and youth in Zlin, National Theatre

Charity – Center Paraple (Health Clown), Adra, People in Need

#### Being a Role Model

The openness and transparency are the essential factors. Very important is to take care about employees within their professional and personal development and they even have their **own unique university** – very good example. They are manufacturing **environmental friendly cars** which can be supply for e.g. transportation and logistics companies if they would make a big long term partnership together. They have **long term partnerships** with different organizations divided into diverse areas such as sport, culture, health, etc. The **Coaching initiative** is also very interesting attitude and concept.

## 7 DHL GLOBALLY

## Number one in express and logistics

DHL is the global leader in providing services within international express and logistics industry, focusing on express, land-carriage, air freight, ocean freight and providing logistical services supported by supply chain management.

They offer expertise in each of these areas either on local, national or international level. They try to understand local markets in-depth and offer right and relevant logistical solutions. Its international network connects more than 220 countries and territories worldwide. DHL is also very important global employer with its 300,000 employees who strive for providing excellent, fast and quality service for their customers. They care about their customer's expectations and trying to fulfill them as best as they can.

DHL is a Deutsche Post DHL brand. The group generated revenues of more than 63 bn. € in 2007.

Most of the descriptions of DHL Global are from their web pages stated as used resource number [4].

# 7.1 History

#### From humble beginnings to global market leader

DHL was founded in San Francisco 40 years ago by 3 budding entrepreneurs - Adrian Dalsey, Larry Hillblom and Robert Lynn and from that time DHL is rapidly growing. Today DHL is global leader in the international express and logistics industry.

Even with the number of employees' growth - from 3 employees in 1969 to 300,000 employees in 2008, the approach, drive and determination hasn't changed. DHL success has been always based on the excellent service delivery for its customers. DHL is moving forward and became a brand which is recognized for its **personal commitment**, **proactive attitude and local strength**. Never complacent, DHL has become a brand acknowledged for **personal commitment**, **proactive solutions** and **local strength**. The hearth of its success is the employee power. The employees who focus on customer's needs and provide the individual solutions which are customized for every single customer. At the heart of its success are its employees who focus on the customer's needs and provide individually customized solutions.

#### 7.2 Divisions

#### **7.2.1** Express

DHL EXPRESS is provider of international road-, air- and rail-based courier and express services for private customers and business. DHL cover huge network of countries and territories in Europe, the Americas, Asia-Pacific and Emerging Markets.

There are 3 main product lines Same Day, Time Definite and Day Definite, through which DHL offers diverse product portfolio and transportation time requirements to its customers.

## 7.2.2 Global Forwarding, Freight

It is divided into international air freight, ocean freight and European overland transportation services.

DHL transports products/goods and deliver to agreed destination, in particular time for particular price. Also DHL offers concrete solutions for big logistics projects which are customized for every single one and provide them with quality services. Freight is one of the largest freight forwarders in the European overland transportation business.

#### 7.2.3 Supply Chain, Corporate Information Solutions

This is divided into a) contract logistics services and b) Corporate Information Solutions. The Supply Chain provides warehouse transportation and warehousing services as well as practical solutions in supply chain management for key customers from sectors of industry, e.g. automotive, life sciences, technology, fast-moving consumer goods, retailers and fashion sectors.

The Corporate Information Solutions unit is the expert for document-based outsourcing solutions gathers, digitalizes, prints, stores, sorts, addresses, envelops, dispatches and archives documents of all types.

#### 7.2.4 Mail

On an international level, this provides mail and communication services with connections to more than 200 countries around the world. DHL Mail offers also integrated solutions for corporate communications and business.

# 7.3 Sustainability at DHL

Sustainability for DHL means the demonstration of the responsibility for people, the planet and for future generations. It is integrated into a business strategy as a key part and basement for the long-term success.

Table 3. Sustainability at DHL Globally

GoGreen	Green Products
Global program to deal with the causes of	Engaging customers to protect the climate.
climate change.	
Social Responsibility	▶The World
Commitment to employees and the com-	Initiatives which are led by employees.
munities around them.	
Economic Performance	The Partners
Supporting trade and economic develop-	Cooperating with partners to deliver help in
ment.	the right time and where it is needed

# 7.4 Corporate Citizenship

Here we will find details about approach to Corporate Citizenship – where DHL focuses its activities and how they believe DHL can contribute most effectively by working with others to help with their goal of the world better place.

#### **7.4.1** People

#### 7.4.1.1 Community Investments

The Community Investment focuses on capacity building of people in the communities, help people to learn, be healthy and develop personally. Also DHL's staff behave and act always locally and support local people or causes.

#### 7.4.1.2 Internal Citizenship

DHL is very proud of its people - they have a positive 'can-do' attitude, and many of their stakeholders can see the energy and commitment while they are working. DHL is also proud of their diversity as well as they always prefer to recruit locally.

## 7.4.1.3 Human Rights

Because of diverse big network where DHL operates doesn't have a proper system for human rights; they are willing to take concrete actions towards this issue. DHL has a partner-ship with the UN Global Compact and, in based on the Principle 1, they support and respect international human rights within the company's sphere of influence.

# 7.4.2 Partnerships

## "Together we can give more to those who need it"

DHL believes that thanks to diverse partnerships they can achieve more and have bigger impact than just working alone. Each organization can bring their best competencies and contribute to particular issue.

They participate in five World Economic Forum initiatives, also cooperates with UN Global Compact as I mentioned above and globally with the International Business Leaders Forum (IBLF).

# Areas to which DHL contributes globally

- ► Global Corporate Citizenship Initiative aims to increase businesses' engagement in and support for corporate citizenship
- ▶ Logistics and Transportation Corporate Citizenship Initiative defines common priorities and find ways of sharing best practices for Corporate Citizenship within the WEF's logistics and transportation community
- ▶Global Digital Divide Initiative builds partnerships between the public and private sector to bridge the divide between those who can make effective use of information and communication technology (ICT) to improve their lives and those who are excluded ▶Disaster Resource Network committed to assisting humanitarian organizations in their efforts to reduce suffering associated with disasters
- ▶Global Health Initiative to help reduce TB, malaria and HIV/AIDS in the world ▶Global Compact Learning Forum committed to their Nine Principles which relate to the protection of human rights, labor standards and the environment, sharing details of our experience and learning with others
- ▶IBLF case studies and meetings contributing case studies and attending meetings that look at ways in which companies can support countries in post-conflict situations

# 8 DHL EXPRESS, CZECH REPUBLIC

The DHL operates at Czech market since the year 1986, as the first company providing express services in former Czechoslovakia. After the revolution it established its own branch in Prague in 1991. Currently they have wide network of offices across CR.

In the spring 2003 DHL International merged with DANZAS Company and started to have big restructure within whole company. The goal of that restructure was to align all products and services in the unified way, so that DHL could offer the best and complex services to its customers.

Currently DHL in CR is like an umbrella to 9 divisions such as DHL Express (CZ), DHL Information Services (Europe), DHL Exel Supply Chain, DHL Solutions and DHL Global Forwarding (CZ). DHL Express CZ has more than 1500 employees and offers the broadest portfolio of express forwarding and logistics services in CR.

## 8.1 CSR research Introduction

In the previous chapter I did research about CSR initiatives in different companies in CR and globally. I described particular programs or activities of these companies as I had to prioritize for the research and pick just some.

In the next chapter I would like to introduce more deeply the CSR program in DHL Express CZ and describe almost all activities they did in the past year.

It was really interesting to get to know more about the company, how things are working, to see the environment where people work and their attitude towards the company and society around. I had really good impression about whole company and its people.

# 8.2 Corporate Social Responsibility at DHL Express CZ

DHL Express CZ has been working for a couple of years in the CSR area. Step by step they develop programs and activities to have positive impact on society around.

There are particular groups DHL is focusing on within CSR program:

- a) Employees (health, discrimination, safety, growth and development, human rights, etc.)
- b) Customers (ensure satisfaction, good care, quality of services, communication, etc.)
- c) Other stakeholders (to have fair and open relationship with other stakeholders groups)

  To find out more about DHL Express CZ CSR program I put together four areas I would like to focus on during my research, to have better understanding in particular structure.

Based on these four areas, I created questionnaire or guide for my interview at DHL. Very good help and guidance for this research was also Business Leaders Forum's (BLF) guide about CSR.

I decided to divide my research into these areas: Market/Business, Local Community, People and Environment. Each area consists of two parts. First part is the questionnaire, consists mostly from closed questions (yes/no) and second part is description of particular initiatives.

#### 8.2.1 Market/Business area

Firstly at the table below you can find brief overview:

Table 4. Market/Business Area analysis

Market/Business area	
Do your customers know your company's values and principles?	Yes
Do you care about addressing provided feedback from your customers,	Yes
partners or suppliers?	
How many complains are you able to solve per month?	99 %
Do you provide clear information about your products and services?	Yes
Do you do any research about CSR among your stakeholders?	No
Have you done any innovations in your products in past year?	Yes
Do your stakeholders care about your CSR activities?	We don't know
Do you have any CSR measurement/KPIs?	Yes
Do you have set clear goals what do you want to achieve within CSR?	Yes
Do you care about transparency of all your operations within company?	Yes
Do you pay your invoices on time?	Yes
Do you have ethical codex?	Yes
Which ISO norms do you use?	9001,14001
Do you have any activities/events to support business in CR?	Yes
Has any organization used your logo to support their event without DHL	No
attendance?	
Do you use any database for your Customer Relationship Management?	Yes

# 8.2.1.1 Company's values

As guiding principles for every day actions and decision making, DHL has seven corporate values as the foundation of their company's culture.

Table 5. Corporate Values

7 Corporate Values		
1. To deliver excellent quality	2. To make our customers successful	
3. To foster openness	4. To act according to clear priorities	
5. To act in entrepreneurial way	6. To accept social responsibilities	
7. To act with integrity, internally and	externally	

As we can see in the previous table, there are important values which guide DHL to be responsible for their actions and towards their society. Having the quality service, fulfilling customers' needs, being honest and open, have clear focus, drive innovations, be responsible for society around and stand for every action, these are the values which can make company successful and have real impact around.

## 8.2.1.2 Code of Conduct

DHL's Code of Conduct creates commitment for their company to act and behave legally, responsibly, according to their values and principles. Every employee should behave according to that in daily life. Part of Ethical Codex of DHL Express CZ as example:

Table 6. DHL's Ethical Codex

DHL's Ethical Codex		
Ethical Commitment	Standards of common cooperation	
<ul> <li>Focusing on quality</li> <li>Customer satisfaction</li> <li>Laws and ethical norms</li> <li>Transparency</li> <li>Accounting standards and audits</li> <li>Avoiding corruption</li> </ul>	<ul> <li>Individual responsibility and involvement</li> <li>Mutual respect and candidness</li> <li>Diversity and discrimination</li> <li>Heath protection management</li> <li>Company's fortune</li> <li>Internal information</li> </ul>	

#### 8.2.1.3 ISO 9001

Company implemented ISO 9001 for quality management system. This standard focuses mostly on having right procedures to ensure that all key processes are set, making sure that

processes in the company are effective, keeping track on particular processes done by individuals and also ensuring sustainable future improvements.

## 8.2.1.4 Support of small and mid-sized exporters

The company cooperates with organization CzechTrade. They are supporting small and mid-sized companies within the area of export in CR. Once a year there is award ceremony which is really prestigious and these companies are recognized for their contribution to Czech business. Thanks to this DHL and CzechTrade also increase awareness in CR about importance of exporters for Czech Economy. Another area is Export research which is part of the Export Award. The important exporters within CR answer particular question about export and the final result of the research is later on published to public so it can be as source of information for the media, academics and public

#### 8.2.1.5 Key Performance Indicators (KPIs)

There are not so many companies which have clear measures for their CSR initiatives. During my research at DHL I asked if they do have goals, KPIs or particular measures. Just to mention few of them:

- Decrease 30% of CO<sub>2</sub> emission by the year 2020 (globally)
- Number of published articles in the internal newsletter DHL Life
- Using 40% of recycled paper
- To have 5 CNG vehicles (explained in the environment area below)
- Modernization of their partners' vehicles
- Etc.

#### 8.2.1.6 Customer's servicing

DHL Express CZ cares about their customers and ensures to have the best customer care. They are using internal Customers Relationship Management system to make sure all information are kept and ensure sustainable relationship with every single customer.

As well they have opportunity for their customers, partners and suppliers to provide with the feedback, so the company employees can act really fast and flexible to make their stakeholders satisfied. The most important things in the transportation and logistics industry are for instance complains solving, orders through phone calls, prices, web pages (accessibility, efficiency to find things, enough information, etc.). DHL knows about all things mentioned above and take care regularly about it to ensure customers satisfaction.

#### 8.2.2 Environmental area

Firstly at the table below you can find brief overview:

Table 7. Environmental Area analysis

Environmental area	
Do you communicate to your employees to be responsible towards envi-	Yes
ronment?	
Do you have concrete programs/products to support reducing CO <sub>2</sub> ?	Yes
Do you often have employees volunteering events contributes to envi-	No
ronment?	
Do you use any environmental friendly vehicles?	Yes
Do you have concrete goal to decrease CO <sub>2</sub> ?	30% by 2020
Is your product supporting decreasing CO <sub>2</sub> demanded already by cus-	Yes
tomers?	
How many customers bought in past year product supporting decreasing	Around 70
$CO_2$ ?	
Do you have in CR all types of vehicles – cars, aircrafts, and camions?	Not aircrafts
Do you recycle and sort waste?	Yes
Do you have particular environmental principles?	Yes + ISO
	14001

#### 8.2.2.1 ISO 14001

Company implemented ISO 14001 which is an Environmental Management System. It is a voluntary tool which help companies manager their environmental performance and shows its stakeholders that they are committed towards environment and society around. It helps to control environmental impact of different activities, guide organizations in setting their objectives and goals and improve their performance.

For companies it has benefits like reducing cost of waste management, savings of energy and materials, improve organization's image, etc.

## 8.2.2.2 Environmental policy

DHL considers environmental issues seriously and is committed towards helping and contributing to society. Generally focus on environment but in particular on climate change. That is why DHL created its own environmental policy, brief summary is below:

- 1. Environmental protection is a part of the corporate strategy
- 2. Close cooperation with the customers and partners
- 3. Implementation of principles (UN Global Compact)
- 4. People are trained and motivated
- 5. Measurements working towards efficiency
- 6. Cooperation with stakeholders open dialogue and reports

#### 8.2.2.3 Waste Sorting and recycling

Around 25% of DHL's paper is recycled and they have goal to increase it to 40%. There is just a problem that once the recycling paper is more expensive, than there is lower motivation for all offices to use that one once they have to be careful about all budget costs or another are prejudices that recycled paper make printers and copy machines dirty. Regarding waste sorting – at almost each office there is system for sorting paper, plastics, mix and hazardous waste. Also DHL supports electronic equipments waste sorting (monitors, PCs, printers, etc.) so this waste is taken separately from the company.

#### 8.2.2.4 GoGreen Program

Another support of CO<sub>2</sub> emissions is through GoGreen Program. The goal for DHL is to reduce by 30% CO<sub>2</sub> emissions by the year 2020 globally. GoGreen program is divided into four parts: a) buildings, b) vehicles, c) aircrafts and d) products/services.

Add a) there is one new project as a global initiative in CR and it measures the energetic efficiency of particular building. Once there are positive results out of it, it can be implemented through whole CZ.

Add b) DHL Express CZ just bought CNG vehicles to decrease CO<sub>2</sub> emissions, it is explained in the chapter below.

Add c) this is mainly focus on modernization of aircrafts but since DHL Express CZ doesn't take care particularly about aircrafts then its more global initiative.

Add d) it refers to GOGREEN described below.

GOGREEN is how DHL involves its customers to support reduction of CO<sub>2</sub> emissions. It supports carbon-neutral and low-carbon products and services. Customers who decided to use this product will receive certificates where will be number of decreased emissions per year. Customers can use this certificate as official document in their e.g. Sustainability report to highlight contribution towards reducing CO<sub>2</sub>. To have more ecological transportation customers pay 2% from their transportation price, which is invests into the projects focused on decreasing CO<sub>2</sub> emissions according to Kyoto Protocol. Currently there are more than 50 customers who are using GOGREEN in CR.

#### 8.2.2.5 Alternative vehicles

Company owns 5 CNG Opel Combo vehicles. Just like a gasoline engine burns a mixture of gasoline and air, a natural gas engine runs on a mixture of gas and air. With natural gas, however, the process is far more environmentally friendly. The advantages are more efficient, cleaner and softer burning, resulting in a quieter and smoother engine. However, there is couple of challenges to use these types of vehicles. The infrastructure is not sufficiently built in CR in terms of low number of refueling stations. Also the vehicle has the range just about 300km (plus 200km with normal fuel but then the ecological effect is lost) compare to normal vehicle's 800km. And last is the portfolio of these types of vehicles is not so wide so there can be demand on different type of automobiles. Even though for the next year DHL Express CZ plans to buy new CNG vehicles.

#### 8.2.3 People area

Firstly at the table below you can find brief overview:

Table 8. Employee Area analysis

Employees area	
Do you have any program to support employees' development and	Yes
growth?	
Do you have system for evaluation of monthly performance of your em-	Yes
ployees?	
How do you support employees' creativity? (1 example?)	Idea Manage-
	ment
Do your employees know your corporate values and principles?	Yes

Do you have education about corporate values and principles for your	Yes
employees?	
How often do you publish DHL Life (Internal Newsletter)?	1 per month
Do you have health principles and safety instructions?	Yes
Do you support professional and personal balance of your employees?	Yes (trainings)
Do you involve your employees into decision making process?	Yes
How many employees are involved into the employee volunteering pro-	5%
grams?	

From my perspective DHL really cares about its people. They know that these people are so busy, exhausted and they have such a high requirements from their performance. That is why they would like to support their satisfaction in different ways. There are lots of employees' benefits like in other companies but here I would like to mention particular initiatives in DHL Express CZ.

#### 8.2.3.1 Professional and Personal Balance

The company provides training for its employees how to have a balance between their professional and personal life. The training is full of joy and employees have for couple of hour's pleasant time together.

# 8.2.3.2 Idea Management

To support employees' creativity and contribution they created initiative called "Idea Management" where all employees are encouraged to come up with their own ideas and once it is realistic idea, then it can be realized or rewarded. In the past year there receive 82 ideas from 43 people which was the most successful year.

#### 8.2.3.3 Home Working

There is a new program implemented in the past year and it is chance to work from home. It depends on job role and descriptions but some employees have opportunity to do their job from home for 1 day in week.

## 8.2.3.4 Investors in People

As DHL really cares about its employees' development, they have developed a program as an individual approach towards employees' career growth. There are particular areas this program is focused on for instance hard skills, soft skills, language education, etc. As well they have a special Talent developments programs like a Leadership Academy or Development Centers. This whole employees' development program is according to system called Investors in People.

#### 8.2.3.5 Support of Blood Donations

There is also a support once employees go to donate a blood. They appreciate this effort from their employees so they are rewarding it in different ways. One is also financial reward which can be later on used by employee for some charity events.

#### 8.2.3.6 *DHL Life*

The communication department takes care about internal newsletter for their employees quarterly. The newsletter consists of diverse information such as new campaigns, updates, events, rewards, etc. At the end of last year the newsletter was changed into the recycled paper version which is another way how to contribute to environment.

# 8.2.3.7 Employee volunteering

Another thing is the opportunity for employees to do volunteering activities, but I would like to describe this in next chapter Community.

#### 8.2.4 Community area

Firstly at the table below you can find brief overview:

Table 9. Local Community Area analysis

Local Community area	
Do you have long term cooperation with BLF and Chance4Children?	Yes
Do you have concrete activities to support communities?	Yes
Do you provide any in-kind resources for other organizations?	Yes
Do you have programs for employee volunteering in communities?	Yes
Do you support activities just financially?	No

Do you participate at e.g. sports activities for children?	Yes
Do you organize stakeholders' dialogue with diverse groups of stake-	No
holders regularly?	
Do you support development of university students?	Yes
Do you do research among employees to get to know what the volun-	No
teering activities are, they are interested in?	
Have you organized any campaigns against some global issue?	No

I would like to describe the partnerships which DHL Express CZ has with different organizations within this area as well. Also I would like to mention events like "Plant the Tree" and similar ones where company's employees participated. As these events are mostly during the weekends, which means during their free time, there is a great opportunity that employees can attend these events with their families.

#### 8.2.4.1 Chance 4 Children

This organization is helping children in their development. For DHL Express CZ it is a good challenge to connect their core work with helping to children. Anyway they have built partnership with this foundation and support them with different initiatives. This support is for them very important and it is also another way for employee volunteering. For instance they organized bowling match where they had a chance to talk to children, encourage them, give them good motivation and share their experience.

#### 8.2.4.2 The Czech Environmental Partnership Foundation (CEPF)

CEPF is the leading foundation in CR supports sustainable development through allocating grants and organizing different projects. DHL Express CZ in cooperation with CEPF supported creation of cycle route in two regions in CR. Another project was focused on safety routes to Na Strani Elementary School in Decin where its pupils can go to school more safety now.

#### 8.2.4.3 Culture

Company supports Karlove Vary International Film Festival as official shipping partner. Also they are the official shipping partner of International Film Festival for children and youth in Zlin.

## 8.2.4.4 University relations

Some employees had presentations at three universities in CR presenting case studies from their business, sharing the environmental initiatives or marketing knowledge. Also company participates at Managers Shadowing initiative run by BLF.

#### 8.2.4.5 Business Leaders Forum Partnership

They cooperate with BLF to ensure the growth of CSR sustainability and to build a strong partnership together. BLF is a member of two international organizations - the Prince of Wales International BLF and CSR Europe and big supporter of CSR in CR. DHL Express CZ and BLF cooperate together on:

- Round tables and seminars, sharing case studies and good case practices
- CSR guide contribution DHL Express CZ actively contribute to the creation of very practical guide for implementation of CSR in companies

They cooperate with other organizations as well, have long term partnerships, and develop different programs in diverse areas. They actively participate at conferences and seminars, to share their knowledge and practice within this area.

#### 8.2.5 Shared Responsibility

Who is responsible for all these things happening? All of the CSR program's activities are divided into different managers to handle them. This is very good attitude from a company perspective as most of the companies have CSR program under Marketing or Communication department so after all it is mostly focused on company's brand building. Here different departments are responsible for particular things such as for instance:

- <u>Environment</u> creation of CSR Program concept and its implementation, environment system management, audits at offices in whole country
- Marketing researches, events, presents, etc.
- <u>Communication</u> external (events, reports, etc.) and internal (newsletters, emails, etc.)
- <u>HR</u> Idea Management initiative, volunteering, Managers shadowing, club for mothers and dads, professional and personal development, etc.

#### 8.2.6 SWOT analysis of CSR Program

This SWOT analysis is conclusion of my research at DHL about their CSR program.

- CSR integration into the business • Company culture • Code of Conduct • Employees development and support Transparency • Suppliers selection • GOGREEN service Long term partnerships with Chance4Childer, BLF, CEPF DHL Life newsletter • Materials about CSR initiatives Strengths • Partnerships with diverse institutions • University cooperation
- Low employees participation
- CSR not driven by leadership
- Low employee responsibility towards energy savings
- Communicating values externally too little
- Not enough ideas and its realization from Idea Management
- Not enough resources (human, financial,
- Low involvement into university students devlopment

# Weaknesses



- Involving stakeholders
- Positioning of GOGREEN
- Cause-related campaigns
- Programs supporting learning of different world issues
- Usage of diverse CNG cars
- Grants and initiatives of other institutions (EU funds)
- Alliances/cooperation with other companies

- Low awareness about CSR
- CSR perceived as marketing strategy
- Doing just philanthropy
- CSR activities of competition
- No resources for CSR program
- CSR as just a trend
- Risks connected with loosing reputation
- NGOs are interested just in financial resources



# **Threats**



Figure 11. DHL's CSR Program SWOT Analysis [36]

# 8.3 Conclusions

DHL Express CZ has done already a lot of great things around CSR and there is big evolution from the beginning of the program. The key issue now is to select key areas and projects they will focus on it the future. These projects should be highly interesting for their employees to increase their interest and engagement. Also there are other companies doing already great things in CR or globally and we can learn from their best case practices. In the following chapter all this knowledge will be transformed and use for suggesting of projects.

#### 9 CSR PROJECT IN DHL EXPRESS CZ

This chapter is divided into two parts. In the first part I analyze results from the research I did among two target groups – university students and customers. Second part will be focused on concrete recommendation for implementing variety of initiatives within CSR area in DHL Express CZ.

#### 9.1 Research results

First part of the research results is focused on university students and second on customers.

#### 9.1.1 University students

One of the reasons I decided to do research among university students it is because they are on one side customers and on second side potential future employees and leaders.

#### I set four main goals for this survey:

- 1. To find out what is the most important thing for students within CSR.
- 2. To find out what is relevant for students while choosing their future employer.
- 3. To figure out what are the most interesting activities within CSR for students.
- 4. To find out if they know any logistical company and their CSR.

There are three ways I collected questionnaires (1) at 2 classes at Faculty of Management and Economics at TBU, (2) at students conference where were students from different universities in CR, (3) online

## **Survey in numbers:**

Number of approached students (printed questionnaires): 150

Number of returned questionnaires: 115

1

Number of correct questionnaires (together with online ones): 106

There were 12 questions for students plus the basic ones as city, university, age, etc. I got the inspiration for this questionnaire from ASPEN Institute which made similar research among MBA students in USA and China and while I was in Beijing I went for the publication of this survey where interesting findings were mentioned. The questionnaire is attached in Czech and English version in attachment number 5 and 6.

#### **Hypothesis:**

- More than 50% of university students have experience with CSR

- Majority of students think that the main benefit for doing CSR is "companies' better public image"
- The most important factor for job selection among student is "opportunity for growth and development"

# **Research findings:**

- The research was done among students from different universities and grades. The highest number of respondents was from second and fifth year of study. From 2<sup>nd</sup> grade there are 42% respondents and from 5<sup>th</sup> grade there are 21%.
- 67% students wrote that have already experience with CSR, which can be either theoretical or practical. If we break it down more in details, around 43% of 2<sup>nd</sup> and 3<sup>rd</sup> grade students and 100% of 5<sup>th</sup> grade students have experience with CSR.
- 63% of students are interested whether organizations are socially responsible. 41% from 1<sup>st</sup> and 2<sup>nd</sup> grade respondents are not interested whether companies have CSR.
- Most of the respondents (89%) don't usually do research about CSR before their purchasing which can be influenced by the fact that CSR is not taken as something we use to do on daily basis but something which organizations do additionally.
- Students chose three main areas that organizations should be focus on and those are (1) providing quality products and services (2) responsibility to environment and (3) commitment to employees. Beyond that is also contributing to the development of the future leaders which means students who were also filling the questionnaire.

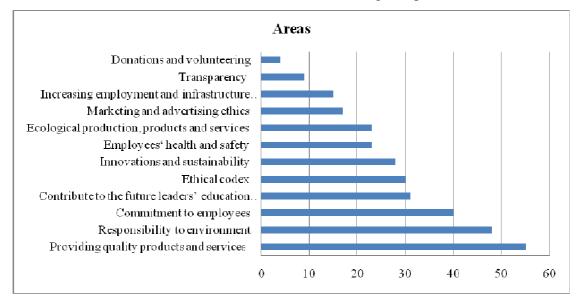


Figure 12. The main areas for CSR [36]

- Most of the students know majority of Logistic companies and the best known are DHL, PPL, FedEx and UPS. TNT and DPD are not so known among students. Problems with recognizing these companies had mostly students in lower grades.
- 67% of students don't know that these companies have any CSR activities but there are still some who knew which companies or mention some activities. Most of the students mentioned DHL and gave some examples. This can be influence by the fact that not so many of these companies publish or do lot of things about CSR within CR.
- Most of the students chose two main responsibilities of companies, which are (1) satisfy Customers' needs and (2) produce useful and high-quality products/services. These two factors are followed by the maximize values for stakeholders. The problem here can be also that I am not sure how much students from lower grades know about "stakeholders" term or concept.
- As most relevant factors for job selection students stated mostly (1) opportunities for growth and development and (2) salary. Just for few are also important ethical standards or contribution to society but it is really small amount of students.
- For students it is the most important to have good and fair employee relations at workplace. Later on there are factors like safe and high quality products and services and transparent business practices.
- The most common answer about companies' benefits from CSR was a better public image from almost all students. They think that companies can have more satisfied and productive workforce (56%) or greater customer loyalty (53%). On the other side just few of them think that they benefit from having stronger and healthier community.

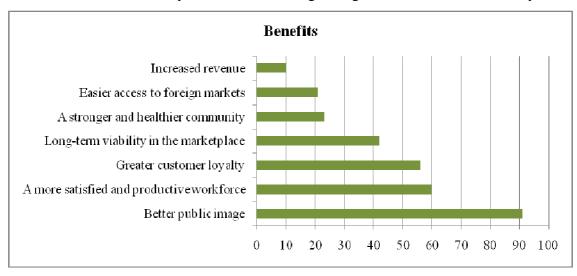


Figure 13. Benefits from CSR [36]

- University students in CR think that the biggest problems in the world today are (1) Environmental pollution and climate change, (2) Transparency, corruption, governance and ethics, and on the third place are two issues with the same amount of answers (3) Illiteracy and education and Energy resources and their usage. I think that they didn't choose diseases because Czech Republic is not so much influenced by them as in other developing countries and also there is not such a big problem with human rights than in other countries. Interesting is the fact, that we are in the period of financial crisis globally and CR is also influenced by that and just 27 students think it is a problem.

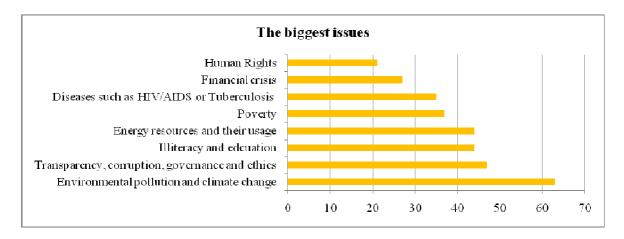


Figure 14. The biggest world's problems [36]

# I set three main hypotheses for the research and here are conclusions:

- More than 50% of university students have experience with CSR. This hypothesis it truth as there are 67% of students who have this experience.
- Majority of students think that the main benefit for doing CSR is "companies' better public image". This is true as there are 86% of students who think so.
- The most important factor for job selection among student is "opportunity for growth and development". This is also true as it is very important factor for 81% of students and the highest one.

#### 9.1.2 Customers

The reason I decided to do research among customers is because they are one of the stakeholders groups and can strongly drive growth in CSR. As is written in the theoretical part, customers are now more demanding, have more information and have a more powerful voice.

## I set three main goals for this survey:

- 1. To find out customers attitude towards CSR.
- 2. To find out if customers would change the company if they don't do a CSR and others do.
- 3. To find out how CSR support competitiveness among companies.

There was one way how I collected questionnaires and that was online survey. I created database of casual companies and people in whole CR from web pages, different public databases or own contacts, and approached them with survey. The example of the email you can find in the attachment number 7.

# Survey in numbers:

Number of approached customers (through email): 1100

Number of filled questionnaires: 105

There were 13 questions for customers plus the basic ones as city, business field, and also how many shipments do they do per month (this question was mainly for those who use some of the Transportation and Logistical companies in CR). The questionnaire is attached in Czech and English version in attachment number 8 and 9.

# **Hypothesis:**

- More than 50% of customers are influenced by company's brand quality/reputation
- More than 60% of customers are interested whether companies are socially responsible
- More than 60% customers would increase demand on company's product/services if they find out that company would increase their CSR impact.

#### **Research findings:**

- Most of the respondents were from Prague, a few from Ostrava, Brno and Zlin and rest from other cities in CR.
- Some of the approached respondents use logistical companies and in the document with survey elaboration (available from author) we can see approximately how many shipments they do per month. The biggest amounts answered were 10, 20 and 5. At this question I could ask which company they use for these services but it would be too complicated and it was not purpose of the research.
- Customers' opinion is mainly (57%) influenced by the brand of the company its reputation and quality. 10% of respondents also answered Corporate Responsibility and for the rest (33%) those are business fundamentals. Here we can see how much it is important for companies to build good brand.

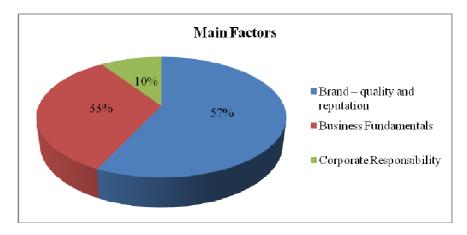


Figure 15. Main factors influencing customers' opinion [36]

- 62% of customers are interested whether companies are socially responsible however there is still big percentage of customers (38%) who are not interested in this issue.
- According to customers there are three main areas companies should focus their CSR program on. (1) Providing quality products and services which was answered by 89 respondents, followed by (2) Responsibility to environment and (3) Ethical codex. Just 13 respondents answer that companies should support development of students within their CSR programs.

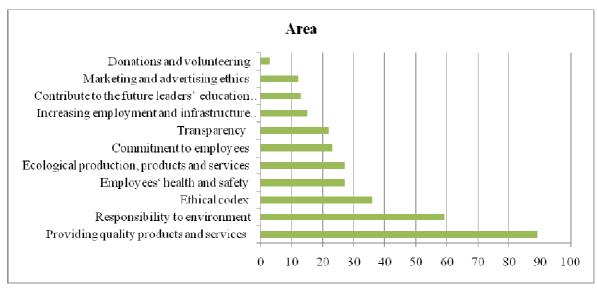


Figure 16. The main areas for CSR [36]

- There is a big amount of customers (79%) who don't do research before they purchase from particular company. I guess 22% of customers who do this research are still high number as this is growing trend in CR and most of the customers can slightly change point of view and be more interested and start with the research.

- Almost all respondents know all companies I mentioned in survey only DPD is not well-known among them (DHL, FedEx, PPL, TNT, UPS).
- Just 30% of respondents know about some CSR activities from companies mentioned above and mostly were mentioned DHL and TNT and their activities.
- No surprise that the first answer for the question what are the primary responsibilities of companies was (a) Satisfy Customer's needs and another strong response was (b) Produce useful and high-quality products/services. This question was not focus just on those particular transportation and logistical companies but generally to whole business.
- Half of the respondents would increase demand while they would find out that companies increased their CSR impact and half not. This can be influence by diversity of respondents, their economical situations, life style, gender, age, etc.
- Some of the respondents in the case study about company A without CSR practice and company B with CSR practice were indecisive. 5% answered that they would not change the company A to B and 57% which is also high number of respondents answered that they would purchase from the company with CSR practices.

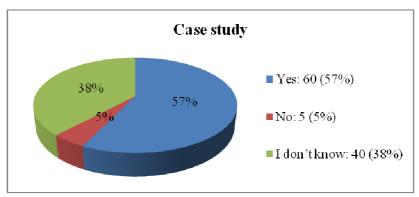


Figure 17. Customers' preferences about companies with and without CSR practice [36]

- 78% respondents would avoid cooperating with company which is perceived as not socially responsible. On the other side 22% customers would still cooperate with irresponsible companies. This is also influenced by the previous questions if customers are interested where companies are socially responsible.

This situation is again half and half with different opinions. More customers would not persuade other about buying products from responsible companies however there are still 46% of customers who would do so.

#### I set three main hypotheses for the sera and here are conclusions:

- More than 50% of customers are influenced by company's brand quality and reputation. This is truth as there are 57% of customers influenced by this.
- More than 60% of customers are interested whether companies are socially responsible. Also true hypothesis as there are 62% customers interested in it.
- More than 60% customers would increase demand on company's product/services if they find out that company would increase their CSR impact. This is false as there are just 49% of customers who would do so.

#### 9.1.3 Conclusions

- Based on the research there is similar interest about CSR on both sides of respondents students and customers. The CSR issue is relevant for these stakeholders groups.
- There is a low interest about doing research about concrete CSR initiatives before purchasing products or services which can be increased in the future.
- Low knowledge about CSR is mainly among 1st and 2nd grade year students which can be increased by different subjects and other practices at universities supported by corporate sector as well.
- Awareness about Transportation and logistical companies is quite high among both groups although the lowest is for DPD Company and from students' perspective for TNT Company.
- The CSR programs as not so known among these groups and most of them recognized DHL's CSR initiatives or TNT's.
- The main factor which influences opinion among customers is brand of companies so is important to make it sustainable with no risks to damage their reputation and quality.
- Environment, transparency, corruption, ethics, etc. are the biggest issues considered by students so there is high probability that they would like to be involved in some projects around these issues. Just few of them chose financial crisis as current world's problem.
- Half of the customers participated at survey would change company which has CSR activities; they would increase demand for their products and also persuade people around them to purchase just from responsible companies.
- For students as future employees are mainly important good and fair relationships, opportunities for growth and development and salary.

# 9.2 My recommendations

Analysis about CSR situation globally and in the Czech Republic, about DHL and its CSR program and about awareness among customers and students was done. In this chapter I will recommend concrete projects, based on all those facts I gained through analysis, which DHL Express CZ can implement. I would recommend to DHL Express CZ to keep initiatives which they have within CSR program currently and increase their impact.

First of all there is a need to set up a clear mission and goals about what they want to achieve through CSR program and what it the growth in the long-term. At the following Figure we can see the structure.

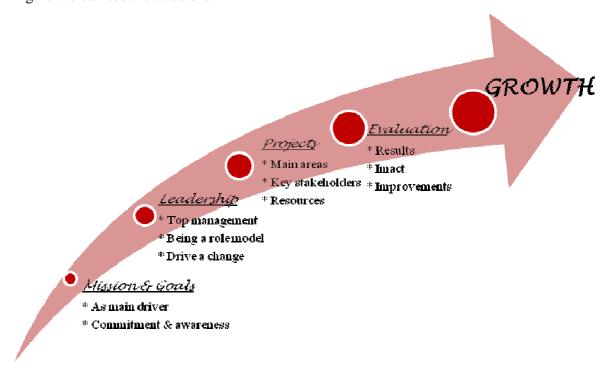


Figure 18. The Way to Growth [36]

There are four main areas I will focus on – Business, People, Community and Environment. Each program consists of projects which include description, target stakeholders, timeline, benefits, etc. DHL Express CZ should keep their current programs and projects and add them to these ones according to their preferences. In the following chapter are my own suggestions for CSR projects. If DHL Express CZ is interested in some projects in more detailed description I can follow-up with them separately after this diploma thesis. The areas of the project are showed at Figure below. Stakeholders mentioned below are key or targeted stakeholders which those projects would be focused on.



Figure 19. DHL's CSR Project areas [36]

#### 9.2.1 Business area

This area is divided into the initiatives below.



Figure 20. Business Area divided into projects [36]

The description of concrete projects is below.

# 9.2.1.1 Stakeholders dialogue

Engaging with key stakeholders to discuss relevant issues, problems and solutions. This dialogue can be organized either by the company or by some stakeholders group. The main purpose would be to come up with concrete actions and support development of concrete products, services, etc. Currently I would suggest organized dialogues around 2 topics:

- Usage of CNGs vehicles
- Promotion of green's products (GOGREEN)

110111	with of Green's products (Goordan)
Stakeholder	1) Usage of CNGs vehicles: government, partners, NGOs, employees,
	competitors, manufacturers
	2) Promotion of green's products (GOGREEN): media, community,
	NGOs, universities, customers, suppliers
Time frame	Twice per year.
Action steps	1) Set objectives and expected outcomes
	2) Select people to the organizing team and allocate responsibilities
	3) Decide who are concrete key people you want to invite
	4) Expected costs (transportation, venue, technique, refreshment, invita-
	tions, promotion, etc.) and revenues (fee for attendance, donations)
	5) Set time, book place and create agenda
	6) Create and send initiations
	7) Confirm final list of participants
	8) Provide input materials (e.g. through email in advance or printed)
	9) Book refreshment
	10) Ensure all logistics stuff are solved
	11) After the event create report and thank to all participants
	12) Next steps -> follow-up
Benefits	✓ Commitment of all parties
	✓ Bigger impact
	✓ Increased awareness about green product among more customers ->
	increased purchasing of GOGREEN
	✓ Easier implementation
	✓ Support faster developing infrastructure (for CNG)
-	

	✓ Get direct opinion from key stakeholders
	✓ Gain different maybe more creative point of view how to implement
	things
Resources	3000Kc per each dialogue, 3 people, materials
	-> transportation for some stakeholders reimbursed, refreshment, invita-
	tions printed if necessary (once the venue will be at company, with all
	techniques, stakeholders will be from Prague – so money can be saved)
	There is a chance for this event that some stakeholders can use this chance
	as event where they can donate money for concrete NGO.

# 9.2.1.2 Together we can grow faster

DHL Express CZ has lot of customers or business partners who do particular projects either in economical, environmental or community sphere. There can be an even bigger impact once some of these organizations start to cooperate together, their relationship can be stronger and it can build stronger loyalty. For instance it can be project supporting companies influenced by financial crisis or for increasing their competitiveness, etc.

Stakeholder	Business partners, customers, employees, investors, other organizations
	(NGOs, governmental, etc.)
Time frame	Depends on particular projects
Action steps	1) Conduct the research what are the projects of particular organiza-
	tions
	2) Decide which project would bring us the most benefits
	3) Approach these organizations
	4) Organize meeting to discuss concrete proposals and action steps
	5) Ensure employees commitment towards projects
	6) Implement projects
Benefits	✓ Increase loyalty from customers and partners
	✓ Have bigger impact through bigger projects
	✓ Possibility to approach new potential customers
	✓ Build strong and long-term partnership
Resources	Research (0Kc, 1 person), select and approach organizations (0Kc, 2
	people), meeting (0Kc, 3 people). Rest is up to particular projects.

## 9.2.1.3 G2KEOM (Get to know each other more)

DHL Express CZ has 4 segments of customers. For each segment they can organize different activities where they have chance to get to know them more and those customers will have chance to get to know DHL's stuff better. Another reason for this is to engage employees in different way and they can spend time with their families, relax and have fun and still do business. Activities like:

- Networking events around some issue, business, etc.
- Sports e.g. football match
- Environmental events planting trees, cleaning parks or rivers, etc.
- Community events visiting NGOs, children homes, hospitals, etc.
- Participation at events or organizing like Earth's day, Children's day, Mother's day, Day against cancer, etc.

Stakeholder	Customers, Employees, Community, Media, Public
Time frame	1 month preparation -> 1 day event -> each month
Action steps	1) Create timeline of events in advance, for instance:
	<ul> <li>January: Sports day (being fit after Christmas holidays)</li> </ul>
	■ February: Worlds day against cancer (visiting hospitals)
	<ul><li>March: "Be Clean" (cleaning the parks or rivers after the snow)</li></ul>
	<ul> <li>April: Earth's Day (whole day competitions and activities)</li> </ul>
	■ May: Mother's Day
	■ June: Children's day (visiting orphans, prepare games for them and
	employees' and customers' children) or World Environment Day
	2) Communicate these planned events at the beginning of the year
	3) Allocate responsibilities to different employees – 3 people for each
	event
	4) Prepare all logistical stuff for events
	5) Make agreements with different institutions you will visit (hospitals,
	children's home, etc.)
	6) Confirm participants
	7) Organize and enjoy the events
Benefits	✓ Greater customers loyalty
	✓ Employees Engagement

	✓ More satisfied and productive workforce
	✓ Strengthen relationship with community
Resources	Per event approximately 5000Kc and 3 people as organizers (people can
	bring most of the stuff for event from home so it doesn't have to be cost-
	demanded).

# 9.2.1.4 ISO 26000 Implementation

The ISO 26000 should be published in the year 2010. By then company should be ready with all important elements within corporate responsibility. For instance in the areas:

- Employees knowledge about CSR
- Demonstrate behavior or principles of transparency, accountability, legality, norms, human rights, or towards environment
- Addressing stakeholders interests
- Ensure implementation of key steps within different areas of CSR

Stakeholder	Employees, partners
Time frame	Year 2009 continually implement innovations in CSR area
	Year 2010 start implementing ISO 26000
Action steps	1) Gain knowledge about ISO 26000 and areas/activities suggested there
	2) Continually educate employees more about sustainable practices
	3) Develop system for monitoring corruption, educate employees about it
	4) Focus on concrete areas within CSR and implement suggested steps
Benefits	✓ Build even stronger company reputation
	✓ Have structure process of CSR implementation
	✓ Cover most of the CSR areas to ensure sustainability
	✓ Have good relationship with stakeholders
Resources	1 person, materials for education
	The rest will be up to the concrete projects/initiatives which company will
	decide to implement.

# 9.2.1.5 Transparency in quality of services

The quality of services or products and its improvements should be well-known for all customers. In the research I did among customers it was one of the most critical factors they mentioned there. Another initiative drive by DHL Express CZ can be transparency in quality of services. Create a behavior where transparency principles, ethical codex or accountability will be practice in common and natural way.

Stakeholder	Customers, Media, Public, Suppliers
Time frame	Quarterly publication in Newsletter for customers
Action steps	1) Start to measure and evaluate following areas publicly:
	<ul><li>Number of complains</li></ul>
	<ul> <li>The complains itself and its solutions (those relevant to published)</li> </ul>
	<ul> <li>Business representatives services</li> </ul>
	<ul> <li>Web pages and online offers</li> </ul>
	<ul><li>Prices</li></ul>
	<ul><li>Delivery and servicing, etc.</li></ul>
	■ Elements in Supply Chain Management
	2) Quarterly create an A4 report with evaluation
	3) Compare improvements with the previous quarter
	4) Publish it at Newsletter
Benefits	✓ Showing constantly growing care about customers
	✓ Demonstrating transparency and accountability
	✓ Better customers relations
	✓ Transparent suppliers relations
	✓ Long-term viability in the marketplace
	✓ Prevention against crisis
Resources	1 person, 0Kc while the Newsletter will be online and distribute to the
	customers through emails.

# 9.2.1.6 Being efficient and responsible

There are lots of different ways where organization can save some costs and be efficient. To use resources more efficiently to generate less waste, pollution and at the same time decrease costs. As well generating different opportunities for people and community.

Stakeholder	Employees, customers, partners, academics.
Time frame	Every day behavior, concrete actions can be decided specifically
Action steps	1) Specify all possible solutions where organization can save costs such
	as
	<ul> <li>Energy savings (lights, electronic equipments, etc.)</li> </ul>
	<ul><li>Processes (delivery, servicing, etc.)</li></ul>
	<ul> <li>Funds and grants (specifically for concrete projects)</li> </ul>
	<ul> <li>Internships (Czech or international talents-&gt;lower costs-&gt;part-time</li> </ul>
	or full-time, where can help employees with their work and the
	main purpose would be to gain experience and develop them-
	selves)
	2) Come up with concrete tools for communication/education of em-
	ployees, customers, partners (leaflets, pens, emails, text messages, cam-
	paigns, competitions, etc.)
	3) Develop tools such as automatic switch off all computers in the even-
	ing
	4) Encouraging partners and customers to do so
Benefits	✓ Reduce operating costs which can be used for other purposes
	✓ Be perceived as responsible company
	✓ Help to have sustainable community (where are your customers, live
	your employees etc.)
	✓ Support employment in CR and development of students (as your
	potential employees)
Resources	Materials for communication (leaflets, pens, newsletters, etc.) -> 4000Kc
	Compensations for interns (e.g. 5000Kc/month per intern for part time)
	2 people (fund/grants research, communication of strategy)

## 9.2.2 People area

This area consists of 4 parts showed at Figure below and desribed in more details later.



Figure 21. People Area divided into projects [36]

## 9.2.2.1 Employee interest (research) and "Our Passion for Community"

The need to know employees interest is very important. Based on that research companies can find out what are the key interests of their employees, what are the projects they would like to work on, what would they improve/change in the company or how to make their life more balanced.

If a company wants to enhance employees' involvement and participation at different CSR projects, they need to know what the main drivers that employees are driven by.

Based on the previous employees' survey results company will design concrete projects which will be under employees' responsibility. This will be under the umbrella of employees program "Our Passion for Community" as the words such as volunteering are not sometimes too much motivating. This will be something which is driven by employees according to their interest. Employees will have opportunity to develop their interests, spend time on their hobbies and develop the community where they live.

Stakeholder	Employees and other stakeholders based on the selected projects.
Time frame	1 month and the rest is up to selected projects
Action steps	2 weeks:
	1) Set the objectives of questionnaires
	2) Communicate to employees upcoming research

	3) Create the questionnaire and decide the form how it will be distributed
	4) Gain feedback from some employees to questionnaire
	<u>1 week:</u>
	5) Publish questionnaire and collect answers – suggested method would
	be online through intranet or some specific web page for surveys
	1 week:
	6) Evaluate questionnaires
	7) Publish results and outcomes with concrete action steps and selected
	projects company will focus on and ask for feedback
	8) Collect feedback and allocate responsibilities for projects among em-
	ployees
Benefits	✓ Get to know employees interest
	✓ Increase involvement of employees into the CSR projects
	✓ Increase commitment of employees
	✓ Have satisfied and productive workforce
	✓ Have projects which will be relevant and employees will be work on
	them with passion
Resources	2 people, 0Kc

## 9.2.2.2 "We enjoy"

"We Enjoy" are monthly campaigns driven by either leadership of company, or top managers from different departments or employees. Each person can come up with idea and involve it into "We Enjoy" campaign.

Each month there will be different topic which whole company will be focused on. This can be different or more funny approach how to enhance employees involvement into different topics each month, for instance:

- <u>January</u>: "We Enjoy our healthy life" where people can share and improve their eating habits, go together once a week to gym, it can be during the month where company would have "Sports Day" mentioned before.
- <u>February</u>: "We Enjoy switching off our computers" and whole month this message will be driven through whole company so people will get use to switching PCs.

Or others like "We Enjoy our friendly relations at workplace" and there would be some

activities initiate by employees to each other, "We Enjoy our growth and development" and it will be month full of trainings and other interesting things for employees professional development, "We Enjoy working with recycled paper", "We Enjoy being parents" and it can be during e.g. June where there is Children's Day.

The main purpose is to get used to people doing something for one month and then there shouldn't be a problem that they will do it as normal thing later on. Together with that is important that there is "enjoy" as word driven something which employees really like.

Stakeholder	Employees
Time frame	Whole year, each month different topic
Action steps	1) Introduce employees this initiative
	2) Design together 6 topics until the end of year
	3) Choose tools how it will be communicated – e.g. have it written in the
	email's signature, or as background at PCs' screens, small papers distri-
	buted to each employees' table with main message, or at the front door to
	the office, etc> important to be as much visible as possible every day
	everywhere but keep it simple.
	4) Design activities for each month
	5) Responsibility can be centralized to one person who will drive the
	main message and allocate other responsibilities for concrete activities.
Benefits	✓ Easy way how to engage employees into every day actions
	✓ Have bigger impact through driving it massively
	✓ Build up habit of doing those things as normal thing later on
Resources	1 person to drive the message each month
	1 person responsible for organizing activities/month
	Involvement of more employees to the projects
	Cost will depend on each month activities plus 400Kc for printing

# 9.2.2.3 Departments Challenge and Community Day

Different departments can compete against each other in terms of involvment in different projects and organizing different activities. Also her can be implemented idea of spend one day working in community, but it can face challenges that it would be another free day for employees but it would be very efficient.

Stakeholder	Employees, NGOs
Time frame	One month per quarter
Action steps	1) Implement 1 day or half a day of community work into the structure
	and principles of the company
	2) Design the rules of the competition and how it will be measured e.g.
	<ul> <li>1 point for each employee participated at some event</li> </ul>
	<ul> <li>2 points for department for organizing event</li> </ul>
	<ul> <li>3 points for creating idea and its implementation</li> </ul>
	3) Regular updates and tracking of the situation
	4) Evaluation and rewarding the best department of that month
Benefits	✓ Increase participation at activities
	✓ Support pro-activity and creativity
	✓ Increase commitment to particular departments team spirit
	✓ Bigger motivation of employees
Resources	1 person to design, launch and track completion
	5000Kc for reward/quarter

# 9.2.2.4 Our own DHL's Library

This own created library can increase employees' knowledge or perspective. Each employee can bring their favorite books which they own at home and share with colleagues. It is another tool how to increase employees development and enhance relations among them once they will share books, talk about them, etc.

Stakeholder	Employees
Time frame	1 month for implementing, Library throughout the whole year
Action steps	1) Introduce the idea
	2) Find place where library can be allocated – somewhere where em-
	ployees often go or spend time e.g. near kitchen, corridors, etc.
	3) Come up with simple registration system – just write down on the pa-
	per once you take any book your name
	4) Start to bring books and make a list with names to ensure that books
	won't be messed up
	5) Put there a small sofa as it can be used as place where employees can

	rest during lunch break for while, get new energy or come up with great
	ideas to make workplace more friendly
Benefits	✓ Increasing employees development
	✓ Make workplace more friendly
	✓ Have satisfied and productive employees
	✓ Build brand through employees among potential ones.
Resources	2000Kc for sofa ⊕ plus some shelves

#### 9.2.3 Community Area

This area consists of following parts summarized at Figure below.



Figure 22. Community Area divided into projects [36]

#### 9.2.3.1 NGOs Capacity Building

There are lots of NGOs that are struggling with their capacity, knowledge and professionalism. This can be another opportunity how to support community, cooperate with NGOs, increase employees volunteering and develop their skills. The area of support for capacity building can be e.g.:

- Know-how -> increasing knowledge and educate people in specific areas in which people are professionals, for instance an accountant from DHL will come to the NGO and teach its accountant different practices, communication department will help NGO to create their communication plan and develop different tools, etc.
- Case studies sharing concrete best case practices within departments
- Develop Mentoring strategy among employees and NGO's representatives

Others - materials, venues space for meetings or conferences, technical equipments,
 etc.

Stakeholder	NGOs
Time frame	Through the whole year - flexible
	Mentor meetings once per month
	Attending NGOs meetings or conferences once per quarter
Action steps	1) Select 1 NGO where company build long-term partnership or cooperate
	on this with current ones
	2) Create a timeline based on the NGOs needs and year flow
	3) Allocate people who would be interested in this project to the team
	4) Start cooperate with NGO and develop this project
Benefits	✓ Stronger and healthier community
	✓ Increasing NGOs' competitiveness
	✓ Develop potential new market
	✓ Develop employees through being involved in project and train oth-
	ers
Resources	Employees know-how, materials, rooms for meetings, technical equip-
	ments
	0Kc (or transportation costs to NGOs meetings)

## 9.2.3.2 Safe Roads

Build partnership with organizations support roads safety, or with tires companies (those company use tires from), or with media (radios, TVs, etc.). One of the focus areas within CSR program of company can be supporting safety at roads as they have many cars there as well. It should be mainly e.g. campaign supports, delivering key messages to public, being a role model, communicate it to their customers, etc.

Stakeholder	Public, media, NGOs, customers, partners, employees, community, gov-
	ernment.
Time frame	Seasonal.
	For instance summer: most of the people leave for holiday at the begin-
	ning of July then to launch the campaign from the middle of June until the
	end of July.

Action steps	1) Establish strategic partnerships with diverse organizations
Action steps	
	2) Design the campaign -> message, channels, tools, outcome, etc.
	3) Approach partners and customers to support the campaign and commu-
	nicate it among within their community
	4) Build partnership with different media to support promotion
	5) Launch the campaign - organize event to gather as much people as
	possible together, or organize "Day without cars" or something like that.
	6) Add gradually different stuff during the month e.g. there can be a com-
	petition among students to design something connected with this topic,
	distribute small leaflets at parking lots, something like vernissage where
	children can published their creations connected with auction, etc.
	7) Evaluate the impact of the campaign and give recommendations for
	improvements.
Benefits	✓ Increase awareness about road safety
	✓ A better public image
	✓ Employees involvement and development
	✓ Long-term partnerships
	✓ Empower relations with different stakeholder groups
Resources	Costs for whole promotion of campaign, different leaflets, activities sup-
	port, transportation, etc.
	Approximately 100 000Kc per campaign.
	Revenues can be gained from auction or invest to another projects.

# 9.2.3.3 Delivery Partnerships

Support organizations such a universities or NGOs which are using company's services through lower prices (e.g. 30% discount from original price) of products and services. This can decrease their costs and it is another way how to support these organizations. There has to be selection of NGOs or universities based on the shipments per month as the university's international departments or NGOs use international shipments quite often to send invitation letters or other documents. If there is an organization or university which make more than 10 shipments per month it can be put to this particular group.

Stakeholder	Customers - universities and NGOs

Time frame	Throughout the whole year
Action steps	1) Agree on conditions and rules
	2) Select these customers to one group
	3) Launch and communicate this project
	4) Evaluate if it is beneficially for company in the long-term
Benefits	✓ Increase orders from these customers group
	✓ Build better relations with customers
	✓ Support financial capacity of these organizations
Resources	1 person responsible for this particular customers group
	The 30% discount incorporated into accounting and financial plans

## 9.2.3.4 Being a Future Leader

This project should support development of university students as future leaders and potential employees. The project can have different methods such as:

- Presentations or workshops about global issues e.g. "Having impact on climate change through CO<sub>2</sub> emissions", "Influence of financial crisis at multinational companies", "Doing responsible business", etc.
- Presentations or workshops about professional knowledge e.g. for students from Marketing faculty would come somebody from Marketing Department about "New innovative ways of doing marketing" or "Marketing of Multinational Company"
- We as Leaders one day spend discussing leadership topics such as having a vision, values, setting a goals, leading a team, handling different personalities, leaders as role models, etc. where more organizations could be involved in organizing such event.
- Entrepreneurship project support students e.g. from TBU in different projects connected with Entrepreneurship, make it as competition and support them either on material, knowledge or financial base. This can be either just up to students' creativity or it can be focused from company to solve some of their problems or design solutions.

Stakeholder	Governmental organizations - Universities
Time frame	Each semester concept of activities at particular universities
Action steps	1) Build partnership with selected universities
	2) Agree on concrete topics for workshops or presentations
	3) Cooperate with team of students to organize Entrepreneurship project -

	idea, rules, timeline, promotion, logistics, etc.
	4) Discuss interests about leadership among employees and approach
	NGO which could organize such an event
Benefits	✓ Developing potential employees
	✓ Contributing to students development
	✓ Building a brand among university students
	✓ Increase knowledge about particular topics and share best cases
	✓ Access to high-potential students
	✓ New ideas for company from creative students
Resources	Transportation costs (depends on which city is university in)
	Organizing costs for "We as Leaders" and "Entrepreneurship project" for
	promotion, materials, rewards, venue, others.
	Approximately 30 000Kc per event.

#### 9.2.4 Environment Area

This area consists of following parts summarized at Figure below.

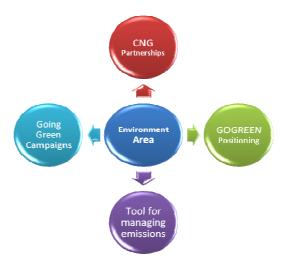


Figure 23. Environment Area divided into projects [36]

# 9.2.4.1 CNG Partnerships

Partnerships among different organizations should increase the usage of CNG cars. The organizations which company can build partnership with can be for instance from automobile industry (manufacturers of cars), environmental NGOs, other transportation and logistical companies, suppliers, tires manufacturers, etc. and also it needs to be supported by the government. The aim should be solving and supporting areas such as:

- Better infrastructure
- Higher number of refueling stations
- Diversity of cars' portfolio (based on increased demand)
- More companies start using these vehicles
- Increasing awareness about this issue publicly

Stakeholder	Partners, Suppliers, Media, Government, Customers
Time frame	2 months to set up a project with agreements -> constantly usage of CNG
	cars
Action steps	1) Conduct research among organizations which would be interested in
	this topic
	2) Organize stakeholders dialogue mentioned above
	3) Set concrete timeline with milestones what would be projects' outcome
	4) Communicate through media to increase awareness about this initiative
	5) Involve more organizations to increase demand and decrease manufac-
	turing costs
	6) Evaluate and publish efficiency of cars and impact of this partnership
Benefits	✓ Responsible environmental practices
	✓ Decreasing CO <sub>2</sub> emissions
	✓ Bigger partnership can have stronger impact
	✓ Long-term viability at marketplace
	✓ Better public image/reputation
Resources	250 000Kc per car
	5000Kc for organizing stakeholders dialogue

# 9.2.4.2 GOGREEN Positioning

This project should support growth in purchasing GOGREEN products. The company can use different channels and tools how to make it more attractive and while communicating company can approach potential customers to increase sales. This can be done through, for example:

- 1) TV advertisement (which can also increase awareness about company)
- 2) Monthly emails with updates to current and potential customers showing the case studies and achieved impact

- 3) Leaflets distributed among companies
- 4) Chance to have introduction/promotion and different networking events (e.g. organized by Czech Invest or Chamber of Commerce, etc.)
- 5) Banners at different environmental NGOs or web pages
- 6) Pop-up at company's web page once people open it where the cases can be shown, its impact and concrete numbers e.g. "70 our customers have GOGREEN product BE ONE OF THEM!"

Important here is to make people believe and trust to this product by show casing the real impact and achieved results.

G. 1 1 11	
Stakeholder	Customers, Media
Time frame	2 months of preparation and 2 months execution
Action steps	1) Set up a team and allocate responsibilities (stakeholders' dialogue,
	media relations, advertisements, promotion materials, networking events)
	Define different channels company can use (according to budget and al-
	lowance to spend costs on this)
	2) Organize already mentioned stakeholders dialogue to set concrete ob-
	jectives, goals, milestones, tools and come up with creative ways of deli-
	very
	3) Designed advertisement, leaflets and other materials
	4) Attend different networking events and make presentations there
	5) Send regular updates about product and show case best practices
Benefits	✓ Decreasing CO <sub>2</sub> emissions
	✓ Increase purchasing of product
	✓ Stronger image and reputation at market
	✓ Increasing competitiveness
	✓ Stronger relations with customers
	✓ Responsible environmental practices
Resources	Banners and pop-ups 0Kc, Emails 0Kc
	Networking events – entrance fee approximately 500Kc/event
	Advertisement – high costs, depending on organization budget

# 9.2.4.3 Tool for managing emissions

To have transparent and better overview about decreasing emissions in all operations which company do, they can implement concrete tool for managing these emission in areas such as:

- Emissions in different operations such as transportations or products packaging
- Show and explain analysis to customers who are interested in it
- Company printing operations in terms of carbon emission
- Carbon impact of their supply chains which is one of the key area where company can focus on while decreasing their emissions

Through this they can manage for instance financial risks and new opportunities. There are some companies which focus on developing such tools so DHL Express CZ can establish partnership with them.

Stakeholder	Partners, Employees, institutions focused on reducing CO <sub>2</sub> , government
Time frame	4 months for development and implementation
Action steps	1) Find out which companies have tools for managing CO <sub>2</sub>
	2) Go through all operations and set concrete ways how to decrease CO <sub>2</sub>
	in different areas
	3) Set goals for reduction CO <sub>2</sub> for particular operations
	4) Establish partnership which can help to build tool for managing CO <sub>2</sub>
	emissions (outsourcing)
	5) Educate employees and implement tool
	6) Regular updates and evaluation of efficiency and decreasing CO <sub>2</sub>
Benefits	✓ Transparent management of CO <sub>2</sub> emissions
	✓ Responsible environmental practices
	✓ Increase value for stakeholders
	✓ Higher transparency
Resources	Team of 3 people
	Costs for tool/program implementation

## 9.2.4.4 Going Green campaigns

This campaign should support all stakeholders to be responsible towards environment and impact they have. Company could cooperate with some NGO which is focusing on this and make that campaign bigger, attractive and more relevant. It can consists of:

- Showcasing good case practices from businesses how all companies can contribute
- Show simple actions for everyday life as example
- What is the role of university students to behave environmentally responsible
- Increase awareness/knowledge about bad effects of different operations and practices
- Get more people involved into the campaign to have bigger impact
- Movie weeks at universities -> each evening one movie connected with environment

Stakeholder	All groups
Time frame	2 months of preparation -> 2 weeks campaign
Action steps	1) Investigate similar campaigns happening before and their ef-
	fects/impact
	2) Find suitable partner for campaign
	3) Involve university students to work on the campaign (volunteering)
	4) Collect creative ideas from employees for campaign
	5) Invite all stakeholders groups to participate in campaign
	6) Organize particular events such as movie week, presentations of case
	studies, ceremonies at city squares, etc.
	7) Keep tracking and evaluating of the event and regular publishing at
	web pages
Benefits	✓ Support awareness and education about environmental issues
	✓ Better public image and reputation
	✓ Risks management
	✓ Involvement of employees and university students
	✓ Engagement with customers, partners, investors more
	✓ Stronger relationships with media
Resources	20 000Kc for campaign (transportation, venues, materials, refreshments,
	media, advertisement, etc.)

Already mentioned before – energy efficiency, automatic switch off computers, partner-ships, or another can be increased usage of rail and river transportation.

#### **ENDING**

I believe that the CSR concept is very relevant for each country, community or simply society around us. I understand that the most important and key thing is an attitude. The attitude of individuals, groups, organizations or corporations and without positive and active attitude there is nothing we can do. Another key thing is that CSR should be driven by leadership of companies or government institutions, as role models to inspire their employees and people around. And lastly that this development and attitude should be educated from the very beginning, from children, as every single citizen should be responsible for its own actions, behavior and consequences.

The aim of this thesis is to outline projects within Corporate Social Responsibility (CSR), point out key stakeholders and its impact, which can be implemented in the organization DHL Express CZ.

In the theoretical part I described how companies could start with CSR, understanding what is important while they decide to implement this concept and what are the main initiatives they can execute. In the practical part I showed the situation within CSR currently and also show case concrete examples. These case studies can be used as inspiration or good case practice for corporations which are interested in similar activities.

In the last part I conducted survey between two groups (customers and students) which are key stakeholders for companies. In the research I focused on awareness about CSR, its relevance for both groups, what do they think are the primary responsibilities of companies or what are the areas companies should focus on within their CSR programs. Within customers group I also focused on their decision making before purchasing and how it is influenced by the fact that organization is responsible. Among university students I focused as well on their ideal conditions at workplace, main factors for choosing the job, or what are the global problems currently. It was mainly done for company to see what the main purposes in different areas are according to their potential employees and how they can contribute towards it.

In the last part I suggested concrete projects within Business, People, Community, and Environmental areas. These projects are described with following structure: Objective/description, target stakeholders, time frame, action steps, benefits and needed resources. These are mentioned projects:

<u>Business Area:</u> Stakeholders Dialogue, Together we can Grow faster, G2KEOM, Transparency in Quality, ISO 26000 Implementation, Being Efficient and Responsible

**People**: Employee research and "Our Passion for Community", "We Enjoy", Departments Challenge and Community Day, Our Own DHL's Library

<u>Community</u>: NGO's Capacity Building, Safe Roads, Delivery Partnerships, Being a Future Leader

**Environment**: CNG Partnerships, GOGREEN Positioning, Tool for managing emissions, Going Green Campaigns

DHL Express CZ can choose from these projects based on their current interest, resources or long-term goals. These are the recommendations I would suggest for them:

- Set a complex mission for CSR program
- Have clear long-term goals with short-term milestones
- Find out employees interests and areas/activities they would like to focus on, be involved and develop
- Identify possible resources to ensure feasibility of projects implementation
- Plan each project according to project management to ensure that areas like setting goals, strategies, measures, responsibilities, critical success factors and risks, budget and day-by-day timeline and deadlines are covered and clear
- Allocate responsibilities among employees
- Build more partnerships around particular topics or within already mentioned projects
- Keep developing current activities which are already working and enhance their impact
- Cooperate with organizations which can raise funds from e.g. European Union for particular projects
- Increase awareness about your CSR impact among stakeholders

During the thesis elaboration I used my practical experience from CSR area, gained new knowledge about CSR current reality, new information about right and proper implementation into the business as well as confirmed to myself some of the key things I believe in. I think this thesis has had a very big role in my personal growth.

"Don't tell me "It is not possible".

Rather tell me that you don't know how to do it yet."

Tomas Bata

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## INDEX TO ABBREVIATIONS AND SYMBOLS

BLF Business Leaders Forum

CEO Chief Executive Officer

CEPF Czech Environmental Partnership Foundation

CNG Compressed Natural Gas

CO<sub>2</sub> Carbon dioxide

CR Czech Republic

CSR Corporate Social Responsibility

GHG Greenhouse Gas

GR Global Responsibility

HR Human Resources

IBLF International Business Leaders Forum

ISO International Organization for Standardization

KPIs Key Performance Indicators

NGO Non-governmental Organization

Nr. Number

P.R.China Public Republic China

SMEs Small and Middle Enterprises

SWOT Strengths, Weaknesses, Opportunities, and Threats

SZF Spoločenská Zodpovednosť Firiem

TB Tuberculosis

UN United Nations

WEF World Economic Forum

# INDEX TO PICTURES

Figure 1. The three spheres of sustainability	11
Figure 2. Triple Bottom Line	13
Figure 3. Dimensions of CSR	14
Figure 4. GR integrates key elements of different models	17
Figure 5. The Business in Society	18
Figure 6. CSR integration into Core Strategy	21
Figure 7. Enterprise in Society	23
Figure 8. Corporate Reputation	30
Figure 9. Theoretical conclusions	33
Figure 10. Summary of respondents	38
Figure 11. DHL's CSR Program SWOT Analysis	61
Figure 12. The main areas for CSR	63
Figure 13. Benefits from CSR	64
Figure 14. The biggest world's problems	65
Figure 15. Main factors influencing customers opinion	67
Figure 16. The main areas for CSR	67
Figure 17. Customers' preferences about companies with and without CSR practice	68
Figure 18. The Way to Growth	70
Figure 19. DHL's CSR Project areas	71
Figure 20. Business Area divided into projects	71
Figure 21. People Area divided into projects	78
Figure 22. Community Area divided into projects	82
Figure 23. Environment Area divided into projects	86

# INDEX TO TABLES

Table 1. CSR's stages of development	16
Table 2. The comparison of Business and Non-Business Stakeholders	38
Table 3. Sustainability at DHL Globally	48
Table 4. Market/Business Area analysis	51
Table 5. Corporate Values	52
Table 6. DHL's Ethical Codex	52
Table 7. Environmental Area analysis	54
Table 8. Employee Area analysis	56
Table 9. Local Community Area analysis	58

## INDEX TO ATTACHEMENTS

ATTACHEMENT 1: THREE DIMENSIONS OF CSR

ATTACHEMENT 2: BUSINESS CASE STUDY – UPS

ATTACHEMENT 3: BUSINESS CASE STUDY – DPD

ATTACHEMENT 4: BUSINESS CASE STUDY – TNT

ATTACHEMENT 5: BUSINESS CASE STUDY – DELL

ATTACHEMENT 6: BUSINESS CASE STUDY - VODAFONE CZ

ATTACHEMENT 7: BUSINESS CASE STUDY – MICROSOFT CZ

ATTACHEMENT 8: CSR AND TOMAS BATA

ATTACHEMENT 9: STUDENTS' QUESTIONNAIRE – CZECH

ATTACHEMENT 10: STUDENTS' QUESTIONNAIRE - ENGLISH

ATTACHEMENT 11: SURVEY'S EMAIL TO CUSTOMERS

ATTACHEMENT 12: CUSTOMERS' QUESTIONNAIRE - CZECH

ATTACHEMENT 13: CUSTOMERS' QUESTIONNAIRE – ENGLISH

# ATTACHEMENT 1: THREE DIMENSIONS OF CSR

3 main dimensions of CSR, key stakeholders and examples of activities (source from BLF).

Economical Dimension		
Stakeholders	Activities	
	Ethical Codex	
✓ Customers/Consumers	Transparency	
<ul> <li>Owners and investors</li> </ul>	Business principles	
✓ Suppliers	Refusing Corruption	
✓ Government institutions	Invoices Payment on time	
✓ Media	Quality products and services	
✓ Other partners	Responsible marketing and advertising ethics	
	Innovations	
	Sustainability	
Social Dimension		
Working conditions		
Stakeholders	Activities	
	Health and Safety	
✓ Employees	Education and development	
✓ Labor unions	Balance of professional and personal life	
	Equal opportunities	
	Diversity at workplace	
	Support of dismiss employees	
Local Community		
Stakeholders	Activities	
	Donations (financial or material)	
✓ Non-profit organizations	Employees volunteering	
✓ Community	Social Integration	
✓ Public	Education	
✓ Universities	Quality life support (sports and culture)	
	Increasing employment and infrastructure development	
Environmental Dimension		
Stakeholders	Activities	
	Re-cycling program	
✓ Community	Energy/water savings	
✓ Environmental groups	Waste sorting and management	
✓ Other organizations con-	Unity with ISO norms and standards and its usage	
cerning environment	Packaging and transportation	
	Ecological production, products and services	
	Natural resources protection	

## ATTACHEMENT 2: BUSINESS CASE STUDY - UPS



#### Logo

#### **CSR** mission

# Connecting the World Responsibly

They recognize that UPS presence is large and their responsibility is great. Consequently, every employee is a part of UPS's role in being a good citizen, a good employer and a good neighbor. Their corporate strategy states, "We build on a legacy as a caring and responsible corporate citizen through the conduct of our people and company in the communities we serve."

- 1. Economic: UPS goal is to run a financially sound business, in a socially responsible and financially sustainable manner, to ensure their ongoing ability to positively impact the stakeholders with whom they interact every day.
- **2. Social:** UPS strive always to work in unison with employees, communities and governments to foster greater global economic prosperity and encourage individual achievement.
- 3. Environmental: UPS constantly reviews our processes to make sure they are reducing our environmental impact, which includes examining how they drive, fly and conduct business worldwide. [31]

#### **Community Internship Program (CIP)**

This Internship program is focused on senior-level managers. It is a training course where managers are for instance feeding the homeless, repairing homes or tutoring inmates. Managers face challenges in their local communities in economic and social areas. They spend one month in the community, so they have to leave their families and their work as well for this period of time, and work in particular CIP site (UPS has four CIP sites) which is run by local NGOs. This program helps to develop senior-level managers, to strengthen their skills

and increase their motivation, while helping the community around where UPS employees and these managers live.

## **E-Waste Recycling**

UPS has its own e-waste recycling program. This program ensures that electronic equipment used by the company is renewed or send to right place for recycling when it becomes outdated. UPS has recycled more than 16.9 million pounds of electronic equipment.

#### **UPS Foundation**

# A Fresh Focus, A Powerful Legacy

UPS doesn't have just a CIP program for helping and contributing to the society. They want to contribute even more to the places where their employees live and work to ensure better environment which supports their business. The UPS foundation has a long tradition and its part of the global strategy. They choose following focus areas, which are chosen based on their expertise, knowledge, experience and believe that are relevant for the future: Economic and Global Literacy, Environmental Sustainability, Nonprofit Effectiveness, Diversity, and Community Safety, Employee-Driven Investment.

This foundation encourages also their employees in volunteering actions so the foundation is mainly locally driven. Company asks their employees to give suggestions and come up with their ideas where the foundation can invest but not just with the providing money but concrete contributions from their employees. Employee involvement is mainly demonstrated by the strong culture of volunteerism within the company.

# Being a Role Model

UPS has really amazing CIP **program for senior-level management**. I truly believe that this kind of experience for managers is really helpful for work – people can manage diverse types of situations, it can support innovation/creative thinking, can "rest" or have 1 month off from everyday job and problems, can clear their mind and moreover they contribute to the community around them. That **electronic equipments recycling** is also very good initiative; even companies give older computers to NGOs or other institutions. Each organization can have its own **Foundation**, not just to collect money but focus on employees' interests and develop programs which can have impact on society, their own motivation and loyalty to their company. I haven't found any particular activities in UPS CR, just globally.

### ATTACHEMENT 3: BUSINESS CASE STUDY - DPD



## **CSR** mission

DPD has a Sustainable Development Charter, which integrates sustainable development as a major component of DPD's corporate culture, in line with GeoPost's sustainable development commitment, its majority shareholder. [11]

DPD's activities are underpinned by three pillars (Sustainable Development Charter):

- 1. Committing ourselves to environmental protection day in, day out
- 2. **Creating value** for customers and partners
- 3. Accepting responsibility as employers, too

#### **Environment**

The priority for DPD is to focus on reduction of  $CO_2$  emissions. Currently DPD has mostly their transportation within Europe covered by trucks (90%) not by aircrafts which for them means reducing the  $CO_2$  emissions eight times lower compare to the air transport.

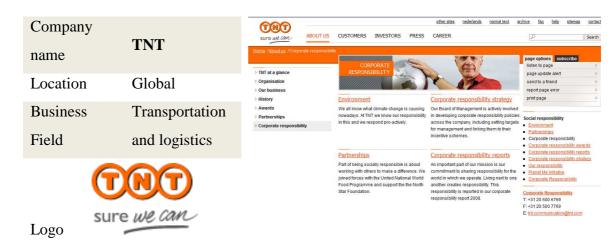
#### **Employer responsibility**

Another part of their CSR program or sustainable development is to be a responsible employer. DPD focuses on health and safety of its employees as well as the diversity and internationalism within the company. There is very diverse network of employees from all around the world working together which help also in the efficiency of customers' service care and understanding their needs.

# Being a Role Model

DPD as well supports web pages www.whyflyparcels.com focusing on sustainable international parcel delivery. Citizens can **calculate CO**<sub>2</sub> at these web pages and they are intended to help shippers make a better informed choice by presenting the ecological benefit of particular delivery.

# ATTACHEMENT 4: BUSINESS CASE STUDY - TNT



#### **CSR** mission

As a global business, TNT strives to improve its social and environmental impact on communities around the world. They aspire to help people realize their potential and to meet the needs of the current generation, without producing a poorer world for our children by compromising the ability of future generations to fulfill their own needs.[29]

#### Planet Me initiative

TNT's stakeholders, mostly customer requires CO<sub>2</sub> transparency. So it is really important for them to demonstrate right management of decreasing CO<sub>2</sub> emissions which can influence a company's growth, future operations, position at the market and financially, to handle risk management in proper way. Planet Me consist of 2 programs – Code Orange and Choose Orange, include different opportunities and focus on innovation and efficiency.

## **Partnerships**

To make even bigger difference you need to cooperate with others. So since 2002, they joined forces with the United National World Food Program, to help with their logistics skills and other resources to contribute towards world hunger. They also support the North Star Foundation, which is addressing the HIV/AIDS pandemic in Africa.

#### Being a role model

TNT has also lot of **stakeholders' dialogues** contributing to stakeholders' involvement. They are organizing **panel discussions for customers**. TNT **web pages** are providing **changing the font size**. Also **long term partnership** with UN has big impact. In Planet Me **248 initiatives**, **employees awards**, **stakeholders involvement**. I haven't found any concrete examples for TNT CR.

## ATTACHEMENT 5: BUSINESS CASE STUDY – DELL



#### **CSR** mission

At Dell, they are committed to building value not only for their customers and their business, but also for the communities that DELL and their employees call home. They strive to participate responsibly in the global marketplace in which DELL operates. [3]

#### Global program: a month of community and voluntary support – idea

Once a year Dell organizes a one-month global program with the aim to involve its staff worldwide mostly in voluntary projects. Dell Bratislava creates from this program an initiative called "month of volunteerism and support for the community". The employees designed program by themselves, participate at the preparation, and realization of all the activities. At the end they evaluate the program, its achievements and non-achievements and give a recommendation for a next year initiatives. The actions are for instance blood donation, vernissage exhibiting photographs of one of their colleagues with an adjacent auction.

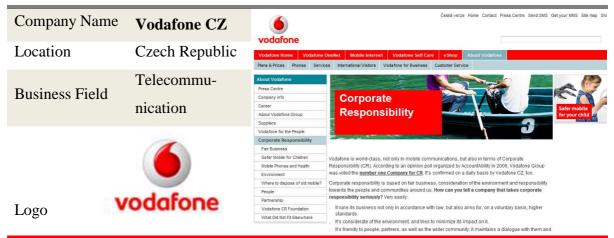
#### **Achievements of the program**

Long-term partnerships – Blood Transfusion Station, Pontis Foundation, new all-year project – Dell Computers for a Good Thing, which donated nearly 200 renewed computers and DELL CAMP - project for 40 socially disadvantaged children

#### Being a Role Model

This DELL program is for me very interesting. If companies start to get use to or implement "One month" of some activities, or some campaigns, volunteering etc. then it can have really big impact in whole society. Just imagine that there are so many companies and each company have one month or just 2 weeks through the year to spend on something like that, throughout whole year there can be something concrete to contribute to the society.

## ATTACHEMENT 6: BUSINESS CASE STUDY - VODAFONE CZ



### **CSR** mission

Vodafone is world-class, not only in mobile communications, but also in terms of Corporate Responsibility (CR). It's confirmed on a daily basis by Vodafone CZ, too. Corporate responsibility is based on fair business, consideration of the environment and responsibility towards the people and communities around us. It is company that takes corporate responsibility seriously because [34]:

- 1. It runs its business not only in accordance with law, but also aims for, higher standards.
- 2. It's considerate of the environment, and tries to minimize its impact on it.
- 3. It's friendly to people, partners, as well as the wider community; it maintains a dialogue with them and supports beneficial projects and non-profit activities.

## Responsible marketing

They communicate in a clear and open way so that customers can make a fair decision based on their information. Their offers are easy to understand, transparent and free of risk taking. Communicating with honesty and taking care of new customers as well as the current ones is part of Vodafone CZ strategy. This is obvious, for example, in the 2007 Christmas campaign entitled "It's Good To Be Faithful", in which Vodafone sheep offer all customers as many months of an extra 20% credit as they have spent years with Vodafone. Another was the fake reindeer campaign with Petr Čtvrtníček which has a similar attitude. Also another thing was that they charge calls per second after the first minute and have been doing so for a few years now.

#### **Vodafone CZ Foundation**

Through the Foundation, Vodafone CZ wishes to help "the world to become a place where human solidarity is not a foreign concept and where socially responsible activities of cor-

porations are the usual standard".

The main objectives of the Foundation are to involve children and young people and increase their participation in diverse projects in their communities. Vodafone CZ focuses mainly on developing the skills of young people and children as well as sustainability of the project while selecting or deciding about their partners.

They also care about connecting diverse groups within society through particular projects. The proactive attitude of participants in solving concrete issues or their projects are elements which Vodafone CZ supports through the Foundation. They want to contribute to create a space, opportunities and tools with which people will be able to help themselves and others around them to have impact on society and their communities.

As well, they want to improve the quality of life of disadvantaged groups through the projects using the benefits of mobile and communication technologies.

# **Partnerships**

Vodafone has partnerships with diverse institutions, such as Business Leaders Forum, Donors Forum, ČVUT, SONS and many others. They hold discussions with their representatives, trying to keep them and Vodafone informed, hear and learn from opinions and receive feedback, which is used by them to further improve their activities.

#### Being a Role Model

Vodafone CZ has good example for **responsible marketing**. There are not so many companies which are communicating right message to their customers. Companies should be transparent even in advertising. Together with that, their **communication on the packages** for supporting environment is really important as well. We can find these **pictograms** on many of our products but still not at all of them, which should be essential. They are supporting youth through their **Foundation** but there is space to even more support development of university students as their potential employees and future leaders. Another good example for CZ companies can be **long term partnerships** which Vodafone CZ established with different organizations.

#### ATTACHEMENT 7: BUSINESS CASE STUDY – MICROSOFT CZ



#### **CSR** mission

Microsoft believes that it can make the greatest contribution to society when its business operations and citizenship efforts are closely aligned. The Microsoft corporate citizenship mission is simple: to serve the public good through innovative technologies and partnerships and to deliver on our business responsibilities of growth and value to our customers, shareholders, and employees. This mission not only guides our work as a corporate citizen, but also provides a framework through which our business addresses new markets, technologies, and business models. [19]

## **Microsoft for People**

#### We feel responsibility; we help to Czech Republic citizens. [19]

Microsoft built strong partnerships in past 20 years which are based on common commitment towards finding out the optimal technological solutions which can bring significant and sustainable changes to humans' lives.

#### Microsoft Unlimited Potential-Community Technology Skills Program

By partnering with governments, nonprofits, and nongovernmental organizations, the Microsoft Unlimited Potential—Community Technology Skills Program promotes workforce development and IT skills training programs that enable young people and adults to realize their potential. Through cash grants, software donations, technology solutions, and specialized curriculum, the program supports community technology centers around the world.

# **Computers against barriers**

Program PCs against barriers was established thanks to the partnership between Microsoft a Charta 77 Foundation. The aim is to help disabled citizens to be able to work in everyday life. There are 12 educational centers in CR which provide education for more than 500

disabled people per year.

# **Safe Internet**

The aim is to increase awareness and inform about simple actions, how to behave while surfing at internet, why not to give personal information while you are chatting with somebody, what to do when you receive suspicious email from somebody you don't know.

#### **IT Center**

Microsoft in cooperation with Cigler Software and Atlas.cz offers to non-profit non-governmental organizations opportunity to gain software as well as hardware for non-commercial prices.

## **Partners in Learning**

Microsoft beliefs that can thanks to appropriate education and right tools (computers, etc.) contribute to the creation of social and economical opportunities, which can help to the needed change in society and help to people discover their potential. These partnerships are mainly focus on Elementary and High Schools.

### Being a Role Model

Microsoft has specifically most of **the initiatives connected with their core work** which is really important for companies to contribute to the society with expertise you know really well, your **know-how**. Every single program which I mentioned above has a great sense in connection with Microsoft, and most of the companies can be inspired by this and use their true knowledge within their CSR program. Microsoft supports **education** about IT, providing software and hardware for people to develop their potential, having **campaigns** towards increasing knowledge and awareness of diverse stakeholders, building all this on **long term partnerships**.

# **ATTACHEMENT 8: CSR AND TOMAS BATA**

This research was published as article. [37]

Economic Area	Social Area				
Transparency	Employees health and safety				
✓ Weekly salaries	✓ 1924 established health and social department				
✓ Weekly accounting	✓ 1927 established hospital				
✓ Information publish in news	✓ Regular preventive medical check-ups				
✓ Transparency internally and externally	✓ Biological laboratory				
Ethical Codex	Education and development				
✓ Bata's philosophy	✓ Lifelong education – courses				
✓ Decalogue for concrete groups	✓ Bata School of Work				
✓ Mottos at factories' walls, stairs or in	✓ Experimental and Technical schools				
Bata's press	✓ Research Board				
	Quality life support				
Good reputation	✓ Zoo, open air pool, civilization comfort,				
✓ "Our customer are our master"	✓ "Zlin as gardening town"				
✓ Public service	✓ Housing				
	✓ Telephone network development				
<b>Quality products</b>	Balance of professional and personal life				
✓ "The most quality products for the lowest	✓ Culture and sports with motto "Healthy body,				
price"	healthy spirit"				
✓ Complexity of services – after-sales ser-	✓ Cinema, exhibitions				
vice	✓ 1930 Shoe Museum				
Invoices payment on time	Diversity at workplace				
✓ Weekly validity of invoices	✓ Handicap people, foreigners				
Protection of mental ownership	Support of dismiss employees				
✓ 1924 Research Unit – ideas were paid	✓ Effort not to fire, employment supply				
Ethical marketing and advertising	Corporate donations				
✓ Always truthful	✓ 1925 Bata's subsidy fond, Support of talents				
✓ Usage of all kinds of advertisement	✓ "Mammoth" in Brno				
Innovations	Equal opportunities				
✓ 1924 Research Unit	✓ Opportunities for women (dorms)				
	Increasing employment and infrastructure de-				
Sustainability	velopment				
Sustainability  ✓ Growth trend at company	✓ Low taxes, Transportation (air, road, rail)				
• Growin trena at company	✓ Entrepreneurship/business support				
	✓ Network of water channels				
Enviro	nmental Area				
Reducing impact on environment	Ecological corporate policy				
✓ Maximize cleanness and town maintains	✓ Waste usage				
✓ Complex canalization	✓ Energy and water conservation				
✓ Construction of town and factory "in gree					
✓ Usage of rail, air and shipping transporta	tion  ✓ Clean rivers – Drevenica and Morava				

# ATTACHEMENT 9: STUDENTS' QUESTIONNAIRE – CZECH

Dobrý den,

Rádi bychom vás poprosili o vyplnění dotazníku, který slouží k průzkumu o společenské odpovědnosti firem (SOF, nebo Corporate Social Reponsibility - CSR) v ČR zaměřené na expresní přepravce.

Univer	zita	Obor /Fakulta		Věk		
Město		Ročník		Máš zkušenos	t se SOF?	Ano - Ne
1. Zají	Zajímáte se, zda jsou společnosti odpovědné – sociálně, ekonomicky a enviromentálně				mentálně?	
	Ano					
	Ne					
	áte někdy průzkum o		F společ	nosti předtím n	ež se rozhodi	nete od nich
Koupit	produkty nebo služl Ano	by?				
_	Ne					
3. Na ja	aké oblasti by se spole	ečnosti měli nejvíc	e zaměřit	v rámci SOF dle	e vašeho názoi	ru? (3)
	Závazky vůči zaměst	nancům		Etický kodex		
	Odpovědnost k život	nímu prostředí		Transparentnos	st	
	Poskytovat kvalitní p			Inovace a udrži	telnost	
	Firemní dárcovství a			Zdraví a bezpec		
	Přispívat ke vzdělává			Rozvoj zaměsti	nanosti a místr	ıí
	lídru (v současné dol	,		infrastruktury		
	Marketingová a rekla			Ekologická výr	oba, výrobky	a služby
4. Znát	te některého z níže υ	vedených expre	sních pře	pravcu?		
	DHL	□ UPS		□ PPL		
	DIIL	□ UPS				
	TNT	□ FedEx		□ DPD	□ Jine	
	(jmenujte)					
5 Mye	líte, že výše uveden	é englečnosti děl	aií něiak	ά SOE aktivity	)	
J. Wiys	•	e spoiechosti dei	aji iicjak	e sor activity	•	
	Ano					
	Ne					
6. Jme	nujte prosím jaké a kt	erá společnost				•••
7. Co si	i myslíte, že jsou prim	arní odpovědnost	i firem? (	Vyberte 3)		
	Uspokojování potřeb	zákazníků				
	Maximalizace hodno	ty pro stakeholder	y			
	Produkovat užitečné	a vysoko kvalitní	služby/pr	odukty		
	Investování do růstu	svých zaměstnanc	ů			
	<ul> <li>Nabízení rovnocenných možností pro zaměstnání</li> </ul>					
	Obohacování podmí	_	tředí			
	Jiné					

8. Jaké	faktory budou pro vás nejdůležitějších při výběru vašeho zaměstnání? (Vyberte 3)
	Plat
	Příležitosti pro růst a rozvoj
	Jistota práce
	Potenciál přispívat společnosti/komunitě
	Vysoke etické standardy
	Příležitosti zahraničního cestování/práce
	Vyzývavý a zajímavý popis práce
9. Kte	ré věci budou pro vás nejdůležitější, aby váš zaměstnavatel měl? (Vyberte 3)
	Dobré, upřímné zaměstnanecké vztahy
	Transparentní obchodní praktiky
	Bezpečné a vysoko kvalitní produkty/služby
	Transparentost a odpovědnost v obchodně-dodavatelském řetězci
	Odpovědnost vůči životnímu prostředí
	Různorodost na pracovišti
	Otevřené a spravedlivé vztahy s místní komunitou
10. Jal	ké mají společnosti výhody ze SOF, podle vašeho názoru? (Vyberte 3)
	Lepší veřejná image
	Větší loajalita zákazníků
	Dlouhodobější stabilita na trhu
	Silnější a zdravější komunita
	Spokojenější a produktivnější pracovní síla
	Snadnější vstup na zahraniční trhy
	Snižování operativních nákladů
	•
11 C	Zvyšování zisku
11. C	o považujete za největší problémy současného světa? (Vyberte 3)
	Chudoba
	Transparentnost, korupce, kontrola a etika
	Civilizační choroby jako HIV/AIDS, tuberkulóza, atd
	Negramotnost a vzdělání
	Znečistění životního přostředí a změna klimatu
	Zdroje energie a jejich využití
	Lidská práva
	Finanční krize
12. Ja	ké aktivity firem byste rádi viděli v rámci jejich SOF iniciativ?
a)	
b)	
- /	
c)	
1	

# ATTACHEMENT 10: STUDENTS' QUESTIONNAIRE – ENGLISH

Good afternoon,

We would like to ask you to fill the questionnaire which is focused on research about Corporate Social Responsibility (CSR) in the Czech Republic also connected with logistical and transportation sector. Thank you.

University		Faculty			Age		
City		Year of S	tudy	Do you have experience with CSR?		Yes – No	
1. Are you i	nterested whet	her are org	anizati	ons Soci	ially Respon	sible in?	
□ Yes							
□ No							
	do research ab	out CSR i	nitiatis	zes of o	rganizations	hefore vo	u decide to buy
-	services from t		minan	cs of o	igamzations	before yo	a decide to bay
□ Yes	301 (100)						
□ No							
2 What are t	ha araas ushiah	aomnonios (	hould l	no mointr	foons n with	in their CS	D program as
	the areas which our opinion? (Ple	-		be mainiy	/ locus n with	iin their CS	K program ac-
cording to yo	our opinion: (Fig	ease choose	3)				
□ Comm	itment to emplo	yees			Ethical code	X	
□ Respo	nsibility to envii	ronment			Transparence	y	
□ Provid	le quality produc	ets and servi	ices		* *		
□ Donati	ions and volunte	eering			☐ Employees' health and safety		
	Contribute to the future leaders' educa-						
		rrently students) ture development					
□ Marke	arketing and advertising ethics						
	vices						
4. Do you know any Transportation and Logistics company mentioned below?							
•		-			PL		
□ DHI		UPS			PL		
□ TNT		FedEx		□ D	PD	□ Others	s (name)
-	nink that those	companies	have a	ıny CSR	activities?		
□ Yes							
□ No							
6. Please me	ention which co	ompany an	d activ	ity:			
7. What do	you believe are t	he primary	respons	sibilities	of a company	? (please cl	noose 3)
□ Satis	fy Customers' n	eeds					
	☐ Maximize values for stakeholders						
□ Prod	uce useful and 1	high-quality	produc	cts/servic	es		
	st in the growth						
	r equal opportun	•	•				
	7						
□ Enha	ince environmen	tal conditio	ons				

	Others
8. Wh	ich factors will be the most important in your job selection? (please choose 3)
	Salary
	Opportunities for growth and development
	Job security
	Potential to make a contribution to society
	High ethical standards
	Opportunities to travel/work intenationally
	Challenging & diverse job responsibilities
	hat would be the most important from following things you will consider your
-	tial employer has? (please choose 3)
	Good, fair employee relations
	Transparent business practices
	Safe and high quality products/services
	Transparency and responsibility in supply chain management
	Responsible environmental practices
	Diversity at workplace
	Open, fair community relations
10. W	That do you think are the benfits for companies from CSR? (please choose 3)
	A better public image/reputation
	Greater customer loyalty
	Long-term viability in the marketplace
	A stronger and healthier community
	A more satisfied and productive workforce
	Easier access to foreign markets
	-
	Reduced operating costs
	Increased revenue
	What do you consider as the biggest problems in the world today? (please choose 3)
	Poverty
	Transparency, corruption, governance and ethics
	Diseases, such as HIV/AIDS or Tuberculosis
	Illiteracy and education
	Environmental pollution and climate change
	Energy sources and their usage
	Human Rights
	Financial Crisis
12. W	That are the activities you would like to see within companies' CSR initiatives?
a)	
b)	
c)	

#### ATTACHEMENT 11: SURVEY'S EMAIL TO CUSTOMERS

Dobrý deň, som študentkou 5. ročníka Univerzity Tomáše Bati ve Zlíne a momentálne pracujem na **Diplomovej práci na téma Spoločenskej Odpovednosti Firiem (SOF).** 

V rámci mojej práce robím priezkum medzi

- a) Zákazníkmi, zameraný smerom na expresných prepravcov, a tu zisťujem aká je rola SOF práve zo zákazníckeho pohľadu
- Študentami univerzít, ako potenciálnymi budúcimi zamestnancami a zisťujem akú rolu pre nich má SOF pri výbere zamestnávateľa

Z toho dôvodu oslovujem Vás, ako súčastného alebo potenciálneho zákazníka niektorej zo spoločností expresných prepravcov v ČR. Rada by som vás poprosila o vyplnenie dotazníka, ktorý zaberie **max.** 6 **minút Vášho času**. Na vypľnenie daného dotazníka je **čas do 9. 4. 2009**, potom budú informácie vyhodnotené. Odkaz na online dotazník *Dotazník*.

Ak by ste mali záujem o výsledky priezkumu prosím napíšte mi na túto emailovú adresu. Taktiež, ak by ste mali zaujem, môžem v prílohe Diplomovej práce **zverejniť meno vašej spoločnosti s logom**, ako organizácie prispievajúcej k priezkumu o SOF.

Vopred d'akujem za pár minút venovaného času a prajem príjemný deň.

S pozdravom, Nina Ročiaková

### I would like to thank these companies for participating in the research:



# ATTACHEMENT 12: CUSTOMERS' QUESTIONNAIRE – CZECH

Dobrý den,

Rádi bychom vás poprosili o vyplnění dotazníku, který slouží k průzkumu o společenské odpovědnosti firem (SOF, nebo Corporate Social Reponsibility - CSR) v ČR zaměřené na expresní přepravce.

Mesto	Počet zásilek měsíčně Obor činnosti				
1. Jaky	ý je hlavní faktor, který ovlivňuje váš názo	r o jednotli	ivých společnoste	ch?	
	Společenská odpovědnost	J	•		
	Značka – kvalita a reputace				
	Zásady byznysu				
2. Zají	ímáte se, zda jsou společnosti odpovědné -	sociálně,	ekonomicky a env	viromentálně?	
	Ano				
	Ne				
3. Děl	áte někdy průzkum o iniciativách SOF s	polečnosti	předtím než se 1	ozhodnete od	
	oupit produkty nebo služby?	•	1		
	Ano				
	Ne				
4. Na i	aké oblasti by se společnosti měli nejvíce zam	ěřit v rámci	SOF dle vašeho na	ízoru? (3)	
□ □		∃ Etický k		(= )	
	Odpovědnost k životnímu prostředí	□ Transpa	rentnost		
	Poskytovat kvalitní produkty a	□ Inovace	a udržitelnost		
	služby	⊐ Zdraví a	a bezpečnost zames	tnanců	
	Firemní dárcovství a dobrovolnictví   Rozvoj zaměstnanosti a místní				
	Přispívat ke vzdělávání budoucích infrastruktury				
	lídru (v současné době studentů)    Ekologická výroba, výrobky a služby				
	Marketingová a reklamní etika				
5. Zná	te některého z níže uvedených expresních	přepravcu?	? (Zakroužkujte kt	terého znáte)	
	DHL DUPS	PPL	`	,	
П	TNT   FedEx	DPD	□ Jiné (jmer	nuite)	
	e, že výše uvedené společnosti dělají nějak				
	Ano	2 0 0 1 William	. 10)		
П	Ne				
	enujte prosím jaké aktivity a která společno			••••	
8. Co s	i myslíte, že jsou primární odpovědnosti firen	ı? (Vyberte	3)		
	□ Uspokojování potřeb zákazníků				
	J 1				
	Produkovat užitečné a vysoko kvalitní služby	//produkty			
	Investování do růstu svých zaměstnanců				
	Nabízení rovnocenných možností pro zaměst				
	□ Vytváření hodnoty pro společnost/místní komunitu, ve které fungují				
	Obohacování podmínek životního prostředí				
	Jiné				

9. Zvýšili by jste nákup resp. poptávku po zboží/službách společnosti, když by jste se dozvěděli, že zvyšuje svůj pozitivní vliv na společnost díky iniciativám SOF?     Ano
□ Ne
10. Existuje firma A, která nedělá nic v oblasti SOF a vy si od nich koupíte produkt/služby, a pak zjistíte že existuje jiná firma B, která je společensky odpovědná, zaměnili by jste nakupování od firmy A za produkt/služby firmy B? (všechny jiné podmínky včetně cen, servisu, doručení, atd by byly stejné)
□ Ano
□ Ne
□ Nevim
11. Vyhýbali byste se spolupráci se společností, která je vnímána jako společensky nezodpovědná?
□ Ano
□ Ne
12. Přesvědčovali byste lidi kolem sebe, aby nakupovali služby/produkty jen od společnosti, která je společensky odpovědná podle vaší vlastní zkušenosti?    Ano
□ Ne
13. Jaké aktivity firem byste rádi viděli v rámci jejich SOF iniciativ?
a)
b)
(c)

DĚKUJEME ZA VÁŠ NÁZOR A ČAS.

# ATTACHEMENT 13: CUSTOMERS' QUESTIONNAIRE - ENGLISH

Good afternoon,

We would like to ask you to fill the questionnaire which is focused on research about Corporate Social Responsibility (CSR) in the Czech Republic also connected with logistical and transportation sector. Thank you.

City		Nr. of shipments per month			Business field	
1. Wh	What is the main factor which influences your opinion about companies?					
□ Corporate responsibility						
	Business fundar	mentals				
2. Are	you interested w	hether are organization	ns Socia	ally Re	esponsible in?	
	Yes	_		•	•	
	No					
3. Do	you do research	about CSR initiative	es of or	ganiza	tions before you	decide to buy
produc	cts or services fro	om them?				
	Yes					
	No					
4. Wh	at are the areas wh	ich companies should b	e mainly	focus	n within their CSR	program ac-
cordin	g to your opinion?	(Please choose 3)				
	Commitment to e	employees	□ Ethi	cal cod	lex	
	Responsibility to environment   Transparency					
	r J					
	□ Donations and volunteering □ Increasing employment and infrastructure					
	cation (currently students)			ts and services		
	□ Marketing and advertising ethics					
5. Do	you know any Tr	ansportation and Logi	stics co	mpany	mentioned below	?
	DHL 🗆	UPS $\square$	PPL			
	TNT 🗆	FedEx	DPD		□ Others (nan	ne)
6. Do you think that those companies have any CSR activities?						
	Yes					
	No					
7. Please mention which company and activity:						
8. Wh	at do vou believe a	are the primary responsi	bilities o	f a cor	npany? (please cho	ose 3)
	Satisfy Customer			1 4 001	inpuny: (preuse enex	350 37
	Maximize values					
		nd high-quality product	ts/service	es		
	Invest in the grov	• 1 • 1				
	· ·	the local community in	which it	operate	es	
□ Enhance environmental conditions						
	Others					

9. Would you increase your demand on company's products/services if you find out that this
company increased their CSR impact?
□ Yes
□ No
10. If there is a company A which does not have CSR activities and you buy prod-
ucts/services from them, and then you find out that there is another company B in that
market but do have a CSR activities, would you go and change company A to company B?
(all other conditions are the same-prices, delivery, service, etc.)
□ Yes
□ No
□ I don't know
11. Would you avoid cooperating with company which is perceived as not socially re-
sponsible?
□ Yes
□ No
12. Would you persuade people around you to buy products/services just from company
which is perceived as socially responsible according to your own experience?
□ Yes
□ No
13. What are the activities you would like to see within companies' CSR initiatives?
a)
b)
c)

Thank you for your time and opinion.