# An Analysis of Corporate Social Responsibility in ABB Czech Republic

Barbora Kadlčková

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Vedoucí bakalářské práce:

Ing. Jiří Vaněk

Ústav managementu a marketingu

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PhDr. Katarína Nemčoková, Ph.D.

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**ABSTRAKT** 

Bakalářská práce se zabývá analýzou společenské odpovědnosti ve společnosti ABB Česká

republika. Cílem této práce je zjistit, jak společnost uplatňuje koncept CSR, jak jej aplikuje

ve společnosti i navenek a následně vyhodnotit, zda se firma řídí teoretickými principy a

doporučit opatření, která povedou k efektivnějšímu využití CSR ve společnosti.

Práce se skládá z teoretické a praktické části. V teoretické části práce jsou na základě

literární rešerše definované teoretické pojmy, které vysvětlují danou problematiku.

Praktická část se zaměřuje na to, jak ABB vnímá koncept CSR a jak je aplikován v praxi.

V závěrečné části práce jsou popsány výsledky šetření a doporučení změn vedoucích k

efektivnějšímu uplatňování CSR.

Klíčová slova: společenská odpovědnost firmy, stakeholders, pilíře CSR, etika v podnikání

ABSTRACT

The bachelor's thesis deals with an analysis of corporate social responsibility in ABB

Czech Republic. The aim of this thesis is to ascertain how the company applies a CSR

concept, how it is applied inside and outside the company, and then evaluate whether the

company follows the theoretical principles and to recommend such precautions that will

lead to more efficient use of CSR in the company.

The work consists of a theoretical and a practical part. The theoretical part deals with

defining the terms based on a literature search. The practical part focuses on how ABB

perceives the concept of CSR and how it applies this in practice. In the final part of the

bachelor's thesis there will be described the results of investigations and recommendations

of changes leading to a more effective CSR implementation.

Keywords: Corporate Social Responsibility, Stakeholders, Triple Bottom Line, Business

**Ethics** 

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# INTRODUCTION

"Social responsibility begins where the law ends" (Friedman and Miles 2006, 22). This phrase captures a main characteristic of corporate social responsibility (abbreviated to CSR) and it is that a company "has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations" (Sims 2003, 43). A company applying the CSR concept feels the need to integrate social and environmental aspects besides making profits. An organisation sets high ethical standards trying to minimize negative impacts on the environment and take care of their employees and support the region in which they operate. Only if the company offers quality products or services, and responds to customer's demands can be generally perceived as responsible though.

It is only up to firm, whether they decide to behave responsibly or not. Although it is based on voluntariness, corporate social responsibly is actively supported by many world organisations such as the European Union, the United Nations and Organisation for Economic Co-operation and Development.

I have considered it relevant to cite a phrase by Kotler and Lee describing the idea of corporate social responsibility:

"Most health care professionals promise that if we engage in regular physical activity we'll look better, feel better, do better, and live longer. There are many who say that participation in corporate social initiatives has similar potential benefits. It appears that such participation looks good to potential consumers, investors, financial analysts, business colleagues, in annual reports, in the news, and maybe even in Congress and the court-room. It is reported that it feels good to employees, current customers, stockholders, and board members. There is growing evidence that it does good for the brand and the bottom line as well as for the community. And there are some who claim that corporations with strong reputation for corporate social responsibility actually last longer" (Kotler and Lee 2005, 10).

The bachelor thesis analyses the state of corporate social responsibility in the company ABB Czech Republic. The theoretical part deals with defining the terms focusing on Czech business environment. In the practical part, the way of application of CSR in ABB Czech Republic is described.

# I. THEORY

# 1 BUSINESS ETHICS

This bachelor's thesis deals with *corporate social responsibility* which is closely related to *business ethics*. Therefore, before starting to define corporate social responsibility, it is appropriate to explain the terms *ethics* and, subsequently, *business ethics*.

Ethics comes from the Greek word "ethos", meaning character or custom and it is "discipline that deals with what is good and bad and with moral duty and obligation. Ethics can also be regarded as a set of moral principles or values" (Sims 2003, 12). Ethics is "a mass of moral principles or set of values about what is right or wrong, true or false, fair or unfair, proper or improper what is right is ethical and what is wrong is unethical" (Paliwal 2006, 3). It results from general practice within human relations supported by legislation and the force of public opinion (Putnová 2004, 8).

Business ethics, therefore, is about recognizing what is right and wrong behaviour in the business environment.

"Business ethics can be defined as the collective values of a business organization that can be used to evaluate whether the behaviors of the organization's collective members are considered acceptable and appropriate. To understand what is acceptable and appropriate for individuals, their moral values must be identified and supported" (Stanwick and Stanwick 2014, 3).

Business ethics covers many topics; for example the rights of employees, consumer protection, codes of conduct, non-disclosure of secret information by businesses, famine and third-world countries (Petříková et al. 42, 2008). Czech entrepreneurs mostly comprehend business ethics as compliance treaties with business partners, reliable payment morality and ethics, and good customer relations (Šanderová 2008).

# 2 CSR DEFINITION

Although a concept of corporate social responsibility has been examined for more than half a century, currently, "there is no strong consensus on a definition for CSR" (Crane et al. 2006, 5). According to Kunz (2013) this dissension is mainly caused by the fact that the whole concept of CSR is based on voluntariness, therefore, there are many ways to perceive the concept. The dissension offers broad comprehension and interpretation of this complex notion (Kašparová and Kunz 2013, 12-13). Also, CSR is "still a developing field of research"; moreover, it is related not only to one theoretical approach but to a wide range of disciplines such as management, law, economics and sociology. This has resulted in terminological inconsistency (Crane et al. 2006, 6-7).

As a result, a number of different definitions and approaches exist for defining corporate social responsibility. The definitions are often very vague to give space for wide usage (Kašparová and Kunz 2013, 13).

Corporate Social responsibility has been supported by international organisations such as the UN, the EU, OECD and many others. Even the European Union and the United Nations have initiated several programmes to support spread of CSR to become a business standard at national and global level (Dytrt 2006, 123, 117).

The European Commission has previously described CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". This definition was substituted by a new, simpler one in which corporate social responsibility is characterized as "the responsibility of enterprises for their impacts on society" (European Commission 2013).

Another interpretation of the concept is by the World Business Council for Sustainable Development (WBCSD): CSR is "the continuing commitment by business to behaving ethically and contributing to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large" (Sims 2003, 43).

J.W. McGuire perceives a responsible company as a corporation which "has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations" (ibid).

Last but not least definition is by international organization Business for Social Responsibility which defines CSR as "operating a business in a manner that meets or exceeds the ethical, legal, commercial, and public expectations that society has of business (Kotler and Lee 2005, 3).

Although academic literature contains numerous interpretations, most definitions have main repetitive features (Kašparová and Kunz 2013, 16):

- **Voluntariness** a company decides itself to do something extra and it should not be forced to adopting CSR principles by anything or anyone. The concept goes beyond the law (Wall 2008, 7).
- Cooperation with stakeholders<sup>1</sup> it enables create so called win-win situations where both the company and the society are satisfied (Kašparová and Kunz 2013, 16).
- Coherence and long-term horizon CSR should not be taken as a momentary issue but it should be implemented into the company values in the long run in the entire corporate structure (ibid).
- **Triple bottom line business** an organization does not focus on profit only (economical aspect) but also engages in environmental and social matters (ibid).

In practice corporate social responsibility means that companies accepting its principles set high ethical standards trying to minimize negative impacts on the environment and take care of their employees and support a region in which they operate. This enables companies to differentiate from the competitors, to become an attractive employer in the eyes of both existing and potential employees, and a satisfactory business partner for other companies (Kuldová 2010, 18). Managers embracing CSR principles shift from short-term goals to long-term ones, from maximum profit to optimal sustainable long-term profit in order to improve society's condition (Dytrt 2006, 123).

# 2.1 Historical Background

Corporate social responsibility is not a new concept. Companies had been interested in public's interests far before the doctrine of CSR arose (Griffin 2008, 138). For example,

<sup>&</sup>lt;sup>1</sup> A stakeholders is "any group or individual who can affect or is affected by the achievements of the organization's objectives." (Werther and Chandler, 2011,3). Stakeholders theory will be further explained in chapter 5.

already in Ancient China or Egypt merchants sought to facilitate trade and simultaneously took into account needs of others (Werther and Chandler 2011, 9-10).

Nonetheless the modern era of Corporate social responsibility begins in 1953 with a book *Social Responsibility of the Businessman* (there were almost no females in management at that time) written by Howard Bowen (Crane et al. 2006, 50). Bowen is considered as "the father of the CSR movement". He characterized corporate social responsibility as "the obligations of businessmen to pursue those policies, to make those decisions or follow those lines of action which are desirable in terms of the objectives and values of society" (Murphy and Schlegelmilch 2013, 1807). Although he was talking rather about responsibility of the entrepreneur itself than a business entity, the definition has become significantly crucial for further development of the CSR concept (Kunz 2012, 14).

Another significant author who contributed with his thoughts was Archie Carroll. The year 1979 has been denoted to be pivotal as regards the formation of the concept when Carroll outlined four core areas of corporate social responsibility - economic, legal, ethical, and philanthropic – areas which were considered mutually exclusive until then (ibid, 14). Although this classification has been criticized in recent years, many people still use this categorization till today (Murphy and Schlegelmilch 2013, 1807).

An important milestone in evolution of the CSR concept was R. Edward Freeman's formation of stakeholder concept in 1984, in which were described the most important groups of people which have an impact on the company. This helped managers who were to implement CSR strategy, detect stakeholders who they should focus on to be a responsible corporation (Petříková et al. 2008, 30-31).

In the following years we can notice additional activities devised within the whole concept including a number of critical arguments against CSR as well (ibid, 31). Arguments for and against CSR will be described in chapter 3.2.

# 2.1.1 CSR in the Czech Republic

CSR begins to penetrate into Czech business environment after the fall of communism in 1989. In the first years after the political coup it was large multinational corporations that contributed markedly to spreading the idea of CSR. These multinational companies transferred their efficient knowledge and practice in the field of CSR on their subsidiaries located in the Czech Republic. Another shift in CSR development in the Czech Republic was joining OECD and especially joining European Union that supports the corporate

social responsibility idea on a long-term basis (Kašparová and Kunz 2013, 28).

Nowadays CSR in the CR is not applied only in the subsidiaries anymore. Also local companies attempt to implement CSR into their corporate culture nevertheless results in a research demonstrate that foreign-owned enterprises or branches of multinational corporations are still slightly more aware of what the CSR concept stands for (ibid, 29).

We can find Czech entrepreneurs who were applying the principles of social responsibilities into their business, long before the CSR was regarded as a discipline. It was a businessman Tomáš Baťa (1876-1932) for example, the founder of a famous shoe company. By his activities not only did he transformed a small village Zlín into the modern town, he also managed to enrich the entire region. In the Baťa Company the principles of CSR became an integral part of the business processes and visions. They also reflected the fundamental values of the company. The main corporate values were for instance: respect for employees and business partners, compliance with legal and ethical standards, environmental protection etc. (Kunz 2012, 73).

# 3 VIEWS ON CSR

Currently, business social responsibility is very popular and has been expanding even though the implementation is not compulsory and it is only up to the company whether it embraces the CSR activities into the corporate strategy or not (Zadražilová 2010, 4). Nevertheless some people take an opposite stance on the whole concept. Before the arguments for and arguments against CSR are revealed, causes of the CSR expansion will be clarified.

# 3.1 Why Companies Engage in CSR, Arguments for CSR

Business itself used to be less demanding compared with the present. There was only one 'simple' responsibility of a company: "economic 'survival' in a free market context". The main established phrase was: "the only business of business is to do business". Presently, due to the globalization the world and the business as well have changed significantly. "Local has become global, and what was closed is now open. Everything and everybody is interconnected and interlinked" (Jonker and de Witte 2006, 3).

Globalization enables an interconnection across the world and offers numerous opportunities. However, along with progress in technology (mainly information and communication) and media, globalization caused that customers have become more critical as they are "better educated and becoming more aware of their rights and their potential power to influence corporate behaviour" (Urip 2010, 63, 4).

"With the high-speed development in communication technology and the media, bad corporate behavior can travel fast across the globe, delivering a hard blow to the organization, harming the company's reputation. However, companies with and approved contribution to the people and the environment – thereby gaining the trust and confidence of the community – will have a better chance to protect their reputation" (ibid, 9)

The fact that a company decides to engage in CSR is most often initiated from one of two reasons. First reason is a moral point of a view – unselfish intentions. A company realizes it makes profits at the expense of nature and would not be able to make money without the society in which they operate (Zadražilová 2010, 4). Thus it simply feels it should do something beneficial and become a good citizen this way - however this

behaviour may be sometimes contentious because the company's 'good intentions' may arise from a vision of profit (Sprinkle and Maines 2010, 446).

The second is an economic reason - an organization may do CSR activities as "window dressing" in order to make a positive impression on its stakeholders. It means that CSR activities are taken as "another cost of doing business" how to "avoid negative publicity" (ibid, 446-447).

Whatever the reasons for implementing CSR are (whether honest or dishonest) it is important to note that it leads to real beneficial things that help (Zikmund 2011).

Another argument in favour of CSR is that "proacting is better than reacting." Proacting ("acting in a proactive manner, anticipating, and initiating") is "more practical and less costly than simply reacting to problems once they have developed" (Sims 2003, 64).

And least but not last argument for CSR is the public simply supports it. Most people believe that firms should be willing to sacrifice some profits and donate to communities and workers (ibid).

#### 3.1.1 Benefits

By integrating CSR into the company's operations a socially responsible organization will obtain many benefits, predominantly non-financial ones (which cannot be materially measured). On the other hand, these non-financial benefits subsequently may stimulate profit growth in measurable terms, as a responsible company become much more appealing for customers and investors (Šaderová 2008).

Not only organizations, but also society benefit from the responsible behaviour of companies. Below is a brief list of possible benefits from the company's perspective<sup>2</sup>:

# a) Positive effects on a company's image and reputation

Image stands for "the mental picture of the company held by its audiences, which is influenced by communication messages" and reputation "builds upon personal experiences and characteristics and includes a value judgment by a company's stakeholders." We can change our image in a moment, whereas reputation "evolves over time." Both image and reputation are helpful in improving **competitiveness** (Weber 2008, 248-249). This differentiation from competitors addresses potential

customers who appreciate these activities and are willing to pay more for the product or service. At the same time such customers tend to be more loyal because their purchase behaviour is not based on price, but ideology. Social responsibility can also enhance the value of other intangible assets such as brand value, human capital, goodwill or trust in partnerships (Pavlík and Bělčík 2010, 30-31).

#### b) Positive effects on employee motivation, retention and recruitment

Positive effects on employees can arise from the improved reputation or "better working environment" (Weber 2008, 249). Satisfied employees are loyal employees and employee loyalty reduces fluctuation and costs of employee recruitments. Motivated workers are often more productive (Pavlík and Bělčík 2010, 31).

# c) Cost saving

Most CSR activities need funding. However these activities often lead to innovations, which can finally help to reduce costs or increase efficiency (Pavlík and Bělčík 2010, 30). The costs of prevention are lower than the costs of already occurred damages. In the case of risky situations, the company is able to respond in time (Petříková et al. 2008, 90).

# d) CSR-related risk reduction or management

A company, which listens to their stakeholders and takes into account their interests, is able to predict possible risks and react quickly to potential changes which could adversely affect the business (ibid, 33). Thanks to CSR strategy, bad publicity in the form of negative press or complaints of customers can be avoided (Weber 2008, 249).

#### e) Revenue increase (in the long run)

CSR activities mainly contribute to revenue growth indirectly, for example, through brand image or directly, and that is, for instance, through market development (Weber 2008, 249). On the other hand, some experts claim that it is not possible to detect if the CSR increases revenues (Pavlík and Bělčík 2010, 31).

# 3.2 Arguments against CSR

The best known opponent of CSR is Nobel Prize-winning economist Milton Friedman with his classical economic view. He holds that management is supposed to concentrate on the

<sup>&</sup>lt;sup>2</sup> The given benefits were proved in several researches, refer to Manuela Weber (2008)

company's shareholders<sup>3</sup> and the only responsibility is to maximize profits. Friedman thinks it is unfair to give money to social welfare; he thinks shareholders should be given more money in the form of higher dividends and wages instead. He feels that the money from profits should be solely earned for the owners (Sims 2003, 64). Thus he can be associated with the outdated approach "business of business is business" when he states:

"There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception of fraud" (Wall 2008, 7).

Another argument is that companies only see corporate social responsibility as an opportunity to increase their image, not a way how to help others (Repa and Jad'ud'ová 2012, 28).

In summary, it is in up to the company to decide whether or not to adopt CSR. CSR offers many benefits for both company and society but also has its opponents who may think that CSR is rather a "supplementary range" rather than a real part of corporate strategy.

<sup>&</sup>lt;sup>3</sup> A shareholder is "one who owns shares of stock in a corporation or mutual fund. For corporations, along with the ownership comes a right to declared dividends and the right to vote on certain company matters, including the board of directors" (Investorwords).

# 4 STAKEHOLDER THEORY

A stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Werther and Chandler 2011, 3). Stakeholder theory holds that a company has a wider responsibility than only towards its owners.

According to Werther and Chandler, a company's stakeholders can be divided into three groups: **organizational** stakeholders, who are internal to the company; and **economic** and **societal** stakeholders who are also called external (ibid, 35).



Figure 1. A Stakeholder Model.

Source: Werther and Chandler 2011, 35

The following table illustrates a company's possible stakeholder groups using Werther's and Chandler's Stakeholder Model:

Organizational Stakeholders	<b>Economic Stakeholders</b>	Societal Stakeholders
Employees	Customers	Communities
Managers	Competitors	Government/Regulators
Shareholders	Creditors	Non-profits and NGOs
Unions	Distributors	Environment
	Suppliers	Media
		General Public

Table 1. Company Stakeholders

Source: Werther and Chandler 2011, 35

A company's stakeholders do not need to be same in each corporation. They may vary according to the industry in which the company operates. Also, the degree of influence of individual stakeholder groups may differ in each company. Identifying the relevant stakeholders and finding ways to meet their expectations should be the first step when implementing CSR activities. This procedure will help the company determine its CSR strategy (Petříková et al. 2008, 90). Activities carried out under CSR should be mainly targeted on these key stakeholders (Kuldová 2010, 27). CSR strategy will be described in chapter 6.

# 4.1 Identifying Key Stakeholders

It is essential to determine the relevant stakeholders – groups that have a "distinguishable relationship" with the company (Friedman and Miles 2006, 13). To identify key stakeholders, it is essential to detect who influences the company and vice versa. First of all, a company makes a list of all their stakeholders. Then, to find out which groups of stakeholders are the most important for the company, co called stakeholder matrix is used. In the stakeholder matrix, the stakeholders are categorized according to the level of influence and the level of expectation. The key stakeholders are those who have a strong influence on the company and expect much from the company as well. The company should strive to ensure their satisfaction (Petříková et al. 2008, 91).

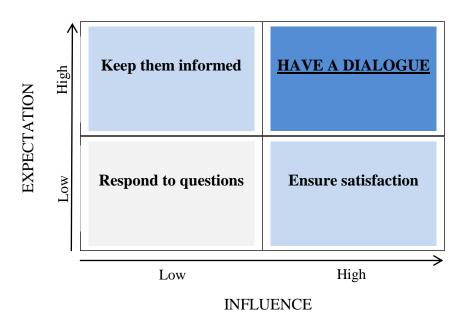


Table 2. Stakeholder Matrix

Source: Petříková et al. 2008, 91

Usually, the most frequent types of key stakeholders are:

- Shareholders
- Customers
- Suppliers and distributors
- Employees
- Local communities (Friedman and Miles 2006, 13).

Having identified key stakeholders, a dialogue between the company and its stakeholders should be initiated in order to give important feedback to the company and ensure a win-win situation for both parties (Kuldová 2010, 28). Also, the stakeholders should be involved in the decision-making of CSR issues (Petříková 2008, 91).

Unfortunately, trying to satisfy all the firm's stakeholders at the same time may be problematic sometimes. There are cases in which it is not easy to meet all stakeholders' expectations but it is a must for companies to "manage their relationships with stakeholders in ways that will keep all stakeholders at least minimally satisfied" (Hoskisson, et al. 2009, 16).

Organizations which care about their relationship with their stakeholders are most likely to gain a competitive edge over competitors who do not. These companies regard their stakeholders as "their partners and keep them well informed about the company's actions" (ibid, 15).

# 5 TRIPLE BOTTOM LINE

"Companies are profit-making enterprises, not charities. But they do not conduct business in a vacuum" (Mullerat 2010, 149).

According to Mullerat, a single financial bottom line generally does not reflect a total corporate value and often tends to be a poor and deceptive "expression of the total value equation." A Triple bottom line (TBL) is a new tool to measure a "corporations' performance in its broadest sense" (Mullerat 2010, 150). A company implementing TBL does not focus on profit only but also takes into account the social (people) and environmental (planet) aspects (Dytrt 2006, 109). Hence, (within CSR politics) an outdated entrepreneur's motto has broadened from "profit only" to "profit, people, and planet" (Urip 2010, 5). "TBL ensures sustainable benefit for both the company and society" (ibid, 89) and it is "an innovative way for executives and companies to find their way to a sustainable<sup>4</sup>, profitable future" (Zu 2009, 30).

TBL is comprised on numerous activities, which can be divided into three parts:

- An economical area (Profit)
- A social area (People)
- An environmental area (Planet) (Pavlík and Bělčík 2010, 25).

# **5.1** Economic Responsibility (Profit)

The aim of an economic area is to establish and retain a good relationship with customers and business partners; and to inform stakeholders about the methods which will lead to benefits for all (Petříková 2008, 64).

Economic responsibility involves:

- An organization and its employees avoid corruption and behave ethically many companies have drawn up its **code of ethics** regulating the firm' behaviour
- Transparency an organization is willing to provide information (even negative one) to all its stakeholders

<sup>&</sup>lt;sup>4</sup> Sustainability is "development that meets the needs of the present world without compromising the ability of future generations to meet their own needs." (Zu 2009, 30)

- Relationship with customers customers are offered safe and quality products at affordable prices
- Relationship with suppliers equal opportunity when selecting suppliers; contract and obligation compliance
- Relationship with shareholders and investors company cares to inform its shareholders and investors; respects for intellectual property protection; ensures innovation and sustainability (Kunz 2012, 21).

Prominent stakeholders in the economic area are: customers/consumers, contract/business partners, investors and the public sector (Zadražilová 2010, 3).

# **5.2** Social Responsibility (People)

Social area is related to people inside (employee care) and outside the company (local community) (Urip 2010, 89).

Social Responsibility involves:

- Employee health and safety
- Education of employees a company creates conditions for further skills development; employees have possibility of promotion
- Equal opportunities, gender policy
- Work-life balance enabling a professional career to be combined with a family life
- Diversity in the workplace (ethnic minorities, the disabled and the elderly ...)
- Volunteering
- Sponsorship
- Philanthropy (Kuldová 2010, 16; Dytrt 2006, 111; Kunz 2012, 22).

Employees are a significant stakeholder group and companies should realize that satisfied and motivated employee is, in today's business world, a key factor in successful functioning (Kunz 2012, 22).

Stakeholders in social responsibility are: employees, unions, local communities, NGOs etc. (Zadražilová 2010, 3).

# **5.3** Environmental Responsibility (Planet)

Environmental responsibility involves:

• Environment-friendly production

- Compliance with national and multinational standards (ISO 14001 and others)
- Minimizing negative impacts on the environment
- Waste sorting
- Involving environmental principles when choosing suppliers/subcontractors
- Water and energy saving
- Material, transport and packaging (Kunz 2012, 24; Petříková et al. 2008, 45).

From the points listed above, it is obvious that environmental responsibility applies not only to manufacturing firms. Non-manufacturing companies can also contribute in sorting of waste and reducing water usage for example (Kunz 2012, 25).

Stakeholders in the environmental area are: organizations and movements engaged in environmental issues (Zadražilová 2010, 2).

A company determined to behave responsibly should be participating in all three areas of TBL simultaneously (Petříková et al. 2008, 45).

CSR activities in the Czech business environment are targeted more inwards than outwards. Companies prefer to focus on employee welfare. The reason for this is to attempt and retain quality employees. Activities directed outwards are not as extensive as the internal ones. This is probably due to the fact that companies in the Czech Republic do not feel any significant pressure from consumers or the media. A Czech consumer primarily chooses particular products according to their availability, parameters and price. Few consumers care who the product was produced by, in what conditions or if the producer is environmentally friendly. This fact points to an underdeveloped customer social engagement in comparison with more developed countries (Petříková et al. 2008, 35).

# 6 CSR STRATEGY AND IMPLEMENTATION

"A firm's strategy explains how the organization intends to achieve its vision and mission. It defines the organization's response to its competitive environment" (Werther and Chandler 2011, 28). When implementing CSR, a company must apply it into its fundamental values, strategies and processes on various levels. Kunz argues that success can only come in the long term and only if the implementation is continuous and is supported by top management (Kunz, 2012, 110). The inclusion of CSR into day-to-day operations does not have to reduce the economic success of the company nor do its economic goals have to contradict community interests. Successful interconnection can actually bring synergy and competitive advantage (Kašparová and Kunz 2013, 17). CSR strategy in everyday operations will enable the company to react on stakeholder' needs "in ways that maximize both economic and social value" (Werther and Chandler 2011, 28).

# **6.1** Implementation step-by-step

The initial step comes from above. The support of top management is needed when implementing CSR into corporate strategy because it is their decision to integrate the concept into the statutes of the company. Then a CSR manager will be appointed who will be in charge of implementing CSR strategy into the current corporate strategy. The manager is in touch with all departments and leads effective dialogue with the stakeholders. He/she compiles annual reports on CSR, reflecting the company's approach to the economic, social and environmental areas and is responsible for balancing them. Some companies establish a department especially intended for CSR activities, others incorporate it into the marketing department (Kuldová 2010, 61-62).

The manager determines all the internal and external stakeholders, identifies key ones and establishes a dialogue with them. The aim is to persuade them to cooperate and give a feedback. Having identified the stakeholders it is necessary to identify individual goals which should be achieved in the field of CSR (ibid, 62). Activities should be chosen the way that will bring benefits to both the company and the community – so called winwin situations (Urip 2010, 54). It is very important to align the CSR goals and strategy with overall goals and strategies of the company (Government of Canada 2012).

If the firm wants to achieve effective implementation, measurable targets need to be set. To measure success, a company determines key performance indicators – key areas which will be monitored and then measured (for example, reduce waste by 15 % by the end

of a year). These indicators vary in each company. Whatever the measurement method is, it should obey the SMART guidelines: (ibid)

- Simple
- Measurable
- Achievable
- **R**eliable
- Time-bound (ibid).

There may be cases which cannot be directly measured. In these situations qualitative indicators such as feedback in form of questionnaire survey, for instance, can be used. Also, receiving feedback from stakeholders serves as an effective method (ibid). Another way of finding whether CSR has been effectively implemented is, for example, to compare employee turnover or representation of women in leadership positions before and after CSR implementation (Lacinová 2013).

Implementation of CSR into a firm's mission and processes, establishing measurable targets, which the company wants to achieve in a particular time, and consistent evaluation are not common in the Czech Republic (Zadražilová 2008, 107).

CSR strategy can fail if the company is perceived as socially irresponsible from only one aspect. Therefore, there is a need to pay attention to the company's reputation and CSR strategy constantly in order to control and continuously improve them in the long term (Kuldová 2010, 60). Also "even the best activities may fail miserably to create the intended benefit for either the community or the company" if are chosen irrelevantly to the local environment (Urip 2010, 13).

There are some corporation who expect higher profits right after implementing CSR. It should be realized that it is a long-term investment in overall development and becomes generally profitable over the long run (Lacinová 2013) and most of the profits are unmeasurable (Kuldová 2010, 32).

# 7 CSR COMMUNICATION

The next step in the CSR process is communication. Through communication the company will strengthen its relationship with its stakeholders which should be involved in decision making in terms of CSR activities. Due to communication, the feedback is obtained (Petříková 2008, 93).

Examples of communication are:

- Company web sites
- Product labels
- Newsletters, magazines
- Leaflets, brochures
- Intranet
- Presentations
- Survey
- Meetings (Kuldová 2010, 28; Kunz 201, 124).

# 7.1 CSR Reporting

Another way to inform stakeholders is a CSR annual report. CSR reporting is defined as "the process of communicating the social (,ethical) and environmental effects of organisations' economic actions to particular interest groups within society and society at large" (Belal 2008, 1). Via the reports, executives influence the external perceptions of the company (Kašparová, 2012, 13). A non-financial report enables key stakeholders, and anyone who is interested, to learn about the development of the company's CSR activities. Regular reporting on financial and non-financial data leads to corporate transparency (Šanderová 2008).

CSR reporting is not used much in post-communist countries. Most Czech companies do not consider CSR as a priority which results in a lack of emphasis on reporting (Kašparová, 2012, 13-14).

The CSR report itself should include short introduction of the company, its mission, the characteristics of individual stakeholders, its current CSR activities and set short and long term objectives in the individual areas (Kuldová 2010, 77). According to Kašparová (2012, 13), nowadays there is a tendency to limit the issuance of these reports and to include them directly into annual reports (so called integrated reporting).

An excessive communication may be perceived counterproductive as exaggerated self-promotion may give the impression that this is more a marketing tool than an act of goodwill (Lacinová 2013). However, if the company wants to apply the concept successfully, the integral part of CSR is providing all the information about their visions, programmes, including how much money was put into CSR, because this leads to transparency.

# 7.1.1 Standards reflecting CSR issues

International reporting standards were initiated to guide a company on how to measure and subsequently publish information about corporate social responsibility. (Kunz 2012, 106)

# **Examples of some international standards**

- The Global Reporting Initiative GRI is the most widely used standard that guides
  organizations how to measure and publish a detailed overview of the activities in
  their economic, environmental and social areas, that are publicly published and
  accessible to all stakeholders. GRI's vision is to achieve such reports on economic,
  social and environmental performance which will be on the same level as reporting
  on financial performance (Emress 2013)
- ISO standards

ISO 9001 – the certificate "ensures that [company's] products and services consistently meet customer's requirements, and that quality is consistently improved" (ISO)

ISO 14001 – it "is applicable to any organization that wishes to establish, implement, maintain and improve an environmental management system, to assure itself of conformity with its stated environmental policy" (ibid.)

ISO 26000 "is intended to encourage [companies] to go beyond legal compliance, recognizing that compliance with law is a fundamental duty of any organization and an essential part of their social responsibility" (ibid). The standard is used as a "methodological guide" to the basic principles of social responsibility. It covers a wide range of topics CSR, but is not intended for certification purposes (Empress 2013).

Since November 2013, in the Czech Republic there is possibility for the companies applying the CSR in their business to get certificated by ČSN 01 0391 standard. The norm is designed to the Czech business environment. It includes requirements for individual pillars of social responsibility (economic, environmental and social) management system requirements and the requirement for continuous improvement. It enables space not only for certification but also for integration with other management systems standards (quality, environment, etc.) (Emress 2013).

#### 8 THEORETICAL PART SUMMARY

Some people may think that the only responsibility of a company is to maximize profits to satisfy its shareholders. On the other hand, companies implementing CSR into day-to-day operations and processes may help to its sustainability and help to become a good citizen in the locality which operates. In the Czech Republic, it is rather large corporations who officially adopt CSR into their statuses nevertheless small companies can behave responsibly without even knowing it. For instance, sorting waste, reducing the negative impact of its business on the environment, philanthropy, also established code of conduct; and employee care are signs of responsible behaviour.

A company must comply with fundamental rules such as production of quality products for good price and responding to demands. If not, a company will be perceived as untrustworthy in doing other activities. If the firm decides to implement CSR in all the company processes, it should ensure the interconnection between CSR and mission and vision of the company and it should be done in the long term. It will enhance the credibility and reputation. CSR strategy can fail if the company is perceived as socially irresponsible from only one aspect. Activities in CSR are various therefore they are divided into three areas, so called Triple Bottom Line (Profit, People, Planet). A company determined to behave responsibly should be participating in all three areas of TBL simultaneously.

Corporate social responsibility is connected with company sustainability (investment in the future). CSR can contribute to an increase the credibility of the company; also it may lead to significant internal effects in the form of innovativeness, motivation and employee loyalty.

# II. ANALYSIS

# 9 ABB GROUP

ABB is a "global leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact". ABB was established in Zurich, Switzerland. The company in its present form was established in 1988, but its history is much longer and goes back to the late 19<sup>th</sup> century. Now, the firm employs approximately 145,000 people and does business in more than 100 countries (ABB).

"ABB's success has been driven particularly by a strong focus on research and development. The result has been a long track record of innovation. Many of the technologies that underlie our modern society, from high-voltage DC power transmission to a revolutionary approach to ship propulsion, were developed or commercialized by ABB. Today, ABB stands as the largest supplier of industrial motors and drives, the largest provider of generators to the wind industry, and the largest supplier of power grids worldwide" (ibid)

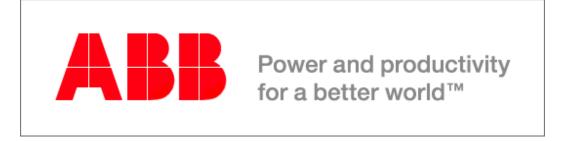


Figure 2. ABB Logo.

Source:

http://www.abb.com/cawp/db0003db004115/c125735d004da329c125746a005 090e6.aspx

# 9.1 Product Portfolio

ABB's business is divided into five global divisions. These are:

 Power Products – this division is engaged in the manufacture and supply of transformers, switchgear, circuit breakers and related equipment.

- Power Systems a key part of the offer are substations and substation automation systems.
- Discrete Automation and Motion it comprises of e.g. motors, generators, drives, mechanical power transmission, robotics, PLCs, wind converters, solar inverters, voltage regulators, rectifiers...
- Low Voltage Products products suitable for multiple electrical applications from residential home automation to industrial buildings, including low-voltage circuit breakers, switches, control products, wiring accessories etc.
- Process Automation products designed to optimize the productivity of industrial processes. Solutions include for example turnkey engineering, control systems, outsourced maintenance (ABB).

# 9.2 ABB's Vision

The long-term vision of the firm is to:

- "Improve performance: ABB helps customers improve their operating performance, grid reliability and productivity whilst saving energy and lowering environmental impact.
- Drive innovation: Innovation and quality are key characteristics of our product, systems and service offering.
- Attract talent: ABB is committed to attracting and retaining dedicated and skilled people and offering employees an attractive, global work environment.
- Act responsibly: Sustainability, lowering environmental impact and business ethics are at the core of our market offering and our own operations" (ABB 2012)

As we can see, corporate social responsibility is established directly in the ABB vision. The company perceives CSR as part of their business, not separate. Also products manufactured by ABB save energy, and through these products ABB improves the environment not only in the location of business but also around the world (ABB).

# 9.3 ABB Czech Republic

In the Czech Republic this Swiss organization has operated through its products since 1970 but the first company named ABB in the Czech Republic was established in 1992. Strategic

and geographic location, and also political changes in Central and Eastern Europe after 1989 made the Czech Republic a favourable place to create a strong base for ABB. (ABB) At present ABB s. r. o. employs nearly 3,300 people and it is located in 8 localities (Prague, Brno, Ostrava, Trutnov, Jablonec nad Nisou, Teplice, Most and Plzeň) (ABB). Ninety per cent of local production is intended for export (Automa).

ABB Czech Republic falls within the 20 largest ABB country organisations. Czech ABB has access to international know-how and the latest research and development. ABB CR is growing worldwide and currently generates 2% of the total revenues of the entire Group (41,8 billion USD in 2013). In 2013 ABB Czech Republic increased its revenues on record-breaking CZK 12,8 billion (the year before it earned CZK 12,2 billion) (firemnifinance.cz 2014).

#### **Interesting Facts:**

- ABB is a leader in many fields on the local market. It is for example the wiring
  material which can be found in almost every house and building in the Czech
  Republic from ordinary households to Prague Castle, Vaclav Havel airport and
  metro (ibid).
- Brno ABB facility is the largest manufacturer of instrument transformers for high voltage in the world. (ibid).

#### 10 ANALYSIS OF CORPORATE SOCIAL RESPONIBLITY IN ABB

## **10.1** Aim of Analysis

The aim of this thesis is to analyse applying the corporate social responsibility concept in the company ABB Czech Republic and then evaluate whether the company follows the theoretical principles and to recommend such precautions that will lead to more efficient use of CSR in the company.

#### 10.2 Data Sources

In the analytical part, following data sources are used to fulfill the aim of the thesis:

- Interview with a CSR manager
- External documents
- Internal documents
- a) The interview was conducted with ABB CSR manager Mgr. Magdaléna Boušková in Prague on the 29<sup>th</sup> of October 2013 at 14:00 p.m. The interview covered information missing on the ABB official website an implementation of CSR into the company, a relation with stakeholders, and personal opinions of the CSR manager. Also communication through electronic mail between the author and the CSR manager proceeded.
- b) The author drew on information from ABB official pages (www.abb.com; www.abb.cz) and documents available online Sustainability Performance, Code of Conduct and Annual report; and also from the external newsletter ABB news, which is available in printed version as well as online.
- c) The CSR manager provided the authoress an internal document reflecting the current state of CSR in ABB.

#### 11 CSR IN ABB CZECH REPUBLIC

Corporate social responsibility is an integral part of ABB business and most of revenues are associated with energy efficient products and services that help customers save energy and reduce greenhouse gas emissions. They fulfil their slogan "Power and productivity for a better world" this way (ABB).

The CSR manager would define Corporate Social Responsibility in ABB as a way of doing business. It is a natural part of ABB's business; it is nothing separate from other departments. ABB strictly adheres to the rules of business ethics, helps to protect the environment through their products, which helps to reduce electric energy consumption; and it is an integral part of the company's philosophy. As a technological leader on the market it also actively supports technology development and innovation; and it also supports the surrounding society through supporting non-profit organizations (Boušková 2013).

ABB had been behaving responsibly long before the CSR was officially introduced into the firm's statutes in 2009. Business ethics, environmental protection and many other things had been applied in ABB already, and management decided to broaden the range of activities, in order to have a good reputation and to motivate their own employees to be proud of working for the company. Their primary responsibility is to conduct business ethically and produce the products which help the world (Boušková 2013). ABB wants to be a leader in practising CSR activities on a high level and it is a member of Business Leaders Forum - Czech association of leading socially responsible companies (ABB).

## 11.1 CSR Manager

In ABB, there is a person who is responsible for the CSR programme. It is the CSR manager Mgr. Magdaléna Boušková. She has been doing this job for 5 years and she is the first CSR manager for the ABB Czech Republic. The position of the CSR manager is a part of the Public Relations and Marketing Communication department. Her job description is to invent new projects and maintain the existing ones; and communicate with stakeholders (Boušková 2013).

#### 12 STAKEHOLDERS IN ABB

On the basis of the interview with the CSR manager ABB's individual stakeholders are:

- Employees employees are very important to ABB therefore it strives to create good working conditions for them and it is open to their opinions
- Investors ABB fulfils the expectations of investors because it generates profit
   and keeps strengthening its market position
- Suppliers the relationship between ABB and its suppliers is mainly based on Supplier Code of Conduct
- Customers customers are one of the most important stakeholders, ABB trades
  on the principle of business-to-business (B2B), meaning that the end user is not
  usually ABB's customer; mostly business between companies is conducted
- NGOs ABB supports several NGOs in the place of business, predominantly organisations helping the mentally disabled
- Universities ABB, in relation to the local community implements various programmes with schools, supports talented young student and wants to increase interest in technical fields
- Media media is a powerful tool and ABB realizes it, the company provides information on its website and tries to be transparent this way.

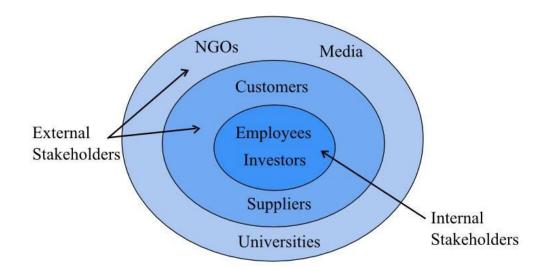


Figure 3. Stakeholders in ABB

Source: own creation

According to the CSR manager, the key stakeholders of the firm are:

- Customers
- Suppliers/business partners
- Employees
- Media

## 12.1 Recommendation

ABB does not consider its owners as their key stakeholder. The author would definitely add the company's owners as being the most important group of all stakeholders. Primarily, the company should meet the expectations of this stakeholder which is probably most interested in the profitability of the company.

#### 13 FOUR KEY AREAS OF CSR

In ABB there are not three key areas (so called triple bottom line: economic, social and environmental) of corporate social responsibility but four, which relate to their business. Boušková explains the implementing of 4 areas so that it is not strictly ordered that companies should obey the three areas but it is based on the needs of each individual company and every company should define their priorities and then build the areas on that. The four responsibility areas (pillars) of ABB CR are:

- Business Ethics
- Environmental Protection
- Technology and Innovation
- Local Community (Boušková 2013).

All these aspects have a great effect on their strategic planning and day-to-day decision-making. ABB has global directives in the field of ethics, ecology and safety. For the support of local community and the involvement of employees, countries have the opportunity to develop their own projects. Those activities and programs in are initiated and supervised by the CSR manager (ibid).

#### **13.1** Business Ethics

Ethical behaviour represents a fundamental principle for the long-term success of ABB. The leadership sticks to integrating business ethics into the very core of the organization and it is convinced that ethical and economic values are interconnected. Therefore, not only the company fulfills the standards set by national and international institutions, but also strives to fulfil expectations which go beyond the law. ABB is certified by ČSN ISO 9001 (ABB).

To support compliance with business ethics ABB has created a **Code of Conduct.**ABB Code of Conduct describes the main principles in relation to business partners, customers, financial markets, communities and countries in which the company operates (ABB).

The twenty-eight-page code involves several topics and it is divided into 6 parts:

1. "How we help our customers to succeed – quality and performance, trust, fair competition....

- 2. How we safeguard the company's assets property rights of others, conflicts of interest...
- 3. How we choose and work with business partners
- 4. How we interact with governments contributing to public affairs...
- 5. How we help each other to succeed mutual respect and privacy, diversity and equal opportunity, protection against harassment...
- 6. How we fulfill our wider social responsibilities respecting the law, protecting the environment..." (ABB)

The code is also a set of practical guidelines to help employees answer questions on everyday working life. At the same time it sets the standards of behaviour expected from all employees and stakeholders. Every ABB company in the world has the same form of the code (ABB).

"Every ABB employee, in every location, and at every level ... is bound to live up to the letter and the spirit of the Code even if it means losing an important contract or missing a business target." In the code of conduct ABB does not tolerate any violation of the law, the code or company policies. If any employees violate those regulations, it will lead to "disciplinary action, up to and including termination of employment" (ABB Code of Conduct). Each new employee is familiar with the code and during the next three months passes a practical e-learning training in ethics. If anyone notices suspicious behaviour which does not adhere to the Code they may announce it to ABB Business Ethics Hotline (ibid.)

ABB has high demands in relation to the environment, their employees, local community and business partners. The same behaviour ABB expects from its strategic suppliers and therefore it has introduced a **Supplier Code of Conduct** which is mandatory for all strategic suppliers for direct material and one of the main conditions of ABB when choosing supplier of indirect material. The Supplier Code of Conduct should be followed by companies which ABB work with. It contains seven core areas:

- 1. Human rights
- 2. Fair labour conditions and child labour
- 3. Health and safety at work
- 4. Environmental responsibility
- 5. Business ethics
- 6. Secure business

## 7. Procurement by supplier (ABB).

With their signature suppliers guarantee that they meet requirements of the code. ABB has also created a list of materials which are forbidden or restricted to use. Compliance with these restrictions is a must when fulfilling the orders from ABB (Business Leaders Forum).

#### 13.1.1 Recommendation

Each major supplier with his signature guarantees that meets the requirements of the Code. To find out if suppliers really follow the code, ABB should monitor supplier factories. The audit may be connected with a business trip, for example.

Employees should continuously come into the contact with the Code of Conduct, not only when starting working for ABB.

#### 13.2 Environmental Protection

The products and systems themselves made by ABB help both customers and ABB factories to decrease power consumption; reduce emissions and costs. Furthermore the environmental protection is taken into account in everyday life of ABB employees. They sort waste, print on both sides and they recycle toners. The company have also introduced a collecting box for small electrical waste from households. All production localities are certified by ISO 14001 (environmental management) (ABB). ABB also strive to recycle all possible waste from the manufacture of products. They have also created a list of banned chemicals for usage in ABB, which is stricter than the requirements of Czech and European legislation (ibid).

Employees who go to work by bike or walk are actively supported by their employer in the form of popular internal competition Tour de ABB. Furthermore, in 2012, Czech headquarters moved to the Qubix building in Prague which meets strict energy and environmental requirements, which the company requires on its buildings around the world. Qubix is one of the most energy-efficient buildings in the Czech Republic (ABB news).

## **13.3** Technology and Innovation

ABB business is based on high technologies; therefore it is actively involved in popularizing science and technology, innovativeness and searching for talents among students of elementary, secondary schools and universities. The aim is to increase the attractiveness of technical studies in both educational and professional fields. They try to

achieve this either through their own projects or in collaboration with non-profit organizations, schools and other educational projects (ABB).

They support particular projects and NGOs as follows:

- Field of Popularizing science and technology Svět techniky, Techmania, Věda má budoucnost
- Field of Innovation support Česká inovace, Český energetický a ekologický projekt
- Field of Searching for talented students České hlavičky, AMAVET, Sdružení na podporu mládeže (internal document).

The projects below are a few examples by which ABB contributes in the pillar Technology and Innovation:

As a part of **popularizing science and technology**, ABB has paid the entrance fee to Tachmania for 2,500 students. The company also enriches lessons by valuable insight into real work environment and enables excursions to ABB for students. Within **Innovation support** ABB has become a partner of the "ČEEP" (Český energetický a ekologický projekt) competition for student category which focuses on the efficient use of energy. As for the **search of young talents**, ABB is a partner of for example "České hlavičky" competition – the aim is to support talented young people in technical fields to increase young people's interest in studying such fields. ABB has been supporting supports talented youth through "Sdružení na podporu talentované mládeže" (Association to support talented youth) since 2013.

The area of Technology and Innovation closely relates to ABB business, hence they see in this pillar as being most important. They are engaged in many projects there yet they plan to expand it even more (Boušková 2013).

## 13.4 Local Community

The ABB engages in many activities from partnership with NGOs, philanthropy, through volunteering, to employee care in the form of meaningful activities. As for the philanthrophy ABB deducts the contributions.

The Support of a local community is slightly in decline in the sense that the CSR management is going to spend more money on Technology and Innovation. The pillar

Technology and Innovation relates to the support of the community as well but in a different direction (Boušková 2013).

The area Local Community and the activities carried out within this pillar are not bound to world headquarters at all. ABB supports local community through philanthropy, buying products from NGOs or through providing them skills of its employees (ABB, for example, has helped České hnutí speciálních olympiád to create concept of public relations and HR managers have arranged training for job interviews for young people leaving a children's home (ABB).

#### 13.4.1 Partnership with Non-profit Organizations

The company actively supports the NGOs operating in the place of ABB business. The most significant support is long-term partnerships with non-profit organizations seeking to integrate children and adults with physical and mental disabilities into society.

The support takes a form of both financial and non-financial donation; and volunteering by ABB employees.

The organizations whom ABB helps by donations are: Centrum handicapovaných lyžařů, Domov pro mne, Společnost pro podporu lidí s postižením, Sportovní klub vozíčkářů.

Employees have participated in selecting an organisation which ABB would be supporting in the long term. Employees nominated organisations of their choice, and then the organisation with the most votes won. In the final there were 3 organisations and the winner has become an organisation "Domov pro mne" from Brno whose mission is to help people with disabilities to live a normal life. In total 625 people voted, more than a half voted for Domov pro mne. ABB committed to donate 100 CZK to the winning organization for each vote, so ABB donated 62,500 CZK to the winning organisation. Involving employees in decision-making makes them feel like they are a necessary part of the company.

### 13.4.1.1 Corporate Volunteering

As has been mentioned, ABB has been supporting non-profit organizations for a long time. Through corporate volunteering (entitled ABBnormální dny – ABBnormal days) employees can help, one day a year, by participating in events organized by those non-profit organizations. Employees choose the activity according to their interest and

availability. The events take place at each location where ABB operates and the range of activities is designed according to the needs of its non-profit partners (ABB).

Every year around 100 volunteers from ABB participate in the event. In answer if Mrs. Boušková was satisfied with number of volunteers replied that she did not care about the number of people. She wants people to enjoy it. It is not about reaching the highest number of volunteers. Employees, who want to do that, can do it (ABB, Boušková 2013).

People from offices as well as production workers participate; and the number of people who want to help is growing. When volunteering, employees get paid that day as if they were at work.

Volunteers can help, for example, in these events:

- Ski courses for the disabled
- Beautifying a ZOO with the mentally disabled
- Preparation of a special decathlon for handicapped children
- Preparation of a game "Pohádkový les" employees together with mentally disabled people prepare the game for children (Internal document).

#### 13.4.2 Purchasing Products form Non-profits Organizations

ABB supports non-profit organizations, sheltered workshops and companies employing more than 50% of employees with disabilities by buying their products and services. ABB purchases New Year greetings, Christmas gifts and protective equipment from them (ibid).

#### 13.4.3 Tour de ABB

Tour de ABB is a name for a competition intended for employees. It is about motivating them to go to work on foot or by bike. Employees will improve their physical condition and also do something good for nature. In addition, from each kilometre, ABB donates to sportsmen in wheelchairs (ibid).

The literature recommends dividing the CSR activities into three main areas – economic, societal and environmental. The investigated company has established four areas, however the social area is split into two pillars (Local Community and Technology and Innovation) as these areas are comprehensive, so characteristics of areas in ABB coincide with triple-bottom-line description in the theoretical part (excluding employees).

ABB engages in all areas of simultaneously, which is good. Projects are invented within long-term strategy. The fact that they do not implement one-off events but they do

focus on planning the activities in the long term perspective demonstrate, that CSR is not applied because of momentary desire to improve the image but to do a sustainable business.

## 13.5 Employees

Previously employee care used to be one of the ABB pillars. Nevertheless, after amending the pillars last year owing to focusing more CSR on its line of business, ABB has devoted one pillar to support science and innovation; thus employees disappeared from the CSR concept of ABB and are completely in HR competence. Although employees are not included in the CSR anymore, the author considers them to be a part of corporate social responsibility hence, it is worth mentioning a few examples of how employees are treated in the company (Boušková 2013).

ABB enables administrative workers to balance their work and personal life. For example, in every location there are set fixed working hours (e.g. in Prague it is 9 a.m.-15 p.m.) and the rest of office hours employees can adapt to their needs. ABB also employs many women part-time (6 hours a day) in order to enable them to pick their children up from kindergartens or schools (Boušková 2013).

The company offers various events for its employees and their children. The example is organizing excursions for family members including children, husbands and wives to see what work these people do in ABB. The corporation supports personal development of their employees, they have, for example, so called Talent academy - skilled workers are identified as talented and their skills are further developed (Boušková 2013). ABB respects the principles of equal opportunities and supports an openness and personal initiative. ABB Emphasis on ensuring a safe and healthy working environment and takes appropriate steps to prevent accidents and injuries during the work. The firm behaves according to OHSAS 18001 standard (management of safety and healthy) (justice.cz 2009).

#### 14 STRATEGY AND IMPLEMENTATION

It was ABB Czech Republic itself that decided to behave responsibly. Mrs. Boušková claims that there was no pressure put from the world central. Some things were inspired or taken from the world headquarters (as has been mentioned it is company directives in ethics, ecology and safety), however the rest of the areas of responsible business (support of Local Community and Technology and Innovation) were created by ABB CR and they are only within their competence.

The first step was a revision of current CSR activities, now the firm is focusing on their development and implementing new projects. At the beginning of the implementation of CSR into the business the CSR manager was cooperating with many departments and it was discussed what could be done with CSR. Nowadays the cooperation is narrower. The CSR manager works closely with a corporate environmentalist, lawyers responsible for ethics and HR managers (Boušková 2013).

The strategy is built on 4 areas (Business Ethics; Environmental Protection; Technology and Innovation; and Local Community). The management plan activities in individual areas in which they would like to do. Yet not all activities can be planned in advance Mrs. Boušková argued. The company has not set their visions and targets clearly (Boušková 2013).

The CSR manager truly appreciates that top management has always been in favour of her ideas. As she recalls, anything CSR management wanted to organize, the top management agreed. As for money, budget was never decreased. On the contrary, the managing director decided to add extra money, for example on floods in 2013 but information how much money leadership spends on the whole CSR program is not published. Management did not wish to disclose the financial sum to the interviewer for the purposes of this thesis (ibid).

To find out if the activities works well ABB does not conduct any survey with a measurable method. The CSR manager predominantly relies on qualitative feedback in the form of face-to-face communication. She does not receive any feedback in written form. She strives to do CSR to the best of her knowledge and conscience and if needed they adjust or improve the activities based on that. It mostly flows from natural feedback – due to this they realized, for example, that the support of non-profit organizations associated with business was missing, therefore, the pillar of science and technology was implemented. She also attends CSR clubs to find out new trends in the field of CSR in

order to adapt them into ABB business. After each event, she always asks people who participated whether they liked it or not, and what they would improve. The feedback comes naturally. She claims that she does not need any surveys or questionnaires to be done; she relies on her conscience and experience.

Money and effort spent on CSR activities return through intangible benefits (in the form of company reputation and employee loyalty). As for competiveness, Mrs. Boušková does not think that CSR brings benefits to competition. She does not expect that a customer decides to buy their products, which are technologically advanced and so costly, because of CSR. On the other hand, she does rather think that it can help when seeking new staff. A lot of people who want to work for ABB or students are interested in CSR and long for getting to know more about this topic. People are glad that the company does not focus on profit only, but also cares about local community, employees and other stakeholders (Boušková, 2013).

ABB has defined targets only in one pillar and it is Technology and Innovation. It is because the pillar was implemented most recently and it is the only pillar in which goals are clearly defined and formulated in written form. Aims in Technology and Innovation are:

- 1. "Build our awareness and image as a technological leader
- 2. Contribute to the popularization of technical science among students and the general public
- 3. Motivate the young generation to study technical professions." (Boušková 2014). Mrs. Boušková claims that targets usually cannot be quantitatively evaluated.

## 14.1 Recommendations

ABB has determined the visions and objectives, but not all of them are officially set. Except the area of Technology and Innovation, ABB has not officially defined them. The CSR management has implemented activities without setting clear visions and objectives first. The author highly recommends the company to set solid visions and targets that it will try to meet. Regarding the company culture and the long-term company vision and stakeholders, the author proposes following example of visions then aims and such activities by which the company could fulfill the aims (the author has borrowed one aim from the Technology and Innovation pillar already set by ABB):

#### 1. **VISION**: BE PERCIEVED AS A TRUSTWORTHY COMPANY

Aim: Increase corporate transparency

#### **Activities:**

- Implement corporate social responsibility into an annual report (integrated reporting) and highlight results in both CSR and business (in Czech and English as well) and ensure an update and availability of information.
- Organize a Visitor's day to show the public how the company does business and provide them information they are interested in.

#### 2. **VISION**: BE PERCEIVED AS AN ATTRACTIVE EMPLOYER

a) Aim: Ensure employee satisfaction

#### **Activities:**

- Check satisfaction in the workplace through internal survey. Employees will fill out a questionnaire with questions such as:
- Do you think you are paid same as your colleague?
- If you have a problem, who would confide? (- the employee should answer it is the employer, not his/her colleague)
- If you are asked where do you work, will you answer or you will not tell because you are ashamed for example?
- Are you satisfied at work? If not, why?

After the questionnaire the employer will find out what should be improved.

**b)** Aim: Attract new skilled employees

#### **Activities:**

Contribute to the popularization of technical science among students and the general public via cooperation with technical secondary schools and universities (for example lectures at schools, competitions), offering educational programmes, offering thesis topics so students can propose new solutions for the company and show they are skilled.

To be perceived as an attractive employer, company should inform about the working environment, benefits, training and other activities for employees on the internet to

captivate potential employees. Again, the transparency enables the potential job applicants to find out what they can expect from the employer. Due to providing the information about CSR the company may have higher number of applicants.

#### 3. **VISION**: REDUCE ENERGY CONSUMPTION

Aim: Reduce water consumption by 5%

**Activities**: Engage employees to behave in an environmental friendly way – a talk about enlightening how to act in environmental friendly way with a specialist, also putting posters on noticeboards in workplace with interesting facts about consumptions will help to rationalize the project. The company can place a signs above the sinks such as *Stop water while using a soap* or *Use water wisely*, and above dual flush toilets: *If not needed, use only a half flush*, for example.

The author recommends the company to establish official visions and goals for a certain period (e.g. one year). She also suggests implementing such programmes which will be evaluable somehow to find out if the implementation was effective (for example, water consumption was reduced by 8 %; during a Visitor's day 200 people came – twice more than last time; number of complaints decreased by 20 %; 65 % of employees is satisfied at work— we should improve that by the next year. How? – and this will lead to setting new projects for the next year and so on). The activities should satisfy the key stakeholders and if some activity did not work well, it should be replaced by another in the following year. The more visions the greater confusion can occur, therefore it is appropriate to set only few visions and expand them on aims.

The firm should communicate about setting visions, activities and also about the subsequent results. The company should ensure that key stakeholders get the report, so they can send it via e-mails or Intranet. The interested public can be informed by the Internet. (*This year we have set the following visions...*)

#### 15 CSR COMMUNICATION

Communication in ABB is split into external and internal. External communication is addressed to the general public interested in ABB and internal communication is intended for people inside the company.

#### 15.1 External Communication

External communication is:

- Company web on web pages in section "Odpovědné podnikání" (Corporate responsibility) present its CSR activities. On the site, there are listed all four areas of ABB's CSR in detail.
- Diary of CSR Manager through the Internet CSR manager Mrs. Boušková
  informs about CSR in a more personal way, informs about past events, or upcoming
  events, she also gives advice how to prepare for the volunteering for example. The
  diary and basic information about CSR activities in ABB are also published on
  Business Leaders Forum's website csr-online.cz
- Leaflets they were used predominantly in the past, now ABB focuses on the Internet posts more.
- ABB news external newsletter
- Meetings they educate about CSR at universities and on conferences.
- Customers Hotline if customers have a problem, or notify that a company is doing something unfair they can call the hotline (Boušková 2013).

#### 15.2 Internal Communication

The internal communication includes:

- Intranet
- Company magazine for employees
- Internal documents
- E-mails
- Noticeboards, posters...
- Business Ethics Hotline
- Feedbacks
- Meetings (Boušková 2013).

Mrs. Boušková recommends communicating about CSR with employees in an untraditional and light-hearted comprehensible way – ABB's first introduction of CSR was published in internal ABB newspapers in the form of a recipe Jak se vaří společenská odpovědnost v ABB (How to Cook Social Responsibility in ABB). Employees play an important role in CSR and have a great influence on the result of overall efforts. The CSR manager's contact details are internally and publically available so people can contact Mrs. Boušková with any idea or suggestion (Business Leaders Forum).

#### 15.2.1 Reporting

ABB Czech Republic does not compile any CSR report however the ABB Group as a whole collectively reports about responsible behaviour in so called Sustainability Performance. The Sustainability Performance report reflects the state of ABB Group globally. It comprises introduction of the ABB Group, information about their business, plans for the future and achievements within CSR for the whole Group (ABB). It is reported according to the GRI standard. The results are detected the way that every ABB company in the world answers the same questions, the results are gathered and then the report is compiled (Boušková 2013).

Activities solely carried out by Czech ABB are disclosed on web pages www.abb.cz

## 15.3 Recommendations

Although the CSR programmes are described on the Internet, new posts informing about the current state of responsible behaviour are missing. The last post in Deník CSR manažerky ABB (Diary of CSR manager) is from July 2013. The management should keep external stakeholders informed about news and undertaken actions in order not to lose their interest. As was mentioned before the company should set visions and targets before doing the activities.

ABB Czech Republic does not publish its own CSR report. To become transparent, ABB should make an **integrated reporting** at least (communication about company responsible business is included in an annual report) to let their stakeholders and other interested people know that the company not only is successful in financial terms, but also is respectful to the society and the environment. Enagagement in CSR can also be a way how to attract new investors who appreciate the fact that the firm's concern is not only maximizing their profits. Only in 2009 when ABB officially introduced CSR into the

organisation, one page in annual report was devoted to CSR activities. Since then the communication has disappeared. It would be appropriate to keep inform about these activities and plans through the Internet and annual reports regularly both in Czech and English language.

Although ABB Czech Republic uses various means to speak to its stakeholders, the opposite side has limited options. Either they can directly contact the CSR manager, or, in case of a violation of the code, they can call the ABB Hotline (on the hotline there is used English language only) or send an e-mail.

The company should ensure obtaining feedback of overall perception by all its stakeholders. The author suggests introducing regular appointments with the representatives of individual stakeholders to discuss the ideas, detect whether some activity is perceived as unnecessary, or what programmes are missing, and receive comments and feedbacks about the activities. The main objective of CSR is to ensure the satisfaction of the key stakeholders so they should be engaged in the planning and based on the discussion with them the company can implement suggested ideas into the activities. The key stakeholders should be allowed to express, and should participate in decision-making.

To be transparent the author further recommends revealing the financial amount on the CSR programme or a percentage expression at least because the sum should be divided equally among the pillars. If the CSR is done fairly there is no need to conceal such information.

To become a more trustworthy organisation the author considers appropriate to get certificated with a new standard ČSN 01 0391 dealing with corporate social responsibility in Czech businesses. The fact that the company will be certificated by an independent third party can increase credibility. Corporate social responsibility within the standard is not a set of random, isolated activities, but thoughtful, systematic approach. It is based on the determination of objectives and subsequent specific projects and activities leading to fulfillment of the given objectives. An important feature is that the standard represents regular review of the entire system. This is the same system requirements that are contained in standards such as ISO 9001 or ISO 14001, so companies who have applied these management systems, should not have no major problem with an understanding of and introduction of ČSN 01 0391. (Emress 2013)

#### 16 CONLUSION

The aim of the thesis was to ascertain how ABB Czech Republic applies a CSR concept, how it is applied inside and outside the company, and then evaluate whether the company follows the theoretical principles and to recommend such precautions that will lead to more efficient use of CSR in the company.

ABB s.r.o. is a large company and part of a multinational ABB Group. It assumes directives in ethics, ecology and safety from the world headquarters. Although ABB Czech Republic was not forced to do that, it has decided to start fully developing the CSR concept and expanding the CSR program to all levels of the company.

It is important to realize that although corporate social responsibility is based on voluntariness, the company implementing the concept should obey certain rules.

CSR management initiates various projects in each area of CSR but it is a must to set official visions and aims first for a given period. Within the international ISO standards 9001 and 14001 which ABB CR owns, the company monitors key features of the operation and takes preventive measures and remedial measures for identified deviations and damage. The company must have defined goals, as they have to report on them (ISO). The organisation should inspire from these standards and apply a similar principle to the pillar Local Community and Technology and Innovation. The visions and target should be defined first and then activities can be specified. The corporation should inform their stakeholders through integrated reporting about past events and whether they managed to meet targets. Moreover it is essential to obtain opinions from key stakeholders as they are integral part of the whole CSR concept.

Some information about corporate social responsibility is presented on their web page www.abb.cz., which demonstrates an effort to be transparent but fundamental data are missing, such as mentioned particular visions and objectives and how much money was allocated to the whole CSR programme. Business ethics belongs to the corporate philosophy and whatever ABB does, must meet the established ethical standards. They strive to be a responsible company however, in some aspects they do not follow certain rules how to do CSR more effectively.

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## LIST OF ABBREVIATONS

CR Czech Republic

CSR Corporate Social Responsibility

CZK Czech Koruna – currency in the Czech Republic

EU European Union

GRI Global Reporting Initiative

HR Human Resource

ISO International Organization for Standardization

NGO Non-governmental organisation

OECD Organization for Economic Co-operation and Development

s. r. o. Czech abbreviation to English Limited Company

TBL Triple Bottom Line

UN United Nations

WBCSD World Business Council for Sustainable Development

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## **APPENDICES**

P I An Interview with a CSR manager

## APPENDIX P I: AN INTERVIEW WITH CSR MANAGER

Jak dlouho jste u ABB CSR manager?

Necelých 5 let

Vykonával před Vámi někdo tuto práci?

Přímo tuhle funkci ne

Přestože neexistuje jednotná definice CSR, jak by firma ABB definovala CSR v souvislosti s předmětem podnikání?

Pro ABB je to způsob podnikání, není to nic odděleného od podnikání, tzn., že je to o několika věcech, je to o etice podnikání, o ochraně životního prostředí, jak prostřednictvím našich výrobků, které pomáhají snížit spotřebu elektrické energii , tak v našich provozech, jak se chováme. Potom v další řadě je to to, že podporujeme vědu a techniku protože jsem technologický leader na trhu a jako poslední pilíř máme v CSR podpora okolní společnosti, tzn. dary neziskovým organizací, pomoc postiženým...

Proč jste se rozhodli chovat odpovědně? Jaký byl důvod k zavedení CSR a kdy se CSR stala nedílnou součástí podnikatelské činnosti ABB?

Jednak je to přirozenou součástí našeho podnikání. Už to tady bylo mnoho let ta etika podnikání, ochrana žp atd., ale rozhodli jsme se to ještě dál rozvíjet z toho důvodu, abychom měli dobré jméno jako společnost, abychom motivovali vlastní zaměstnance, aby na nás byli pyšní.

A začali jste v roce 2009? Jak jste mi psala do e-mailu..

V ten rok jsme všechno definovali oficiálně, ale spousta těch věcí existovala už předtím.

Bylo zavedení CSR v ABB Česká republika na podnět ze světové centrály nebo iniciativa z české pobočky?

Sami jsme se do toho pustili. My něco přebíráme z centrály, ale my jsme si to postavili oficiálně. Ty pilíře jsme si udělali sami.

Na začátku jsem spolupracovala s hodně odděleními, se všemi jsme se sešli a prodiskutovali, co by se dalo se CSR dělat, nyní je ta spolupráce užší. Je to hlavně s právníky, ti mají na starosti etiku, potom je to s firemním ekologem, a s personalisty z HR ... já sama jsem z oddělení PR a marketingové komunikace. Moje náplň spočívá v tom vymýšlet nové projekty a udržovat stávající a komunikovat o tom.

#### Co byste uvedla, že je primární odpovědností firmy ABB?

To je strašně těžké říct, ale myslím si, že jednak podnikat eticky, to je opravdu naše primární zásada a druhá věc je to že samotné naše produkty pomáhají světu

#### Kdo jsou vaši klíčoví stakeholders a proč?

Těch máme spoustu ale to asi stejně jako u každé firmy: jsou to zákazníci, media, zaměstnanci, univerzity, dodavatelé, investoři, neziskovky. Klíčoví je zákazník vždycky. V CSR jsou pro nás hodně důležití naši vlastní zaměstnanci.

# Myslíte si, že Vám CSR přináší výhody nad konkurencí? Uveďte další přínosy společenské angažovanosti z praxe vašeho podniku

Nemyslím si, že se někdo jako zákazník rozhodne koupit náš produkt, který je hodně technologický a drahý kvůli CSR, že něco o tom tolik ví, ale myslím si, že nám to pomáhá třeba asi se člověk rozhodnul pracovat pro ABB, protože se o tom zmiňují na pohovorech, nebo studenti se o to zajímají a naši zaměstnanci jsou za to rádi a jsou spokojení.

## Zpracováváte CSR zprávu? Je dostupná veřejnosti?

Nezpracováváme, lokální ne. Děláme ji jako celá skupina ABB děláme Sustainability Performance, ale my máme všechny informace na webu. Ta zpráva je dostupná na abb.com Jaké jste si stanovili cíle ve strategii CSR pro firemní stakeholdery? Jak je plníte?

My máme strategii CSR, je postavená na 4 pilířích, které naplňujeme etika, ekologie a věda, postižení, ale nemáme to vztažené ke stakeholderům, nebo u každého by se dali definovat, ale není to tak podle toho. Spiš máme nadefinované, co v tom pilíři chceme dělat a co potom děláme. Stanovily jsme si projekty, které naplňujeme, ty pilíře dál rozšiřujeme. Máme nějaké plány na příští rok v každém tom pilíři, ale nemusíme jít teď do takového detailu si myslím, že to co je na webu každého toho pilíře, to je jako by, co chceme dělat a máme nějaké plány to rozšiřovat nebo když přijde zajímavý subjekt se zajímavou nabídkou tak to rozšíříme, všechno se nedá naplánovat.

# Jak poznáte, že se vaše strategie naplňuje a děláte ji správně? Děláte třeba nějaký průzkum?

To ani ne. Děláme to s nejlepším vědomím a svědomím a sami si to postupně třeba upravujeme. Že nám chyběla ta podpora takový neziskových organizací, které by s souvisely businessem, tak jsme si to uvědomili a ted jsme to představili a ted máme ten pilíř podpora techniky a inovací. Vyplývá to z přirozených zpětných vazeb, třeba že se účastním nějakých CSR klubů, kde se o tom mluví, co je nový trend a potom to upravujeme podle toho atd.

## Postupujete při zpracování CSR zprávy podle nějaké metody? (GRI např.)

Děláme metodou GRI a dělám to tak, že se v každé zemi zeptá na stejné otázky, všichni odpoví a potom se sestaví zprávu

## Jakým způsobem si vybíráte organizace a projekty, kterým pomáháte (sociální pilíř)?

U nás je to tzv 4. Pilíř - Podpora lokální společnosti – tak ten je trošku na ústupu v tom smyslu, že více peněz chceme věnovat na vědu a techniku a to je taky podpora okolní společnosti, ale trošku jiným směrem, pokud se teď bavíme o lidech s postižením, máme tam asi 3 nebo 4 partnery teď neziskové organizace, kterým pomáháme finančně a také prací našich zaměstnanců v rámci firemního dobrovolnictví. V tom podporujeme aby jezdili do práce na kole nebo podporujeme lidi, aby darovali krev.

## Jaký druh zaměstnanců se účastní dobrovonlictví? Kdo chce?

Můžou se účastnit všichni zaměstnanci, jeden den v roce, opravdu kdo chce, těch akcí je 10 v různých aktivitách, podle toho kde jsou ty lidi a jak se jim to hodí. A účastní se jak lidi z výroby tak lidi z kanceláří. Ten průřez je široký, co je na tom zajímavého , je že se každý rok účastní nový lidi, takže ten počet narůstá, co pomáhá

## Jste spokojeni s procentem zaměstnanců, kteří se aktivně zapojují do dobrovolnických aktivitit?

Mně nejde o kvantitu lidí, ale aby je to bavilo, aby si to cenily. Kdo to chce dělat, tak to může dělat. Nejde o to, abychom dosáhli nejvyššího čísla. Ti lidi se obměňují a narůstá to každý rok, takže jsem spokojená.

## Proč jste vytvořily 4 pilíře a ne 3 základní?

Ty pohledy jsou na to různé, buď jsou pilíře 3 nebo 4 obecně v CSR. Ten sociální pilíř se dá rozdělit na vnitřní a vnější. Ty pilíře co máme jsou naše pilíře, to nejsou přímo CSR. Každá firma si může říct co jsou naše priority a postavit to na tom. že ta priorita je etika, ekologie, věda a technika, podpora neziskovkám, není to dogma, že by se to muselo dělat podle těch tří pilířů, vychází to z toho, ale je to přizpůsobené potřebám naší společnosti.

#### Plánujete rozšířit aktivity CSR?

Vědu a techniku.

# Poskytuje váš podnik zákazníkům, dodavatelům, obci, atd. Jasné a přesné ekologické informace o svých výrobcích?

Samozřejmě máme dokumentaci k produktům.

Co byste poradila firmám, kteří uvažují o přijetí konceptu CSR do svého podnikání?

Aby si udělali audit toho, co už možná dělají a nevědí, že je to CSR, protože takových věcí najdou spoustu - že někoho podporují, že se starají o zaměstnance, že třídí odpad, nebo že mají etický kodexu - zkrátka ujasnit si, co mají sepíšou a na základě toho vytvoří ty svoje pilíře.

## Snížila se absence zaměstnanců, zvýšila se jejich výkonnost?

To se as takhle nedá měřit. Mám třeba hodně zpětných vazeb, že si toho váží, že se takhle chováme nebo že jsou rádi, že mají zkušenosti s dobrovolnictvím, nebo je motivujeme, aby jezdili do práce na kole,díky této soutěži třeba začali sportovat cestou do práce. máme pěkně zpětné vazby, ale neznamená to, že ten člověk díky tomu nedá třeba výpoveď z jiných důvodů, když není spokojený s penězi, nebo s náplní práce. CSR není všelék.

Vy jste uváděla na svém blogu, že Váš cíl je zvýšená motivace zaměstnanců a zvýšená image Vaší firmy, podařilo se Vám to? Vnímáte to třeba, když se k Vám lidé hlásí na práci?

Ano, lidé se na to ptají a jsou za to rádi.

## Vytváříte podmínky k tomu, aby mohli zaměstnanci sladit svůj pracovní a osobní žiovot – tzv. Work life balance

Ano, o to se snažíme, ale nemáme pro to daná nějaká oficiální pravidla. U nás existuje jedno jednoduché pravidlo, že je to na rozhodnutí managera a funguje to dobře. Třeba já osobně pracuju z domu každý pátek. Mám teda jednu věc, co platí pro všechny a to je, že v každé lokalita je daná pevná pracovní doba, třeba v Praze je to od 9 do 15 a zbytek si můžeme přizpůsobit tomu jak chceme. Můžeme teda například dojít v 7 a odejtí v 15 nebo naopak. Máme třeba i mnoho žen zaměstnaný na částečný úvazek, že pracují 6 hodin denně, aby mohly vyzvednout děti včas.

#### A máte firemní školku?

Nemáme, není to jednoduché protože máme asi osm poboček, a ve všech to není reálné a pokud by byla třeba pouze jen v Praze, nebylo by to vnímáno jako spravedlivé vůči ostatním pobočkám. Máme různé akci pro zákazníky s dětmi, že třeba máme exkurze pro rodinné příslušníky, aby ty děti, manželé a manželky viděli, co ti lidi v ABB dělají.

#### Respektujete princip rovnných pracovních příležitostí?

Samozřejmě, při pohovoru nedáváme nikomu přednost z tohoto důvodu, ale podle toho, co ten člověk umí. Tohle téma je spíše politika personální.

#### Setkali jste se při zavádění CSR s nějakým problémem?

Právě musím říct, že management byl vždycky velmi nakloněn mým nápadům. Cokoliv jsme chtěli zorganizovat jsme zorganizovali. Ani peníze nebyly problém, nikdy se rozpočet nesnižoval, naopak. třeba teď byly povodně letos sám generální ředitel se rozhodl že přidá 200.000,- na CSR projekt. Je to spíš otázka času, protože CSR není jediná moje práce - já ještě dělám, obecně marketingové věci, ABB má svůj blog, tak se o něj starám, píšeme že třeba naše produkty můžou pomáhat světu. Ono je to všechno propojeno se vším.

## Prostřednictvím jakých nástrojů komunikujete s firemními stakeholders o CSR?

My to rozdělujeme na komunikaci interní a externí. Když začnu s externí komunikací, tak na webu máme celou sekci, o CSR měli jsme i různé letáčky, ale teď jsme se rozhodly starat o ten blog, vystupujeme na vysokých školách a konferencích. Interně tam je to ještě širší, tam máme intranet, firemní magazín pro zaměstnance, posíláme jim e-maily, nástěnky, plakáty

## Kterou aktivitu považujete za nejvýznamnější?

Teď jsme hodně rozjetí v oblasti podpory vědy a inovací, protože to souvisí s našim podníkáním a tam máme spoustu projektů, máme tam soutěž pro studenty o nejlepší studentskou práci, poporujeme populárně věděcko-technická centra Techmania, nebo jsme podpořily project Věda má budoucnost, kde se ukazuje žákům středních škol, jak to funguje v technických firmách, nebo České hlavičky, kde se hledají talentovaní studenti atd. takže v této oblasti toho děláme hodně. Za nejoriginálnější aktivitu považuju Tour de ABB nebo firemní dobrovolnictví, to mám tak jinak promyšlené než ostatní.

## Odměňujete práci zaměstnanců za dobrovolnictví nějakým způsobem?

Oni dostanou peníze, jako kdyby pracovali. Dostanou výplatu jako za normální pracovní den. Určitě to nedělají kvůli dárkům. Dárky dáváme v té cyklistické soutěži. Tam jsme ještě udělali to, že z každého ujetého kilometru jde výtěžek pro sportovce na vozíku.