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Corporate Social Responsibility as part of Public Relations and firm development

The paper deals with Corporate Social Responsibility (CSR) as a part of Public Relation and firm development. We choose one of the most famous fast food all over the world, which is McDonald's company for our research purposes on Corporate Social Responsibility in business firm. The main objective of the article will be to find out, how McDonald's company implements Corporate Social Responsibility towards employees, customers, supply partners, and the community. We also used a questionnaire survey focused on McDonald's employees to find out how does the company implements a corporate social responsibility policy in employee opinion.

McDonald's has over 32,000 installations worldwide in 120 countries. McDonald's Slovakia says openly about the social responsibility policy in company's image development and understand CSR as a Public Relation tool in particular, but also as a key tool for society development in accordance to the motto – „if the company thrives, we should feel a commitment to do good.“

Introduction

The goal of the organization's activities is the key to understand the corporate social responsibility concept. Socially responsible company should not only to maximize profits, but its goals are based on the needs of internal and external environment and also include social and environmental aspects of its activities. The objectives of such organizations move from short to rather long-term goals, which contribute to long-term ability to generate profits and sustainable society development. It is because of a shift from focusing only on profit to the three so-called "P": people, profit, planet. In this case the company activity is based on applying the concept of "triple-bottom-line", which takes the economic growth as well as environmental and social responsibility of the company into account. As concepts of CSR and triple-bottom-line point out economic interests may not be in contradiction with the social and environmental interests, but may create a synergistic effect. CSR provides a framework for organizations helping them to integrate environmental, social (ethical) criteria into manager's decisions.

The most frequently used definitions of CSR are as follows:

"CSR is an ongoing commitment of firms to behave ethically, contribute to sustainable economic development while contributing to improve the quality of life for employees, their families, as well as local communities and society as a whole" (*World Business Council for Sustainable Development*).

"The integration of business practices and values in such a way that they contain interests of all stakeholders including consumers, employees, investors and the environment" (*The Corporate Social Responsibility Newswire Service*).

A. B. Carroll definition already from 1979: "Corporate Social Responsibility includes economic, legal, ethical and any other expectations of society, which has at that time from the organization."

Howard R. Bowen wrote: "Social responsibility is a commitment of entrepreneurs to seek strategies to make such decisions or carry out such activities, which are desirable in terms of goals and values of our society."

Corporate Social Responsibility



Source: http://www.industryplayer.com/corporate_social_responsibility.php

There are participating groups in matters relating to Corporate Social Responsibility:

1. owners, shareholders, investors,
2. staff (employees),
3. consumers,
4. suppliers and business partners,
5. competition,
6. Government,
7. community.

CSR in relation to the owners, shareholders and investors requires:

1. clearer assessment of annual reports,
2. transparent accounting,
3. alignment of activities with the expectations of shareholders,
4. providing long-term stability of the company.

CSR in relation to employees requires:

1. to enable staff career,
2. to improve their skills,
3. to provide training,
4. to ensure appropriate conditions relating to safety at work.

CSR in relation to consumers requires:

1. to ensure consumer satisfaction,
2. to reduce the number of complaints,
3. health and safety for consumers,
4. adequate information in advertising.

CSR in relation to the supplier requires:

1. compliance with the conditions laid down in the contract,
2. compliance with maturity dates,
3. level playing field for potential suppliers.

CSR in relation to competition requires:

1. to respect rules of the competitive struggle,
2. to respect ethical codes,
3. common solution to some problems in the environment.

CSR in relation to the community requires:

1. commitments to invest in community programs,
2. to develop human capital,
3. contribute to the development of infrastructure.

CSR in relation to the Government requires:

1. support and management of corporate philanthropy,
2. provision of government posts,
3. effective use of subsidies, grants from government.

Corporate Social Responsibility in McDonald's company

McDonald's company was selected for the sixth time for inclusion in the Dow Jones World and Dow Jones North America Sustainability Indexes (DJSI). These indexes compare the companies that are industry leaders in a wide range of economic, environmental and social issues. McDonald's is one of the few fast food traders, which is so highly acclaimed.

DJSI indexes belong to the world's most prestigious stock indexes of socially responsible investors. This classification reflects the expertise that the company creates long-term shareholder value in the strategic management of corporate social responsibility and the attendant opportunities and risks. „McDonald's inclusion in DJSI shows how our owners, operators, suppliers and company employees work together to continually improve performance“, said Bob Langer - vice president for corporate social responsibility. They try to drive sustainable, profitable growth of their company, they also contribute to a sustainable society.

As the first we analyzed McDonald's Corporate Social Responsibility towards employees. The company puts great emphasis on staff in case of the possibility of personal growth and development, because there stand the right skills and abilities of workers behind the company success. The company is also based on several values and principles such as respect, open communication and equally substantial and professional development support. An important factor is the fact that McDonald's is able to provide work for such groups of workers who face many difficulties by finding a job such as young people without work experience, women with children or handicapped persons. McDonald's is one of the leading employers of such workers in our country. An equally important component of CSR in relation to employees is their training and further development. The company is responsible for the condition, because this factor attaches great importance, as it was considered as a key article of company success.

Next we realized the social responsibility examination towards other participating groups which are consumers (customers). McDonald's includes health and safety of customers among the primary interests. Therefore the company uses only products and raw materials that must meet the strictest safety and quality criteria and not at least they must be tested and approved by all relevant institutions. An important part is the use of biotechnology in food, which affects global agriculture and food industry. Although some genetically modified ingredients are not considered harmful and dangerous, McDonald's company requires from its suppliers to use mainly natural and no genetically modified ingredients, which is important for their customers. In the company's ads it could be noted that the marketing is aimed at adult consumers and the company philosophy is also not to tamper with children. In the field of advertising to children the company follows not only national and international legislation, but also has its own strict criteria. The company belongs to a member of a voluntary initiative of major manufacturers who are committed to restrict advertising aimed at children.

There was another aim of our research - the firm relations to supply partners. The system places extraordinary demand on all suppliers, with which McDonald's is very closely connected on implementing the principles of quality management. This company suppliers can become only sufficiently trained partners, who must undergo intensive inspections regularly. Suppliers of raw meat must not only comply with technical and sanitary requirements but also make sure to purchase quality animals to the requirements of McDonald's and place emphasis on handling. Similarly, business partners must comply with strict criteria of McDonald's.

Then we also analyzed the corporate social responsibility of McDonald's in relation to the community. McDonald's is also involved quite heavily in the sponsorship of many activities, such as World Children's Day, held on 30 November in all 16 McDonald's restaurants in Slovakia. Thus obtained money goes to help children who must undergo treatment in hospitals. It will also help them to have a pleasant stay, and improve treatments. McDonald's charity built family rooms in several hospitals in Slovakia - eg Children Hospital in Bratislava, Childrens Faculty hospital in Kosice.

Another charitable project that the company supports is „The House, where we are well“ (this project is to provide better housing conditions for foster families caring for children who can not be raised in their biological family). The company is also partner of the Olympic day run in Slovakia. It is a global event whose main purpose is to promote the sport idea - everyone can become part of the Olympic Movement. The basic philosophy of McDonald's was to be (also with the franchisee) beneficial for the environment in which they operate. Many franchisees may decide to support local sports teams or school facilities, which will also be endorsed by the person satisfaction and commercial success.

McDonald's company pays much attention to care about the environment in addition to other above mentioned areas. As the company attaches great importance to behave responsibly towards the environment, therefore it respects all the principles of environmental protection and also leads its partners and suppliers to that philosophy. Each of the McDonald's restaurants operates on the principle of environmental management aimed at minimizing the impact of business activities on the environment. Key principles of environmental management in this company may include efficient use of resources, reducing emissions, reducing solid waste not only in their own restaurants, but also by suppliers, use of secondary raw materials and friendly technologies use in terms of machinery and used equipment. The company also makes certain environmental measures. And therefore all possible alternatives are always considered in their decision-making, which take particular aspects of environmental protection together with the appropriateness and cost criteria in decision-making process into account.

Another aim of our research was to find out the relations between the firm and its suppliers. Objectives that the company monitors in the field of the environment are as follows:

- efforts to reduce energy and water consumption, raw materials, reducing packaging volume and weight,
- to use recycled materials wherever appropriate,
- measure to reduce emissions, such as optimizing the distribution of goods, control of water waste,
- to minimize the amount of unsorted waste: increasing efficiency of pre-sorting of waste and extending the number of sorted fractions whenever possible.

The company is also committed to continuous review, evaluation and also improving the environmental program to ensure that it practices the best possible solution given the environmental conditions of its restaurants, which will also be in accordance with legislative requirements. In addition with this commitment, McDonald's dedicates the

space for staff training in this area, and also communicates with vendors to increase their awareness of environmental protection.

The company expects identification with environmental issues from its employees but also that employees are fully aware of just how important is compliance with the directives, regulations and also practices as well as awareness of the impact of own activities on the environment. McDonald's is open to pro-active approach and submitting proposals for improvements in environmental policy.

Some companies prefer short-term benefit of non-compliance with environmental protection, resulting in undue burdens on the nature and quality of life for future generations. The McDonald's company's objective is to protect the environment in such a way that future generations will be maintained natural diversity of nature and its components. The company strives to be a good example regarding the application of higher standards relating to environmental protection.

Questionnaire survey on the implementation of the Corporate Social Responsibility in McDonald's

In this section we used a questionnaire survey focused on McDonald's employees to find out how does the company implements a corporate social responsibility policy in its employee opinion. The tested sample represented 324 McDonald's employees. The questionnaire was sent through the mail and e-mail and was replied by 211 employees from the whole number of respondents. All these questionnaires were usable.

Politics at work:

1. Does your firm encourage employees to develop skills, abilities and long-term career?

The questionnaire survey results that McDonald's managers are conducive to the development of qualification potential of their subordinates (90%). The remaining 10% expressed the view that the long-term career development and professional growth would require more initiative from the employers.

2. Do you inform your employees about important matters? (Do you inquire with them?)

According to the survey 20% of McDonald's managers take the views of junior staff into account, while 80% of managers respect the opinions of subordinates, to some extent or not respect at all.

3. Does your enterprise appropriate measures for health, safety and welfare, to provide sufficient protection for employees?

As we found out 73% of respondents consider undertaking measures for health and safety of their employees to be satisfactory, 27% would take some measures to improve them.

Environmental policy:

4. *Have you ever tried to reduce your business impact on environment in terms of:*

a) *Energy Savings*

70% of managers considered the environment impact to be minimal, while 30% of respondents found some reserves in environmental policy.

b) *Waste minimization and recycling*

As it is expressed in the light of environmental program objectives on the issue of waste minimization, McDonald's is successfully fulfilling all its resolutions.

5. *Can your company save money by reducing the negative impact on environment?*

Based on the results the questionnaire survey up to 90% of the respondents considered if more business-oriented firms save the environment, it can also minimize their costs.

6. *Do you consider possible impacts on the environment by the development of new products and services?*

In the decision process of the company 40% of the surveyed managers consider all the effects and potential environmental impacts related to products production and innovation. On the other hand, 30% of managerial staff thinks that the development of new products should have some implications for the environment. 30% of respondents are not aware of the possible production effects on the environment.

Trade policy:

7. *Has your company methods to determine the quality of all its contracts, negotiations and promotion?*

90% of respondents think that the company has quality measures for consumer protection and provides only truthful information about their products. Conversely 10% of the managers expressed disapproval with these methods and measures, and requires some improvements.

8. *Does your company provide clear and accurate information, products and services labeling?*

80% of respondents are of the opinion that McDonald's treated fairly and responsibly for its business partners as well as consumers and suppliers. 20% of respondents do not have knowledge about the impacts of firm trade policy.

9. *Does your company provide timely payment of invoices for the suppliers?*

78% of respondents consider their relationships with supplier partners to be very fair. Opposite view have 22% of respondents who were unable to comment on this issue.

10. *Does your firm register and resolve consumer's, supplier's and business partner's complaints about your company?*

Since the company is focused on the needs and desires of its customers, trying to meet their needs in each direction, hence their complaints, suggestions and recommendations addressed immediately.

Policy to the community:

11. Does your company offer education or job training opportunities to people from the local community? (eg, apprenticeships or work experience for young people or disadvantaged groups?)

The majority of respondents believe that McDonald's company provides training to young people, as well as for some disadvantaged groups (disabled, mothers with children, etc.). On the other hand, 30% of managers has the opposite view and believe that relations with the community would need to be improved. Other respondents did not know to specify his reply.

12. Does your company regularly provide financial support for projects and community activities? (charity donations, grants, sponsorship ...)

Staff in leadership positions considered the financial support for local community to be excellent. 10% of surveyed respondents do not know what activities the company supports.

Company Value:

13. Have you clearly defined your business value and management principles?

All interviewed respondents agreed that the company has clearly defined its values and priorities.

14. Do you communicate your company's value to customers, business partners, suppliers and other stakeholders? (eg, business presentations, marketing materials or informal communications)

Half of respondents think that the company's values are well engraved into the customer, business partners and suppliers consciousness. 30% of the McDonald's managers believe that there are measures to get the values into the consciousness of these groups. 20% do not know whether the participating groups are sufficiently aligned with those value.

15. Do your employees know the company's value and its management principles?

The bulk of the respondents is identical with the view that a company's employees are familiar with the management principles and company value. 20% of employees see the gaps in knowledge about the values of company.

16. Does your company train workers about the importance of your company's value and principles of management?

90% of interested respondents considered staff training to be important. 10% of respondents, however, has another view. That percentage also expressed that it would be necessary to pay greater attention to staff training.

Conclusion

As we can see there are many benefits that CSR offer to organizations. But the problem still remains - detection, quantification and assessment of these benefits. The main advantages offered by the implementation of CSR throughout society include preserving natural resources and ecosystem or improving quality of life.

Benefits of implementing the concept of CSR within an organization can be divided into moral and economic. Moral benefits are non-financial nature, but in the longer term they can make a positive impact on management and financial resources of the organization. Moral benefits bring rarely gains for the organization immediately it does not mean that they are not important. Such benefits can include increasing brand value, reputation improving, natural resources preserving, enhancing human capital and building credible relationships with suppliers and customers. The economic benefits include better access to capital through socially responsible investing, reducing costs in the context of good environmental practice and improve employee productivity by increasing their satisfaction and skills.

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Summary

Social responsibility and ethics has become the key of marketing just when it also becomes the topic of customer interest and organization Corporate Social Responsibility becomes a tool to satisfy customer requirements. This era occurred when customers gained greater access to information about the organizations practices and there also grew a number of global environmental and social problems. Organizations behavior in the broadest sense began to have an impact on how people perceive their products and services.

That social responsibility has become one of the major trends in marketing does not mean that it's the only way to achieve success in the short term. Marketers may get into situations where they will face the choice dilemma between profitability and customers' desire for social benefit. "

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