

# Development of Corporate Responsibility of SMEs in the Slovak Republic<sup>#</sup>

*Gabriela Dubcová\**

## ABSTRACT

Problematic behaviour of small and medium-sized enterprises concerning corporate responsibility. Research of institutionalisation of corporate responsibility in small and medium-sized enterprises. Analysing ethical principles applied in small and medium-sized enterprises when adopting a responsible approach to business in economic, social, and environmental fields. Specification of motives, benefits, and risks in corporate responsibility in small and medium-sized enterprises.

**Key words:** Small and medium-sized enterprises (SMEs), Corporate responsibility (CR), Business ethics

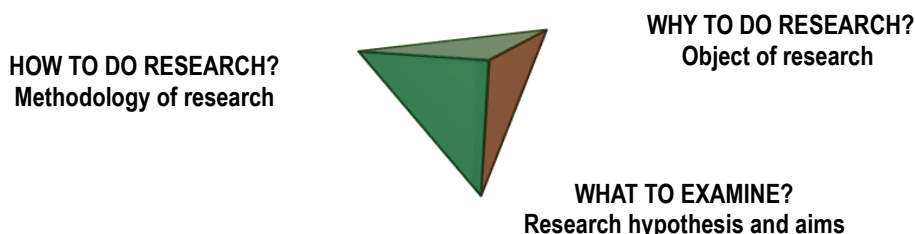
**JEL classification:** K2, M1

## Introduction

Endeavour in institutionalising CR made by the world organisations such as UN, OECD, or ILO, supported also by European Commission – EUROPE 2020 Strategy[7], Strategy 2011-2014 for Corporate Social Responsibility[8] etc., is successful in large companies, and primarily, in multinational corporations. As a permanent local sustainability is the main problem for SMEs, they could be more active in putting CR into everyday[6]. That is why we focus on specification of the situation in institutionalising CR in Slovak SMEs in the past three years.

The research of corporate responsibility in Slovak SMEs was based on application of three-dimensional perspective logic of the research process:

**Image No. 1: Three-dimensional perspective of the research**



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\* doc. Ing. Mgr. Gabriela Dubcová, PhD. ,

**Affiliation:** University of Economics in Bratislava, Faculty of Business Management, Department of Enterprise Economy, e-mail: gabriela.dubcova@euba.sk

Source: Self elaboration

## Research Hypothesis and Aims

### *The hypothesis*

Our goal is to verify the hypothesis that in the course of three years (2010-2012) corporate responsibility in SMEs, which supports competitiveness in the Slovak Republic, has been consolidated.

### *Basic research aim*

The primary research aim is to diagnose the present situation in institutionalising CR in Slovak SMEs compared to the state in 2010-11.

### *Partial research aims*

In order to accomplish the basic aim, it was relevant to achieve an objective performance of the partial objectives. As for participants, representatives of the SME segment, the task was to:

- define how the CR concept is perceived,
- determine the extent of information on the topic,
- classify which activities in CR dimensions – economic, social, and environmental – employ the rate of performing the activities,
- specify the motives and advantages of the CR institutionalisation of a particular company,
- identify the most critical barriers and risks when employing CR in SMEs,
- learn continuously what forms of support or practices mobilize promotion of the CR principles,
- specify achievable future plans in the field.

## The Characteristic of the Inquired Object, and the Methodology

### *The characteristic of the inquired object*

It was the sector of SMEs in Slovakia in 2010-2012 on which the research of CR characteristics was focused in order to verify the hypothesis, and accomplish the aims. The number of participants, representatives of SMEs in Slovakia representing their sector, was as follows: in 2010 – 1001 businesses, in 2011 – 200 businesses, in 2012 – 520 businesses. They were decision-making authorities, i.e. company owners, managing directors, CEOs, division heads (Economic, Personnel, etc.), or managers empowered by a decision-making authorities.

The following tables show structures of the inquired SME sample in the particular years from the viewpoint of their representativeness – due to the logical selection of individual logical characteristics determining their objectivity and complexity, therefore, the representativeness of the effectuated research.

**Chart 1: Structure of SMEs according to their size**

<b>SIZE BASED ON THE NUMBER OF EMPLOYEES</b>			
<b>Number of employees</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
less than 9	0%	4%	0%
10-19	49%	40%	43%
20-49	26%	24%	26%
50-249	25%	32%	31%

Source: Self elaboration

In the course of three years, the SME structure according to the size (based on the number of employees) is even, the most numerous are SMEs with 10 to 19 employees.

**Chart 2: Surveyed SMEs according to the type of target customers/ clients**

<b>ORIENTATION OF THE TARGET PRODUCT/ SERVICE CONSUMPTION</b>			
<b>Target consumption</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
a) for end users/ customers	36%	40%	38%
b) for other subjects/ entities within the supplier relation	23%	19%	21%
c) for both groups	41%	41%	41%

Source: Self elaboration

Over 40% SME participants mention they focus on the end consumer, and on other subjects within the supplier relation.

**Chart 3: Representation of SMEs according to the ownership type**

<b>CLASSIFICATION OF COMPANIES ACCORDING TO THE OWNERSHIP FORMS</b>			
<b>Type of ownership</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Solely domestic	76.4%	69.5%	67.4%
Mostly domestic	7.8%	17.5%	18.5%
Mostly foreign	7.1%	7.0%	5.6%
Solely foreign	8.7%	6.0%	8.5%

Source: Self elaboration

From the viewpoint of ownership, solely domestic SMEs prevail.

**Chart 4: SMEs according to the main types of economic activities**

<b>COMPANY STRUCTURE ACCORDING TO THE NACE CLASSIFICATION</b>			
<b>Branch</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Agriculture, forestry, fishing (section A)	7.1%	7.5%	6.3%
Industries (sections B, C, D, E)	27.8%	29.7%	26.5%
Building industry (section F)	11.4%	9.5%	7.8%
Trade (section G)	22.5%	25.0%	27.9%
Accommodation and catering (section I)	4.4%	4.0%	5.8%
Transport/ Information/ Communication (sections H, J)	7.6%	6.6%	7.2%
Commercial services (sections K, L, M, N)	16.0%	14.8%	16.3%
Public services (sections P, Q, R, S)	3.3%	2.8%	2.2%

Source: Self elaboration

Representation of SMEs according to the NACE classification shows the continuing major representation of industries, trade, and commercial services.

**Chart 5: SME classification according to regions**

<b>COMPANY STRUCTURE ACCORDING TO REGIONAL LOCATION</b>			
<b>Higher Territorial Unit</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Bratislavský	26.9%	33.2%	28.0%
Trnavský	9.6%	15.2%	13.2%
Trenčiansky	10.7%	10.2%	9.9%
Nitriansky	11.3%	12.3%	13.2%
Žilinský	11.7%	9.2%	10.1%
Banskobystrický	9.0%	10.3%	9.7%
Prešovský	10.6%	4.2%	8.3%
Košický	10.3%	5.2%	7.6%

Source: Self elaboration

The highest percentage in the SME structure according to regional location is that of Bratislava Region.

**Chart 6: The SME structure according to geographic area**

<b>LEVEL OF COMPANY ACTIVITIES BASED ON AREA</b>			
<b>Geographic orientation</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
International	40.2%	41.5%	41.8%
The whole Slovak Republic	32.0%	34.0%	35.2%
Regional	16.3%	17.0%	18.3%
Local (town, village)	11.6%	7.5%	4.8%

Source: Self elaboration

The major part (over 40%) of the inquired companies performs their activities at an international level, and almost one third of the participants present that SMEs do so at the national level.

### *Methods*

Considering the complexity of the problem regarding the research of the CR level in the MSE sector in Slovakia in the years 2010-2012, such a combination of methods was applied which was appropriate to accomplish the exacting goal (due to lack of space, only the outline is stated here):

**Chart 7: Applied methods for research purposes**

<b>APPLICATION OF METHOD COMBINATION FOR RESEARCH PURPOSES</b>	
<b>General methods</b>	<b>Specific methods</b>
A/ Logical methods	• brainstorming and synectics
• analysis – synthesis	• benchmarking
• induction – deduction	• questionnaire
• abstraction – concretization	• structured interview
	• direct and indirect diagnostics (via indicators)
B/ Empirical methods	• mathematical methods
• observation	• statistical methods
• measurement	• graphical methods
• experiment	• simulation
	• application of information and communication technologies
	<b>Synergy (interaction)</b>

Source: Self elaboration

### Procedures

The research was carried out on the grounds of a questionnaire with a good quality content, prepared by the project team with the professional guarantee of National Agency for Development of Small and Medium Enterprises as part of the international scientific project (with participation of Faculty of Business Management of University of Economics in Bratislava) Support to National CSR Platforms ENT/CIP/09/E/N03S02 “Responsible SMEs in Slovakia” (EC DG Grant ENTERPRISE AND INDUSTRY):

- the first phase (2010) was carried out in cooperation with the renowned FOCUS Agency[10]
- the second phase (2011 a 2012) was carried out:
  - with the approval of the major project coordinator of the Pontis Foundation, and of the professional guarantor from the National Agency for Development of Small and Medium Enterprises,
  - the participants had to meet the basic requirements: a) an SME representative in accordance with the Commission Recommendation No 2003/361/EC[5] b) an authorized member of staff in charge of CR – the testing was performed by persons who professionally dedicate themselves to this problem, or at least do so partially (a certain group of stakeholders) in companies that have not accepted the CR concept, c) voluntariness principle,
  - quality of the research was guaranteed by personal presence of the survey interviewers (none of the questionnaires was sent electronically and all surveys were returned to the interviewer, plus the quality of the responses was appropriate)
  - during the research, synergy of the above mentioned general and specific methods was used (in appropriate combinations, determined by achievement of a partial goal).

### Research Results

On the grounds of the analysis of the processed data in the survey, the following attributes of the CR’s present state in SMEs were gathered:

#### **Question 1: Have you ever heard or read of the concept called corporate social responsibility, or the concept of corporate responsibility called sometimes CSR?**

The objective of the question was to find out to what extent the participants were familiar

**Chart 8: Familiarity with the concept of corporate responsibility**

<b>FAMILIARITY WITH THE CORPORATE RESPONSIBILITY CONCEPT</b>			
<b>Options</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Yes I have, and I exactly know what the concept means	9	46	53
Yes, I have but I only roughly know what it means	29	12	29
Yes, I have but I do not know what it means	14	13	4
No, I have neither heard nor read of it	48	29	14

Source: Self elaboration

with the meaning of the concept called corporate social responsibility, corporate responsibility, or business ethics. In comparison with the years 2010 and 2011, awareness of the corporate responsibility concept has slightly increased.

**The biggest share, 53 %**, is the answer: “Yes, I have, and I exactly know what the concept means”, which shows a moderate increase in comparison with 46% in 2011. More than a twofold increase – 29 % – is the answer: “Yes, I have but I only roughly know what it means”

(2012). In the period of 2010-2012, there was an obvious trend of increase of the CR awareness, since ignorance (lack of information) of the CR concept fell to about one quarter.

**Question 2: Which of the following activities in corporate responsibility do you consider to be most important?**

The objective of the question was to find out to what extent the participants were familiar with the corporate responsibility, how well they were informed and, in their opinion, what is the core of the corporate responsibility. The genesis of the prevailing association related to the terms: corporate responsibility, or corporate social responsibility according to the assessed periods:

**Chart 9: Genesis of the prevailing association of corporate responsibility**

<b>PREVAILING ASSOCIATIONS OF CORPORATE RESPONSIBILITY</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
<ul style="list-style-type: none"> <li>• ethical behaviour in the market, honesty and fairness – 21%</li> </ul>	<ul style="list-style-type: none"> <li>• fairness and correct approach to purchasers, customers, clients – 24%</li> </ul>	<ul style="list-style-type: none"> <li>• honest corporate behaviour (no cheating, deceiving, or misusing of corporate finance) – 26%</li> </ul>
<ul style="list-style-type: none"> <li>• responsibility – care for employees – 19%</li> </ul>	<ul style="list-style-type: none"> <li>• lawful corporate behaviour (in compliance with laws) – 22%</li> </ul>	<ul style="list-style-type: none"> <li>• fairness and correct approach to purchasers, customers, clients – 23%</li> </ul>
<ul style="list-style-type: none"> <li>• responsibility (generally) – 18%</li> </ul>	<ul style="list-style-type: none"> <li>• ethical business (neither corruption nor bribery) – 22%</li> </ul>	<ul style="list-style-type: none"> <li>• lawful corporate behaviour (in compliance with laws) – 22%</li> </ul>

Source: Self elaboration

From the point of view of the participants' broad-scale opinions, based on the analyses of the content of this question, the following findings can be deduced. The competent company representatives in the survey generally repeatedly presented models (visions) of corporate responsibility: **their company behaves fairly and honestly towards their clients and customers, it is law-abiding, and its behaviour is ethical** (with all moral principles, without deceiving and cheating).

**Question 3: Which activities in corporate responsibility do you consider to be most important?**

The proposal of activities in going into details (in Question 2) arises from the definition of the most frequent comprehension of the phenomenon (external) form of corporate responsibility, while correlation of individual options can be specified in the second place.

**Chart 10: Development of favoured activities of corporate responsibility**

<b>PREFERRED ACTIVITIES OF CORPORATE RESPONSIBILITY</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
<ul style="list-style-type: none"> <li>• good quality products and services – 43%</li> </ul>	<ul style="list-style-type: none"> <li>• compliance with laws and regulations – 67%</li> </ul>	<ul style="list-style-type: none"> <li>• ethical and transparent performance, non-corrupt practices, and honesty in business – 74%</li> </ul>
<ul style="list-style-type: none"> <li>• compliance with laws and regulations – 41%</li> </ul>	<ul style="list-style-type: none"> <li>• ethical and transparent performance, non-corrupt practices, and honesty in business – 59%</li> </ul>	<ul style="list-style-type: none"> <li>• compliance with laws and regulations – 62%</li> </ul>
<ul style="list-style-type: none"> <li>• job and wage security – 40%</li> </ul>	<ul style="list-style-type: none"> <li>• good quality products and services at good prices – 48%</li> </ul>	<ul style="list-style-type: none"> <li>• good quality products and services at good prices – 45%</li> </ul>

Source: Self elaboration

As it is obvious from the Table, the even results are a **response to social phenomena persisting in the long-term period**: (a) frequent breaking of laws; (b) frequent corruption when doing business in the Slovak Republic; (c) unethical behaviour (breaking contracts, deceiving, etc.); (d) bad quality products, services, and disproportionate prices.

**Question 4: Which of the principles/ activities of corporate responsibility does your company apply or exercise in the economic realm (select not more than three options)?**

The results of responses in 2010-2012 are ranked according to the participants' emphasis, illustrating the development of the corporate responsibility model when performing their economic activities in the given period:

**Chart 11: Genesis of corporate responsibility in the economic field**

<b>APPLIED PRINCIPLES/ ACTIVITIES OF CORPORATE RESPONSIBILITY IN THE ECONOMIC FIELD</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
<ul style="list-style-type: none"> <li>• sticking to the fair behaviour principle – 98%</li> </ul>	<ul style="list-style-type: none"> <li>• sticking to the fair behaviour principle – 82%</li> </ul>	<ul style="list-style-type: none"> <li>• sticking to the fair behaviour principle – 88%</li> </ul>
<ul style="list-style-type: none"> <li>• sticking to the transparency principle, rejecting of corruption, and introduction of corporate code of ethics/ conduct – 97%</li> </ul>	<ul style="list-style-type: none"> <li>• pursuing customer satisfaction – 82%</li> </ul>	<ul style="list-style-type: none"> <li>• sticking to the transparency principle, rejecting of corruption, and introduction of corporate code of ethics/ conduct – 83%</li> </ul>
<ul style="list-style-type: none"> <li>• compliance with the invoice due dates – 88%</li> </ul>	<ul style="list-style-type: none"> <li>• compliance with the invoice due dates – 79%</li> </ul>	<ul style="list-style-type: none"> <li>• pursuing customer satisfaction – 81%</li> </ul>

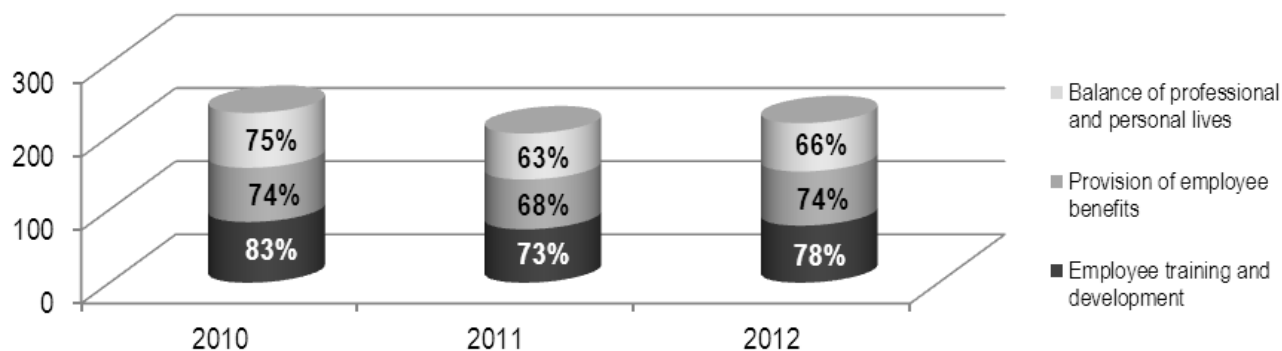
Source: Self elaboration

Highly **positive is our evaluation of values and applied ethical principles** in SMEs in the examined period, although (what is particularly obvious in this case) the participants' responses are generally determined in questions of this kind not only by their direct experiences (positive/ negative), by extent of information, knowledge, but also by their emotional perception (positive/ negative), and by intuitive vision ("what it should be like").

**Question 5: Which of the principles / activities of corporate social responsibility does your company apply or exercise in the social sphere (select not more than three options)?**

The results of responses in 2010-2012 are ranked according to the criterion of importance of individual participants, illustrating genealogy of the corporate responsibility model from the viewpoint of implementing ethical principles in the social sphere:

**Image No. 2: Application of ethical principles in SMEs in the social sphere in 2010-2012**



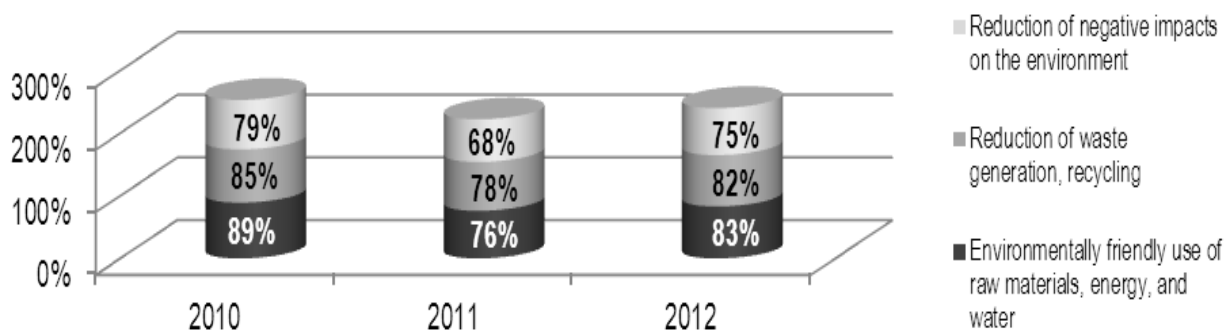
Source: Self elaboration

Application of ethical principles in SMEs in the social sphere in the examined period shows a **considerably even development** in both, the aspect of the type of the principle as well as the rate of its preference.

**Question 6: Which of the principles / activities of corporate social responsibility does your company apply or exercise in the environmental sphere (select not more than three options)?**

The results of responses in 2010-2012 are ranked according to the participants' priorities, illustrating a genesis of a model of ethical principles application in the CR environmental sphere. Figure 3 shows constantly prevailing activities in favour of positive ethical behaviour in the environmental sphere, with the **character of stable development**.

**Image No. 3: Application of ethical principles in SMEs in the environmental sphere in 2010-2012**



Source: Self elaboration

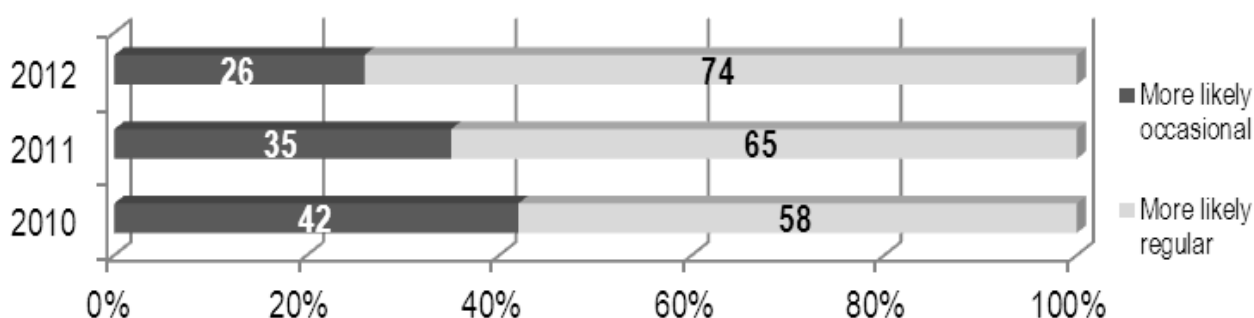
**Question 7: You said you were active in corporate social responsibility in some of the above mentioned fields. Are your activities regular or occasional?**

The question is focused on the identification of the institutionalisation rate of corporate responsibility in the examined companies based on frequency of activities supporting the corporate responsibility in the years 2010-2012. The research results show the existing state



and the development of effectuated CR activities:

**Image No. 4: Genesis of frequency of the effectuated CR activities in 2010-2012**



Source: Self elaboration

Comparing the frequency results in activities supporting CR in the course of the years 2010-2012, an even development is shown – a moderate annual growth (7% – in 2011, and 8% – in 2012). This fact demonstrates a **positive trend of the CR development in SMEs**, aimed at a gradual strategic CR institutionalisation.

**Question 8: What motives can lead companies to apply corporate responsibility principles, (select not more than thereof the options)?**

The following (8-11) questions are asked the survey participants only in case they perform at least 5 activities from Questions 4, 5 a 6. The participant selects from 8 options of motives leading to the implementation/ institutionalisation of the CR principles.

According to them, the most important motives in their companies are as follows:

**Chart 12: Motivation to corporate responsibility**

COMPANY MOTIVES GENERATING CORPORATE RESPONSIBILITY		
2010	2011	2012
<ul style="list-style-type: none"> <li>to keep up with competitors and market requirements – 52%</li> </ul>	<ul style="list-style-type: none"> <li>to keep up with competitors and market requirements – 56%</li> </ul>	<ul style="list-style-type: none"> <li>effort to gain a better public reputation, and to improve the company image – 67%</li> </ul>
<ul style="list-style-type: none"> <li>to attract and maintain good quality employees – 47%</li> </ul>	<ul style="list-style-type: none"> <li>ethical and moral reasons, we find it important – 54%</li> </ul>	<ul style="list-style-type: none"> <li>ethical and moral reasons, we find it important – 62%</li> </ul>
<ul style="list-style-type: none"> <li>effort to gain a better public reputation, and to improve the company image – 42%</li> </ul>	<ul style="list-style-type: none"> <li>effort to gain a better public reputation, and to improve the company image – 54%</li> </ul>	<ul style="list-style-type: none"> <li>to keep up with competitors and market requirements – 59%</li> </ul>

Source: Self elaboration

From the Table, a **started development trend** in 2010-2012 is obvious: (a) external orientation of the CR motives prevails (keeping up with competition, a better public reputation, and the improvement of the company image) and, secondarily, internal motivation (ethical and moral reasons considered to be correct, attracting and maintaining of good quality employees); (b) balance between the participating motives, and (c) dynamization (acceleration of persisting comparable priorities).

**Question 9: What benefits, in your opinion, can application of corporate responsibility principles bring to your company (select 3 main benefits from the options)?**

As for this question, the subject of interest in the research is to find out, to what extent the participants are aware of the positives in business which are achieved by the CR institutionalisation, and which benefits are of relevant importance for them.

**Chart 13: Familiarity with the benefits due to the applied corporate responsibility principles**

<b>BENEFITS OF CORPORATE RESPONSIBILITY INSTITUTIONALISATION</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
<ul style="list-style-type: none"> <li>• improvement of image, company reputation – 48%</li> </ul>	<ul style="list-style-type: none"> <li>• long-term success based on communication with partners – 59%</li> </ul>	<ul style="list-style-type: none"> <li>• long-term success based on communication with partners – 69%</li> </ul>
<ul style="list-style-type: none"> <li>• improvement of the corporate economic results – 44%</li> </ul>	<ul style="list-style-type: none"> <li>• improvement of the corporate economic results – 54%</li> </ul>	<ul style="list-style-type: none"> <li>• improvement of the corporate economic results – 64%</li> </ul>
<ul style="list-style-type: none"> <li>• increase of loyalty, satisfaction of employees – 41%</li> </ul>	<ul style="list-style-type: none"> <li>• increase of loyalty, satisfaction of employees – 44%</li> </ul>	<ul style="list-style-type: none"> <li>• increase of loyalty, satisfaction of employees – 49%</li> </ul>

Source: Self elaboration

The development of perception of the most striking benefits of the CR institutionalisation in 2010-2012 illustrates an apparently **persisting development trend**: (a) dominance of external CR benefits (successful ethical behaviour towards external stakeholders: customers, surroundings, partners, state administration); (b) interest in benefits resulting from ethical behaviour towards internal stakeholders (management, owners – improvement of the company economic results, and employees – increase of loyalty and their satisfaction; (c) a deepening rate of intensity of benefits, and (d) dynamization (acceleration of persisting comparable priorities).

**Question 10: Which are, in your opinion, major risks for your company resulting from application of the corporate responsibility principles (select 2 main risks from the options)?**

Identification is the aim of the research of the participants' responses to this question, to what extent the participants are aware of business risks due to the CR institutionalisation, and which risks are of relevant importance to them:

**Chart 14: Identification of risks when applying the corporate responsibility principles**

<b>RISKS OF INSTITUTIONALISATION OF CORPORATE RESPONSIBILITY</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
<ul style="list-style-type: none"> <li>• increased operating costs, therefore possible negative impact on profitability – 58%</li> </ul>	<ul style="list-style-type: none"> <li>• increased operating costs, therefore possible negative impact on profitability – 65%</li> </ul>	<ul style="list-style-type: none"> <li>• increased operating costs, therefore possible negative impact on profitability – 68%</li> </ul>
<ul style="list-style-type: none"> <li>• competitive disadvantage, lost contracts – 48%</li> </ul>	<ul style="list-style-type: none"> <li>• competitive disadvantage, lost contracts – 46%</li> </ul>	<ul style="list-style-type: none"> <li>• competitive disadvantage, lost contracts – 44%</li> </ul>
<ul style="list-style-type: none"> <li>• decline in labour productivity – 27%</li> </ul>	<ul style="list-style-type: none"> <li>• time needed to satisfy increased requirements of partners – 31%</li> </ul>	<ul style="list-style-type: none"> <li>• increased perceptiveness of business partners regarding responsible corporate performance, and so we are more displayed of a kind – 33%</li> </ul>

Source: Self elaboration

The Table indicates a **started development trend** in 2010-2012: (a) dominance of identical CR risks (the first two positions); (b) fear of an ineffective investment in CR in the crisis and post-crisis developmental stages, and (c) stabilisation of identical risk specification.

**Question 11: Which reasons can prevent companies from applying the corporate responsibility principles (select 3 main barriers from the options)?**

Concerning this question, our aim was to identify relevant reasons that restrict companies to apply the CR principles, and to find out to what extent our participants are able to define these barriers of business activities related to the CR institutionalisation:

**The developmental trend of identified barriers in functioning of the CR system** in 2010-2012 has the following attributes: (a) dominance of identical CR barriers (the first two positions); (b) persisting awareness of disadvantage when applying the corporate responsibility principles due to a minimum support by the government, therefore a generated increase of costs for SMEs related to the CR institutionalisation, and (c) stabilisation of identical barrier specification.

**Chart 15: Specification of barriers when applying corporate responsibility principles**

<b>BARRIERS OF THE CORPORATE RESPONSIBILITY SYSTEM FUNCTIONING</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
• cost increase – 56%	• cost increase – 57%	• cost increase – 58%
• insufficient benefits and support of such activities by the government – 53%	• insufficient benefits and support of such activities by the government – 51%	• insufficient benefits and support of such activities by the government – 54%
• shortage of qualified people – 49%	• lack of information about the topic – 39%	• lack of information about the topic – 42%

Source: Self elaboration

**Question 12: Which three of the following practices do you consider to be most instrumental in promoting the corporate responsibility principles?**

As for this subject of interest, our objective is to find out to what extent the participants are aware of the practices which act in favour of the CR institutionalisation in business, and which particular practices are of relevant significance to them:

**Chart 16: Identification of practices in favour of functioning of the corporate responsibility**

<b>PRACTICES IN FAVOUR OF THE CORPORATE RESPONSIBILITY FUNCTIONING</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
• giving preference to services and products from responsible companies – 45%	• tax incentives – 55%	• tax incentives – 63%
• tax incentives – 41%	• giving preference to services and products from responsible companies – 52%	• giving preference to services and products from responsible companies – 48%
• exchange of experiences, cooperation with the sector partners – 45%	• getting to know practical examples for corporate responsibility – 43%	• exchange of experiences, cooperation with the sector partners – 44%

Source: Self elaboration

For the developmental trend during the research, a relevant requirement to accept support for SME in CR by the government (economic and moral), by partners (cooperation of companies), and by customers is typical.

**Question 13: What are your plans for activities related to corporate responsibility?**

Behaviour of companies regarding CR focused on the future is the subject of research of this question – it is fundamental to know if companies are interested in activities aimed at the CR development in the near future and, if the response is positive – which activities:

**Chart 17: Dominance of plans regarding corporate responsibility activities**

<b>PLANS REGARDING ACTIVITIES SUPPORTING FUNCTIONING OF THE CORPORATE RESPONSIBILITY SYSTEM</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
• to sustain the present level of activities – 63%	• to sustain the present level of activities – 55%	• to sustain the present level of activities – 61%
• to broaden the existing activities – 33%	• to broaden the existing activities – 36%	• to broaden the existing activities – 35%
• nothing has been done so far but they want to start – 2%	• nothing has been done so far but they want to start – 8%	• nothing has been done so far but they want to start – 3%

Source: Self elaboration

The trend of development of activities supporting the functioning of the CR system in SMEs in 2010-2012 is oriented towards a **progressive development – towards sustainability and expansion**.

**Question 14: Would you be interested in further information regarding corporate responsibility? If your response is positive, in what way?**

When resources on activities aimed at the CR institutionalisation are spent efficiently (as it follows from the results of the previous question), it is enormously important to have appropriate information, moreover, in an acceptable form. Therefore, the primary intention to examine the acquired data in this question is to find out the interest in forms of acquiring information on the CR topics:

**Chart 18: Expressing interest in additional information regarding corporate responsibility**

<b>INTEREST IN ADDITIONAL INFORMATION ON CORPORATE RESPONSIBILITY</b>		
<b>2010</b>	<b>2011</b>	<b>2012</b>
• via the internet – 54%,	• via the internet – 59%,	• via the internet – 69%,
• in informative materials – 16%,	• in informative materials – 40%,	• in informative materials – 31%,
• in professional press – 10%,	• in seminars – 20%	• in seminars – 22%

Source: Self elaboration

The trend of development of interest in the additional information with the topic of CR in SMEs in 2010-2012 is characterised by an **accelerating development of requirements concerning various forms** of additional information, primarily via the internet.

## Conclusion

In detail, in the course of the evaluated period of 2010-2012, there is an apparent trend of deepening ethical principles in corporate responsibility:

- primarily, familiarity and awareness about corporate responsibility increases (9% in 2010, and 53% in 2012),
- it continually prevails: in the social sphere – training and development of employees (78%

in 2012), in the economic sphere – observance of honest behaviour (88% in 2012), fair practices concerning the environment – ecological use of raw materials, energy and water (78% in 2012),

- apparent trend of the motivation development: (a) external orientation prevails (keeping up with competition, better public reputation, improvement of the company image), and (b) secondly, internal motivation (ethical and moral reasons, a positive attitude to employees),
- characteristic development of perceiving benefits: (a) dominance of external benefits in CR (successful ethical behaviour towards external stakeholders, and (b) interest in benefits resulting from ethical behaviour towards internal stakeholders,
- in the long term, the negative aspects of CR (of economic nature) are: (a) the risk – increased operating costs (68% in 2012), and the barrier – increased costs (68% in 2012),
- relevant requirements to accept support for SMEs in CR by the government (tax incentives), by partners (cooperation of companies), and acceptance by customers.

On this basis (in conformity with the SME participants who repeatedly presented a model of corporate responsibility): **their company behaves fairly and honestly towards their clients and customers, it is law-abiding, and its behaviour is ethical** (with all moral principles, without deceiving and cheating), in spite of the well-known fact, when the participants' responses are in case of such questions generally determined by their direct experiences, knowledge, emotional perception, and intuitive vision.

On the ground of evaluating the results of the CR complex analysis in Slovak SMEs, we can confirm the hypothesis that **in the course of years 2010-2012, CR in SMEs virtually deepens and consolidates, thus supporting their competitiveness** (as the participants themselves evaluated it positively in Question 9 – when defining benefits of applying the CR principles.)

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