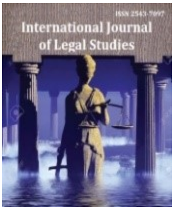

Received: 05 May 2022
Revised: 26 May 2022
Accepted: 20 June 2022
Published: 30 June 2022

CORPORATE SOCIAL RESPONSIBILITY IN LEGAL AND ECONOMIC CONDITIONS

SPOŁECZNA ODPOWIEDZIALNOŚĆ BIZNESU W KONTEKŚCIE UWARUNKOWAŃ PRAWNYCH I EKONOMICZNYCH

Tomasz Wołowiec
Prof. PhD, Hab. University of Economics and Innovation in Lublin (WSEI) / Poland
ul. Projektowa 4, 20-209 Lublin / Poland
ORCID: https://orcid.org/0000-0002-7688-4231
* *Corresponding author:* e-mail: wolowiectomek@gmail.com

Anna Wiśniewska
PhD. Academy of Finance and Business Vistula, Poland
Stokłosy 3, 02-787 Warszawa / Poland
ORCID:https://orcid.org/0000-0003-0876-1763
* *Corresponding author:* e-mail: a.wisniewska@vistula.edu.pl

Abstract
Corporate Social Resposibility (CSR) can be defined as a concept through which companies at the stage of building strategies voluntarily take into account the interests of society and environmental protection, as well as relations with different stakeholder groups. Being responsible does not only mean complying with all formal and legal requirements, but also increased investment in human resources, environmental protection and stakeholder relations, i.e. voluntary commitment. Social responsibility is the process by which companies manage their relationships with a variety of stakeholders who can have a real impact on their business success. Thus, it should be viewed as an investment rather than a cost, similar to quality management. The purpose of this article is to theoretically analyze the role and importance of the social responsibility of modern business in creating an inclusive role for society in the context of economic and social processes. This analysis was carried out on the basis of literature research, reports, analyses and expert opinions of national and international institutions. Induction was used as the main research method. It consists in drawing general conclusions or establishing regularities on the basis of analysis of empirically established phenomena and processes. It is a type of inference based on details about the general properties of a phenomenon or object. Inductive methods include the

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

various types of analysis of public and private institutions (including consulting forms), expert opinions, statistical data and scientific documents (scientific articles and monographs) used in social research, which were examined for the purpose of this study.
Keywords: corporate social responsibility, business ethics, stakeholders, social capital

Streszczenie
CSR można określić jako koncepcję, dzięki której przedsiębiorstwa na etapie budowania strategii dobrowolnie uwzględniają interesy społeczne i ochronę środowiska, a także relacje z różnymi grupami interesariuszy. Bycie odpowiedzialnym nie oznacza tylko spełniania wszystkich wymogów formalnych i prawnych, ale oprócz tego zwiększone inwestycje w zasoby ludzkie, w ochronę środowiska i relacje z interesariuszami, czyli dobrowolne zaangażowanie. Społeczna odpowiedzialność jest procesem, w ramach którego przedsiębiorstwa zarządzają swoimi relacjami z różnorodnymi interesariuszami, którzy mogą mieć faktyczny wpływ na ich powodzenie w działalności gospodarczej. Zatem należy to traktować jako inwestycję, a nie jako koszt, podobnie jak w przypadku zarządzania jakością. Systemy organizacji funkcjonujące w nowoczesnych firmach uwzględniają coraz częściej strategie zarządzania kapitałem psychospołecznym. Ma to bowiem decydujący wpływ na wzrost wartości firmy (który nie należy utożsamiać jedynie z wartością księgową).Interesariusze to kapitał firmy, tak samo ważny jak kapitał finansowy (pieniądze, instrumenty finansowe, inwestycje), kapitał techniczny (infrastruktura techniczna) i kapitał naturalny (przyrodniczy). Współczesne strategie zarządzania uwzględniają dziś te cztery podstawowe formy kapitału. Strategia odpowiedzialności wobec partnerów biznesowych deklarowana przez wiele firm na świecie jest często nazywana zasadą PYMWYMI (*put your money where your mouth is*), co oznacza utrzymywanie relacji biznesowych tylko z tymi dostawcami, którzy podzielają wartości wyznawane przez firmę zamawiającą.
Słowa kluczowe: społeczna odpowiedzialność biznesu, etyka biznesu, interesariusze, kapitał społeczny

Statement of the problem in general outlook and its connection with important scientific and practical tasks

Recent years have seen dynamic changes in the fields of economics, business management, and economic and social policy, with increasing consideration of diverse social and environmental factors and attention to inclusive (sustainable) economic growth. Similarly, the concept of profit itself is no longer the primary paradigm for the role and importance of a company in the modern world. There is a growing awareness among consumers as well as societies as a whole about the role and importance of sustainable development and equitable distribution of resources. Neoliberal concepts of profit maximization at all costs and the "invisible" hand of the market have been significantly

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

devalued. The importance of social economics, including corporate social responsibility, is growing, as a concept that has transformed from a narrow and often marginalised one, into a complex and multifaceted concept [1, 2, 3]. Additionally, increasing expectations are placed on companies, with governments, activists, and the media constantly demanding that companies account for the social and environmental consequences of their activities [4]. Business activities are basically viewed from the perspective of economic success, which is mainly efficiency (effectiveness) economy (thrift). This valuation is not complete, as economic activity should also be evaluated from an ethical (social) perspective. The 3Es (efficiency, economy and ethics) should be the ethos of business activity. Thus, only those actions that do not compromise the common good should be undertaken. Acting ethically is consistent with maximizing profits in the long term, although in the short term, not following ethical principles may yield a large profit, but up to a point. The reputation of a company that acts ethically can be a significant argument against competitors. Ethical is conduct that does not contradict the moral judgments and norms generally accepted by society. Moral judgments and norms generally result from a system of values that guides the behavior of people and, consequently, the quality and effectiveness of business relationships [5] (of conduct resulting from culture and tradition, recognized by a given society as valid and moral; moral norms - concerning human attitudes and behavior that are worthy of implementation, based on the conviction of their value or acceptance by moral authorities, and legal norms, which are formulated by public authorities, have the nature of orders and prohibitions and determine the responsibility of people for their non-compliance [6].

Business ethics is to determine what is considered moral and what is considered immoral in business activities. It is the application of general ethical principles to address specific moral issues that arise in business practice. Sound, ethical conduct benefits the business and the profits it makes. Customers are more satisfied and seek continued business relationships. Every business must adhere to elementary standards of honesty and integrity if it wants to gain the trust of partners and customers. Ethical conduct of people in business is related to their virtues, which are human tendencies to do good. Such virtues as diligence, perseverance, honesty, truthfulness, loyalty, fairness, etc. are the basis of ethical action. The goal of business in a market economy is profit, but since the greatest value is man, one should act in such a way as to achieve it by treating man as a subject, not as an object, and not to violate the right to preserve life, health and dignity. In economic activity in the free market, the following value principles should be taken into account: property, freedom, justice and responsibility. Responsibility is

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions *International Journal of Legal Studies, 1(11)2022: 215 - 232*

DOI 10.5281/zenodo.6891959

related to conscious human activity [7]. No one in a full democracy can be exempted from responsibility for the implementation of his economic activity. Management requires constant choices and decision-making. The principle of responsibility is a fundamental principle of business ethics. The principles of freedom, property and justice not included in the "notches" of the principle of responsibility, turn into arbitrariness [8]. Corporate social responsibility is a responsible way of functioning of the company in the social, economic and natural space, while public relations are the strategies of informing about it, persuading to the proposed solutions and building a climate of acceptance for the company's actions, i.e. actions that support building the reputation and creating an appropriate, assumed image. Implementation of CSR programs and planned public relation activities in the company, in the long term, are expected to lead to an increase in the value of the company, and thus to improve its competitiveness [9]. The most complete definition of CSR was formulated by A.B. Carroll. This definition is based on the pyramid model of responsibility. He distinguished four degrees of responsibility: economic and legal responsibility (required by society), ethical responsibility (expected by society) and philanthropic responsibility (desired by society) [10]. The analysis of the implementation of the principle of CSR in relation to stakeholders leads to reflection at the most general level, i.e. responsibility towards society, which means moving to the analysis at the level of the social system, on the other hand to reflection on the responsibility of the company towards its employees, which means moving to a detailed analysis at the level of internal company policy. The development of social and economic relations and progressive globalisation mean that it is not possible to sum up all problems connected with economic activity with the formula "freedom and trust", according to which the idea of the "invisible" hand of the market is supplemented by the "idea of trust" [11]. Trust has, in a certain sense, a limiting function in relation to the idea of freedom, which could be misinterpreted and turn into an "arbitrary market". From the point of view of philosophy, the word complementing the idea of freedom is responsibility [12].

Analysis of latest research where the solution of the problem was initiated

The literature on the subject presents various interpretations of business ethics, allowing us to determine the mechanisms of its formation. According to Janina Filek, we can distinguish four interpretations [13]: business ethics as a veil hiding the unethicality of business; business ethics as a new instrument for increasing profit; business ethics as a response to the progressive globalization of the economy; and business ethics as a cultural factor [14]. Such a view is represented by the French thinker Alain Etchegoyen, who in his book La valse des ethiques tries to show that business ethics, like

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions *International Journal of Legal Studies, 1(11)2022: 215 - 232*

DOI 10.5281/zenodo.6891959

other ethics such as environmental ethics, marketing ethics or bioethics, is only a manifestation of an extremely deep crisis of morality [15]. According to this interpretation, business ethics is merely a substitute, a "cover" for the superficial improvement of human behavior in the face of a lost natural sense of what is right and wrong. Thus, business ethics serves only to mask the decline of morality. Undoubtedly, the decline of morality can be observed in the XXI century, but it does not result from the demoralization of man as such, as the French thinker believes, but from moral relativism, which is one of the unforeseen consequences of pluralism, which is the basis of democracy and freedom (although misunderstood and misused), and from excessive consumerism and a manic pursuit of success [16]. For most modern managers, business ethics is a new effective method of competitive struggle, allowing to increase profits in a situation where rival (competing) companies have reached a similar technical and organizational level, so outperforming the competition in these traditional fields is not easy. Ethical behavior towards stakeholders brings tangible economic effects, contributing to the increase of customers' trust in the company, the increase of its market value, etc. In this approach to business ethics, however, it is necessary to distinguish between ethical conduct of the company to increase customer confidence in its products, from creating the appearance of ethics by building an image of the company contrary to the truth, or from the so-called "improvement" of the image of the company, consisting of taking costly actions aimed at misleading the customer about the real nature of ongoing projects [17]. According to this interpretation, the emergence of business ethics is associated with the need to take a holistic view of the problems affecting modern societies, not only from the perspective of the politics or economy of one country, but in the context of the entire globe. Thus, business ethics is supposed to help solve increasingly difficult socio-economic problems, resulting from the rapid development of science, technology, acting as a kind of "guide", showing how to live and move in the complexities of the world created by ourselves. According to this interpretation, economic activity in the XXI century has become a sphere of activity that increasingly shapes not only the material dimension of human existence, but also the very nature of its existence. If we take into account that the entities operating in the economic sphere increasingly shape a new system of values, it also follows that economic activity plays a culture-creating role. Therefore, if the business world increasingly creates a way of life, a way of thinking and the prevailing system of values, then whether we want it or not, all the "weaknesses" and pathologies arising in the area of economic activity become weaknesses and pathologies of modern man. Hence the need

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

to introduce ethics in business as a factor that supports economic activity in its culture-creating role.

So let's try to answer the question: why business ethics? This question seems to be fundamental to both the theory and practice of business ethics. The lack of an answer prevents further reflection, as well as the conscious introduction of ethical conduct (3E - ethicality) into business activities [18].

Firstly, the most appropriate interpretation of the emergence of business ethics is to say that it serves in the long term as a tool for effective profit maximization, by building the right corporate image, increasing the so-called EVA - market value of the company (not to be confused with the book value of the company), respect from stakeholders, etc. As well as business ethics plays a culture-creating role.

Second, according to Socrates' principle, "an ethical act brings benefit and happiness". In practice, this means there is a third relationship between ethics and effectiveness (in addition to the opposite relationship or neutrality to each other), that is, the mutual reinforcement of ethics and effectiveness. Ethical conduct increases economic efficiency (organizational culture, lowering the cost of control by introducing ethical management instruments) [19].

Thirdly, the ethics most relevant to the socio-economic problems that arise today, enabling their solution is the ethics of responsibility, understood as the responsibility for creating opportunities for harmonious social development. Responsibility understood in this way today requires much greater awareness of economic entities of the social changes taking place, the ability to foresee the effects of actions taken, much greater economic knowledge, as well as knowledge in the field of management, and abandonment of the principle of profit maximisation as the only goal of economic activity. Thus, the more power the business community concentrates in its hands, the greater the responsibility for actions taken [20].

Fourth, increased ethicality, the foundation of which is responsibility, depends not only on increased social awareness of business actors, but also on the acquisition of knowledge about how to put ethical principles into practice in business activities. Thus, according to Socrates' ethical intellectualism, economics is a kind of skill and, like any skill, it can be learned [21].

Fifth, the basis of ethical economics is an inclusive vision of society, acting as the golden mean (Aristotle) between a unitarian and separatist vision of society. The unitarian vision assumes that in each functional area of society the same standards of behaviour should apply (standards of behaviour in business are no different from those in private life). The separatist vision assumes that the rules of conduct in each area of

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions *International Journal of Legal Studies, 1(11)2022: 215 - 232*

DOI 10.5281/zenodo.6891959

social life are completely different (in the economy there must be completely different standards of conduct than for example in family life). The integrative vision assumes that the functional areas such as: economy, science, technology, family life, etc., are characterized by certain distinctness. The integrative vision assumes that functional areas such as the economy, science, technology, family life, etc. are characterised by certain differences in the norms of behaviour in their area, but not to such an extent that these norms are completely independent, let alone contradictory to each other. Moreover, the norms of conduct in these areas not only influence each other by modifying each other, but also, by constantly confronting each other, enable further social development [22]. Thus, the company's liability should be considered in terms of subject and object. When we speak of the subjective scope of the company's responsibility, we mean the persons to whom the company accepts responsibility. When talking about the subjective scope of responsibility, we have in mind the acts for which the company accepts responsibility. This formulation of the problem of the firm's responsibility means that we consider moral responsibility for the firm's obligations, that is, responsibility in the narrower sense. In contrast, moral responsibility in the broad sense is independent of the acceptance of certain obligations, and is therefore indivisible. Acceptance by the company, i.e. by its owners, of moral responsibility in the broad sense may be a source of conflict of moral obligations [23].

Aims of paper. Methods

The purpose of the article is a theoretical analysis of the role and significance of corporate social responsibility of contemporary business in creating an inclusive role for society in the context of economic and social processes. This analysis was carried out on the basis of literature research, reports, analyses and expert opinions of domestic and international institutions. Induction was used as the main research method. It consists in drawing general conclusions or establishing regularities on the basis of analysis of empirically established phenomena and processes. It is a type of inference based on details about the general properties of a phenomenon or object. Inductive methods include, examined for the purpose of this study, various types of analyses of public and private institutions (including consulting forms), expert opinions, statistical data, and scientific documents (scientific articles and monographs) used in social research.

In addition, the paper makes use of two general research methods, i.e. analytical and synthetic methods, characterized by a particular approach to the study of reality. The analytical method treats reality as a collection of individual, specific features and events. The procedure according to this research method is to decompose the object of

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions *International Journal of Legal Studies, 1(11)2022: 215 - 232*
DOI 10.5281/zenodo.6891959

research into parts and to study each of them separately or to detect the components of this object. The research methods used in this paper are: comparative analysis, functional analysis and the method of research in the dynamic approach. The synthetic method treats reality as a collection of features, its implementation consists in the search for common features of various phenomena and events, and then in binding them into a unified whole. Thus, the synthetic method examines and determines the totality of the object of study. Using a comprehensive (hybrid) research approach, the so-called triangulation of data sources was also applied, i.e. comparing information on Corporate Social Responsibility from different periods, as well as economic systems, and theoretical triangulation - consisting in analysing the acquired data from the perspective of many different theoretical concepts that describe the functions, purpose and tools of Corporate Social Responsibility.

Exposition of main material of research with complete substantiation of obtained scientific results. Discussion

If we assume that the company as an organization cannot be the subject of moral obligation, the problem arises of building such a structure of obligation and responsibility, which would have two features: firstly, it would contribute to expanding the sense of shared responsibility of the company's employees, and secondly, it would make it possible to solve moral dilemmas together. A company's orientation toward social responsibility may consist in the assumption of responsibility by the company's managers, without placing it on all employees. In making choices, managers then apply utilitarian calculus, adopting a limited version of the principle of utility: as many benefits for as many people as determined by the company code and social pressure. They thus accept responsibility to the public for the firm's performance and for externalities. However, managers' decisions can be communicated for implementation through traditional management techniques, which implies an asymmetry of communication within the company and a lack of shared responsibility for the consequences of decisions taken by managers. With this way of managing the company, its social responsibility can be described as: "monologic" responsibility of technocratically oriented managers. The opposite of "monologic" social responsibility of the company is "dialogic" responsibility of democratically oriented managers. It is based on Habermas' concept of communication ethics. The main idea of Habermas' concept is the integration of conflict resolution and moral development [24]. If members of a group have different goals and are at different levels of moral development, Habermas refers to the communication between them as strategic. Strategic communication involves the use of coercion

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions *International Journal of Legal Studies, 1(11)2022: 215 - 232*

DOI 10.5281/zenodo.6891959

(e.g., an order or command) by a manager in situations of antagonistic goals and difficulty of agreement. Such communication makes the managers' responsibility "monologic." Habermas points out that the use of strategic communication leads to a resurgence of goal conflict among group participants. This hinders socially responsible corporate management. The conditions for the application of discursive communication to solve problems related to corporate social responsibility are: information symmetry and moral maturity of employees. The conditions are closely related. Moral standards detail how one should behave in a given situation, sometimes also justifying why one should behave in that particular way. Because moral problems can arise in unusual situations - companies can create institutions to deal with these problems. On an ad hoc basis, this can be useful for managers who avoid using strategic communication through standards. It is also useful for employees who have clearly defined responsibilities. However, in the more distant horizon, unreflective adherence to standards serves neither the moral development of employees nor the development of discursive communication. For these reasons, it is important that moral standards be co-created by employees, that accountability for adherence to standards be "dialogical," and that there be opportunities to refine standards and adapt them to new situations. These conditions are met by the concept of dialogical process of standards formation and moral problem solving [25].The dominant assumption in the mainstream of modern economics was the pursuit of utility maximization, while understanding utility as income, wealth or consumption [26]. The need to make more and more profits, even beyond actual needs, is inherent in the competitive mechanism [27]. This leads to a homogeneous interpretation based on the maximization of economic benefits. Homo economicus recognizing self-interest as the basis of human nature, in practice often used for the full acceptance of individual egoism and portrays man as an extremely self-interested being. Individualism in the capitalist economy based on a separatist vision, assumes the existence of business as a completely autonomous market system that exists in complete isolation from the cultural-ethical sphere. This places the human being, the individual, in opposition to society and recognizes conflict between the two as an inevitable reality. By focusing on the economic dimension of life, it leads to directing man's main efforts towards the realization of a goal which, from the perspective of the whole of human existence, constitutes a subordinate goal which should at most support the primary goal, namely, a good and dignified life. Humanity is expressed in this [28]. The existential choice of life's path, which marks human freedom, is being replaced by a mercantile philosophy based on the pursuit of wealth through the freedom to trade. However, many social phenomena, such as altruism, contradict the assumptions of

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

homo economicus and cannot be explained on the basis of existing economic theory [29]. The starting point should be the broadly understood quality of human life, not excluding, of course, its material dimension, which is its integral whole. The rationality of the economic entity should not be reduced only to the goal of profit maximization. Adopting only such a criterion of evaluation of economic activity limits the activity of the subject to activities which only make it possible to achieve this aim. The subject is deprived of the possibility to realize needs other than just economic ones. Economic rationality should not be reduced to a partial, truncated approach, but it should be enriched with the social or cultural sphere. The horizon of consideration should be an open global economy based on the legitimization of social rights, human rights and natural rights related to the environment in a gradual homogenization of world opportunities [30]. Focusing only on the economic dimension of a company's activity inevitably leads to feedback compression and the emergence of actions that inevitably affect it, forcing it to act more and more, which may ultimately lead us to the absence of any choice. In this paper, the authors present the thesis that in the long run economic and social values can coexist. In the first part, the authors show the limitation of a one-dimensional view of economic activity and the associated financial model. In the second, they present an integrated vision of the economic world in which economic and social values can coexist, and finally they present a social model of the organization [31]. The neoclassical model of private enterprise is based on the fundamental goal of operation, namely profit maximization. This model is based on the assumption of perfect competition. An enterprise operating in such a market does not influence the price, so it can maximize profit per unit of product manufactured, by reducing production costs or by increasing production and sales. The situation is different under conditions of monopoly, where the company maximizes profit by increasing the price. The financial model based on the concept of profit maximization played a very important role in the evolution of capitalist economy and still plays an important role in small and medium enterprises, where there is a strong personal identity of the owner and the manager. In the sector of large enterprises, functioning in the form of joint stock companies, where ownership is clearly separated from management - the idea of economic profit maximization as an objective of activity is no longer so clear-cut [32].

It is obvious that every enterprise must generate profit, because it is an unquestionable sense of running a business, but it is not always tantamount to maximizing profit at any cost, at the expense of the interests of all groups of stakeholders in the organization (i.e. widely understood social cost). Currently, the financial model of the only goal of

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

the company's activity - i.e. only profit maximization - is being criticized, and an assumption is being made that the company simultaneously realizes a certain set of them, the so-called bundle of goals, e.g.: increase in the technical level; qualitative increase in production; raising the ethical level of employees; improving working conditions (humanization of work); export expansion or improvement of competitiveness, etc. Ensuring sustainable, comprehensive and balanced development of a modern company requires that the purpose of its activities is the implementation of not a single goal, but a whole bundle of goals. This bundle should be universal, i.e. independent of the functioning socio-economic system and the model of the enterprise's operation. Over the past 60 years there have been changes in both the theory and practice of management. In general, these changes can be presented as the substitution of technical rationality for the culture of organization, the idea of immediate efficiency - for the idea of high quality, and the compulsion of the execution of orders - for voluntariness based on proper motivation of employees [33]. The beginning of the changes should be sought in the idea of humanization of work, that is, saturating the work process with human elements. Changes in the approach to the work process itself resulted in the need to take into account psychological and social factors when making important economic decisions. Another factor was strong competition, which forced companies to seek better and more modern management methods, based on the so-called "soft" factors, referring to shared values [34]. Competing companies as a result of unification of economic systems have reached a similar organizational, technological level, operate in similar economic and social conditions. Globalization as a process of free movement of people, labor, capital and technology makes it difficult to gain a competitive advantage in traditional "fields" of competition, such as production technology; management systems; tax techniques; marketing techniques; personnel management techniques, including selection and recruitment systems. Departure from the classic "sole objective" - maximization of profit at all costs - is a tendency to increasingly active dissemination of the idea of creating enterprise value for its shareholders [35]. This means the necessity of introducing for companies a management system oriented at the increase of the company's market value (Value Based Managemant) and verification of the evaluation of the company's activity results through a properly constructed system of measures based on the value added principle (Market Value Added, Economic Value Added) [36]. Moving away from the model of maximising profit at all costs towards creating shareholder value requires taking into account the idea of responsibility. Changes in the approach to the purpose of the organization's activities resulted from certain development megatrends of the world economy, such as [37]:

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

- rapid formation of a global information society;
- progressive globalization of financial and money markets;
- the development of a knowledge-based economy;
- development of economy based "on symbols:" i.e. capital flows, exchange rates, credit flows;
- homogenization of many types of demand and resulting consumption patterns;
- moving away from "heavy" techniques and technologies towards "soft" ones - based on the concept of information society;
- internationalization of business activities, as a result of an increasing number of markets heavily saturated with supply;
- shortening of the average product life cycle to 2-3 years;
- increasing intensity of competition on the market expressed by the ability and speed of introduction of innovations;
- acceleration of the rate of growth of the innovation rate, which leads to a flattening of the curve of market phase development.

A mere brand name or financial strength etc. is no longer a sufficient asset in the competitive struggle. Something more is required, which is contact with the market and the customer in it. Economic activity is an important element of modern social life with a rather autonomous status. Social and economic interests are perceived as being in opposition to each other and irreconcilable. Such an assumption is a great simplification, because companies do not exist in an isolated world and their activities are located in a social context. Modern society has lost its sense of unity and leads its life in several independent social spheres: private life, economic life in the market sphere and political life. In the past, man did not particularly distinguish between work life and family life or between art or religion, and for modern man this is the norm [38]. Moreover, there is a kind of dichotomy in modern civilization by separating the sphere of cultural tradition (values, common world in which people live) from highly specialized functional spheres (economic market system, organization and administration, health care system, technological and medical research). In addition, two functional spheres dominate in this modern society: the market system aimed at rational production and distribution of goods and services, and the administrative system aimed at ensuring the rational functioning of institutions [39].

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

Conclusions

On the basis of the above considerations, CSR can be defined as a concept through which enterprises, at the stage of building strategies, voluntarily take into account social interests and environmental protection, as well as relations with various stakeholder groups. Being responsible does not only mean meeting all formal and legal requirements, but also increased investment in human resources, environmental protection and stakeholder relations, i.e. voluntary commitment. Social responsibility is the process by which companies manage their relationships with a variety of stakeholders who can have a real impact on their business success. Thus, it should be viewed as an investment rather than a cost, as in the case of quality management. Organizational systems functioning in modern companies increasingly take into account strategies for managing psychosocial capital. This is because it has a decisive impact on the growth of the company's value (which should not be identified only with the book value).

Psychosocial capital is defined as stakeholders, i.e. any identifiable group or individual that can influence or is influenced by a company's activities through its products, strategies and production processes, e.g. employees, customers, suppliers, business partners, trade unions, media and journalists, competitors, government and social institutions, environmental organisations and the local community. Stakeholders are a company's capital, as important as financial capital (money, financial instruments, investments), technical capital (technical infrastructure) and natural capital (nature). Contemporary management strategies today take into account these four basic forms of capital. Most often in Polish companies it begins with the implementation of the strategy of social responsibility towards employees. After all, the ethical character of the company is best evidenced by its habits concerning the treatment of its employees. Many studies indicate that the ethical treatment of employees is an important component of maximizing the long-term value for owners of the company. Another element of stakeholder management is the social responsibility strategy towards suppliers and business partners. Probably the most difficult to implement in Polish conditions. For in these relations only subject criteria count, such as quality, price, timeliness of deliveries. The strategy of responsibility towards business partners, declared by many companies in the world, is often called the PYMWYMI principle (put your money where your mouth is), which means maintaining business relations only with those business (social) partners, who share the values professed by the ordering company. The third element is the strategy of the company's responsibility towards the local community [40]. Its basic level includes shaping the effects of this company towards all stakeholders: employment, taxes, products and services, professional development, technology

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

transfer, development of companies providing services. All this clearly contributes to the development of the region, especially if the company has a decisive influence on the local market. The three higher levels are related to the company's voluntary commitment and define the company's social responsibility in a narrower sense [41]. Community investment is a long-term, strategic effort in partnership with the local community to address social issues, chosen and considered by the firm's management as important to support the firm's long-term interests and enhance its reputation [42].
The benefits of implementing and executing a corporate responsibility strategy should be considered from a long-term perspective. These are [43]:

1. Increased interest of investors (capital providers) - lenders are more interested in cooperating with responsible companies that, in addition to good financial results managed in a transparent manner, responsibly build their image and good relations with the environment.
2. Increased loyalty of consumers and stakeholders - increased social awareness of consumers leads them to trust the company and its image.
3. Improved relations with the community and local authorities - participation of the company in the life of the local community, making long-term and measurable social investment, facilitates its efficient and conflict-free functioning.
4. Increasing competitiveness - implementing the principles of responsible business is one of the assets thanks to which companies gain competitive advantage.
5. Raising the level of the company's organisational culture - by taking up the challenge of social responsibility, the company raises its standards of conduct towards stakeholders (employees, contractors, clients), and thus avoids the costs of "bad partnership".
6. Shaping a positive image of the company among employees - Corporate Social Responsibility is one of the elements of non-financial motivation of employees. Thanks to codes of ethics, social programs, care for the environment, the image of the company in the eyes of the employee is improved.
7. Attracting and keeping the best employees - when the company's image improves and trust among employees grows, the company's attractiveness on the labour market increases, which allows to attract new and keep best employees.

In companies where management talks about ethical issues, over time, with the use of other ethical enhancement tools as well, a climate conducive to ethical behavior begins to emerge. Polish companies typically do not yet have a conscious policy on ethics, as they have not fully matured to understand the importance of this tool. There are two basic levels of mission use in raising the ethical level of a company. The first, directly

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232
DOI 10.5281/zenodo.6891959

related to economics, is having a mission statement, or in other words, a reason for the company's existence aimed at delivering value to owners or shareholders. The second is putting the mission into practice, that is, the company must become an active member of the community. Such a mission and its consistent use in integrated marketing leads to an audience's dependence on the company's brand. A good mission creates and strengthens the brand. In order to use the mission effectively, its management should equivalently use the promotion of the economic aspect of the company's reason for existence as well as philanthropic activities. This will coherently develop the company's brand, reputation and marketing - interdependent and building synergies.
The company's ethics strategy is very closely related to another tool, ethical leadership. In a great many companies today, presenting a high level of ethics, the initiator of ethical transformation, the one who has turned his attention to the ethical aspect of the company's activities, is usually one man (the leader). He usually possesses charismatic power, through which he manages to convince first the other members of the management and then the rest of the employees that both the ethical conduct of each of them inside the company and the ethical conduct of the company externally will slowly make it develop better and face the many difficult tasks it will face in the near future. In this sense, ethical leadership is about pointing out the right way for the company, a certain inspiration to look at one's own company and its relations (relationships) with the environment - the company's stakeholders - in a different way. In another, more practical, sense, ethical leadership consists in the presentation by managers of the right behavior, which can become an example for other employees - according to the principle that the example comes from the top. The use of this tool does not require any financial outlay, which, in addition to its motivational nature, is its most serious advantage. Its weakness, however, is determined by the tendency inherent in the nature of each of us, the tendency to remember someone's dishonest behavior for a long time, with a relative "short memory" towards his merits or his particularly ethical behavior. This means that the image of an ethical superior has to be worked for a long time, while the reputation of a dishonest one is earned very quickly [44].

References

1. Cochran PL. The evolution of corporate social responsibility. *Business Horizons* 2007; 50: 449-454.
2. Porter ME., Kramer MR. Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility. *Harvard Business Review* 2006; 10: 79-92.

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232

DOI 10.5281/zenodo.6891959

3. Proszowska A. Społeczna odpowiedzialność biznesu jako element polityki firmy. *Ekonomia Menedżerska* 2007; 1: 31-41.
4. Kakabadse NK., Rozuel C., Lee-Davies L. Corporate social responsibility and stakeholder approach: a conceptual review. *International Journal of Business Governance and Ethics* 2006; 4(1): 78-93.
5. Wołowiec T., Skrzypek – Ahmed S. The impact of the ethical instruments on the company's social image. A case of British American Tobacco Polska. In: Gudowski J., Piasecki R. (eds.), *Theoretical and practical aspects of CSR implementation by foreign investors*. Lublin: Innovatio Press, 2022: 61-80.
6. Wołowiec T. Good goverance concept - implications for the public administration management proces. In: Skrzypek-Ahmed S, Ivashko O (eds.), *Przedsiębiorczość i innowacje w edukacji, biznesie i samorządzie*. Lublin: Innovatio Press 2022: 96-114.
7. Wołowiec T. *CSR – a marketing strategy or a responsible business? (sellected issues)*. Hoff: Univeristy of Applied Sciences, 2009: 15.
8. Leś E. *Zarys historii dobroczynności i filantropii w Polsce*. Warszawa: Prószyński i S-ka, 2001: 23.
9. Księżak P. The Benefits from CSR for a Company and Society. *Journal of Corporate Responsibility and Leadership* 2016; 3(4): 53-65.
10. Carroll A. *Business & Society. Ethics and Stakeholder management*. Cincinnati Ohio: Second Ed., South-Western Publishing Co., 1993: 35
11. Leśna-Wierszołowicz E. Korzyści ze stosowania zasad społecznej odpowiedzialności biznesu w przedsiębiorstwie. *Acta Scientifica Academiae Ostroviensis. Sectio A, Nauki Humanistyczne, Społeczne i Techniczne* 2016; 8(2): 65-76.
12. Grzymisławski A. Czy odpowiedzialne inwestowanie się opłaca? http://odpowiedzialny-biznes. pl/artykuly/czy-odpowiedzialne-inwestowanie-sie-oplaca (4 May 2021, date last accessed).
13. Filek J. Z doświadczeń nauczającego etykę biznesu. In: Gasparski W., Lewicka-Strzałecka A., (eds.), *Etyka biznesu jako przedmiot nauczania*. Warszawa: Wydawnictwo Wyższej Szkoły Przedsiębiorczości i Zarządzania im. Leona Koźmińskiego, 2001: 22.
14. Etchegoyen A. *La valse des éthiques.* Paris: Editions François Bourin 1991: 10.
15. Gitman, L., Morris, J. (2018). The State of Sustainable Business 2018. Results of the 10th Annual Survey of Sustainable Business Leaders. Pobrane z: www.bsr.org/files/event-resources/BSR_Globescan_State_of_Sustainable_ Business_2018.pdf ((9 December 2020, date last accessed).
16. Kroik J., Malara Z. CSR i zrównoważony rozwój w warunkach silnej konkurencji. *Zeszyty Naukowe Ostrołęckiego Towarzystwa Naukowego* 2011; XXV: 423-435.
17. Beise-Zee, R. Cause-Related Marketing. In: Idowu SO, Capaldi N., Zu L., Das Gupta A., (eds.). *Encyclopedia of Corporate Social Responsibility*. Berlin, Heidelberg: Springer-Verlag, 2013: 322-326.

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232

DOI 10.5281/zenodo.6891959

18. Wołowiec T., Bogacki S., Human resource management & resource planning in a public organization. *International Journal of New Economics and Social Sciences* 2021; 2 (10): 95-108.
19. Wołowiec T. Czy model regulacyjny corporate governance w polskich spółkach skarbu państwa chroni dobro wspólne? In: Uchnast Z., (eds.). *Synergia a dobro wspólne. Wybrane zagadnienia z psychologii kierowania*. Lublin: Towarzystwo Naukowe Katolickiego Uniwersytetu Lubelskiego 2012: 119-143.
20. Wołowiec T, Szybowski D., Bogacki S. The concept of csr as elements of building economic and social relations with the external environment of the organization (outline of the problem). *International Journal of New Economics and Social Sciences* 2019; 2(10): 57.
21. Wołowiec T., *Ekonomika przedsiębiorstw*. Lublin: Innovatio Press, Wyższa Szkoła Ekonomii i Innowacji w Lublinie Lublin 2021: 78-90.
22. Wołowiec T. Sellected issues of CSR concept – a marketing strategy or a responsible business? *Disputationes Scientificae Univesrsitatis Catholicae Ruzomberok* 2010; 3: 71 – 92.
23. Wołkowicka A., Dąbrowski S. Społeczna odpowiedzialność biznesu a konkurencyjność przedsiębiorstwa. *Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania* 2012; 30: 79-89.
24. Giemza M. Przyczyny oraz skutki implementacji zasad społecznej odpowiedzialności biznesu do zarządzania firmą. In: Laurisz N., Pacut A., (eds.). *Ekonomia Społeczna. Innowacyjność społeczna w Polsce*. Kraków: Uniwersytet Ekonomiczny w Krakowie 2012: 72-81.
25. Otola I., Tylec A. Społeczna odpowiedzialność biznesu a wyniki finansowe przedsiębiorstw. *Zeszyty Naukowe Politechniki Częstochowskiej. Zarządzanie* 2016; 24(1): 81-89
26. Olejniczak K. Wpływ wybranych czynników ekologicznego aspektu CSR na przewagę konkurencyjną przedsiębiorstw działających na terenie województwa śląskiego. *Rocznik Ochrona Środowiska* 2013; 15: 2840- 2849.
27. Filek J., *O wolności i odpowiedzialności podmiotu gospodarującego*. Krajów: Wydawnictwo Akademii Ekonomicznej w Krakowie 2002: 29.
28. Carroll A. Stakeholder Thinking in Three Models of Management Morality: A Perspective with Strategic Implications. In: Nasi J., (eds.). *Understanding stakeholder's thinking.* Helsinki: LSR-Publications Helsinki 1995: 47-74.
29. Zuzek, DK. Społeczna odpowiedzialność biznesu a zrównoważony rozwój przedsiębiorstw. *Zeszyty Naukowe Małopolskiej Wyższej Szkoły Ekonomicznej w Tarnowie* 2012; 5: 197-207.
30. Curran M. *Assessing the Rate of Return of the Adoption of Corporate Social Responsibility Initiatives*. Edynburg: Edynburg University Press 2005.
31. Dahlsrud A. How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management* 2008; 15(1): 1-13.

ISSN 2543-7097 / E-ISSN 2544-9478

DOI 10.5281/zenodo.6891959

32. Postuła I. Wołowiec T. Model regulacyjny corporate governence w spółkach skarbu państwa. Praktyczne implikacje dla zarządzania. *Studia Prawno-Ekonomiczne* 2011; Tom LXXXIII: 335-378.
33. Olejniczak, K. Wpływ wybranych czynników ekologicznego aspektu CSR na przewagę konkurencyjną przedsiębiorstw działających na terenie województwa śląskiego. *Rocznik Ochrona Środowiska* 2013; 15: 2840- 2849.
34. Pawłowski E. Trzcieliński S. *Zarządzanie przedsiębiorstwem*. Poznań: Wydawnictwo Politechniki Poznańskiej 2011.
35. Paliwoda-Matiolańska A. Wołowiec T. Wartość ekonomiczna a wartość społeczna w zarządzaniu organizacją. *Antidotum zarządzanie w opiece zdrowotnej* 2004; 8: 55 – 63.
36. Ratajczak M., Stawicka E. Społeczna odpowiedzialność biznesu (CSR) jako narzędzie podnoszenia konkurencyjności sektora MSP. In: Bąk M., Kulawczyk P., (eds.). *Społeczna Odpowiedzialność Biznesu w małych i średnich przedsiębiorstwach*. Warszawa: Instytut Badań nad Demokracją i Przedsiębiorstwem Prywatnym 2008: 131-141.
37. Liston-Heyes C. Ceton G. Corporate Social Performance and Politics, Do Liberals Do More? *The Journal of Corporate Citizenship* 2007; 25: 95-108.
38. Księżak P. The Benefits from CSR for a Company and Society. *Journal of Corporate Responsibility and Leadership* 2016; 3(4): 53-65.
39. Chuda A., Wyrwicka MK. Diagnoza kultury organizacyjnej przedsiębiorstwa usługowego. *Zeszyty Naukowe Politechniki Poznańskiej* 2013;59: 5-17.
40. Paliwoda-Matiolańska A., Wołowiec T. Model społeczny przedsiębiorstwa - wartość ekonomiczna i wartość społeczna. *Antidotum zarządzanie w opiece zdrowotnej* 2004; 9: 29 – 42.
41. Raza A., Ahmad N., Bhutta U. Corporate Social Responsibility and Customer Loyalty: A mediating role of trust. *European Journal of Business and Social Sciences* 2018; 7(1): 43-50.
42. Pawłowski E. Trzcieliński S. *Zarządzanie przedsiębiorstwem*. Poznań: Wydawnictwo Politechniki Poznańskiej 2011
43. Wołowiec T. Społeczna odpowiedzialność przedsiębiorstwa nową formuła zarządzania. *Ekonomika i Organizacja Przedsiębiorstwa* 2004; 3: 3 – 12.
44. Żuk K. Wołowiec T. Innowacyjność i kreowanie innowacji – uwarunkowania ekonomiczne, organizacyjne i społeczne. In: Skrzypek-Ahmed A., (eds.). *Wybrane zagadnienia innowacyjności i przedsiębiorczości w nauce i praktyce*. Lublin: Innovatio Press 2020: 13-34.

ISSN 2543-7097 / E-ISSN 2544-9478

Wołowiec T., Wiśniewska A.,(2022). Corporate Social Responsibility in Legal and Economic Conditions
International Journal of Legal Studies, 1(11)2022: 215 - 232

DOI 10.5281/zenodo.6891959