

CORPORATE SOCIAL RESPONSIBILITY WITH THE EXAMPLE OF RAILWAY COMPANIES IN POLAND

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Abstract

The main purpose of this article is to present the concept of Corporate Social Responsibility (CSR) and its development with the example of railway companies in Poland. This paper presents the concept of Corporate Social Responsibility, the idea, types and examples of socially responsible activities, conducted and executed by railway companies. During the analysis and presentation of subject matter the available literature and internet resources were researched.

As a result of the analysis it can be stated that most of the Polish State Railways companies are involved in Corporate Social Responsibility efforts. The cause may be the benefits of business activity done in accordance with ethical standards and resulting from the implementation of such idea in corporate strategy. Thanks to Corporate Social Responsibility the railway companies may obtain many benefits, such as improvement of the company's image, increased presence in the media, better social acceptance and also improved company's innovations.

Key words: Corporate Social Responsibility, Business Ethics, polish railway companies

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Introduction

Corporate Social Responsibility is a concept, which constantly gains new followers in Poland. The increasing interest in this subject matter resulted from the promotion of such idea at wider scale, as well as the companies are searching for new competitive advantages. Endless competition at markets and acquisition of new customers result in new solutions sought by companies.

CRS is more and more often recognized as indispensable and demanded concept by companies. Introduction of CRS business principles in the company's strategy can lead to many benefits. One of these is undoubtedly the improvement of company's image and proper relations with stakeholders.

Many companies in Poland exist, which undertake socially responsible actions. One example can be railways companies belonging to Polskie Koleje Państwowe (PKP S.A. - Polish State Railways) group. This article presents and describes the particular companies, such as: PKP Polskie Linie Kolejowe S.A., PKP Cargo S.A. and PKP Intercity S.A. The results of actions towards Corporate Social Responsibility are visible in the scope of human resources management, protection of natural habitat, in relation to social environment and other groups of stakeholders.

1 Definition and essence of Corporate Social Responsibility

The concept of Corporate Social Responsibility has emerged at the end of the nineteenth century in the USA. In Poland, this concept has been existing from a couple of years and has been gaining the popularity with time. Currently, the interest of particular organizations and companies in this subject matter is recognized, as well as the idea is promoted by public and government institutions.

One of the original CRS definitions has been proclaiming, that basic factors shaping this concept were mercifulness and stewardship. The first principle has said, that richer people should help others, namely the poorer people comparing to them. The second principle said, that rich people should take care for the wealth given to them by the society (Frederick, Davis, Post, 1988, pp. 28-29).

The definition proclaimed by European Union said, that CRS is a concept in which the companies voluntarily incorporate the social demands and the protection of natural habitat in own market strategies, as well as various relations with many groups of stakeholders (Strand, Freeman, Hockerts, 2015, p. 2).

CSR can be defined as activities that extend beyond companies' pure economic matters to contain actions intended to yield social profits. This definition is based on CSR activities toward society which highlights the wider concept of sustainability. CSR may be addressed to particular business groups or singular consumers (Bai, Chang, 2015, p. 508).

Corporate Social Responsibility is also considered as the management strategy in the company, which aims for the actions in relation to human resources or contacts with various groups of stakeholders. The strategic CSR approach acknowledge that the economic profits of institutions and the matters of society may be intertwined to attain competitiveness within stakeholder and market segments (Jamali, El Dirani, Harwood, 2015, p. 127).

CSR applies to business activities concentrated on serving the social good that are beyond both the matters of the firm and legal requirements. Corporate Social Responsibility is studied by many disciplines (for example: law, strategy and psychology) and at many levels of analysis (Rupp, Wright, Aryee, Luo, 2015, p. 18).

Two theories are related with the establishment of CRS. The first is theory of agency, where a person or a group has duties and obligations towards other person or a group (Wołoszyn, Stawicka, Ratajczak, 2012, p. 10). The second is theory of stakeholders, which is more popular and became a priority element in CRS concept. Freeman is the author of referred theory. He concluded, that a stakeholder can be a person or group of people, who influence the particular organization, or inversely (Goel, Ramanathan, 2014, p. 51). Stakeholders are divided into external (customers, competition, suppliers, governmental and other organizations) and internal (employees, shareholders, equity partners, management) groups.

Responsibility, which is the most important in CSR, may have different dimensions. According to Carroll, there are four highlighted levels of the responsibility (Wołoszyn, Stawicka, Ratajczak, 2012, pp. 12-13):

- economic - gaining profits, maximizing the income, minimizing the costs, sustained development,
- legal - compliance with law, corruption prevention, protection of natural habitat, observance to consumer rights,
- ethical - actions compliant with social expectations, ethical policy in a company, ethical leadership,
- philanthropic- charity actions, voluntary services, supporting the education and culture, improvements in the quality of social life.

In Poland and Europe the actions in the scope of Corporate Social Responsibility are expanding. Many institutions, offices, organized projects and campaigns encourage for the responsible management and implementation of code of ethics in business.

2 Polish railway companies

Polskie Koleje Państwowe S.A. is a company established at January 1, 2001, as a result of liberalization and privatization of Polskie Koleje Państwowe state company. The seat of PKP S.A. is located in Warsaw and its sole shareholder is State Treasury. Currently, PKP S.A. is divided into several smaller companies, which form a PKP Group.

PKP Group comprises of the mother company PKP S.A and 13 other companies, which provide the services in railroad, ICT and power industry. Its general aim is constant improvement in trust and railroad image. The priority in a Group is effective management, modernization of railroad infrastructure and improvement in the quality of passenger and cargo services (PKP Group Annual Report, 2012, p. 76).

PKP Group has own Code of Ethics. The Code is a collection of ethic norms which were incorporated in corporate labour laws. The general duty for employees is obedience to the Code. Every non-compliance with above stated principles result in the relevant sanctions. The Code of Ethics represents the qualities the PKP Group is accordingly managed to, demanded standards, relations with customers, suppliers and competition, as well as the attitude towards natural habitat and social commitment. The priority of PKP Group is reliability, modernity, proper management, responsibility, security and respect (Kodeks Etyki Grupy PKP, 2013).

PKP Polskie Linie Kolejowe S.A. (PKP PLK S.A.) is a company owned by Polskie Koleje Państwowe. It is responsible for the management of national railroad network in Poland. It retains, modernizes and provides access to all passenger and cargo freighters at equal rights. The mission of PKP PLK is the retention of proper security level, high level of information about the passenger railroad traffic and respect to environment. Thanks to the executed modernization works the company constantly aims for improved travel comfort, is minimizing travel time, improves the aesthetics of infrastructure and improves the security standards. PKP PLK is a manager of railroad network and takes care for railroad infrastructure, modernizes and develops it with new technologies and with respect to the environment, according to European standards (PKP Group Annual Report, 2012, p. 78).

PKP Cargo S.A. is the greatest railroad operator in cargo freight in Poland and second in Europe. Company contributes to the Polish economic growth and constantly develops own potential and competences. PKP Cargo is establishing own success at three pillars: know-how, qualified personnel and the greatest rolling stock in Poland. PKP Cargo S.A. manages also other bodies owned by the company. Thanks to the professional management, the company provides high quality services and actively develops the intermodal transport. Thanks to the advantage of strategic localization of Poland, PKP Cargo undertakes the activities in nine European countries.

PKP Cargo provides the space for own development, as well as for the professional development of own employees. It offers the expanded system of trainings and provides stable working conditions in friendly atmosphere, according to mutual respect, code of ethics

and best practices. The company's competitive advantage are qualified and experiences employees, whereas complex services, technical infrastructure and scope of actions are also important (PKP Cargo S.A., 2014).

PKP Intercity S.A. is the greatest polish railroad operator, which specializes in the national and international long-distance freight. The company provides the journeys between the centres of big cities, places of tourism and over the Europe. Despite the customer service, rolling stock projects are also implemented.

PKP Intercity offers the systematic development of skills for own employees, new learning courses and trainings, as well as is financing the higher education, diplomas and language courses. The company is constantly focused on modern attempt and wants to correlate own image not only with transport, but also with the protection of natural habitat and cultural development of customers. It undertakes many activities, which are substantially approved by travellers (PKP Intercity S.A., 2015).

3 Examples of socially responsible actions undertaken by Polish railways companies

Social responsibility of a company should regard four areas of actions in own strategy, namely economic, legal, ethical and philanthropic actions. Polish railway companies are the exemplary companies, which activities at market resemble the CRS concept.

PKP Group undertakes the activities according to Corporate Social Responsibility. It aims for the long-term quality assurance for customers and stakeholders in PKP Group, with the preservation and consciousness of code of ethics in business, with the corporate governance in the group, according to European trends and standards. PKP Group constantly develops the proper relations with business and institutional environment, as well as with the employees. It considers the environment protection related factors, charity policy and social engagement in own activities (PKP Group Annual Report, 2012, pp. 12-13).

PKP Cargo S.A., being a socially responsible company, undertakes the activities towards local societies, environment and own employees. In the area of human resources management the company has undertaken many initiatives in order to develop the most valuable capital, namely the employees. The second area of company's CRS-related activity is the protection and convergent attempt towards the natural habitat. The example can be the actions towards systematic reduction of CO₂ emission and water consumption. PKP Cargo owns own laboratories and quality assurance in this respect, which is approved by external

auditors and the certificates of Integrated Management System. The third area are customers. All initiatives undertaken by PKP Cargo aim for the image of reliable business partner and for the establishment of strong relations with stakeholders.

The company undertakes also actions oriented on the families of employees. Family picnics are organized and children holiday camps are financed. Company activates the “Rodzic w pracy” (“Parent in work”) project, which is focused on the employees with children. The framework for this initiative covers trainings for children safety in the internet and the implementation of so called telework, which enables remote work. Such solution is profitable to parents of small children, chronically ill children and those requiring care.

PKP Cargo runs the employee assessment system, thanks to which the training development, scope of duties and engagement in new projects can be assessed. It issues also “INFO Cargo” magazine, which is internal journal oriented on employees. The diversity of company’s actions is related with the organization of various projects. The example can be “Niezwykli ludzie PKP Cargo” (“Incredible people in PKP Cargo”) action promoted in 2011 year, which visualized the company’s employees in respect to private hobbies. The other implemented project was “Firma przyjazna bieganiu” (“Jogging-friendly company”) project, for which the priority was the promotion of healthy lifestyle.

The company was awarded for socially responsible actions many times. In 2009 year it was awarded by “Lider Zarządzania Zasobami Ludzkimi” (“Leader of Human Resources Management”) competition jury twice, for responsible actions oriented on the employees and the sole implementation of CRS. In 2011, at the occasion of tenth PKP Cargo anniversary, the company has organized the “Ekspedycja na Mont Blanc” (“Expedition to Mont Blanc”) for eight employees. In 2012, the company entered into the coalition for responsible business under the guidance of Pracodawcy RP (Employers RP). In 2014 the company was awarded with “Pracodawca Godny Zaufania” (“Trustful Employer”) title (Raport CSR Społeczna Odpowiedzialność Biznesu, 2014, pp. 40-42).

PKP PLK S.A., similarly to PKP Cargo, runs various activities in the area of CRS. In the area of human resources management, it undertakes many initiatives for the development and improvements of current and future employees. It runs stipendiary system for after-gymnasium youngsters, cooperates with upper-education facilities and relocates the funds for training courses in order to improve the railroad safety i.e. Stress Management Training for Traffic Orderlies. It runs also employee assessment system (Brzozowski, 2012).

PKP Polskie Koleje Liniowe, which is a member of PKP Group from 2005 year, activates the safe crossing campaign - “Zatrzymaj się i żyj” (“Stop and Live”), which aims for

better safety at railroad crossings. In February this year, the project was awarded with European award for the activities improving the safety at streets under the European Road Safety Charter (ERS Charter). In 2010 year the company was honoured for the organisation of “Pociąg na scenę” (“Train at Scenes”) competition, which aimed for the musical education of children and youngsters (PKP Group Annual Report, 2013, p. 143).

PKP Intercity S.A. is a company, which cares for the development of employees. It organizes trainings and courses for them, which improve, supplement and provide new professional qualifications. It runs also employee assessment system. Employed people, who actively participate in the company’s life, can be awarded with “Zasłużony dla Kolejnictwa” (“Contributing to Railroads”) and “Zasłużony dla Transportu RP” (“Contributing to Polish Transport”) orders. The company has established awarding funds with the purpose of individual awards for the employees within company’s organizational units for special achievements in professional work. Each PKP Intercity employee, who knows foreign languages, is benefited with extra money. In this way the company is motivating the employees for constant development. PKP Intercity, altogether with “HELP - dla życia bez tytoniu” (“HELP - for life without tobacco”) European Commission social campaign have prepared the information campaign for travellers. This project, launched in 2010 year, was informing the travellers about the prohibition of smoking in trains and, above all, informed that they were not left alone with the addiction (PKP Intercity S.A., 2010, pp. 14-15, p. 21).

PKP Group and possessed companies undertake many actions towards CRS. Improvements in the scope of safety at railroad facilities, actions towards the reduction of homelessness at train stations, reduction of harmful substances emitted to the natural habitat, feedback in employee development and learning are only some initiatives of Polskie Koleje Państwowe (Polish State Railways). PKP, being a fourth railroad holding in Europe in terms of size, plays a substantial role in the economic life in Poland and is acting responsibly towards the employees, local society, customers and natural habitat (PKP Group Annual Report, 2013, p. 141).

Polish railway companies can be the example, that the implementation of CRS concept into the corporate strategy leads to many advantages. All social projects and campaigns under the guidance of this company are improving the positive image. Customers are choosing the services of such carrier more often. The company operates with qualified staff thanks to the organized trainings and courses. The appreciation of staff efforts and feedback in hard times result in greater identification of an employee with the company.

Conclusion

Corporate Social Responsibility is currently a priority concept in scope of organizational management. Many companies aim for the development and competitive advantage at market. As a result of this, they are constantly searching for new solutions. Implementation of CRS concept in the company' strategy is one solution. Despite the undertaken actions have resulted in positive and negative effects, more and more organizations would decide to be socially responsible.

Polish railway companies are the exemplary companies, where the activities inevitably resemble the CRS concept. They try to implement own good practice at economic, legal, ethical and philanthropic level. With the implementation of CRS concept in the strategy, polish railway companies have gained many profits. The main advantages are qualified personnel, better relations with customers, improvements in company's image and atmosphere in the work, as well as better competitiveness and market position.

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