
CSR IN THE CZECH REPUBLIC: A LOCAL EXPERIENCE

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The concept of corporate social responsibility (CSR) has become a subject of research and activity with non-profit organizations in the Czech Republic from the beginning of the nineties of the 20th century. Increasing attention paid to CSR among businesses is particularly obvious during a last decade. The CSR concept has become imbued into Czech society by local subsidiaries of multinational corporations. CSR represents a strategy aimed at manifesting responsibility for economic, social and environmental consequences of activities that have an influence on customers, suppliers, public administration and local communities.

The concept of CSR has created a paradigm shift from traditional interpretation of what is profitable. Society does not believe that economic activities are performed due to entrepreneurs' altruism and that private organizations change business objectives in favor of societal ideas. Business models predominantly demonstrate best practices of how to make money and increase private shareholder value. In the constellation of current economic conditions, e.g. cutting public budgets, positions of transnational enterprises in the small national economy etc., current CSR practices must be adjusted in a way to do business intelligently. CSR covers the potential to release creative power of skilled professionals and to motivate diverse staff to help those who find themselves in difficult and stressful living conditions. The essence of CSR is self-regulation - corporations voluntarily internalize public interests into decisions, which creates cooperation between corporations and local communities in regions where they operate. Moreover, an organization with an engaging and innovative CSR concept sends a message about its mission, values and prospective outcomes that are particularly important for middle income people.

The CSR strategy and practices are usually applied by the local subsidiaries of multinational corporations and are based on the headquarters' CSR strategy. The administration of CSR processes is delegated on local levels and conducted by a staff subdivision within the local organization and supervised by a top management member of the local subsidiary. In these days CSR philanthropic activities are not purely financial and new business models links entrepreneurship with social or environmental projects under the headings "business for the society." In case of Czech enterprises it appears to be an exception when they have a written CSR strategy that is consistent with business policies and standardized processes, including an establishment of a CSR organizational unit. This is especially true in small and medium-sized enterprises that prefer charity work or volunteering and are more or less in the learning phase of how to prepare and implement business-oriented CSR projects. In general, Czech businesses find their own ways and some already successfully cope with philanthropy and volunteering.

In the Czech environment pragmatic arguments prevail within the business community as to why enterprises should spend time and resources on CSR. Therefore, we find a significant number of cases whose main motive is based on building good PR, HR marketing with the slogan: „our competitors are doing this and we cannot allow to be left blind as it is critical to our success“. Hence, some companies strive to be visible as sponsors or philanthropists who support local communities, and present themselves as the best employer in the labor market. Public reactions to CSR activities are different. The majority of the Czech population is less willing to be personally engaged in CSR activities in comparison with developed countries and takes a cautious attitude as to their meaningfulness. A positive attitude change towards CSR is evident among Generation Y, graduates and also higher incomes people.

All private entities in the CR prioritize an active rather than passive approach to CSR. Instead of giving financial gifts to specific entities they are willing to devote employee time to volunteering, interconnect volunteering with HR processes, and monitoring the extent CSR projects are sustainable and what benefits they reap in the long-term.

Local CSR trends may be characterized in terms of quantity and quality. Year by year a growing number of businesses formulate a CSR strategy and develop CSR projects. At the same time the quality of these projects improves and they focus on disadvantaged communities, the sustainability of CSR actions, and quantifying benefits

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for business and the society. Philanthropy continues to have its place, but the austerity measures in budgets encourage CSR practices that connect internal business processes with CSR activities. For example, in the area of employee training and development “learning-by-doing” becomes a more popular form of aid by businesses to organizations that provide specialized help to people in difficult life situations.