



Anna Ślusarek

The School of Banking and Management in Krakow

Dr Dominika Woźny

The School of Banking and Management in Krakow

IMPACT OF ENVIRONMENTAL CORPORATE SOCIAL RESPONSIBILITY ON COMPANY IMAGE

Introduction

Presently, one of the key elements of business operations is the consideration of social interests and environmental protection. Organizations take into consideration the environmental impact of their operations and the consequences of decisions made in management processes. Social and environmental awareness is continuously growing among consumers and, consequently, business tends to consider these issues in its operations. The implementation of the CSR concept is a symptom of a conscious and sustainable company management. In the light of a deteriorating condition of the natural environment it is of high significance that organizations should make decision to run responsible businesses, implement and support ecological activities as well as to use natural resources in a rational way.

The aim of the article is to analyse the impact of the environmental corporate social responsibility (ECSR) on organization image on the basis of the authors' survey that was conducted among 60 customers who used the products of the BNP Paribas bank.

1. Environmental responsibility as an element of CSR

A conscious and sustainable company management is becoming increasingly common in business operations. Companies take into consideration the impact of their decisions on the environment, which is crucial in developing responsible business. Moreover, businesses whose only aim is to make the highest possible profit are negatively perceived by the environment. Hence the idea of responsible business that is present in the global economy¹. The term refers

¹ M. Bojar (ed.), *Spoleczna odpowiedzialność w biznesie*, Wydawnictwo Politechniki Lubelskiej, Lublin 2007, pp. 11-12.

to the strategy of CSR where business operations take into account the relationships with stakeholders, social aspects and the issues of natural environment protection ².

Stakeholders are the elements of company environment that have a direct impact on its functioning and company operations concern them to a large degree. They include organizations and persons that are particularly interested in the results of a given entity³, they are customers, competitors, shareholders, financial institutions and the authorities⁴. Enterprises fulfil their obligations towards customers by treating them fairly being responsible for their product and service quality. They offer satisfactory remuneration to their employees, provide opportunities for development and respect their needs. Moreover, they respect the law, culture and ethics and meet the expectations of the remaining groups of interest⁵.

The commitment to social wellbeing is another area of CSR⁶. According to P. Drucker, organizations should support the society as they all form it and, consequently, it is the society that takes care of itself⁷. Prosocial activities generally attempt to solve the existing problems⁸. Companies usually support society by their commitment to the promotion and protection of health, by respecting culture and ethics, protecting cultural heritage, by active participation in social life as well as actions promoting tolerance and equality⁹. These include donations for social and charity purposes, foundations, non-profit associations, the support of museums and other activities aiming at the enhancement of the health care and education.¹⁰

The last but not least area of responsible business is the attitude to natural environment. Organizations have not attached importance to the impact of their operations on natural environment for years. As a result, it is companies that are mainly blamed for the degradation of the ecosystem. Consequently, an opinion was formed that apart from the care for products or employees, natural environment is also important and because of this companies started

² Polska Agencja Rozwoju Przedsiębiorczości (Polish Agency for Enterprise Development), *O społecznej odpowiedzialności biznesu*, <https://www.parp.gov.pl/csr#csr>, (accessed: 8.01.2020)

³ R.W. Griffin, *Podstawy zarządzania organizacjami*, Wydawnictwo Naukowe PWN, Warszawa 2004, p. 118.

⁴ R.W. Griffin, *Podstawy zarządzania...*, op. cit., p. 119; M. Bojar (ed.), *Spoleczna odpowiedzialność...*, op. cit., pp. 28-29.

⁵ M. Bojar (ed.), *Spoleczna odpowiedzialność...*, op. cit., pp. 28-29, 33-34; R.W. Griffin, *Podstawy zarządzania...*, op. cit., pp. 118-119.

⁶ R.W. Griffin, *Podstawy zarządzania...*, op. cit., p. 120.

⁷ P. Drucker, *Spoleczeństwo pokapitalistyczne*, Wydawnictwo Naukowe PWN, Warszawa 1999, p. 86.

⁸ J. Nakonieczna, *Spoleczna odpowiedzialność przedsiębiorstw międzynarodowych*, Wydawnictwo Difin, Warszawa 2008, p. 72.

⁹ M. Bojar (ed.), *Spoleczna odpowiedzialność ...* op. cit., p. 34.

¹⁰ M. Bojar (ed.), *Spoleczna odpowiedzialność ...* op. cit., p. 34.

taking this responsibility increasingly more often. The pressure of societies forces organizations to take care of nature as in fact their situation on the market depends on public opinion. In order to systematize ecological responsibility, some legal regulations were introduced that make business respect natural environment. The law obliges entrepreneurs to take into consideration environmental issues by indicating what and within what limits they are allowed to do. Moreover, taxes, charges and various financial penalties were introduced for non-compliance with the requirements¹¹.

The main causes of environmental degradation that results from business operations include technical and economic factors that most frequently are the consequence of the use of outdated technologies that do not comply with ecological standards and the neglect of environmental standards in the processes of designing and developing new technologies and products which affect the environment too much. There are also other geographic and demographic factors related to overpopulation as well as social and cultural issues (sense of the responsibility for environmental protection)¹² that have a remarkable impact.

Environmental responsibility is considered a part of CSR and adequate activities are seen as an element of a model that ensures competitiveness on the market¹³. The acceptance of a pro-ecological attitude is not only a legal duty but it also involves several benefits. The destruction of environment to which every human being belongs poses a danger to humanity and the world¹⁴. Thus, a positive impact on the environment is an undisputable benefit. Natural environment through its resources as well as climate are factors that influence economy¹⁵. Moreover, customers are becoming more and more interested in environmentally-friendly products and services. As a result, the compliance to the rules of environmental responsibility has its impact on company's image in the eyes of consumers. Sustainable operations make it possible to improve company's position on the market and attract investors. Companies that act responsibly meet the standards of the market and are reliable. Moreover, ecologically oriented business is appreciated by its employees and, consequently, it motivates them. As a result, the

¹¹ J. Adamczyk, *Spoleczna odpowiedzialność przedsiębiorstw. Teoria i praktyka*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2009, pp. 58-59.

¹² J. Nakonieczna, *Spoleczna odpowiedzialność...*, op. cit., p. 73.

¹³ A. Zaleśna, *Kompetencje zarządzających w przedsiębiorstwach społecznie odpowiedzialnych*, Wydawnictwo Difin, Warszawa 2009, p. 67.

¹⁴ M. Rybak, *Etyka menedżera - społeczna odpowiedzialność przedsiębiorstwa*, Wydawnictwo Naukowe PWN, Warszawa 2004, p. 203.

¹⁵ A. Zaleśna, *Kompetencje zarządzających...*, op. cit., p. 66.

trust of the employees is growing, which results in the increase of company's attractiveness on the labour market¹⁶.

The growing environmental awareness among entrepreneurs and the society, the benefits from the introduction of ecological processes and an increasing number of legal regulations resulted in the implementation and practice of the idea of natural environment responsibility. Entrepreneurs tend increasingly more to follow the rules of ecologically responsible business¹⁷.

2. CSR as company's image building strategy

The environment of organizations has expectations regarding companies and it sets out the desired types of conduct. They may differ depending on the groups of the environment. However, there are established canons which do not change and the environment compares company's operations with the accepted standards. The perception of organizations by their environment depends to a large degree on their activities in this field. As a result, companies do not only operate in compliance with law but they act in an ethical manner that does not raise any public objection. The perception of a particular entity by its environment has an impact on its image¹⁸.

Contemporary society is increasingly better educated and more aware of social and ecological issues. The environment of companies expects them to operate according to the interests of the society and natural environment. In general, organizations are expected to be socially responsible¹⁹. Thus, the interest in the issue of sustainable business is growing. The public pays an increasing attention to the issues of balance in the areas of economy, society and ecology²⁰. As a result, organizations must be particularly careful about public opinion and should act adequately to develop their image. Social responsibility is the factor that has an impact on company's image which is perceived as responsible and committed to common good. However, the concept of CSR should not only be referred to public relations and image creation. Such approach may be counterproductive. This is due to the fact that an excessive focus on

¹⁶ B. Rok, *Odpowiedzialny biznes w nieodpowiedzialnym świecie*, Akademia Rozwoju Filantropii w Polsce Forum Odpowiedzialnego Biznesu, Warszawa 2004, pp. 54-55.

¹⁷ A. Zaleśna, *Kompetencje zarządzających...*, op. cit., p. 67.

¹⁸ W. Budzyński, *Zarządzanie wizerunkiem firmy*, Oficyna Wydawnicza Szkoły Głównej Handlowej, Warszawa 2002, p. 30.

¹⁹ J. Nakonieczna, *Spoleczna odpowiedzialność...*, op. cit., p. 18.

²⁰ M. Bąk, P. Kulawczuk (red.), *Spoleczna odpowiedzialność biznesu w małych i średnich przedsiębiorstwach*, Instytut Badań nad Demokracją i Przedsiębiorstwem Prywatnym, Warszawa 2008, p. 139.

publicizing corporate social activities may be received negatively by the environment. This happened, for example, when the Philip Morris tobacco company spent 75 million dollars on pro-social issues and the advertising of this fact cost as much as 100 million dollars. Thus, it is important that the approach to CSR in companies is adequate and CSR should not be applied solely for the sake of image building. It is desirable that the approach to CSR should be a natural and reliable supplementation of company's key activities²¹.

The application of CSR is considered a conscious position of entrepreneurs. Sustainable activities in this area are conducted both in the interest of an entity and in order to have a positive influence on community. They trigger a reaction on the part of public opinion. At present, most of the environment reacts positively on activities of this type even if they are conducted for commercial reasons. Companies must take into consideration that their survival depends on social approval²². One of the arguments for CSR is the fact that adequate activities in this area may build or enhance company image²³.

Thus, ethics has an evident impact on the image of a company in its environment. Consequently, when managing a company, several aspects concerning social responsibility should be taken into consideration and decisions should be made in compliance with the CSR principles. Undoubtedly, the concept of CSR has an impact on the creation of image and is one of the factors that build it. The idea "do good and talk about it" is supported by image specialists. When social expectations in a given field are known, it is much easier to approach the issue²⁴. The literature on CSR frequently presents the approach where the implementation of CSR is related to the creation of company image. According to A. Sokołowska "making decisions that consider social targets as normative elements of company policy and implementing them makes it possible to create an image of a company that is concerned about the solution of social problems"²⁵. This statement clearly emphasizes the relationship between CSR strategy and the creation of company image in its environment.

²¹ J. Nakonieczna, *Spoleczna odpowiedzialność...*, op. cit., pp. 188-189.

²² S. Black, *Public Relations*, Wydawnictwo Oficyna Ekonomiczna, Kraków 2003, p. 116-117.

²³ M. Raich, S. Dolan, J. Klimek, *Globalna transformacja biznesu i społeczeństwa*, Wydawnictwo Difin, Warszawa 2011, p. 321.

²⁴ W. Budzyński, *Zarządzanie wizerunkiem...*, op. cit., pp. 30-32.

²⁵ A. Sokołowska, *Spoleczna odpowiedzialność malego przedsiębiorstwa. Identyfikacja-ocena-kierunki doskonalenia*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław 2013, p. 181.

Through the analysis of the approaches presented above a dependency can be specified that the stronger company involvement in social issues the better company image²⁶. Companies that - apart from conducting their key operations – care about social interests do not only operate in agreement with the environment and for its benefit but they also create their social image. The implementation of CSR results in building company positive image in its environment. They create an image of a responsible entity that is committed to social and environmental issues. Company management activities in this area give an evidence of company's commitment to the general social good²⁷.

3. Environmental CSR and the image of a bank – analysis of the author's survey investigation

In order to investigate a real impact of environmental responsibility on company image, an empirical research was conducted. An organization was selected that follows the principles of CSR: the BNP Paribas Bank Polska, which pays particular attention to environmental issues. Its clients have a permanent access to the information about the bank's pro-ecological activities and, consequently, they can make conscious choices. An attempt was made to verify whether the responsibility of the BNP Paribas bank for the natural environment really contributes to the creation of its image and influences customers decisions.

The necessary data for the analysis were collected through a survey investigation. A questionnaire form was used that included 12 close-ended questions concerning issues related to the impact of the Bank's environmental responsibility on its image and customer decisions and 4 questions about the respondents. The survey was conducted in May-June 2020 among the Bank's customers aged 18+, with varied education and with place of residence in Poland.

The survey was conducted among 60 customers of the BNP Paribas bank and included 33 females and 27 males. Respondents aged 46-55 constituted the largest group (33.3%), the next age group of 18-25 accounted for 23.3%, and the groups of 36-45 and 26-35 years of age accounted for 20% and 15%, respectively. The least numerous group (8.3%) included respondents aged 56+. The majority of respondents (61.7%) were inhabitants of cities with the population of over 500 000. Inhabitants of villages accounted for 15% respondents, 11.7%

²⁶ W. Budzyński, *Zarządzanie wizerunkiem...*, op. cit., p. 33.

²⁷ M. Raich, S. Dolan, J. Klimek, *Globalna transformacja...*, op. cit., p. 321.

respondents came from places with the population under 30 thousand and the remaining 11.7% from towns with up to 100 000 inhabitants. As regards education, the respondents belonged to two groups: 80% had higher education while the remaining 20% admitted having secondary education.

A vast majority of respondents (96.7%) think that companies should run a responsible business and be committed to various social activities and initiatives. Moreover, the same group has the opinion that companies should implement and support environmentally-friendly activities. Thus, it seems that almost all people in the survey have a positive attitude to pro-social and pro-environmental behaviour. The majority of the respondents support this type of business activities and they see themselves as people that care about natural environment. Most of the respondents (73.3%) are aware of the Bank's CSR activities and 76.6% consider the Bank to be an environmentally-friendly organization. Nevertheless, almost a half of the respondents admitted that the Bank's environmental activities did not influence their decisions on choosing its offer. Only 13.3% respondents confirm that the ecological profile of the Bank influenced their decisions. However, as many as 78.3% state that the implementation and support of environmentally-friendly activities has an impact on the Bank's attractiveness. Over half of the respondents (53.3%) monitor such activities of the Bank and are interested in these issues. A vast majority (81.7%) expect the Bank to continue its actions for the natural environment. These expectations may be the result of the deteriorating state of nature. 65% respondents would use the Bank's offer to support its environmental activities. A similar group is satisfied with the products and services of the Bank and they would remain its customers to support its pro-ecological behaviour. Thus, it can be concluded that the loyalty of the respondents and the desire for further support of the Bank's activities are connected with their satisfaction with the Bank's offer.

One can say that the implementation of CSR, and particularly the emphasis on the issues of the natural environment, influence the attractiveness of the BNP Paribas bank. In this way, the Bank builds its image of an organization that cares about the aspects that are crucial for present-day society. The responsibility for the natural environment results in the perception of its activities as being sustainable and environmentally-friendly. The customers who are satisfied with the cooperation with the bank and are aware of this strategy may be more willing to use its offer.

Conclusions

On the basis of the above considerations, it can be concluded that the majority of Polish society shows concern for the common good and the natural environment. Presently, environmental protection and activities in line with nature are an important element of everyday life. People pay attention to ecology and this is also visible on the market. The results of the survey show that entrepreneurs are expected to run their businesses in a responsible way and they should be committed to social issues. Moreover, environmentally-friendly business activities should be implemented and supported by them. Such approach results in the creation of company image. This is also confirmed by the results of the author's survey research which show that the majority of the BNP Paribas bank customers appreciate its care for ecology and environment and this is one of the reasons why they are loyal to it. Therefore, it can be presumed that the image of other organizations will also be assessed positively if they apply the strategy of environmental CRS.

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Abstract

The essence of corporate social responsibility (CSR) in organization's activities is to take into account social problems, the issues of natural environment protection and the relationships with its stakeholders. Functioning in harmony with the environment, and particularly the care for natural environment, has an impact on the organization's public image. The article presents the responsibility for natural environment as an element of CSR. It presents CSR as a strategy of building company's image. On the basis of the author's survey an analysis was conducted of the impact of environmental CSR on company image, with a particular consideration of a bank.

Key words

Corporate social responsibility, natural environment, organization's image, strategy.