

Corporate responsibility as an answer to crisis

Many businesspeople ask me why their companies should act responsibly. The answer has already become automatic: Because it is good for your business.

Here in Slovakia we still remember "The Wild '90s" when doing business was basically about speculating, cheating and getting rich fast. Because of this it takes time to persuade the public that is better to do it differently. The current economic crisis and examples of fair entrepreneurship from the first Czechoslovak state can help us.

Responsibility Saves Money

Did you know that green buildings can save up to 70% of energy costs and 30% of operational costs per year? Or that employees who are well taken care of are much more productive compared to those that are not?

Since 2004, the Business Leaders Forum has organized regular meetings with companies that have committed to sustainability in business. Members of BLF are mainly large multinational companies with headquarters in Western Europe or the USA, where principles of corporate citizenship are core business practices. In Slovakia, CSR has become a topic of interest only in the last couple years. This is due in part to the economic crisis, which has forced companies to evaluate their behavior and become more efficient.

I truly believe that doing business responsibly is how companies can survive this new economic situation. Why? Environmentally friendly solutions bring huge cost savings, the well-being of employees decreases fluctuation, and responsible supply chain management helps avoid possible risks. Moreover, Slovak consumers are becoming more and more supportive of CSR. According to a survey done by the Pontis foundation among the Slovak public in 2011, 63% of Slovak citizens believe it is important that the producer of a product or provider of a service is doing business responsibly.

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We are more and more educated and open to the world, and because of this we have started to understand that we can change the society we live in with our own consumer behavior. The business environment is becoming more competitive and CSR is an opportunity a company to differentiate itself and improve its market position. We have also started to see a difference between giving a check to a charity and long-term sustain-

able business practices. Are there any scandals concerning the company? Is it dumping hazardous waste in the city outskirts? Such a company should not and will not survive the crisis.

Small and Responsible

In the past few years my colleagues and I have traveled through Slovak cities and have met more than 500 entrepreneurs from small and medium size enterprises. We have introduced them to the principles of CSR. According to our survey, 50% of them don't recognize the term at all. Surprisingly, it wasn't necessary to persuade them about the advantages of responsible entrepreneurship. Doing business in a fair way is in accordance with their inner values. They are closer to their communities and often help others naturally, though they don't label it CSR. Many of them would rather lower their own profit in order to keep their employees, even though the state doesn't provide any substantial support for responsible businesses. All of them, on the other hand, lack positive examples of responsible businessmen in the media, business meetings or social networks. There is also little recognition from customers. How should they get inspired when we often only talk about mistakes, scandals or unsolvable problems?

Positive Examples All Around

Even though CSR is mainly connected with large foreign companies in Slovakia, we do not have to learn only from them. CSR is deeply rooted in our own history. The creator of Piešťany

Spa, Ľudovít Winter, knew at the end of 19th century that a profit needs to be reinvested in further development and improvement of the company. "From my father I inherited a desire to build something good which helps the state, public, all mankind and also myself." Another great example is Tomáš Baťa, who started to do business by himself and step by step accomplished worldwide success using a fair approach to customers and quality care for employees.

I am very glad that recently established companies with only a few dozens or hundreds of employees have shown on their own that responsibility is a way to success. For example, Martinus, the largest on-line book seller in Slovakia is successful in part because of its good environment for employees and transparency. The company engages them in common projects and encourages them to protect the environment through recycling and saving energy. Co-owner Martin Meško talks not only about the generation of profit but also about the creation of value.

Conclusion

This economic crisis can help us in the development of CSR in Slovakia. Companies under pressure from their competitors and clients are moving towards ethical and fair conduct and have started to ask what their partners need from them in this field. Examples from our past show that being responsible also means being successful in the long term. I believe we can leave the notorious '90s behind.



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