

Responsible business modernizes Central European economies

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The number of Central European companies implementing strategic solutions that increase their contribution to sustainable social and economic development is on the rise.

Based on the results of the survey carried out by Deloitte in ten countries of the region, the key benefits arising from CSR initiatives to be observed in firms are: increased involvement of employees, improved reputation and better relations with local communities. A vast majority of the respondents are optimistic about the development of CSR over the next few years.

The survey was carried out among CSR managers in the Czech Republic, Bulgaria, Hungary, Kosovo, Latvia, Lithuania, Poland, Romania, Serbia, Slovenia and in Slovakia where the project was supported by the Business Leaders Forum. The survey presents the role of CSR practitioners in promoting social responsibility in companies as well as their insights on the positive effects of CSR on the social and economic condition of each country.

One of the key conclusions drawn from the survey is that the majority of CE CSR managers (84%) believe that business has played a role in solving social and economic problems in individual countries. The first and foremost issues are to reduce the adverse impact on the natural environment, support education and counteract unemployment. The respondents believe that these areas are of primary importance and businesses should get involved with such matters in the future as well.

Three most crucial benefits arising from CSR efforts, as observed by the survey participants, are: increased involvement of employees, improved reputation and better relations with local communities.

Among the most crucial drivers of this change is the pressure coming from customers who are increasingly expecting to see socially responsible products and services on the market.

In the opinion of the CSR managers polled, the tools and methods enabling employee involvement, such as corporate volunteering and ethical programs for employees are most useful. As regards external CSR cooperation, respondents also mentioned: dialogue with stakeholders, social campaigns and environmental programs.

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In the Central European countries only slightly more than half of the survey participants state that their companies measure the effects of their CSR initiatives. Media monitoring is among the most popular tools, closely followed by the company's own CSR strategy indicators and opinion polling.

The Central European respondents see the best chance for social and economic development of their respective countries in the impact of business on the growth and the competitiveness of the economy, the positive impact of enterprises on the activity in the labor market, and their impact on the knowledge-based economy and intellectual capital growth. Among the most crucial drivers of this change is the pressure coming from customers who are increasingly expecting to see socially responsible products and services on the market.

What does the future hold for socially responsible businesses? Seventy-six percent of Central European respondents expect growth and service professionalization. Business has a major role to play, but it

needs to receive support from the public sector, as indicated by the fact that 52% of CE respondents complain about a lack of incentives from the state administration. Their role should be to shape national policies and put into practice the principles underlying low-emission, circular economy, energy efficiency as well as sustainable urban and rural development. There is a lot of room for cooperation with and education of all stakeholders. As regards other major obstacles for sustainable economic and business growth over the next fifteen years, managers indicate the misconception that CSR is a form of sponsoring and the reluctance of businesses to invest in CSR initiatives.

Most of the Central European managers polled are optimistic about the future of CSR – almost half of them believe that CSR will flourish and the number of socially responsible businesses will continue to grow. One third of the respondents believe that CSR will reach maturity as social and environmental issues become a part of business models.

PREDICTED CHANGES IN BUSINESS OVER THE NEXT YEARS

