

CSR POTENTIAL

Ágnes Bene¹, Péter Salamon²

PhD Research fellow²

*University of Debrecen, Faculty of Informatics, Faculty of Applied Economics and
Rural Development¹, MTA Institute for Nuclear Research, Debrecen²*

ABSTRACT

According to the definition offered by Kotler and Lee, the CSR (Corporate Social Responsibility) is „a commitment, to improve community well-being through discretionary business practices and contributions of corporate resources” [2., p. 3.]. Following this line of reasoning, the purpose of this study was, through the use of case studies and best practices of five different companies, to examine those activities of CSR that may be related to talent, talent management, education and innovation. When it came to reviewing the activities of the selected companies, the CSR activity of Sanofi in Hungary was considered as base. The CSR activities of the four other companies were evaluated by performing a content analysis of their websites. Due to the divers sources of information, the news of 2015 and the press releases available on their websites were analysed separately.

The content analysis of the Sustainability reports and websites of the selected companies, supplemented with the latest company news, has opened the door to the preparation of a wide-spectrum activity inventory on the CSR areas related to education and innovation, the aim of this study has thus been fulfilled.

Keywords: CSR, Corporate Social Responsibility, education, dual education, innovation, professional training

Disciplines: Economy, Work and Organizational Psychology

CORPORATE SOCIAL RESPONSIBILITY (CSR)

According to Philip Kotler’s definition, „Corporate social responsibility is a commitment, to improve community well-being through discretionary business practices and contributions of corporate resources” [2., p. 3.]. By examining the topic from an other viewpoint, the organisation of Business for Social Responsibility highlights the purpose of CSR in “operating a business enterprise in a manner that consistently meets or exceeds the ethical, legal, commercial, and public expectations society has of business” [5., p. 307.].

This kind of social and economic dimension is supplemented with environmental sustainability by the Green Paper in reference to CSR, presented by the European Commission in 2001. The concept, where companies nourish to get a better society and a clear environment. CSR served as an instrument for companies to contribute to sustainable improvement, which is a long term aim of EU [8].

From the academic perspective, therefore, there is no one clear-cut definition of CSR. Responsible corporate behaviour is subjectively motivated.

While taking into account the motivations behind CSR engagement, the findings of Pain and his associates show that the important decision-makers in terms of CSR, mostly the highest-level executives in senior management, refer usually to business advantages, sometimes to personal commitment and rarely to moral obligation, when being asked about the reasons of taking social responsibility [4].

Summarizing the arguments for CSR:

- May become the tool of stakeholder relationship management;
- A tool which is already being used by the competitors;
- Can develop productivity;
- Provides opportunity for developmental innovation (e.g. environmental developments);
- Helps the company in finding sources of funding, as it becomes more attractive to the investors.

This study focuses on the bottleneck of CSR, putting attention to the activities related to education, talent and innovation.

EDUCATION, TALENT, INNOVATION

By looking the education as talent management, school may be considered as its institutionalized domain.

According to Gyarmathy (2013), a critical approacher author of studies on education and talent management, talent is an opportunity, that is to be mobilised by individual environmental stimuli. Based on the results of her research, she states, that child development in the Digital Age seems to be a lot more heterogeneous as compared to previous historical periods. At the same time, several new possibilities are turning up in order to attract children's interests, to satisfy their needs in terms of stimuli. In the education, the possibility for further development must be secured for those showing deeper interests than their classmates towards some of the areas taught.

Among them emerge the eminent with an outstanding performance, then among the eminent emerge talents.

There are always examples of new methods commanding an extraordinary system behind the syllabus.

Teaching by Chess is considered as one of these solutions, that has come up with the aim of talent development, promotion of creative thinking and replacement of defects in thinking development appearing in the Digital Age. The introduction to chess is being started at the end of pre-school education.

The H2O Program is an other relative new initiative. The focus of its educational methods (Complex Instruction Program, teamwork in the classroom, Logic board games Program, differentiation in classes, Dialogue between generations Program) is on teaching children with different socialization and different cultural backgrounds, and fostering their cooperation skills. The Complex Instruction Program is a pedagogic innovation in which an emphasis is being placed on the facilitation of imagination and fantasy, the development of communication and the culture of asking

a question [1]. Both of these two programs are funded and financed by companies from the private sector (CSR).

Let us briefly define the actual economical and environmental factors potentially having a significant impact on CSR activities related to education and innovation.

According to the regulations of the Act CLV/2011 concerning contributions to vocational training and training support, by organising practical training and meeting predefined conditions, the company may get a partly refund of the paid-in contributions [6].

In 2012, a Framework Program of Youth Policy was introduced by the Government under the title of „Youth for the future”, treating the enhancement of close partnership between the corporate sector and the institutions of higher education, and the resuscitation of the vocational education system through obligatory traineeship as a priority. In the dual education system general lessons and vocational theory are being taught at the vocational school. Students are being given their practical training in real companies, so that they can get competitive knowledge [10]. The Government is willing to significantly increase the number of companies participating in the dual education system in particular. Expanding tendering opportunities are available for setting up training sites, and assurance of other conditions [13].

If a company establishes the infrastructure and other requirements, by the use of the opportunities already mentioned above, in order to enter the dual education system, the returns on its investments may arrive from different directions. One of the aspects of fair return can be seen when company workers with an outstanding performance are asked to be trainers or mentors. Although performing these tasks may result in absence from everyday work, on the other hand, the new role can be challenging, rewarding and motivating at the same time for the talented colleague. Furthermore, the system allows them to develop their competencies and knowledge in terms of vocational education.

Mentoring activities also can play a role in talent management [3].

The other ground of talent management can be found inside the company. The vast majority of companies have already recognised the fact, that internal talent development may provide with a cost effective and less disruptive solution compared to hiring and executive searching. Internal talent development motivates colleagues, while also giving a sufficient scope for cross functional cooperation, and innovative actions. Functionally based internal development programs are good examples to start with. These programs often address common subjects, such as general management or interpersonal skills along with function - specific material. Keeping contact with employees even after they leave, making investments in maintaining ties is considered as a useful practice. Should these individuals want to switch jobs again, they may well look to the place where they still have ties [7].

Innovation came originally from Latin *innovatus*, which means renewing.

According to the Merriam Webster Online Dictionary, innovation means the act or process of introducing new ideas, devices or methods. [18]

The initiatives of innovative employees represent a huge potential for the organisation. Employees are involved in everyday routine, they contact with suppliers and clients too. They have such a direct information on functioning, that can open the door for opportunities to ameliorate processes, or identify intervention points if a

problem occurs. Rewarding proportionately good ideas and initiatives is essential in order to get a successful system.

METHOD, SAMPLE

Now we introduce the results of this study especially on five companies CSR activities. The purpose of this study was to examine through the use of case studies and best practices those activities of CSR that may be related to talent, talent management, education and innovation. There were not a goal, to review entirely these companies's CSR activities, due the method by used.

Companies to be analysed: *Sanofi*¹; *Bosch*²; *IT Services*³; *MKB*⁴; *Tesco*⁵.

When it came to reviewing the activities of the selected companies, the CSR activity of Sanofi in Hungary was considered as base. The CSR activities of Sanofi and the four other companies were evaluated by performing a content analysis of their websites. Due to the divers sources of information, the news of 2015 and the press releases available on their websites were analysed separately.

In order to select the companies to be analysed, the partial results of a questionnaire-based research (n=321), led by the author in the University of Debrecen, were applied. The research itself aims to measure CSR perception in the job choice preferences of university students.

Each of the five attending companies has more than 500 employees. Representing different industrial sectors these companies tend to show a considerable CSR activity. Observing them from a regional viewpoint, the regions of Transdanubia seem to be a bit under-represented. The sample was not representative, thus the results can be interpreted only in point of the examined companies. Despite of these factors, the sample may provides us with a good source in terms of mapping the CSR activities related to education and innovation.

RESULTS

Figure 1 summarizes the CSR activities related to education and innovation. Based on the results of the content analysis of the companies' websites and press releases.

¹ *Chinoin Gyógyszer- és Vegyészeti Termékek Gyára Zrt. and Sanofi-Aventis Magyarország Kereskedelmi és Szolgáltató Zrt. – Sanofi's Hungarian affiliate is one of the leader pharmaceutical company in Hungary, with 4 locations (Budapest, Nagytétény, Csanyikövölgy –Miskolc, Veresegyház) and 2000 employees.*

² *Robert Bosch Kft. is one of Hungary's largest foreign industrial employers, with 9 locations and 10 500 employees.*

³ *ITSH, IT Services Hungary Kft. is the T-Systems International Hungarian affiliate with 5 locations and 4000 employees. T-Systems International provide valuable Information and Communication Technology (ICT) services for their partners.*

⁴ *The MKB Bank ZRt. is one of the leader corporate bank, definated by itself, with more than 60 bankoffices, with 1700 employees.*

⁵ *TESCO-GLOBAL Áruházak Zrt ,is a global trade company since 1995 in Hungary, with 209 trade unit, and more than 20 000 employees.*

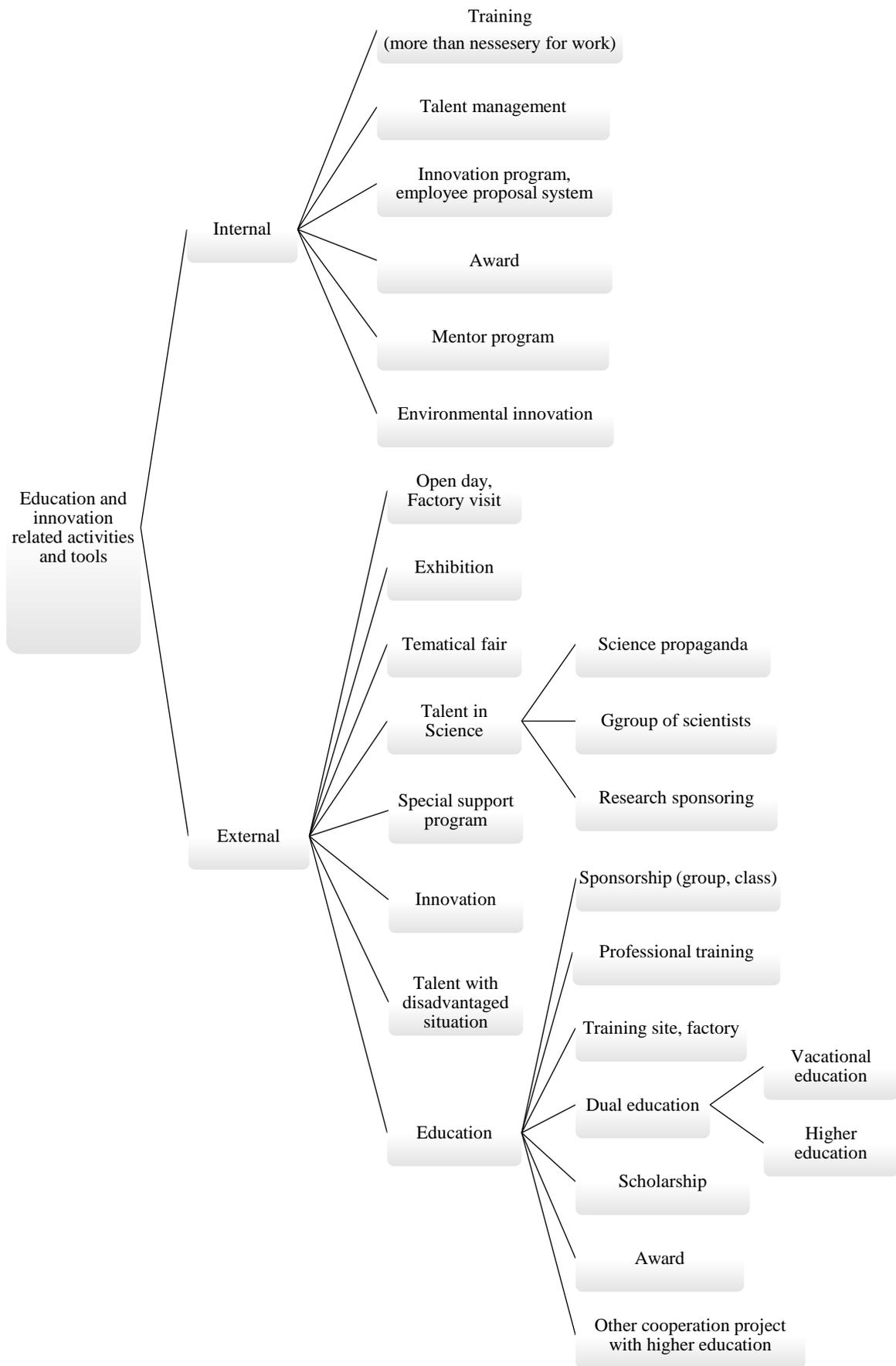


Fig.1, CSR activities related to education and innovation. (source: the author)

Internal CSR activities

Employees at ITSH are provided with such on-site *training opportunities* that are not necessarily needed for meeting the requirements of their scope of activities.

Talent management is considered as a support of talent on a strategic level.

The most talented employees of Bosch are given the opportunity of joining the Junior Managers Program.

An *employee proposal system* was introduced at all Hungarian sites of Sanofi, under the name of ALMA (Creative Workshop Foundation) in Veresegyház, and CSIP (Innovation Program of Csanyikvölgy) in Csanyikvölgy.

The proposals, submitted by the employees, are to be evaluated by the appraising committee. The outstanding *innovations* are forwarded to the head office in Hungary, and a decision is also made on their entering for the Sanofi Innovation Award. The Emil Wolf Award (name after one of the company founder's) is a prestigious recognition of excellence at Sanofi. The award itself is adjudged annually to individuals or teams for their timeous, innovative and value added activities.

Tesco offers a well-articulated program of orientation for those passing into the company's Fresh Graduate Program. All participants are supported by a *mentor*, to give a hand. There are also *mentors* assisting students in the Bosch Lean Academy. Weaknesses in the skills and abilities of *mentors*, based on the experiences of job interviews, are to be developed.

Problem solving skills, presentation skills, the ability of self-reflexion, for example, are essential assets in the multicultural environment of a global company.

The system using rainwater at the site of Sanofi in Veresegyház is considered as a *Environmental innovation*. Therefore, bedding-plants can be irrigated from the rainwater catchment tank.

External CSR activities

With regards to the course of Pharmaceuticals Manufacturing, students at the University of Szeged Faculty of Pharmacy are given the chance of *visiting* a real factory and attending a presentation at the pharmaceutical company of Sanofi in Veresegyház.

An interactive *industrial exhibition* was opened to the public at Sanofi's site in Újpest 2010, presenting the most important milestones of the 100 years in Chinoin's history. The venue may be visited by groups of students and by others interested, upon registration.

The *Cooperative fair* of internships professional practices, being held once a year as a thematic fair by Szent István University in Gödöllő, provides a venue of representation for companies such as the Bosch factory from Hatvan and the Sanofi site from Veresegyház.

The *propaganda of science* has become an extremely important expectation towards knowledge-based industries. The Bridge of Sciences event has taken place as part of the celebrations on The Year of Chemistry in 2011, having Sanofi as sponsor of the event from the pharmaceutical industry.

Under the name of *Professors' Club*, a package of services was introduced by MKB Bank in 2006. Although the package itself represents only one single piece in the company's product portfolio, certain elements seem to be elevated to the group of CSR activities by the philosophy behind the idea, and the real content of services.

The *Doctoral Scholarship* of Sanofi-Aventis may be awarded to applicants with a background of medical sciences, pharmaceuticals, biology, chemistry, chemical engineering, or bioengineering.

Go-kart, Go-BOSCH! : A competition with a strong focus on innovation, a *special program* organised for students of the higher technical education. Each team is provided with a gokart and parts to be built in by the company. Participants are also supported by mentor engineers. Teams have to present their ideas in terms of future-driven functionality of modern cars in a more creative and professional way.

An accelerator project for startup companies was launched by The Academic Department of Innovation and Entrepreneurship of The Technical University of Munich in association with Bosch, as part of an *innovative initiative*. Professional support and exclusive access to innovative product-platforms are offered to the attending companies. Further assistance is also provided by trainers, experienced Bosch mentors and entrepreneurs.

A continuously expanding *scholarship* was set up by MKB Bank in 1997, in order to financially support talented students coming from a *socially disadvantaged environment*. The first scholar, having been patronized since her elementary school education, graduated in 2007.

Sanofi operates a creche and a nursery school in Újpest, patronizes pre-school classes in Csanyikvölgy and Veresegyház. Bosch *sponsors* three *classes* of Szent István Elementary School in Hatvan. The company has created them the possibility of German language education, swimming, horse riding, dance and music lessons, and excursions on a regular basis. Furthermore, thematic days are held, reconstruction works are supported by voluntary work for the benefit of the community.

Students of The M. A. Vocational Secondary School of Engineering and Information Technology, together with learners of the B. S. Grammar School and Secondary School of Technology have been being allowed to spend their binding *practice-oriented training* at the site of ITSH in Debrecen since 2013.

Tesco started its Baker Education Program in 2015. As the result of the first year, the company has created a widespread technical workshop. Due to this success, the key player of retail business is now able to welcome students from vocational schools, functioning as a *practical training center* in the baker craft.

Bosch has been providing *secondary level dual training* for two – mechatronic and electronic technician – classes in collaboration with the D. J. Vocational School and Dorm in Hatvan and the Petőfi Sándor Secondary and Mechanical Trades School and Dorm in Aszód. Students at Budapest Business School and from the faculty of Mechanical Engineering at Szent István *University* receive higher *dual education* with the support of Bosch.

Each year, fourteen students from Middle and South Eastern Europe are awarded with the *scholarship* of the Rochus and Beatrice Mummert Foundation, supported by Bosch. For those being selected, a scholarship of five semesters is offered for studies at Rheinisch-Westfälische Technische Hochschule Aachen (Technical University of

Aachen) or University of Cologne. Applicants must have at least a bachelor's degree in Engineering, Business Administration, Natural Sciences, Economics or Tourism Studies; demonstrate excellent academic performance; have very good German and English language skills; and demonstrate social and community engagement.

The „ITSH talent” *award* is yearly promoted amongst the students of the Faculty of Information Technology of the University of Debrecen. The prize itself consists of a gratuity and a position at the ITSH site in Debrecen.

According to the agreement between ITSH and the University of Debrecen, two specialisations in information technology since 2007, and an *on-site faculty* since 2011 have been fostering the harmonization of research, education and competitive knowledge.

SUMMARY

This study has shown the rich toolbar of CSR, highlighting its potential in terms of supporting education and innovation by providing industrial best practices. By evaluating the results of this study it seems to be confirmed, that business interests are the highest motivators of supporting education and innovation. Further to this, retaining and attracting their own skilled workforce in order to facilitate creativity and innovation are also the key areas of CSR.

The content analysis of the Sustainability reports and websites of the selected companies, supplemented with the latest company news, has opened the door to the preparation of a wide-spectrum activity inventory on the CSR areas related to education and innovation. In sum, based on the results we can provide this order, as a tool for companies, to evaluation of existing practice, and build up new system as well.

Overall, taking this structure of CSR activities into account as a possible step forward can expand sampling to the examination of CSR reporting, corporate web sites and company news of other companies from different industries. Studying regional aspect would also be favourable direction of future research.

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