

RELATIONS WITH EMPLOYEES IN CSR STRATEGIES AT POLISH ENTERPRISES WITH REGARD TO COMPLIANCE MECHANISM

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Abstract:

Employee-related aspects, in addition to human rights, the natural environment, fair business practices, consumer issues, commitment and development of society and the organization's management are the key areas of social responsibility as defined in the international ISO 26000 standard. This category includes responsible practices towards employees who, regardless of the form of employment, should be guaranteed adequate working conditions, the balance between private and professional life, as well as the opportunity to develop their careers. Due to the fact that the field of CSR is multidisciplinary these issues have been discussed in a multi-faceted way, taking into account different management, economic and law aspects. In this paper, a particular emphasis was done on the implementation of solutions according to legal rules, especially within the mechanism of law compliance, as such mechanism has become in recent years an indispensable element of modern responsible management in Europe even when it has been poorly developed in management literature.

Keywords: *Corporate Social Responsibility (CSR); employees; ISO 26000; workplaces; compliance*

LAS RELACIONES CON LOS EMPLEADOS EN ESTRATEGIAS DE RSC EN LAS EMPRESAS POLACAS RESPECTO AL MECANISMO DE CUMPLIMIENTO

Resumen:

Los aspectos relacionados con los empleados, junto a derechos humanos, medio ambiente, prácticas comerciales justas, cuestiones de consumo, compromiso y desarrollo de la sociedad, y gestión organizativa son las áreas clave de la responsabilidad social según define la norma internacional ISO 26000. Esta categoría incluye prácticas responsables hacia los empleados a quienes, independientemente de la forma de empleo, deben garantizarse adecuadas condiciones de trabajo, equilibrio entre la vida personal y laboral, así como oportunidades de desarrollo. Dado que el campo de la RSC es multidisciplinar, estos temas han sido debatidos de forma multifacética, teniendo en cuenta distintos aspectos de gestión, económicos y legales. En este artículo se ha hecho particular énfasis en la implementación de soluciones conforme a la normativa legal, especialmente dentro del mecanismo de cumplimiento de la ley, ya que tal mecanismo se ha convertido en los últimos años en un elemento indispensable de la moderna gestión responsable en Europa, aún cuando ha sido poco desarrollado en la literatura sobre gestión.

Palabras clave: *Responsabilidad Social Corporativa (RSC); empleados; ISO 26000; lugares de trabajo; cumplimiento*

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1. Introduction

In Poland the corporate social responsibility of business is strongly associated with the concept of business ethics which dates back to the 80s. The first studies related to the ethics of Polish economic life have been carried out in 1998 by the team of Economic Ethics Institute of Philosophy and Sociology in the Polish Academy of Sciences. Then the first contacts with business leaders in Poland were established. However the concept of Corporate Social Responsibility (CSR) came to Poland a bit later through the Responsible Business Forum which was founded in 2000. The Forum is the oldest and the largest non-governmental organization in Poland which deals with the concept of corporate social responsibility in a comprehensive way.

From the point of view of the Polish business, the development of CSR in Poland can be summarized in five phases or steps. The initial, first phase (1997-2000) was a time of non-active undertakings; it was a time of “taming” the problem of CSR. The second phase, between 2000 and 2002 is defined as the period of the reluctance of Polish companies and economic commentators to CSR and it was a time of “deep belief” that only the free market is the solution to all kinds of economic problems. In the third phase (2002-2004) a growing interest in CSR appeared while the declarations of commitment to ethics and social responsibility in business were increasingly recognized in public life and the largest Polish companies began to implement the initial projects in the field of CSR. In the fourth stage (2004-2005) specific but only partial projects were developed, covering selected areas of the major companies. It is understood that currently the fifth stage takes place (2006-present) which is characterized by an attempt to link CSR with other strategies implemented in companies, as communication strategy, personnel strategy, marketing strategy or strategy for corporate governance (Sánchez-Hernández et al. 2012). At this point it should be noted that the Polish economy is undergoing an accelerated process in CSR development now. The above steps have evolved for years in countries with highly developed economy while in Poland they are relatively new.

CSR seems to be the most popular expression for corporate social responsibility in Poland, but a number of other terms are also used as, for example, “corporate sustainability”, “corporate responsibility”, “corporate accountability”, “social responsibility”, “corporate citizenship” or “sustainable development” (“sustainability”). Each one of these concepts concerns taking action to make the company better in terms of moral, ethical, and social dimension. There are four main areas of involvement of enterprises in the field of CSR: relationships in the workplace, market relations, social relations (creating a socially valuable goods locally, nationally and globally, in particular supporting activities, sponsorship and cultural patronage) as well as relations with environment (EOW 2013).

Responsible practices relating to employees as one of the foundations of the CSR strategy should include the following aspects: hiring and labour relations, working conditions, social welfare, social dialogue, staff health and safety, human capital development. These issues are closely connected with the regulations of the Labour Law. CSR strategy within the labour issues should be developed and implemented in accordance with the applicable rules of the Labour Code. The compliance mechanism is an extremely helpful tool for company’s managers in this aspect as it ensures the compliance of the company’s management system with legal regulations (Dziwiński and Barcik 2014).

The aim of this paper is to show the potential benefits that can be brought to a company through well-developed CSR strategy in the management of human resources. In this sense, the concrete hypothesis is that the quality and effectiveness of this strategy is determined to a large extent by the implementation of CSR legal obligations and therefore the compliance of the company with the applicable regulations. The research objective of the study is also an analysis of the practical use of compliance mechanism by companies implementing CSR strategies in relations with employees. Additionally, an example is provided with the case study of the company CEMEX Poland.

2. Current status of CSR development in Poland

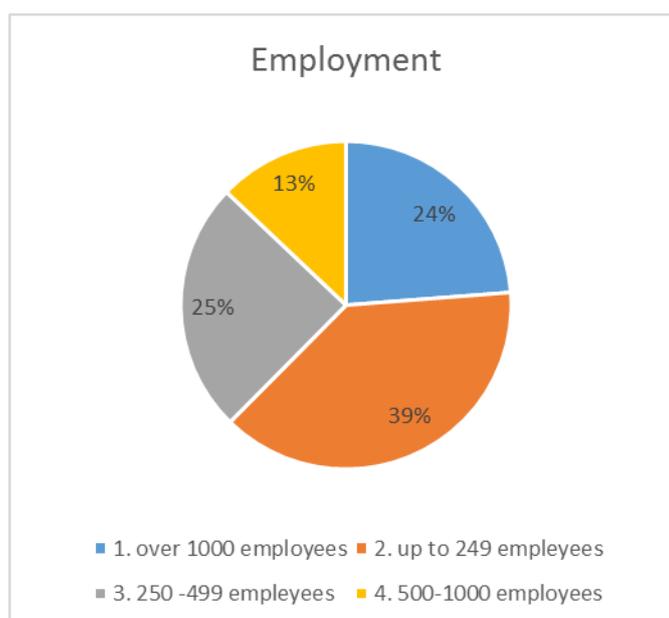
The idea of responsible business has been gaining importance in Poland for several years and more and more companies have been developing comprehensive strategies in this area. At present, representatives of the majority of Polish companies declare that economic activity should be carried out in such a way to respond to social needs. There is a clear tendency to support public sector as well as non-governmental organizations in solving social and environmental problems.

A global perspective of the corporate social responsibility development has been recently presented in the study “*State of sustainable business survey. Comparing perceptions of current and future sustainability leaders*” which was carried out by GlobeScan, BSR and Net Impact (GlobeScan & BSR 2014). The analysis of the responses of future leaders –namely the students who are members of the Net Impact network– were added to periodically conducted survey for professionals involved in sustainable development around the world. Both groups agreed on the assessment of progress in sustainable development which was made by the business for last five years and which will be made within next five years. Few respondents (some 20%) agreed with the statement that this progress can be assessed as very significant but the vast majority confirmed to see a change in this area. The respondents pointed out that the most important challenges to be faced by business leaders related to sustainable development were as follows: i) the integration of the concept of sustainable development with the core operations of companies; ii) convincing investors that sustainable development is a reasonable and cost-effective solution; and iii) long-term planning and greater transparency in business. The biggest differences between the two surveyed groups derived from their answers to the question about what priorities should be taken into account by the companies when it comes to sustainable development issues. For current business leaders the most important were the human rights and workers’ rights, while the future leaders recognized sustainable consumption, access to water and the fight against climate change as the most important (GlobeScan & BSR 2014).

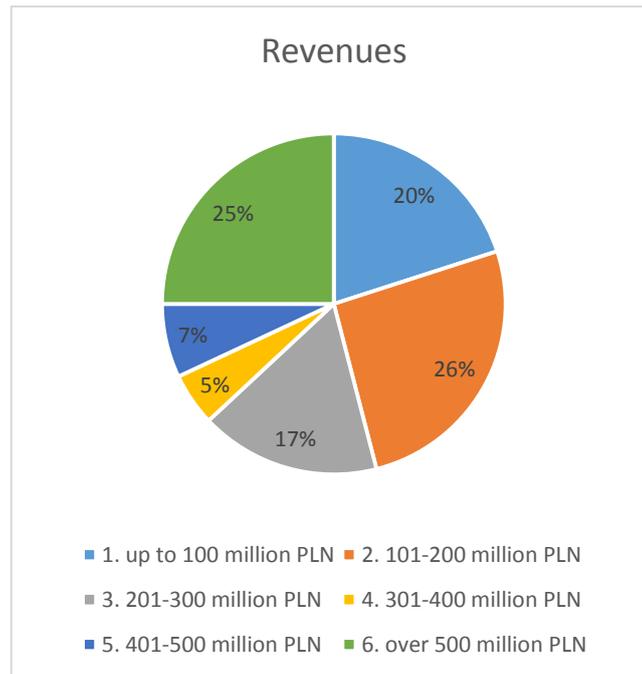
The results of this survey can be compared to a similar survey performed in Poland. The study “*Corporate Social Responsibility: facts and opinions*” was conducted by KPMG and the Responsible Business Forum among a sample of large and medium-sized companies operating on the Polish market in autumn 2014 (KPMG 2014). The aim of the study was to summarize the opinions of top managers (CEOs, board members and directors) and the lower-level employees (mainly responsible for CSR, marketing and communications, public and media relations) and the actions that the company actually undertakes. Half of the surveyed companies were 100% Polish entities, i.e. entities which do not have any foreign capital. The companies operating on the Polish market but with foreign capital accounted for over a quarter of the surveyed companies (28%). Selection of respondents by employment rate and annual revenues is shown in Figures 1 and 2.

The issue of corporate social responsibility plays a significant role in the activities of the surveyed companies. Every second large and medium-sized enterprise in Poland conducts CSR activities (46%) and a large group of companies are considering their introduction (15%). Most often these are companies with foreign capital (Figure 3).

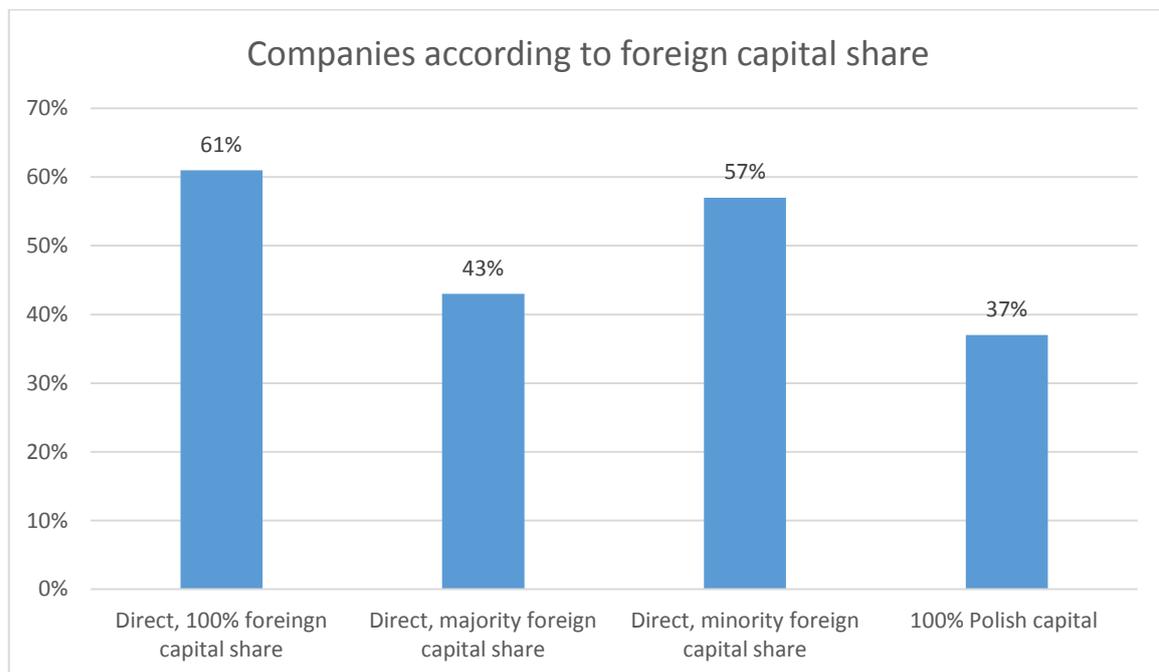
Figure 1. Selection of respondents by employment rate



Source: KPMG (2014)

Figure 2. Selection of respondents by annual revenues¹

Source: KPMG (2014)

Figure 3. The share of companies implementing CSR activities in Poland

Source: KPMG (2014)

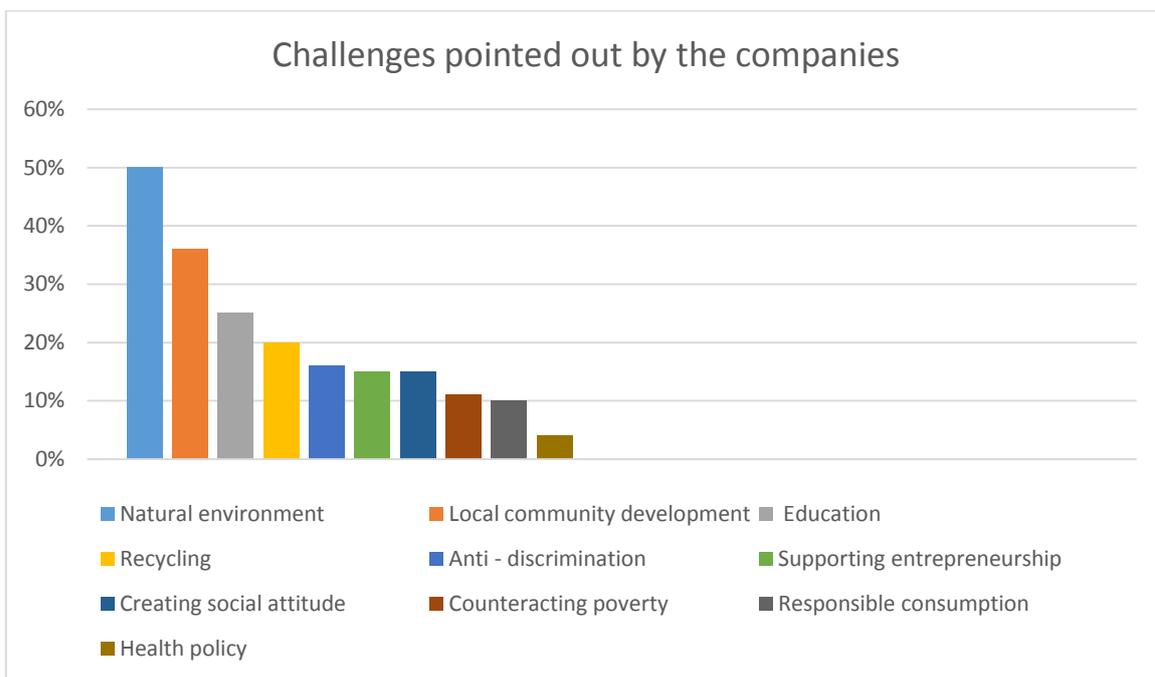
The vast majority of respondents (96%) in this study believed that the role of business should be to operate in such a way to simultaneously respond to social and environmental challenges. Problems like poverty, marginalization and low levels of education were indicated in the first line. The main environmental challenges which were most often indicated were global warming and the rational use of natural resources.

¹ Polish Zloty (PLN) is the currency of Poland. At the time of publishing this paper (August 2015) the exchange rate with US\$ was around 0.26 (1 PLN = 0.26 US\$) and 0.24 with Euro (1 PLN = 0.24 €).

Then, when asked to build their own hierarchy of the major challenges which the company faces, the most frequent response concerned environmental protection (indicated both by companies in the industrial sector –56%– and companies in service sector –38%–). In the second place the respondents indicated the need to involve local communities in the development, followed by exchanging science and education and health policy in the last place (see Figure 4).

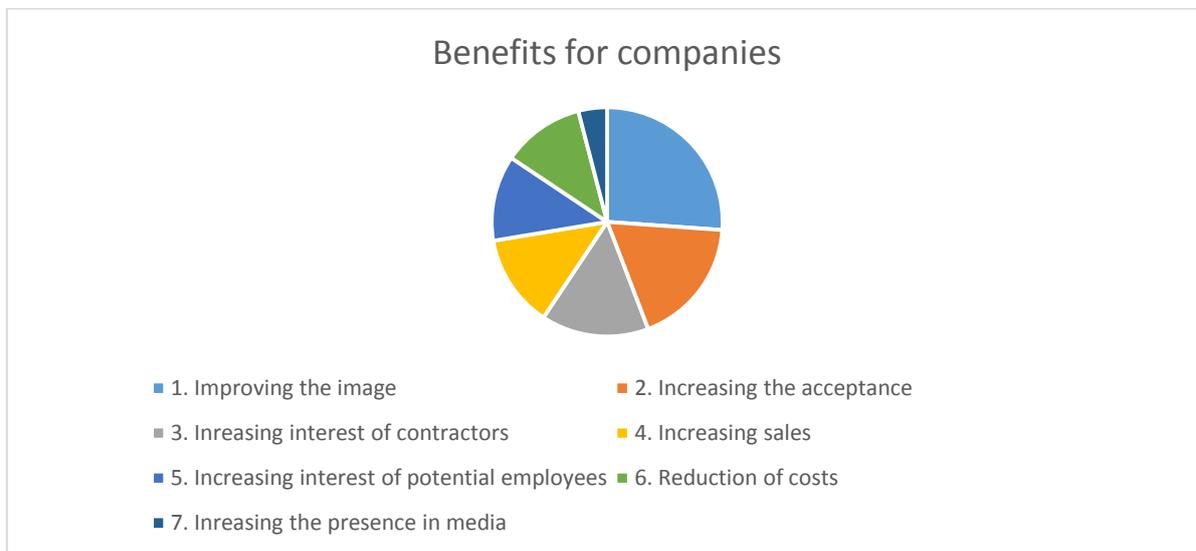
It is important that representatives of Polish companies (77% of respondents) were convinced that the business activities in accordance with the concept of CSR have a positive impact on the financial results of the company. They were also aware of the benefits that can brought to business through the activities understood as a socially responsible business. Figure 5 shows the most frequently indicated benefits. Figure 6 shows the activity of enterprises implementing CSR in relation to specific areas.

Figure 4. The most important challenges indicated by companies

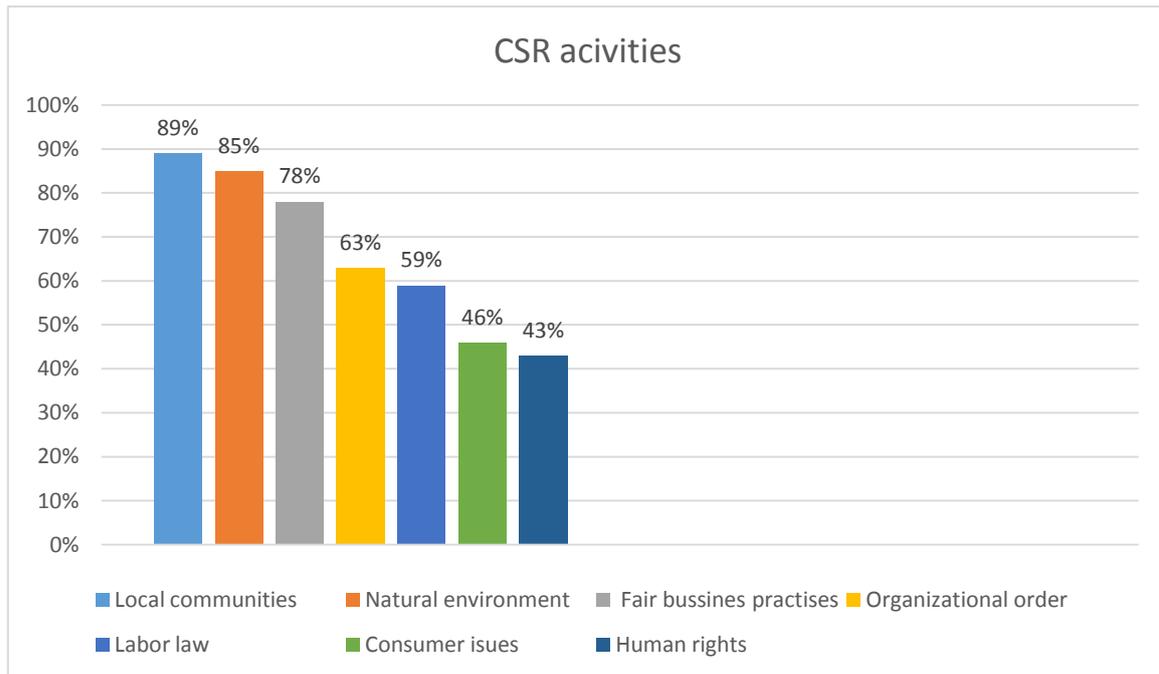


Source: KPMG (2014)

Figure 5. The benefits indicated by the companies



Source: KPMG (2014)

Figure 6. CSR activities according to the areas

Source: KPMG (2014)

The majority of respondents believed that non-financial issues, such as the impact on the environment and labour issues, should be reported (71%). This position is especially important from the point of view of the Directive 2014/95/EU², which requires an appropriate adjustment of Polish regulations (including the Accounting Act). Member States have time to implement the provisions of the new directive until 6th December 2016.

The changes introduced by the new directive relate to:

– Extension of the scope of non-financial information:

1. The requirement to disclose in a report on the activities of the minimum of essential information on at least the environmental, social and labour issues, human rights and anti-corruption and bribery issues (i.e. CSR reporting). Member States may authorize the disclosure of such information by the company in the form of a separate report.
2. The disclosures will take the form of description of the policy pursued in the named range, the results and the risks as well as risk management within non-financial issues.
3. Possibility to report according to the rules chosen by the company (national, EU or international rules).
4. Regulated entities will be large public interest entities that meet the following criteria: average annual employment of over 500 people and a total balance sheet of more than 20 million, or a net turnover of more than 40 million.

– Introduction of new disclosures within diversity policy:

1. The introduction of the obligation to disclose - in a statement of corporate governance (which is part of the activity report) - information used by the company's diversity policy concerning the composition of the administrative organs, management and supervisory bodies, the objectives of this policy, the manner of its implementation and results within the reporting period.
2. Regulated entities will be large public companies, i.e. meeting two of following three criteria: number of employees over 250, total assets over 20 million, net turnover over 40 million.

² Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

The provisions of the Directive 2014/95/EU are the result of a compromise between countries that are more advanced in terms of non-financial information reporting requirements (such as Denmark and France) and those which have so far implemented the minimum requirements set out in the Directive on accounting (such as Poland, Germany or Czech Republic). In some countries the new requirements will only be the confirmation for national non-financial information reporting requirements while in other cases –including Polish companies– the new requirements will be challenging and may require additional reporting and administrative burdens.

Apart from the reporting issue, Polish companies which are the subject to the extended non-financial information reporting requirements will need to rethink strategic issues, i.e. to decide if they want to act in a socially responsible manner, and if so, what action they intend to carry out. These decisions will have a significant impact on the shape of the non-financial reporting. Those companies which have already developed CSR strategy voluntarily are therefore in favourable circumstances (FOB 2014).

Currently, despite declarations made by vast majority of surveyed companies, only every second one prepares reports on the activity of CSR. The reasons for this state are complex, including entrepreneurs which responded that they have no such need (58%) and/or pointed out the lack of knowledge on how to prepare such a report (33%).

3. Relations with employees as the key CSR area in accordance to ISO 26000

CSR organizes topics from many fields and requires direct responsibility for the company for meeting high standards in interdisciplinary areas, which is why it is often included in the new generation concepts, i.e. the holistic and systemic ones. Today, the concept of CSR begins to evolve, expanding its scope from business organizations to all organizations involved in social life such as non-profit organization or public administration. From the above reason ISO 26000 plays an important role as it clarifies areas of responsibility and gives greater coherence within the meaning of CSR.

Specifically, ISO 26000 is an international standard providing guidance on social responsibility to be achieved through a transparent and ethical behaviour which: i) contributes to sustainable development, including health and well-being of society; ii) takes into account the expectations of stakeholders (individuals or groups who are interested in the decisions or actions of the organization); iii) is in accordance with applicable law and consistent with international standards of conduct; and iv) is integrated into the activities of the organization and practiced in its relations, which relate to the organization's activities undertaken within its sphere of interaction.

As stated in the ISO 26000, an essential feature of social responsibility is the willingness of organizations to take into account when making decisions and actions, social and environmental issues, and accounting for the impact of decisions and activities on society and the environment. This means that they should proceed both transparent and ethical, contributing to sustainable development in accordance with applicable law and consistent with international standards of conduct. According to ISO 26000 (ISO 2014), the perception of the organization as socially responsible and its actual CSR practices can affect in terms of: i) competitive advantage; ii) organizational reputation; iii) ability to attract and retain employees, consumers, customers and/or users; iv) morale, motivation and productivity of employees; v) opinions of investors, owners, donors, sponsors and the financial community; vi) relationships with business organizations, government institutions, the media, suppliers, similar organizations, customers and the community within which the organization operates. Figure 7 shows the key areas of CSR according to ISO 26000, clearly indicating that all ranges of CSR are systemically correlated and true synergy can be achieved only by treating them together.

From the point of view of relationships with employees, CSR strategies include two fundamental areas which are closely linked: the protection of human rights, and the practices in the field of Labour Law. Human rights include all inalienable rights enjoyed by people from the very fact of being persons with dignity. The key issues here are to guarantee workers the right to freedom of association in the trade unions, the right to collective bargaining, the elimination of all forms of forced labour, child labour and all forms of discrimination in the workplace (gender, religion, sexual orientation, national origin, disability, etc.). The potential benefits that a company can gain from their implementation is the protection of reputation, increase of public confidence and increase of loyalty. In contrast, the practices of Labour Law apply to all relationships with others providing work for the organization.

Figure 7. Key areas for CSR – ISO 26000 – Holistic approach



Source: ISO (2014)

In this respect, the main purpose is job security, which is to be guaranteed by the practice of hiring only on the basis of an employment contract. In addition, human resource management is designed to complement the seasonal reduction of demand for labour. Employers are required to act honestly and responsibly communicating difficult situations, such as the reduction or restructuring, as well as to eliminate of discrimination. Further responsibilities include: entering into agreements with ethical contractors, not benefiting from unfair practices with suppliers and subcontractors, taking action to use codes of conduct, educating employees, respecting international agreements, using local resources.

Potential benefits from the implementation of the above-mentioned instruments are: i) a large impact on the ability to attract new employees by the company; ii) motivation and reduction of turnover among current employees; iii) increasing the speed and quality of implementation of the objectives of the organization; iv) improvement of safety and health of workers; and v) a positive impact on the company's reputation. CSR strategy in terms of relationships with employees should also take into account potential additional tools/practices such as: safety in the workplace, dialogue with employees, support for parenthood, employee participation in the company's operations, employee volunteering, health of workers, work-life balance, training and development, and broad diversity management.

A special role in the development of CSR strategy in relations with employees is played by the "managing of diversity", which is defined as the perception of employees diversity and exploiting their potential in favour of the organization. This is manifested in search for employees among people who are often at risk of exclusion in the labour market, e.g. with disabilities and finding ways to manage effectively the availability of workers already employed, as parents of young children or the elderly (Wojsławowicz and Andrejczuk 2013).

In Poland, the basic legal act on equal treatment in employment is the Labour Code (Act of 26th June 1974), which stresses that employees should be treated equally regardless of gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion, sexual orientation, and regardless of employment for a definite or indefinite period or full-time or part-time work. A second document regulating the issues of equal treatment is so called Antidiscrimination Act (Act of 3rd December 2010 on the implementation of certain provisions of the European Union on equal treatment). Additionally, a large number of companies in the country have signed the so-called Diversity Charter, whose primary aim is also to combat discrimination³.

³ The Diversity Charter is an international initiative, implemented in the European Union countries such as Poland, France, Spain, Italy, Austria, Germany, Sweden, Belgium, Ireland, Finland, Estonia and Luxembourg, promoted by the European Commission. It is a commitment signed by the organizations that decide to prohibit discrimination in the workplace and to contribute to the creation and promotion of diversity (more detailed information can be seen at <http://kartaroznorodnosci.pl/>).

However, although many Polish employers declare that they try to comply with the regulations, the practice of human rights violations in Polish companies still happens frequently. In this sense, statistics provided by the National Labour Inspectorate show that the major problems in Poland are an infringement of salary, working time standards compliance and working conditions (PIP 2015). Another problem is discrimination of employees working on the basis of civil law contracts. Increasingly, and due to their need to cut costs, Polish companies decide to employ in this form. Employment which is based on the civil contract is a form of work which is not a subject to the provisions of the Labour Code but the Civil Code. Indeed, there is a need to ensure that the persons providing work within this framework have legal protection against discrimination. The Act of 3rd December 2010 on the implementation of certain provisions of the European Union on equal treatment transposed European anti-discrimination directives concerning discrimination against people who work on the different basis than regular employment⁴.

To be precise, the second point of the art. 8.1 of the Act provides that unequal treatment of individuals based on gender, race, ethnicity, nationality, religion, creed, belief, disability, age or sexual orientation is prohibited, in particular in the context of work on the basis of a civil contract. Later on, in accordance with art. 13, any person against whom the principle of equal treatment has been violated has the right for compensation. Unfortunately Poland hasn't ensured any institutional protection for persons working on the basis of a civil contract. In particular, they have been deprived of protection by the National Labour Inspectorate which is the most important and institution for the supervision and control of compliance with law in relation to the employees. Accordingly to the applicable regulations, the Inspectorate can only examine the issues of health and safety and legality of employment of persons employed on the basis of civil contracts. As a result, the state institutional protection against discrimination of persons working on a basis other than an employment relationship is much weaker than the employees working under the Labour Code. The Code provides a broad protection against discrimination in regular employment and the observance of these regulations is carried out by the National Labour Inspectorate.

This problem was noticed by the Ombudsman in early 2013 performing as independent authority on equal treatment. The Ombudsman decided to look into the case in connection with a security guard case who had to be dismissed because of his sexual orientation. In that case the spokesman of the Regional Labour Inspectorate expressed that he would be in a much better position if it had signed a regular employment contract. The Ombudsman also expressed a justified opinion that civil contracts under which work is carried out in Poland are commonly called "junk contracts".

Another problem of Polish employers is the unequal treatment within wage discrimination. The art. 183c of the Labour Code (Act of 26th June 1974) provides that employees have the right to equal pay for equal work or work of equal value. This shall include all elements of remuneration, regardless of their name and character, as well as other work related benefits, granted to employees in the form of money or in other form than cash. As any kind of discrimination, wage discrimination is not easy to diagnose, primarily for the employee because he has limited access to information on salaries of other employees, as wages of individual workers are not public. Furthermore, such information shall constitute a legally protected personal data, and this means that the employer has a duty to keep them confidential.

However, the difficulty in identifying discrimination may arise in the employer. This happens when a company applies non-uniform criteria for the evaluation of employees which is then reflected in the terms of remuneration, especially in decentralized structures, where decision-making in this area is carried out at the level of individual organizational units. To prevent possible accusations, the employer should ensure transparent rewards based on objective gauges. This care begins at the stage of the precise scope of duties and responsibilities of each employee. A transparent system of remuneration is needed which in complex organizational structures would precede the positions valuation as well as a system of periodic evaluations based on uniform criteria.

In this sense, a research conducted by Sedlak & Sedlak (Wynagrodzenia.pl 2013) on a group of 122,499 respondents indicated that in 2013, women in Poland earned 20% less than men for the same jobs, the largest differences occurring at higher levels jobs (i.e. members of managerial boards and directors). The median wages of women were about 3200 PLN less than men. According to the Global Gender Gap Index in this same 2013 (developed by the World Economic Forum and showing the differences in the

⁴ European Anti-Discrimination Law, namely the Council Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions.

position of women and men in various areas of socio-economic development), Poland was located in the 122 position at world level (out of 136 surveyed countries) in terms of equal pay for equal work (WEF 2013). According to the research conducted within the project Equal Treatment Standard of Good Governance carried out by the Office of the Prime Minister in partnership with the Centre for Evaluation and Analysis of Public Policies at the Jagiellonian University and School of Economics, the level of remuneration was affected by sex (65%), disability (62%), and nationality (42%), which means that concrete groups may be frequently involved in discrimination in wages (Antosz 2013).

It is also worth mentioning that employers support workers who are parents. In recent years the Polish Labour Code introduced a number of innovative solutions aimed at protecting the rights of employees who are parents. Specifically, new rules governing the powers of parents in the care of the child came into force in June 2013: on the one hand, length and use of maternity leave were changed; on the other hand, parental leave was started. Under the new rules parents of children born in 2014 were entitled to a maternity leave of 20 weeks (14 weeks of them being reserved for mothers only), an additional leave of six weeks and a parental leave of 26 weeks (these two last ones which can be used both by mothers and fathers equally).

Thus, parental leaves had become a tool providing equal opportunities for men and women either in the workplace and at home. However, these solutions are not free from defects in practice, and, paradoxically, are also an expression of discrimination. One of the latest regulations explicitly discriminates fathers because mothers may decide to use all leaves related to parenthood without asking fathers. The other provision discriminates mothers because it does not allow them to shorten maternity leaves if fathers disagree and doesn't want to use the rest of the leave themselves. So mothers have a statutory duty to care for the children, and thus the prohibition of taking up employment.

4. Compliance mechanism: elimination of Labour Law abuse

Compliance mechanism as a system of ensuring the enterprise management's compatibility with law is an innovative tool that emphasizes on proactive identification and elimination of potential problems, allows to manage legal risk and significantly increases safety in this area. The compliance starts to play an important role on the basis of the Labour Law.

Today, companies operate in a very uncertain business environment, as demonstrated by the ongoing economic crisis. They need sophisticated tools to reduce the incidence of various types of risks which are always associated with making business decisions. One of such tools is the compliance mechanism which is related to management of the legal risk. In recent years, Europe's compliance program has become an essential component of responsible management of the modern enterprise. The mechanism is a system which allows to reduce the risk of fracture of applicable regulations by an entrepreneur. As above mentioned, the compliance is strongly associated with the management of legal risk and requires a thorough knowledge of the functioning of a company as well as the knowledge of management and the so-called soft skills including communication ability because of the need for interaction and cooperation with the employees of the organization.

Legal risk, which is one of the distinguished subcategories of operational risk, is usually defined as the probability of material and immaterial losses arising from incorrect or late development or adoption of regulations, regulatory instability, changes in case law, wrongly shaped legal relations, unfavourable decisions of the courts or public authorities resolving the issues arising from the legal relationship of the company with other entities (Kaczmarek 2005). It is mitigated primarily by opinions on legal acts, informing the organizational units of the obligations arising from changes in the law, reviewing contracts concluded by an organization (Basel Committee on Banking Supervision 2005). However, legal risk is not a unitary concept, and thus it is necessary to mention at least some categories of risks which include risk of losses, risk of litigation, risk of an erroneous interpretation of the legislative risk, compliance risk and reputation risk (Trzaskowski 2005; Kuziak 2008).

Regarding compliance, it is usually defined in business practice as a compliance risk management or as an audit and consulting for entrepreneurs within the legal environment, covering all issues affecting the legal responsibility and the image of the entrepreneur (Grynfelder 2015). In scientific literature a concretized definition is used according to which it is the whole of measures to ensure compliance with the legal rules by the company, members of the various organs of the company as well as the employees.

The lack of compliance with law results not only with material losses but also with losses in terms of reputation thus compliance also acts as a business's protection (Schneider 2003).

Makowicz (2011) noted rightly that these definitions are indeed correct but not accurate enough to define comprehensively the functions which are to be fulfilled by compliance in the enterprise. This author defines compliance as the organization of the business, which by creating an appropriate structure and use of compliance, reduces to the minimum possible risks in the company. These risks can be caused by any irregularities that might arise from the action taken by any persons or business partners. According to him, the above mentioned irregularities may concern breaking regulations and general principles of law as well as the regulations adopted voluntarily by the company. They also include generally accepted ethical and moral standards in the organization.

The above definition is based on a wide material and personal range, which should include not only employees, managers at all levels, directors, officers and other persons having an impact on the company, but also people outside of the entity or trade partners (Makowicz 2011). Introducing compliance requires a very good knowledge of principles and processes in the organization. This process is directly related to issues of business management, mainly the development of organizational structures and the division of responsibilities associated with the establishment of the position of Compliance Officer. The task of compliance is to provide an effective system of compliance risk management. The aim of the system is to identify the possible threats to the organization, monitoring incidents occurred and undertaking necessary corrective action. An extremely important element of the system is to define transparent rules for communication and reporting on identified irregularities.

Compliance tasks vary from audit tasks. Audit verifies and evaluates the functioning of institutions and the procedures in place but it has no competence to manage the risk. In turn, it is difficult to measure the compliance risk. In this regard, compliance supervises the implementation of the internal regulations of the organization and their adaptation to the applicable laws and standards. The most important tasks of compliance include implementation of laws, rules and standards for internal procedures to oversee the proper implementation of internal procedures as well as monitoring compliance with internal rules.

Compliance can play the special role in the implementation of CSR strategies in the organization because it is inextricably linked to organizational governance and risk management. The tools to develop ethical infrastructure are the natural consequences of the implementation of compliance. Organizations building an ethical culture as part of the risk management strategy to some extent combine both domains even if they do not have a separate framework for compliance. The more typically principles regulated by law (such as combating unfair commercial practices, protection of personal data or bribery) are of interest to ethics. Compliance is also a way to manage the risk of corruption and transparency and reputation associated with economic activities. According to experts of Transparency International, an international non-governmental organizations dealing with the fight against corruption, specific ways to communicate compliance risk management is one of the three pillars of transparent company's reporting (Transparency International 2014). Compliance mechanism plays particular role in the area of relationships with employees, especially in relation to actions against discrimination in the workplace, occupational health and safety, health, environment, avoidance of conflict of interest and corruption and violation of dignity/personal interests of employees. Practices implemented in this area also include Codes of Procedures for employees –which determine the conduct of business rules–, philosophy of the organization management and rules of ethical conduct. Good practices also include the introduction of anti-corruption policies within the organization, periodic training of employees and their ability to anonymously report on any abuse to the Compliance Officer appointed by the organization.

5. Case study: CEMEX Poland

CEMEX is a fast-growing company with a worldwide range, operating in the construction industry. It provides services and building materials such as cement, ready-mix concrete and aggregates to customers and communities in more than 50 countries around the world (CEMEX 2015). It is present in the Polish market since 2005 and currently it is one of the country's leading manufacturers of cement, ready-mix concrete and aggregates. The company employs nearly 1,200 people in its three cement plants, over 40 concrete factories, 8 mines and the office in Warsaw. From the very beginning of its activity in Poland,

the company puts a great emphasis on sustainable development and since February 2013 CEMEX Poland is a signatory to the Charter of Diversity.

There is a Sustainable Development Committee operating within CEMEX Poland which is composed of representatives of the company's management crew with the CEO as the chairman. The company eliminates, reduces and compensates for the identified effects to minimize its impact on local communities by implementing the strategy of sustainable development and environmental policy internal assumptions.

To be precise, not only the company but the cement industry has implemented an Integrated Management System for Quality, Environment, Safety and Energy, in accordance with ISO 9001, ISO 14001, BS 18001 and ISO 50001. In addition, CEMEX is a leader in the cement industry of the country regarding the use of alternative fuels. The company is also involved in the development of sustainable construction.

Concrete is an important part of the structures that are of fundamental importance in the development of green energy, building more sustainable cities and increasing safety of people. Health and safety at work is also one of the foundations of CSR strategy in the company, up to the extent that CEMEX has been awarded for the care for health and safety numerous times. CEMEX Poland is firmly committed to the elimination of accidents at work of employees, contractors, drivers transporting products and partners. At this purpose the company implements specific health and safety management programs, identifies and manages risks and involves employees at all levels to improve safety in the workplace. The most important element of safety culture is a strong leadership in this field, as demonstrated by leaders at every level of the organization. Management commitment enables to enforce laws and rules and internal safety standards contained in various elements of CEMEX Safety Management System.

As part of improving the safety culture, the Card System for Potential Accidents operates in the company, employees being able to report perceived threats on it. Cards are addressed not only to workers, but also to subcontractors and suppliers of CEMEX. On the basis of information provided actions are undertaken to eliminate potential dangers. With this system, the company was able to significantly improve the standard of safety and reduce the number of incidents. Visits of Management Board members to individual factories are devoted solely to health and safety. The President and members of the Board as well as directors visit at least 2 factories per month, and by talking with employees they proof that safety issues are a priority. Details of these visits and the conclusions arising from them are presented in the monthly meetings of the various business divisions.

The company's strategy in terms of accountability to the market deserves attention too. In the second half of 2012 CEMEX implemented a new intelligent pricing strategy "Value over Quantity". It is a long-term process that changes the overall approach, not only in the cement business. Thinking on quality as one of most important goals to be achieved, the company focuses on the value of products, but also on the benefits for customers that may origin from the logistics, service and technology consulting. In this sense, it has proposed a balanced and transparent offer of high-quality products with clear costs the customers pay for. Therefore, the invoices for cement, concrete and aggregates contain information on the individual costs that are not dependent on the company (i.e. the costs of electricity used in the production of cement).

Apart from the above mentioned actions, a special attention should also be paid to other CSR actions undertaken by the company, as follows:

- A diversity management policy is implemented through organizing activities for different groups of employees. Members of the "Club 50+" participate in programs through which they can gain funding for their development initiatives. In case of young people, CEMEX organizes the internship program "Professionals in Development". As part of its women's initiative, the company also completed a series of meetings within Women's Forum with the aim of understanding the needs of women and then to create a program shaped in accordance to their expectations.
- A transparent remuneration policy is an approach to develop a transparent communication system on remuneration policy in CEMEX Poland. This is a set of information tools that allow employees and managers to better understand the principles of salary management in the company. Employees have an e-access where they can learn in detail about the principles of the remuneration policy of CEMEX, intranet information sections describing the policies and benefits. Each employee has an individual online access to current electronic salary document. The implementation of this solution was a response to employee survey in which employees pointed out the need for more information on the remuneration system.

- The benefits of the program “Your Family” are designed for employees who are parents and have children of different ages (from babies to primary school kids). They include a “baby bonus”, flexible working hours to allow the reconciliation of work and family, access for parents to e-learning materials, and an interpersonal additional parental leave. The program is aimed at parents, regardless of the nature of their relationship, and includes both biological and adopted children.

- CEMEX has also established the Foundation “Building the Future”, aimed to support and shape local initiatives in different fields as education, sports, culture, ecology and broader civic programs. Its main pillars are the Grant Competition which is annually organized in which every organization operating in the area where CEMEX operates can take part, as well as the Employee Volunteer Program which was started in 2011.

6. Conclusions

Employees are the greatest asset of the company. Due to this reason CSR activities in the first range should be focused on the own employees. New generations pay more attention to issues of ecology, social commitment and the right to freedom of expression, while older generations mainly highlighted the rights and obligations of employees and employers. Business competition in the global economy increasingly needs to invest in a reasonable managerial leadership, aimed at inspiring innovation and building employee engagement in the organization’s objectives not only –as it used to in the past– for getting higher and higher efficiency unit. In this sense, CSR strategies should include, apart from operating activities, the education and raising awareness of employees.

As follows from previously mentioned KPMG report, Polish managers understand and are being more and more conscious that CSR is the overall style of management and not just a single charity. Over the past five years many national and international conferences on responsible business were held in the country, as well as trainings on European standards of responsibility, ethical rules for the implementation of programs, the building of social dialogue at the level of the company and long-term cooperation projects with the social partners. First reports were also provided by firms initiating and supervising such projects. CSR is nowadays part of the work of many Polish companies, but still only a few of them have a strategic approach and implement complex solutions.

As an example of good practices, the CEMEX Poland shows a correlation between a strong market position of the company and the maturity of the organization’s management of CSR. Strategic aspects of responsibility treatment in the management of these companies open new opportunities and possibilities for action and also allow practical risk management which includes legal risk. Nowadays the most important challenge for CSR in Poland is the need to organize a wide range of issues and problems related to socially responsible business. Currently there is no research and scientific studies which in a comprehensive and interdisciplinary way would be devoted to the key ISO 26000 issues, including CSR strategies towards employees undertaken by the organizations.

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