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# Corporate culture versus CSR in Polish companies of the energy sector

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**Abstract.** The purpose of the article is to indicate those CSR activities and assumptions that may play a significant role in creating and maintaining corporate culture. The article outlines basic elements and factors that shape level of the corporate culture. The determinants of the corporate culture, which significantly affect both internal shape and image of the whole corporation in society, were indicated. The solutions indicated in the article come from observations and interviews with middle management employees in energy sector companies. Additionally, some aspects of CSR (Corporate Social Responsibility) were mentioned. While considering the fact that CSR is often treated as a PR tool or sales tool, the authors also attempted to show that the CSR activities have impact on the corporate culture of a given organization. The article pays special attention to such activities, which are significantly combined with the corporate culture and contribute to its improvement. The corporate culture, together with all its determinants, should not only function as a mere declaration, but its principles should be implemented and sustained in daily operations of the company. The CSR policy is often coincident with the declarations of the culture of an organization, which should contribute to collaboration between such two scopes of operations of the companies. The article contains examples of CSR impact on the level and shape of the corporate culture within selected companies of the energy sector.

## 1. Introduction

The subject of the corporate culture is currently more and more often noticed by company managers. The companies become more aware of the fact that basic principles and the very concept of the organization culture offer a possibility of obtaining added value without any substantial investments.

On the other hand, CSR (Corporate Social Responsibility) becomes the daily trend of the companies, especially industry corporations. CSR also constitutes management activities, which may (and should) bring added value to the companies. The authors writing about CSR believe that "CSR must be encoded into the DNA of an organization". This slogan may be easily extended and read as follows: "CSR should be encoded into the DNA of every organizational culture of the company". When assuming that in large corporations, which count on development and social acceptance, the level of the organizational culture is established, maintained and improved, the implementation of CSR principles and activities in the structure of the corporate culture seems not only justified, but indispensable



## 2. CSR - the concept and assumptions

The term "sustainable development" is known to basically any manager. However, it is difficult to come up with one explicit definition, since every manager sees the concept of sustainable development differently. One of the best interpretations is the legendary comment from the Report of the World Commission on Environment and Development from 1987: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

When looking at the history of sustainable development, it is apparent that at the beginning its concept was quite narrow in comparison with its current form. "To reduce the negative impact on the environment" was the main and only indicator of principles and ideas of sustainable development. The current status, which combines respect for the environment, social progress and economic growth, has been evolving for many years.

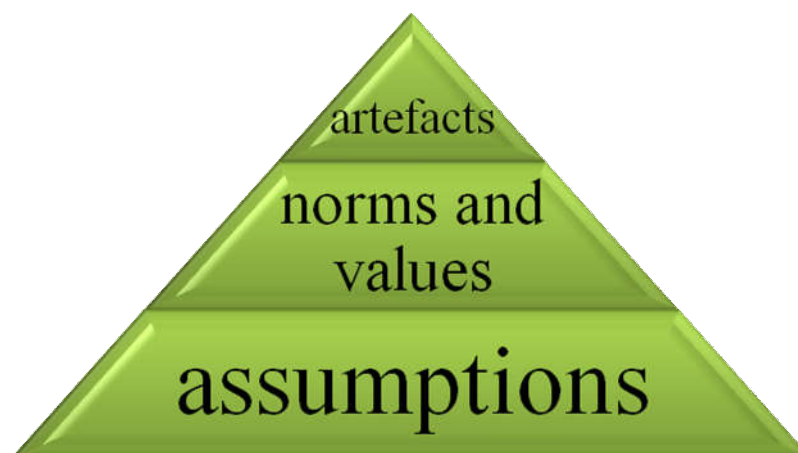
In Poland, the idea of sustainable development turned into fundamental law as resulting from the provisions of the Polish Constitution [4], where Article 5 stipulates that: "The Republic of Poland shall safeguard the independence and integrity of its territory and ensure the freedoms and rights of persons and citizens, the security of the citizens, safeguard the national heritage and shall ensure the protection of the natural environment pursuant to the principles of sustainable development".

Sustainable development is often considered equivalent to CSR policy. [2,7,8]. Therefore, a question emerges whether such approach is legitimate. It is a common belief that corporate social responsibility is the answer to many challenges faced by economic sector, which result from the principles of sustainable development. By mitigating negative impact on the environment, the company may be described as the sustainable development company. Therefore, it may be assumed that the above-mentioned terms are not entirely equivalent, but the number of points describing them in a similar or identical manner sometimes allows to use the terms interchangeably [9].

## 3. The concept of the corporate culture

The corporate culture is a highly customized term, which depends on the concepts adopted in the company. Since it is closely related to both the tradition and history of the company as well as current management methods, it may have different shape depending on the company.

Following the general definition, the corporate culture may be understood as a specific way of seeing the reality by employees, which results from the same beliefs, principles and values that were adopted during common performance of professional tasks and duties within an organization [1]. The term is accurately shown in the Organizational Culture Model by Edgar Schein (figure 1), which identifies distinct levels in organizational cultures.



**Figure 1.** Schein's model of organizational culture, Source: [5].

When identifying assumptions, the company or corporation needs to face both conscious and unconscious elements. What is crucial here is the perception of the corporation by its surrounding, which is affected by human emotions and memories as well as associations and references to history and nature.

Another element in the Shein's model of organizational culture, i.e. norms and values, refers to the principles established by the managers of a given organization. They leave a greater scope for CSR activities, which may be incorporated into the daily operations of the corporation. What is more, this element may be highly formalized, for example through provisions in the form of bylaws or codes.

Artefacts, i.e. artificial products of a given culture, are the easiest to be implemented. Language, customs and rituals, i.e. any tangibles, technologies, organized social or charity campaigns, constitute activities clearly visible outside the company or corporation, which significantly shape the level of culture within a given organization.

#### 4. Integration between CSR and corporate culture

In the face of growing pressure or necessity to implement the sustainable development policy and hence CSR policy by the company, it is necessary to consider the method of incorporation of such principles into daily operations of the corporation. It seems that the implementation of the CSR strategy should be treated by the companies as the necessary changes in the level of the corporate culture. It is due to the fact that there is a number of potential benefits that could be derived from such solutions - for both the CSR recipients and the company internally. In the further part of the chapter there will be benefits that may appear in the company as a result of such integration.

However, to be able to speak of effects, it is essential to focus on tools used for efficient incorporation of the CSR principles into the long-term and current operations of the corporation. Figure 2 presents basic tools that - according to the authors - may contribute to the integration of the corporate culture into CSR in the companies. The list of tools has been separated by the Authors based on observations and direct conversations with employees of companies associated with the energy industry, especially representatives of middle management



**Figure 2.** Tools for CSR incorporation into the corporate culture

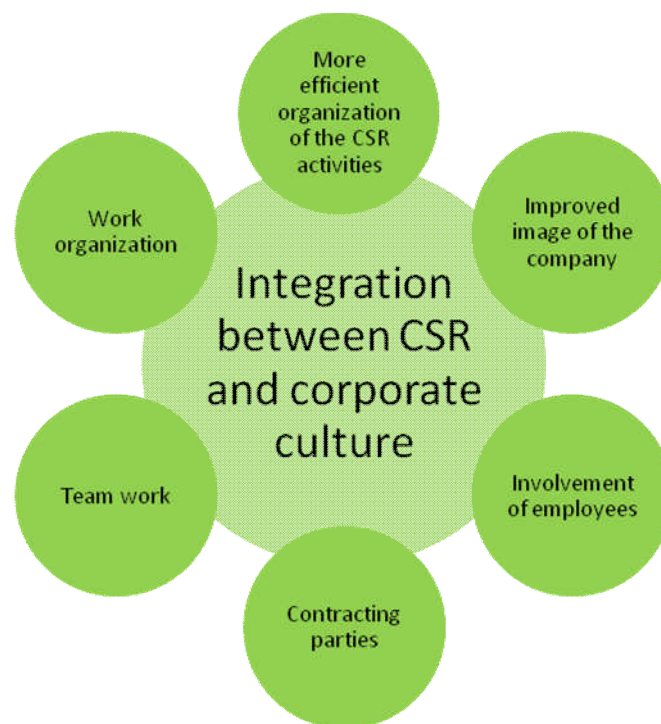
Source: own elaboration.

All of the above-mentioned tools, properly planned and incorporated into the life of the corporation, may change not only the level of the corporate culture, but also - in extreme cases - generally transform it (for the better, of course). The code of ethics, eco-principles or other hard tools making it necessary to observe the rules and principles remain unchanged. Another important element

is in the form of sustainable reporting, which is crucial for the incorporation of the CSR activities into the corporate culture of the companies [6]. Its burden rests upon the employees, but the results of the reports should be widely communicated to members of the organization.

On the other hand, soft tools, such as volunteering, supporting local initiatives or CSR activities offer a wide spectrum of different actions to be undertaken by the members of the corporation. Nonetheless, - according to conversations and observations - both these groups of tools, if implemented by the corporation, shall continue to incorporate and ingrain the CSR activities in the corporate culture.

On the other hand, the potential effects of the integration of CSR into the corporate culture shall include not only micro-, but also macro-environment of the corporation. Figure 3 shows the effects, which - according to the authors - may have the largest impact on the operations of the company.



**Figure 3.** Effects of integration between CSR and corporate culture

Source: own elaboration.

The effects of the synergy of activities, including many levels of actions, are shown in figure 3. Based on the more efficient organization of the CSR activities, it is possible to state that its "incorporation" into the daily life of the company may produce a number of positive effects. Improved image of the company and increased number of the contracting parties are the effects that may definitely add value to the company in terms of its PR strategy. Within the CSR and sustainability performance literature, the management of social issues is seen as a potential way of reducing risk [3]. However, the effects in the form of better work organization, improved teamwork and employee involvement shall have even greater significance. The afore said elements are closely related to the members of the organization, thus, they are directly linked to enhancement of the corporate culture of the company.

## 5. CSR activities in the Polish mining sector

The CSR activities in the Polish mining sector are more often noticeable. The management staff became aware of the necessity of implementing such activities and started to incorporate them in their organization, but with varying intensity. In case of deliberate formation of the corporate culture, the mining sector has still much to do in that respect - especially nowadays, when the image of the mining sector is rather negative. Unfavorable prospects, policies promoting renewable sources of energy as well as anti-coal and anti-smog strategies are other factors that do not improve the image of the mining industry.

Furthermore, changes with regard to activities aimed at sustainable development are also noticeable in the Polish coal enterprises. Special groups are established in the organizations, whose main goal is the CSR policy.

For instance, Tauron Group implemented the Code of Responsible Business. The document constitutes grounds for the responsible business activities within the entire Group. It outlines the rules of conduct with respect to employees, natural environment and surrounding. Tauron Group has been successfully implementing the CSR policy [11]. In 2017, as many as twelve initiatives implemented by the Group were mentioned in the report entitled "Responsible Business in Poland 2016. Good practices".

Therefore, the corporation joined the top ten companies in the ranking (among 180 other enterprises), with the largest number of good practices mentioned in the document.

Some of the examples of the initiatives implemented by the Group [11] are as follows:

- environmental - the concept of using mining by-products, "Our stork" (in Polish "Bocian nasz") campaign or "adventure hall" (in Polish "Sala przyrody") green initiative;
- social involvement and development of local communities - "Energy for a Senior (in Polish "Energia dla Seniora") project, "Tauron fuses" (in Polish "Bezpieczniki Taurona), "Turn it on for the child's good" (in Polish "Włącz dla dobra dziecka") educational campaign, "Closer to the energy sector (in Polish "Blżej energetyki") campaign addressed to teachers from vocational schools, preparing for the profession of an electrician, "Good morning OHS" (in Polish "Dzień dobry BHP") campaign, prevention campaign for healthy motor system.
- Corporate governance - "Effective Leaders in One Distribution" (in Polish „Skuteczni Liderzy w Jednej Dystrybucji") development programs.

Jastrzębska Spółka Węglowa SA published on its website a link moving to the Corporate Social Responsibility menu [12]. The menu contains references to and guidelines on the values exhibited by the company as well as its strategies concerning sustainable development (7 x respect), health and safety, natural environment. The company is aware of the mining damages it causes by its activities, which is of key importance for this type of industry. It also remembers about the region and pays a lot of attention to the issues related thereto. Worthwhile emphasising is the educational game prepared by the company, which may be used as the basis for telling the story of the miner's work. As far as the CSR activities are concerned, the company involves children and adolescents in social campaigns (e.g. calendar).

## 6. Summary

The above-mentioned examples refer to certain activities of the mining companies. Such companies are a perfect example of how sustainable development ideas may and should be used.

They also show how activities may be implemented both inside and outside the company. Therefore, the companies have a good starting point for building its culture on the basis of social responsibility. Nowadays, it seems to be the right direction of activities of all companies, and - in case of the mining industry - the creation of the corporate culture including the CSR activities seems to be

of key importance. Other corporations and companies operating in this sector may follow the example of activities of Tauron Group or JSW. To permanently incorporate the CSR principles into the daily life of the organization, it is necessary to not only execute the strategy of implementing CSR in the corporate culture of the organization, but also to keep updating the employees, contracting parties and surrounding on the course and effects of such implementation.

The question remains open why the aforesaid activities should be implement. Are they necessary? At this point, the following may be quoted [10]: "strong organizational culture allows to increase the probability of market success of a company. Consistency of actions, reliability, good reputation, and employer branding may be all built upon the CSR values, implemented with employees as part of the organizational culture".

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