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## **Influence of environmental changes on companies' approach to CSR<sup>1</sup>**

### **Abstract**

The contemporary world is subjected to continuous changes affecting numerous different areas of business of companies. New forms of communication have appeared everywhere. The purpose of this paper is the answer to the question how contemporary megatrends in the business environment of organizations may affect the possible further development of the social concept of business responsibility and the approach to this question from entrepreneurs' point of view. The authors have signalized the factors that may determine CSR development directions on a global scale and determination of directions of research worth taking up in this area.

### **Introduction – selected megatrends in the contemporary world**

The notion of megatrend was used in business context for the first time in 1982 by John Naisbitt in his best selling book „Megatrends: Ten New Directions Transforming Our Lives”<sup>2</sup>. Naisbitt decided to determine key factors affecting the changes in global economy and societies basing on the reality surrounding him and interviews with numerous experts. The notion of megatrend defined as a force fundamentally changing the way of functioning of business entities, their way of operation, competition<sup>3</sup>, significant movement, tendency or force that appears globally or locally and has a chance to function in the future, significantly

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<sup>2</sup> Naisbitt, J., *Megatrends: Ten New Directions Transforming Our Lives*, Warner Books, New York, 1982

<sup>3</sup> Rock, J. F., *Green Building: Trend or Megatrend?*, *Dispute Resolution Journal*, May-Jul, Vol. 65, Issue 2/3 2010, p. 72-77

affecting almost each aspect of societies' functioning, influencing both individuals and business entities<sup>4</sup>.

So it seems worthwhile to attempt to select the most important groups of global megatrends appearing in the world in the second decade of the 21st century that would affect the questions related to creating strategies and programs of corporate social responsibility<sup>5</sup>.

### Further globalization wave

Without prejudice to the phenomenon evaluation, globalization and its further process seem to be a fact. However, it is worthwhile to ask the question what is the distinctive characteristic of the present globalization wave. The point of view of Scholte<sup>6</sup> who has observed that associating globalization with internationalization, liberalization, universalization and westernization only brings nothing new to understanding contemporary social-economic phenomena, moreover, it even leads to controversial political implications – seems to be a good conclusion to the above question. „The new, cognitively promising perspective arises when globalization is grasped within the spatial categories, as the spread of transplanetary – and recently supraterritorial links between people”. At earlier globalization stages the links used to be developed at the organizational level – at the level of entities correlated with state or regional structures creating various transnational organizations (aiming at the cooperation or coordination and control of some operation spheres) or on the level of business organizations, their entities, forming global corporations or global networks of cooperating organizations. The opportunities created by the development of the global IT structure, the Internet and new communication forms related thereto, recently mainly related to building communities, provide the opportunity of links not only on the level of organization but also between individuals. The development of citizen society<sup>7</sup> becomes characteristic for the present globalization stage, i.e. the development of citizen operations in the scope of global matters linking individuals dispersed all over the globe in real time, almost independently of the geographic location. Although the phenomenon is not entirely new, thanks to the contemporary communication opportunities its scale is significantly growing. It is also

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<sup>4</sup> Sultan, M.F., Mantese, J.V., Ulicny, D.A., Brown Jr., A., Defogging the crystal ball, *Research Technology Management*, May/Jun 2008, Vol. 51, Issue 3, p. 28-34

<sup>5</sup> Due to a necessity to reduce the length of this dissertation, the authors decided only to outline the importance of selected mega trends. More information about the mega trends will be published in the research paper focusing on social responsibility of business in new economy, which is currently under preparation by Management Theory Department in Warsaw School of Economics.

<sup>6</sup> Scholte, J. A., *Globalizacja*, Oficyna Wydawnicza "Humanitas", Sosnowiec, 2006, p. 53

<sup>7</sup> *Ibid.*, p. 251

significant to note the fact that the criterion linking individuals geographically dispersed is less and less frequently their national identity and more and more often non-territorial, hybrid identities, related to following common values, the same religion, social class, sex, sexual orientation, race, subculture membership or, finally, common interests, or combination of all such criteria.<sup>8</sup>

### **New markets and their growing significance**

The last few years of economic history of the world most of all mean the development of economies, such as China, India, Brazil, Indonesia. However, it is significant that the new economic powers are not built basing on production and exports of low quality cheap mass products only. The recent years have seen a qualitative change, however. The markets develop largely thanks to the production and exports of most advanced technologies<sup>9</sup>

The social structure of the developing countries is changing as well. These are less and less frequently farming, poorly educated societies with low-skilled workforce. For example, middle class is a dynamically growing social class in China<sup>10</sup>. The analyses by Goldman Sachs show similar trends in India and Brazil as well<sup>11</sup>.

Better educated and wealthier societies of the developing countries pay more and more attention to education, development of new technologies and innovativeness<sup>12</sup>. The investments in new technologies and innovations concern the environment protection fields. According to the OECD report<sup>13</sup> already in 2007 the BRIICS countries (Brazil, Russia, India, Indonesia, China and South Africa) were more oriented on the implementation of technologies related to renewable energy sources than the global average, which was reflected, for example, in more new patents and applications therefor related to such technologies.

Summarizing, it needs to be pointed out that the growing power, importance and modernity of developing economies and the associated higher openness, exchange of concepts, similar

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<sup>8</sup> Ibid., p. 287

<sup>9</sup> OECD, OECD Science, Technology and Industry Outlook 2010, [http://www.nauka.gov.pl/fileadmin/user\\_upload/ministerstwo/Wspolpraca\\_miedzynarodowa/OECD/20110617\\_STI\\_Outlook.pdf](http://www.nauka.gov.pl/fileadmin/user_upload/ministerstwo/Wspolpraca_miedzynarodowa/OECD/20110617_STI_Outlook.pdf), 2011-09-08, p. 189

<sup>10</sup> Sander, A., Haanaes, K., Daimler, M., Megatrendp. Tailwinds for Growth in a Low-Growth Environment, The Boston Consulting Group, 2010, <http://www.bcg.com/documents/file47063.pdf>, 2011-08-12, p. 4

<sup>11</sup> Wilson, D., Kelston, A.L., Swarnali, A., BRICs Monthly, Goldman Sachs Global Economy, Commodities and Strategy Research, Issue No: 10/03, 20 May 2010, Goldman Sachs

<sup>12</sup> OECD, op. cit., p. 58

<sup>13</sup> Ibid., p. 10

challenges, may affect the increased interest in the issues so far associated with developed countries only and taking up leadership in solving the issues by such countries as China or India. Those two countries seem to have the largest potential to become the global leaders, however a lot of smaller countries appear with similar development perspectives, countries that may determine the trends in the contemporary world.

### **Social-demographic trends**

A very important group of megatrends characterizing the contemporary world is formed by phenomena related to social-demographic changes that obviously affect economic phenomena. They include:

- The growth of global population in the developing countries with stability in the developed countries<sup>14</sup>,
- Aging societies of the developed countries<sup>15</sup>, but also of China<sup>16</sup>,
- urbanization progress<sup>17</sup>.

The said demographic issues shall significantly affect the economy, businesses, their competition methods, but also the social-cultural questions, including people's interest in the new issues. On the one hand, a distinct discrepancy between the issues of wealthy and poorer, developing societies appears. On the other hand, however, the increasing migration, exchange of points of view and encountering similar challenges in various regions of the world should enhance the universalization of certain social problems appearing on the verge of business and society, including those being the object of interest in the scope of corporate social responsibility.

### **Continuous appearance of new, revolutionary technologies and their convergence – further development of the Internet**

The beginning of the 21st century is a period of further dramatic acceleration in the scope of appearance of new, revolutionary technologies. The expenses, mainly incurred by business

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<sup>14</sup> UN, World Population Prospects: The 2006 Revision, United Nations Organization, Department of Economic and Social Affairs, Population Division, 2007,

[http://www.un.org/esa/population/publications/wpp2006/WPP2006\\_Highlights\\_rev.pdf](http://www.un.org/esa/population/publications/wpp2006/WPP2006_Highlights_rev.pdf), 2011-09-12

<sup>15</sup> PRB, World Population Highlighthp. Key Findings From PRBs 2007 World Population Data Sheet, Population Bulletin, Publication of the Population Reference Bureau, Vol. 62, No. 3, September 2007

<sup>16</sup> Shapiro, R., Futurecast: How Superpowers, Populations, and Globalization Will Change Your World by the Year 2020, St. Martin's Griffin, 2009

<sup>17</sup> PRB, op. cit., p. 10

entities, on research and development grow every year<sup>18</sup>. The effect thereof is the growing number of patent applications worldwide<sup>19</sup>. Fields like electronics, nanotechnology or biotechnology seem to be in the center of interest of the modern world. However, what seems to influence all the forms of human activity most are the new methods of communication, information acquisition, provision or exchange. The development of the Internet and mobile telephony on the other hand became most of all the phenomenon of the late 20th and early 21st century. Today, more than 2 billion people, i.e. over 30% of the global population have access to the Internet<sup>20</sup>. On the other hand, more than 5 billion mobile phones were used worldwide in 2010<sup>21</sup>. However, only the combination of those two elements indicates the contemporary dimension of the technological revolution related to the penetration of technologies. In 2009 half a billion of people used the mobile Internet access, while in 2015 the figure is to exceed one billion<sup>22</sup>. In late 2011 85% mobile phones sold worldwide shall have access to the Internet. The mobile access to the Internet, however is not only an additional channel to be used. The change means a dramatic opportunity to change behaviors related to the Internet use, it provides the option of staying on line permanently. This question will be further analyzed herein later.

So the contemporary Internet is not the final phase of the digital revolution<sup>23</sup>. One of the most promising ideas of the Internet development that should affect the appearance of further revolutions, reaching beyond the world of technology is the Semantic Web concept, also synonymously defined as WEB 3.0 or the Internet of Things concept<sup>24</sup>.

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<sup>18</sup> Buttelle, 2011 Global R&D Funding Forecast, R&D Magazine, Buttelle, December 2010, <http://www.battelle.org/aboutus/rd/2011.pdf>, 2011-09-20, p. 7

<sup>19</sup> WIPO, World Intellectual Property Indicators 2010, World Intellectual Property Organization, 2010, [http://www.wipo.int/export/sites/www/ipstats/en/statistics/patents/pdf/941\\_2010.pdf](http://www.wipo.int/export/sites/www/ipstats/en/statistics/patents/pdf/941_2010.pdf), 2011-09-20, p. 33

<sup>20</sup> Internet World Stats, Internet Growth Statistics, 2011, <http://www.internetworldstatp.com/emarketing.htm>, 2011-09-20

<sup>21</sup> ITU, Key Global Telecom Indicators for the World Telecommunication Service Sector, International Telecommunication Union, 2010, [http://www.itu.int/ITU-D/ict/statistics/at\\_glance/KeyTelecom.html](http://www.itu.int/ITU-D/ict/statistics/at_glance/KeyTelecom.html), 2011-09-20

<sup>22</sup> mobiThinking, Global mobile statistics 2011: all quality mobile marketing research, mobile Web stats, subscribers, ad revenue, usage, trends..., mobiThinking, June 2010, <http://mobithinking.com/mobile-marketing-tools/latest-mobile-stats#subscribers>, 2011-09-20

<sup>23</sup> Anderson Ch., Wolff, M., The Web Is Dead. Long Live the Internet, Wired, September 2010

<sup>24</sup> More for example in: Internet of Things – An action plan for Europe, Commission Of The European Communities, 18 June 2009, COM(2009) 278 final, Brussels, [http://ec.europa.eu/information\\_society/policy/rfid/documents/commiot2009.pdf](http://ec.europa.eu/information_society/policy/rfid/documents/commiot2009.pdf), 2011-09-20; Vermesan, O. et al., Internet of Things Strategic Research Roadmap, European Research Cluster on the Internet of Things (IERC), 2011, [http://www.internet-of-things-research.eu/pdf/IoT\\_Cluster\\_Strategic\\_Research\\_Agenda\\_2011.pdf](http://www.internet-of-things-research.eu/pdf/IoT_Cluster_Strategic_Research_Agenda_2011.pdf), 2011-09-20, p. 12

The number of technologies recognized as promising in the scope of bringing about radical changes worldwide or in some specific fields is obviously large. After all, it is difficult to evaluate their real meaning in advance. However, the analysis presented herein indicates that the field related to communication and information exchange within worldwide web is undoubtedly the field in which new revolutions are possible all the time.

### Social-cultural trends

Globalization, demographic changes and most of all the appearance of new revolutionary technologies also influence the changes of the system of values and behaviors in the contemporary society. According to Tapscott<sup>25</sup>, the time begins when consumers and employees who have grown up entirely in the digital area appear on the market, ones who do not know the world without the computer or Internet – the Z<sup>26</sup> or M (multitasking)<sup>27</sup> generation is entering the market. The most characteristic feature of such generation is almost the addiction to IT, available at any time and in any location thanks to possessing mobile telephones and tablets furnished with the Internet connection. This in turn means that permanent touch with other net users dispersed all over the globe and acquiring knowledge on all the world's aspects from the net is becoming a standard. The concentration of large part of their lives in the net and in numerous cases recognition of priority of virtual presence over real one is characteristic for the Z generation representatives. The expression of „netizenship” just appears, becoming the contemporary equivalent of citizenship<sup>28</sup> meaning the membership in a certain Internet community, gathered around a project, where the nationality of such group does not matter and the networks are often of global nature<sup>29</sup>. In addition, according to Grail Research<sup>30</sup> analyses, the access to a large amount of information caused that the Z generation is interested in contemporary global issues, such as terrorism, climate changes. According to the research ordered by Greenpeace in 2007 among 50000 teenagers in 18

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<sup>25</sup> Tapscott, D., *Grown Up Digital: How the Net Generation is Changing Your World*, McGraw-Hill, 2008, p. 2

<sup>26</sup> Grail Research, *Consumers of Tomorrow. Insights and Observations About Generation Z*, Grail Research, June 2010,  
[http://grailresearch.com/pdf/ContentPodsPdf/Consumers\\_of\\_Tomorrow\\_Insights\\_and\\_Observations\\_About\\_Generation\\_Z.pdf](http://grailresearch.com/pdf/ContentPodsPdf/Consumers_of_Tomorrow_Insights_and_Observations_About_Generation_Z.pdf), 2011-09-15

<sup>27</sup> Wallis, C., *genM: The Multitasking Generation*, Time Magazine, March 2006; Holguin, J., *Generation M: Natural Multitaskers*, CBS News, May 2005

<sup>28</sup> Zittrain, J. L., *The future of the Internet and how to stop it*, Yale University Press, New Haven & London, 2008, p. 142

<sup>29</sup> Grail Research, *op. cit.*, p. 9

<sup>30</sup> Grail Research, *op. cit.*, p. 12

countries of the world , as many as 74% teenagers recognize the global warming a serious problem<sup>31</sup>.

The appearance of the Z generation with its characteristics, including self-organization, „cyber-mentality”, according to Falk<sup>32</sup>, may weaken the regulatory role of the state and hand over the possibility of initiating various actions, business undertakings and social action onto the Internet communities.

The described trend related to the appearance of the new „netizen” generation in the society is certainly not the only one in the group of social-cultural megatrends, however its significance from the point of view of this paper seems to be fundamental. Other megatrends of this group include:

- the growing attention paid to various dimensions of safety with simultaneous, frequently opposite trend related to the attention paid to maintenance of privacy<sup>33</sup>,
- the growing care about maintaining health, healthy life style, taking up activities enhancing it, the related development of medical services<sup>34</sup>,
- permanent leveling of differences in treating women and men<sup>35</sup>.

### **The growing significance of ecological issues**

Another group of megatrends is associated with the growing interest of the contemporary world in the ecological questions and sustainable development<sup>36</sup>. The fast development of the contemporary worlds generates the growing demand for energy and natural resources<sup>37</sup>. The value of natural resource markets grows very fast and the recessions of the last years of the first 21st century decade could delay such trends for a while only<sup>38</sup>. This is not only due to the

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<sup>31</sup> See: *ibid.*, p. 12

<sup>32</sup> Falk, R., *Achieving Human Rights*, Routledge, 2008, p. 68

<sup>33</sup> More for example in: Solove, D. J., *Nothing to Hide: The False Tradeoff between Privacy and Security*, Yale University Press, 2011; Nissenbaum, H., *Privacy in Context: Technology, Policy, and the Integrity of Social Life*, Stanford Law Books, 2009; Sultan, M F. et al., *op. cit.*

<sup>34</sup> More for example in: Garman, A. N., Johnson, T. J., Royer, T., C., *The Future of Healthcare: Global Trends Worth Watching*, Health Administration Press, 2011

<sup>35</sup> More for example in: World Economic Forum – *The Global Gender Gap Report*, Hausmann, R., Tyson, L. D., Zahidi P. (red.), *The Global Gender Gap Report 2010*, World Economic Forum, Geneva, Switzerland, 2010

<sup>36</sup> Daheim, C., *Six Key Trends Shaping Future Society*, Z\_punkt GmbH, OECD: TIP Workshop on Future Orientations for STI Policy, 14th Dec. 2009, Paris, <http://www.benchmarkingpartnership.com.au/GBNglobalMegatrendp.pdf>, 2011-08-19

<sup>37</sup> WTO, *World Trade Report 2010. Trade in natural resources*, World Trade Organization, Geneva, 2010, p. 55

<sup>38</sup> Lubin, D.A., Esty, D.C., *The sustainability imperative*, Harvard Business Review, May 2010, Vol. 88, Issue 5, p. 42-50

growing consumption of natural resources, but also to their growing prices. This directly forces businesses to search for alternative solutions, including clean technologies based on renewable sources of energy. After all, this does not only refer to the western developed economies, but also China and India that face the fastest growth of energy and natural resources demand.

Another reason for the interest of the contemporary business in the ecological questions is the growing pressure of the neighborhood on the preservation of natural environment and application of clean technologies. The source of the pressure are governments and international organizations and new legal regulations created by them<sup>39</sup>, ecological organizations<sup>40</sup>, but also the actions of the consumers themselves who more and more often base their choices on the evaluation of activity of enterprises related to environment protection<sup>41</sup> and expectations of company owners, shareholders who analyze the significance of the ecological questions and force the businesses to report the ecological costs and the use of clean technologies<sup>42</sup>.

The effect of the growing interest in clean technologies is the immensely dynamic growth of their markets<sup>43</sup>.

### **Megatrends - summary**

What conclusions arise from the analysis of selected contemporary megatrends? First one should note that the separated megatrends penetrate one another. It is difficult to talk about explicit boundaries between them, their separate nature. One can even say that all the other megatrends are the elements of each megatrend. It certainly does not facilitate their analysis, however, such conclusion cannot be surprising, either.

However, what seems to be in the center of megatrends and the driver that at least accelerates the action of the other ones undoubtedly is the appearance of the new technology, particularly the Internet and new communication opportunities built on it, with global communities, cooperation, global issues, life styles, innovativeness, culture being unified on the one hand

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<sup>39</sup> Sultan, M. F. et al., op. cit.

<sup>40</sup> Neild J., Patterson P., Global mega trends for 2011 and beyond, QRi Consulting, April 2011, <http://www.qriconsulting.com/blog/wp-content/uploads/Global-Mega-Trends-for-2011-and-Beyond-QRi-Consulting2.pdf>, 2011-09-13

<sup>41</sup> Ibid.; Lubin, D.A., Esty, D.C., op. cit.

<sup>42</sup> Lubin, D.A., Esty, D.C., op. cit.

<sup>43</sup> Pernick, R., Wilder, C., Winnie, T., Sosnovec, P., Clean Energy Trends 2011, Clean Edge, March 2011, <http://www.cleandedge.com/reports/pdf/Trends2011.pdf>, 2011-09-13

and open to immense variety, on the other. Although, the „global village” slogan has been used for years, however the common, unrestricted access to the net and its communication opportunities caused that all the entities and numerous individuals acquired it. Therefore, “new economy” with the Internet and its influence on all the life areas in the center, disregarding the dispute whether the old rules of economics are still up to date as described above, seems to be OK and has become the indicator of global economic development. The net, links between individuals and various entities, should be in the center of interest of all the researchers analyzing the contemporary economic phenomena.

The next conclusion is related to the scope, rate and scale of changes taking place in the contemporary social-economic environment. Thanks to globalization, new technologies and most of all, the Internet, the changes, their scope and rate do not have any historic equivalent. The contemporary world changes faster and faster and in the more and more unforeseeable way, which arises simple associations with chaos. And in the chaotic system even the slightest disorder, the slightest impulse may have great, unforeseeable consequences. After all, this concept has become the guiding idea of Taleb’s book „The Black Swan: The Impact of the Highly Improbable”<sup>44</sup>. Taleb talks of so-called “black swans”, i.e. about positive or negative events, not always noticeable at first, but in the long-run having far reaching consequences for the world around. The significance of such events can be evaluated only when they actually happen. The conclusion of Taleb’s book concerns the necessity to observe and search for such weak signals, i.e. paying attention to seemingly less important questions and examining their impact on the strategic issues for the business. Płoszajski<sup>45</sup> substantiates this indications stating that „the future of the chaotic systems appears on the edges”, i.e. such weak signals should be searched on the edges of our own technology, business, on the boundaries of various areas because competition and other hazards shall most probably appear outside our own sector, outside what is recognized core business .

This statement may be the source of another conclusion arising out of the analysis of separated megatrends. Part of them may seem pretty remote and unassociated with their core business to the contemporary organizations. However, according to what Taleb says and Płoszajski summarizes, in chaotic systems (and such is, undoubtedly, the contemporary

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<sup>44</sup> Taleb, N.N., The Black Swan: The Impact of the Highly Improbable, Random House Trade Paperbacks, 2 edition, 2010

<sup>45</sup> Płoszajski, P. (2010): Zarządzanie w XXI wieku: Wyzwania menedżerskie ery petabyte, Akademia Menedżerska - Nowoczesna Praktyka Zarządzania Firmą, Management Theory Department, Warsaw School of Economics, 2010, p. 244

world), even the remotest signal may become the key signal to the activity of a specific business. So the managers cannot afford to ignore megatrends.

In this point, however, doubts may arise: to what extent the said megatrends, considering chaos and unforeseeability of the contemporary world, really are lasting phenomena. The recession of the end of the first decade of the 21st century could become a certain test of their durability, the recession verified numerous forecasts concerning global economic development. The report of Boston Consulting Group<sup>46</sup> brings an interesting answer to this question. Since 2005, BCG have identified 78 global megatrends, divided into certain groups, so-called clusters. Out of the 78 megatrends as much as ca. 80% continued their development throughout the recession of 2008-2009 and 23 increased their significance even (particularly the growth of new growing economies, megatrends related to the development of the Internet, including virtual communities, e-commerce, development of new technologies, the questions related to the security hazards).

### **The effect of changes in the social-economic environment on the strategies of social responsibility of businesses**

The growing importance of the social responsibility of businesses directly results from one of the megatrends characterizing the contemporary world. The global growing meaning of the ecological questions, forced by international organizations, state governments, but most of all by the consumers, more and more interested in the matters cause that businesses cannot afford to be passive in this scope while competing to win the client<sup>47</sup>. The programs of social responsibility of businesses related to the ecological questions may become a method to meet this growing demand.

In addition, ignoring this rising public interest may be dangerous in view of the global social changes as the consumers have gained a powerful weapon in the fight for their ideas, putting them in a position no weaker than that of the largest corporations even. The net, including in particular the development of the internet communities, the new cyber-mentality cause that the authority that may reach millions of the company clients, through the net, may become even an individual who would publish his/her dissatisfaction in front of the „socially irresponsible” actions of the company. The opinion reproduced as a virus may destroy the reputation and have significant financial consequences for the company.

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<sup>46</sup> Sander, A. et al., op. cit.

<sup>47</sup> Lubin, D.A., Esty, D.C., op. cit.

In addition, the net also enhances the development of social organizations, NGOs. The NGOs in turn, that so far have put pressure on the governments, now have started to address their actions to the companies and force more responsible actions<sup>48</sup>. In response to the NGOs pressure, to fill the regulatory gap, business organizations began to implement self-regulating mechanisms voluntarily and offer public goods not provided by governments. So the programs of social responsibility become the necessary weapon in the fight for the company image and a specific protection in case of the more and more probable recession. They may be effective, however, only when no falsity lies behind them as falsity would be quickly noticed by someone and publicized on the net.

The latter issue also causes that strategies based on permission to differentiating actions in various regions of the world cannot be effective. Formerly numerous global organizations used to apply different strategies in the scope of the issues of social responsibility in the developed and developing countries<sup>49</sup>. In the former companies invested in their image through becoming involved in the social responsibility programs, while in the latter case the companies were not afraid of taking up exactly opposite, often unethical actions. The globalization of interactions causes that such strategies cannot be effective, because the information on corporate actions flow globally. In addition, the society of developing countries, now becoming wealthier, begins to become more and more interested in the matters of social responsibility, particularly in environment protection, sustainable development, which also takes place under the influence of exchange of ideas on the net, but also due to the increasing worldwide migration enhancing exchange of points of view.<sup>50</sup>

The interest in the social responsibility, particularly in the environment protection also forces a dramatic economic growth of the world, competition for natural resources, the appearance of real costs related to environment pollution (e.g. limits for greenhouse gas emission and trading in them)<sup>51</sup>. Investing in environment protection, in addition to the values of being recognized socially responsible may then become economically feasible.

Investing in staff satisfaction may also become economically feasible. It is necessary to provide the employees of generation Z with conditions to obtain commitment, treating work

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<sup>48</sup> Scherer, A.G., Palazzo, G., The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy, *Journal of Management Studies*, Volume 48, Issue 4, June 2011, p. 899–931

<sup>49</sup> Shamir, R., *op. cit.*, p. 637

<sup>50</sup> Scherer, A.G., Palazzo, G., *op. cit.*

<sup>51</sup> Lubin, D.A., Esty, D.C., *op. cit.*

as a game to play, in order to use the creativity of generation Z entering the market. The programs of social responsibility of business may be helpful here.

Businesses may also force social responsibility on themselves<sup>52</sup>. Building networks of links between them, they mutually affect their image. The social responsibility extent may become the partner selection criterion and therefore lower risks of charging the partner's image. An example, now famous, can be the case of charging the image of Apple with the issue of a series of suicides caused by difficult working conditions at Foxcon, a Chinese company – the manufacturer of numerous Apple products<sup>53</sup>.

The changes in the business environment of contemporary companies and new challenges for the programs of social responsibility of businesses enable the formulation of certain indications related thereto. Scherer and Palazzo<sup>54</sup> point out that throughout the last decade, companies, particularly international corporations have begun to become involved in the activity traditionally reserved for governments rather than business organizations, including the issues related to public health, education, safety, defense of human rights, environment protection. The companies began to implement self-regulatory solutions, as the direct response to the changes in the business environment. The evidence is for example in the popularization of UN Global Compact program, joined by more than 5000 companies by the year 2000. Numerous concepts related to the social responsibility of businesses assume that the role of companies is restricted to the area of economics and the questions related to politics are treated in a purely instrumental way. Scherer and Palazzo in turn define a new concept called „political CSR”. The concept assumes the increase of corporate commitment in creation of global democratic regulations, market transaction control and provision of global public goods. This is a post-national concept in which the role of democratic control and legal order decrease, while the variety of cultures and life styles expands. This is not the case that the state loses its power and influence on companies, but a significant part of global production is transferred to places without democratic control and legal order. Simultaneously global issues arise, affecting the functioning of organizations worldwide (e.g. global warming, financial markets regulations). These are the very programs to be subjected to corporate

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<sup>52</sup> Pohle, G., Hittner, J., Attaining sustainable growth through corporate social responsibility, IBM Global Business Services, 2008, <http://www-304.ibm.com/easyaccess/fileserve?contentid=131474>, 2011-09-19, p. 15

<sup>53</sup> Johnson, J., 1 Million Workers. 90 Million iPhones. 17 Suicides. Who's to Blame?, Wired, March 2011

<sup>54</sup> Scherer, A.G., Palazzo, G., op. cit.

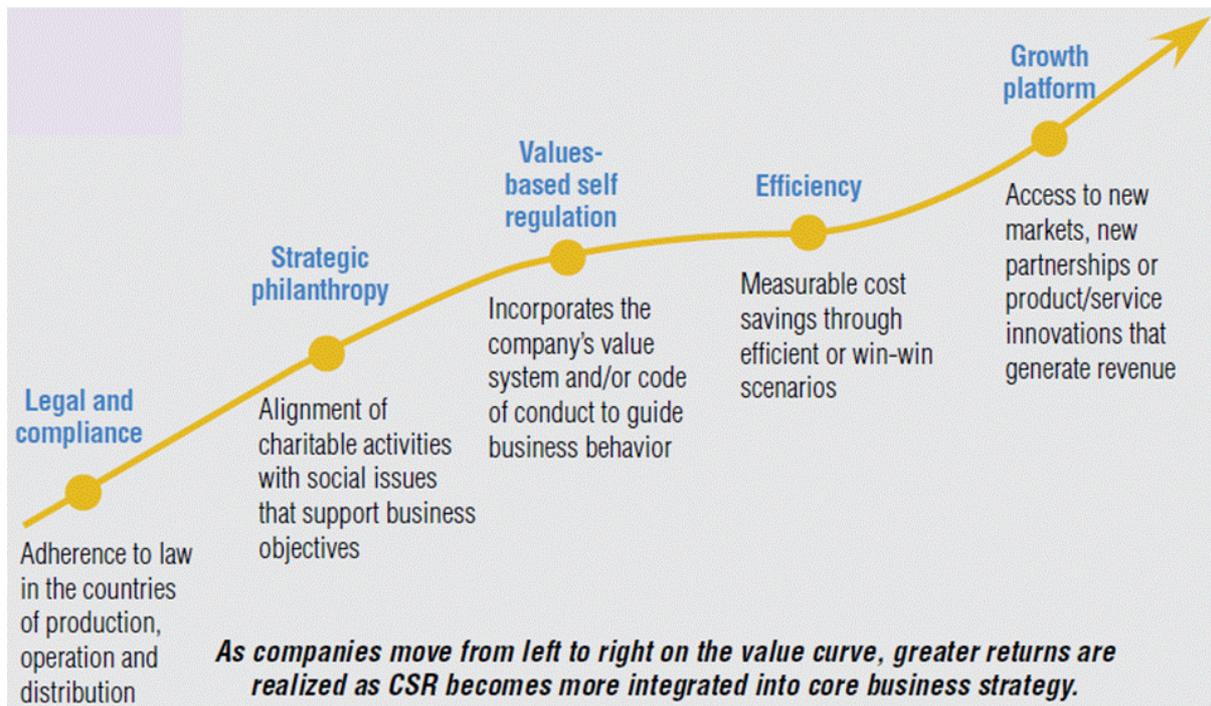
responsibility. It seems, however, that the implications from neighborhood do not leave any large sphere of freedom to the companies in this scope.

The indications of Pohle and Hittner<sup>55</sup> from IBM Institute for Business Value go to a similar direction. In their opinion, corporate social responsibility should be fully integrated in its business strategy and then bring maximum benefits. They show certain stages of CSR from guaranteeing the conformity of actions taken with the law to making CSR a platform of organization growth (Figure 1 **Błąd! Nie można odnaleźć źródła odwołania.**). In the latter situation it is necessary to provide full transparency of organization, open information policy towards all the stakeholders, which in the light of the arising new communication opportunities seems to be a necessity today.

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<sup>55</sup> Pohle, G., Hittner, J., op. cit., p. 6

Figure 1 CSR Value Curve



Source: IBM Institute for Business Value, Pohle, G., Hittner, J., *Attaining sustainable growth through corporate social responsibility*, IBM Global Business Services, 2008, <http://www-304.ibm.com/easyaccess/fileserve?contentid=131474>, 2011-09-19, p. 6

On the other hand, however, Lubin and Esty<sup>56</sup> basing on the example of actions related to the sustainable growth of companies, point out that the corporate social responsibility programs are chaotic, often devoid of vision or plan. They treat the necessity of sustainable growth as a contemporary megatrend and postulate, while following its indications, to use the knowledge how the indications related to historic megatrends were followed so far: With historic megatrends related to the use of quality and IT development, the market leaders went through, in their opinion, 4 stages of creating values:

1. The reduction of costs, risk and waste and focusing on providing proof-of-value,
2. Change of design of selected products, processes, business functions in terms of optimization of their efficiency – from making old things by new methods to making new things with new methods,
3. Obtaining the growth of revenues due to integration of new approaches with key strategies,

<sup>56</sup> Lubin, D.A., Esty, D.C., op. cit.

4. Distinction of the ways of acquiring values through implementation of new business models, using innovations to the modification of the organizational culture, brand-related leadership and other intangible methods of achieving competitive advantage.

It means that while performing the sustainable growth programs, it is necessary to: firstly formulate a vision of creating values thanks to the sustainable growth and secondly, its performance, i.e. transformation of the methods of action (structures, methods, processes) in terms of such creation of values. Operationally, it demands:

- From the leadership – to appoint a person responsible for the sustainable growth on the organization management level,
- Creating sustainable growth operationalizing methods from the most fundamental operations and consistent measuring of the sustainable growth level,
- The sustainable growth guarantee strategy may be created internally, but also with the engagement of external partners, according to the open-source model, engaging the external social networks,
- The operating targets for managers should be related to the sustainable growth,
- The actions related to the sustainable growth should be announced and reported.

It seems that the instructions concerning the implementation of practices concerning sustainable growth may be extended onto all the CSR programs. The analysis of Lubin's and Esty's postulates directly suggests that it is necessary, as mentioned before, to make CSR an element of its major business strategy.

## Summary

The conclusions arising from the considerations concern most of all the growing role of global CSR under the influence of changes in the contemporary business environment. It seems that in the CSR phenomenon analyses we should replace a purely national approach with its global meaning. It seems that the reach of CSR should be wider and wider. CSR will more and more frequently base on the self-regulation mechanism instead of the response to stricter legal regulations. The companies themselves may provoke a discourse on the CSR in order the win competitive advantage on such foundation. These are the questions that should become the object of further research on the corporate social responsibility phenomenon.

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