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# Corporate social responsibility as a strategy of corporations in the European Union

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# The background

Corporations are currently adopting a strategy of corporate social responsibility (CSR). The CSR strategy builds the relationship between society, entrepreneurs and the environment. Its use in major corporations builds the brand image and streamlines management processes in companies.

## The main aim

*To present the strategy of corporate social responsibility applied by transnational corporations in the European Union. PricewaterhouseCoopers and Toyota are the examples of companies operating in the EU which adopted the CSR strategy and their approach is discussed.*

## Research methods

Critical analysis of the literature on the subject, case studies analysis.

# Corporate social responsibility

**Corporate social responsibility is the relationship between society and the entrepreneur.** Currently, entrepreneurs are increasingly paying attention to the need to apply CSR strategies. It is very important in running a business, especially for service providers. This is due to the progressive and rapid degradation of the environment, ongoing globalization processes, the use of aggressive marketing, the dominance of the democratic system in most countries and an increase in the level of consumer knowledge of products and services purchased.

*The use of standardized, socially responsible practices in business generates positive ratings of recipients.*



# Types of strategies used in the European Union corporations

The dynamic development of the world economy is changing along with international economic relations. *Transnational corporations - the main players of international business in the European Union.*

*Strategy (Greek - strategos), meaning the art of warfare.*

The choice of strategy and organizational structure is of fundamental importance for corporations.

## **Strategy in European Union:**

- 1.H. Mintzberg's 5 P (plan, pattern, ploy, position, perspective)
- 2.Development strategy
- 3.CSR strategy



# Development strategy in the European Union

- **Development strategy** - man is obliged to be responsible for the protection and improvement of the natural environment.
- **The CSR strategy** undertakes transactions in the area of corporate responsibility.
  - consists of three basic elements of strategic thinking,
  - includes a link to co-creation between the enterprise, the community and the environment, capturing values and analyzing them.
  - a factor for attracting and motivating employees.

# Corporate social responsibility applied by corporations in the European Union

- **The EU corporations are closely linked to the CSR strategy** through initiatives such as the European Employment Strategy, the implementation of the European Pillar of Social Rights, labor law in the EU, education and training falling within the competence of countries in the European Union, financing and many others.
- **The Commission published a working document** Corporate Social Responsibility, Responsible Business Conduct, and Business & Human Rights: Overview of Progress (SWD (2019) 143) in March 2019.
- The document provides an overview of progress in implementing the CSR program and Responsible Business Conduct.
- **Toyota and PricewaterhouseCoopers** - apply CSR strategy.



# CSR as a business strategy implemented by the Toyota company

- **The key elements of Toyota's success are employees.** In addition, the concept of CSR, ecology, security and support for people with disabilities is an important element as well.
- It is thanks to the commitment of employees and building their high competences that Toyota products are of high quality.
- **The training is to be the first step** to develop employees' true talent.
- The CSR program has been a distinguishing feature of the Toyota corporation for many years in the automotive industry. **Toyota's goal** is not only to make a profit, but also to promote the environmental education (for example eco-driving), safety and support for people with disabilities.



# CSR as a business strategy implemented by the Toyota company

- The first activities related to environmental protection were announced in 2016 as part of the "**Toyota Environmental Challenge 2050**". One of the challenges posed is "**A society of the future living in harmony with nature**", in which the company proposes to raise the problem of using plastic products.
- In addition, Toyota is organizing this year the 34th edition of the "**Ecological Knowledge Olympiad**".
- At the beginning of 2020, Toyota also plans to introduce 10 electric cars; also the hybrid range will be significantly expanded.





# PricewaterhouseCoopers as a corporation focused on employees

- **PwC's key areas activity includes CSR**, people and their diversity, social commitment and care for the environment.
- Specialists from PwC provide the company's clients with business, technology, tax and legal consulting services as well as auditing.

## **PwC focuses on four key areas:**

- 1. Responsible business** - striving for services, products and delivery to be reflected in corporate social responsibility, ethics and transparency
- 2. People and diversity** - supporting employee development and respecting differences among employees
- 3. Social involvement** - the use of employees' potential to strengthen social development
- 4. Care for the environment**



# PricewaterhouseCoopers and its employees

- PwC Corporation employs people with different talents and experience from various environments, in connection with employ foreigner's policy.
- *As an employer, PwC has the right to look for employees and provide permanent employment to European Union citizens.*
- Building a diverse and integrated work environment is crucial for employees from different parts of the world.
- One of the many examples of CSR practices used at PricewaterhouseCoopers is the **Diversity Charter**. The company is one of its initiators and co-creators in Poland.
- The **Diversity Charter** is an initiative supported by the European Commission to implement an equal treatment policy and to manage diversity in the workplace.



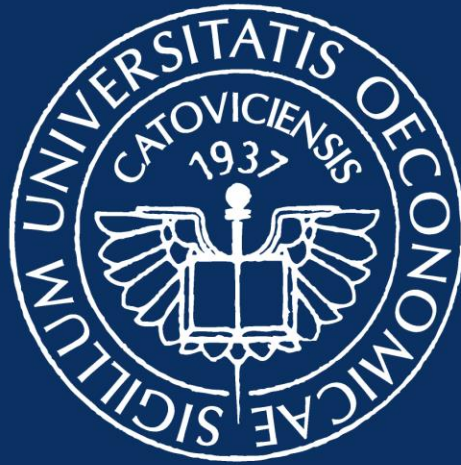
# Conclusions (1)

- **Corporate social responsibility strategy** shapes both the *company's image and internal relations within the company*.
- Socially responsible corporations, i.e. Toyota and PricewaterhouseCoopers, have a *positive image on the market*.
- The CSR strategy manifests itself in a *similar way to employees*.
- However, the entities analysed in the article carry out activities of a completely different nature. *Toyota is a production company, while PwC is a service company*.
- *Due to the nature of the business conducted in other areas, the implementation of CSR looks different*. In addition to the strategy aimed at maximum employee development in all positions.



## Conclusions (2)

- Toyota corporation also focuses on *environmental protection*.
- PwC Corporation is a service company specialized in the field of audit and belonging to the so-called *The Big Four*.
- Hence the strategy of corporate social responsibility is *directed towards employees*.
- The PwC corporation focuses on *building human capital*.



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