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## How CSR Affects Polish Enterprises

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**Abstract:**

**Purpose:** The article refers to the assessment of the activities of enterprises within CSR, according to the classification adopted in the Carroll's pyramid model. Research on CSR issues in this approach has been conducted since the 1980s and is usually addressed to the top management.

**Design/Approach/Methodology:** This article is based on research on the attitude to CSR activities of managers / employees at the operational level; in this way we endeavour to fill a certain cognitive gap. The research included a representative sample of large and medium-sized enterprises in Poland, including representativeness by economy sectors.

**Findings:** The research results point to a different hierarchy of CSR domains than that suggested by the Carroll's pyramid (and most of the results of previous research addressed to the top management). The highest rated by respondents was legal responsibility, before ethical, and only third place was taken by economic responsibility.

**Practical Implications:** The research results could be useful for managers responsible for CSR implementing and developing.

**Originality/Value:** The article contributed to filling the cognitive gap regarding priorities declared by CSR managers, i.e. persons implementing CSR activities on behalf of enterprises in practice. The research results indicate that the respondent's job position (the scope of duties related to CSR) and the economic sector they represent have the greatest impact on the valuation of individual areas of CSR, while the size of the enterprise has a weak impact.

**Keywords:** Carroll's pyramid model, economic responsibility, legal responsibility, ethical responsibility, discretionary/philanthropic responsibility, CSR managers.

**JEL code:** M21, D22, L29 .

**Paper type:** Research article.

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## 1. Introduction

An enterprise can use the concept of corporate social responsibility (CSR) as part of its strategy, focusing on the optimal use of resources and relationships with the environment. Good relations of the enterprise with the broadly understood environment should translate into: reputation, satisfaction and loyalty of customers towards the brand, reduction of costs and risk, improvement of competitive position and market success (Saeidi *et al.*, 2015). When the above expectations are met (including better financial results), it is expected that enterprises will be interested in expanding CSR activities. Although most research indicates a positive impact of CSR activities on the profitability of enterprises and an increase in their value, some research indicates, however, a negative relationship between these values (Sheikh, 2018). Therefore, just taking actions in the field of CSR does not guarantee the financial success of the enterprise. Because the resources of each enterprise are limited and expenses for CSR activities compete for funds with other important strategic activities (McWilliams and Siegel, 1997; Saridakis *et al.*, 2020), the right order and scope of CSR actions taken is important.

Carroll's pyramid model (1979, 1991) was adopted as the theoretical model for analysing the types of activities undertaken by enterprises as part of CSR. According to Carroll's definition, CSR includes the following obligations: economic (constituting the basis/ foundation of a pyramid), legal, ethical and discretionary/philanthropic. The article is part of a series of publications aimed at exploring the possibility of using the CSR pyramid in various cultural and organizational contexts.

Research to date indicates that managers of the entire enterprise in developed countries usually prefer the classic approach to the CSR pyramid, in the case of managers from developing countries, philanthropic responsibility often ranks second only to economic responsibility. Research among customers in the USA and South Korea showed that the first places in the hierarchy are occupied by legal and ethical responsibility. Research among respondents from a non-business environment indicates different priorities, depending on the selection of respondents.

The discrepancy between the preferences of top managers representing the interests of enterprise owners and the preferences of the business environment prompts the question, how in practice do enterprises reconcile these conflicting expectations? This article tries to fill this cognitive gap by referring research to CSR managers, i.e. persons responsible for the implementation of CSR assumptions at the operational level. On the one hand, this group is subject to top managers, on the other hand, it cooperates with the enterprise's stakeholders on a daily basis. From this perspective, the main goal of the article is to examine whether CSR managers' preferences are closer to the preferences of top managers or the preferences of stakeholders (customers).

The obtained results will allow to assess the coherence of the CSR strategy and operational activities in this area and the impact of stakeholders (customers) on the nature of these activities. This will allow the formulation of theoretical and practical implications regarding the functioning of CSR at the operational level of the enterprise.

The article uses questions from the questionnaire that are addressed to operational managers of large- and medium-sized enterprises in Poland regarding the purpose, for which CSR activities are undertaken, as well as the perception of the risk level of the lack of financial resources. The theoretical part of the article includes a brief historical introduction to the concept of CSR, with particular emphasis on the Carroll's pyramid model. This part ends with a review of the results of research conducted in various countries, mainly among top management, regarding the hierarchy of areas of responsibility under CSR. The methodological part includes the characteristics of the research and research sample, as well as the statistical methods used for data analysis. The empirical part contains an analysis of the quantitative research conducted among the respondents. The analysis takes into account the diversity of results in cross-sectional data, according to the size of enterprises, the economic sector they represent and the respondent's job position (from the point of view of the importance of CSR activities in terms of their duties). The last part of the article covers discussion, theoretical and practical implications, as well as a summary, including proposals for further research.

## 2. Literature Review

Considerations on corporate social responsibility (CSR) appeared in the 1920s. In the 20th century, however, due to the Great Depression and World War II, this topic was not taken seriously among business leaders (Smith, 2011; Ashrafi *et al.*, 2020). The publication of the book *Social Responsibilities of the Businessman* by R. Bowen (1953) is regarded as the beginning of the modern period of interest in the concept of social responsibility. The main message of this publication is the claim that entrepreneur's decisions and actions should be consistent with the goals and values desired by society (Carroll, 2008, 2016; Latapí Agudelo *et al.*, 2019).

The concept of CSR faced criticism from supporters of neoclassical economics. In an article by M. Friedman (1970) he spoke against the extension of the enterprise's responsibility beyond economic functions, stating that the only aspect, for which the business is responsible, is the use of resources in activities aimed at increasing its profits. Some authors support Friedman's position, stating that companies should act responsibly, but this should not be equated with extended CSR doctrine (Henderson, 2001; Jensen, 2002).

As an attempt to summarize the discussion between opponents and supporters of CSR, the definition proposed by Carroll (1979, p. 500) is often adopted, according to which corporate social responsibility includes the economic, legal, ethical and

discretionary (philanthropic) expectations that society has towards the organization in a given moment. The first of the two proposed areas (economic and legal) refer to clearly defined obligations that the company has to face. On the other hand, ethical and philanthropic obligations relate to ambiguous social expectations. Carroll's concept added value to ethical and philanthropic activities, treating them as a true picture of companies' attitude to social responsibility (not enforced by law) (Crane *et al.*, 2008; Carroll and Shabana, 2010). Initially, Carroll's proposal was treated as a way to distinguish between the necessary and voluntary actions. It was later acknowledged that it was the first true conceptual CSR model that could become the basis for empirical research on corporate results (Clarkson, 1995; Kashyap *et al.*, 2004; Baden, 2016), and also for intercultural (international) comparisons (Masoud, 2017; Rim and Dong, 2018).

According to the typology of responsibility in the shape of a pyramid (Carroll, 1979, 1991), economic obligations form its basis. Economic responsibility refers to the traditional economic role of the enterprise, consisting in the production of goods and services on profitable conditions (maintaining long-term profitability), which will ensure market survival, job creation and payment of taxes (Wagner-Tsukamoto, 2019). Achieving economic goals allows the enterprise to finance the implementation of further areas of corporate responsibility (where the implementation of CSR activities requires initial investment). As part of the economic responsibility, the company should initially organize the business strategy in such a way, as to maintain the profitability of the operation (Masoud, 2017). The second level of the pyramid is legal responsibility, i.e. the obligation to comply with legal provisions (legal regulations, to which enterprises must comply). Legal responsibility applies to the natural environment, consumer rights, employee rights, anti-corruption laws, compliance with obligations of concluded contracts (Carroll and Buchholtz, 2009; Carroll, 2016). By combining these two areas of responsibility, a company should fulfil its economic obligations while respecting the legal and institutional framework.

The third level of the pyramid includes moral / ethical responsibility, i.e. actions that members of society would expect from enterprises. It is associated with adopting standards that go beyond the minimum requirements defined by law (it includes additional behaviours and actions not necessarily codified, taking into account the interests of members of society) (Carroll, 2016; Wagner-Tsukamoto, 2019). The highest level in the pyramid is philanthropic / discretionary activities related to devoting part of the enterprise's resources, such as financial resources or employee time (e.g. supporting employee volunteering) to promote social goals (expenses supporting society and local communities, supporting the return of the unemployed to the labour market etc.) (Carroll, 1979; Pinkston and Carroll, 1996; Lee *et al.*, 2019; da Silva *et al.*, 2020).

In the case of philanthropic activities, which are at the highest risk of a lack of return on investment, it is suggested to make all philanthropic practices and a strategic

approach to philanthropy publicly available, because philanthropic expenditure can create new market opportunities, as well as improve social relations (Porter and Kramer, 2002; Schwartz and Carroll 2003, Smith, 2011; Wood, 2017). Although Carroll “intuitively” initially suggested the sequential achievement of successive levels of the pyramid, he emphasized, in his later publication, that total corporate social responsibility entails the simultaneous (non-sequential) fulfilment of economic, legal, ethical and philanthropic requirements (Carroll, 2016).

At the beginning of the 21st century, CSR acquired the status of an element of corporate strategy (Masoud, 2017). Incorporating CSR principles into the enterprise’s strategy is expected to improve its reputation in the long term, reducing the likelihood of market difficulties (Aguilera-Caracuel, 2017; Engizek and Yasin, 2017; Bianchi *et al.*, 2019; Jeffrey *et al.*, 2019; Pérez-Cornejo *et al.*, 2019), improve business relationships, increase the efficiency of marketing activities, create a competitive advantage and contribute to sustainable development (Carroll and Shabana, 2010; Porter and Kramer, 2011; Revilla-Camacho *et al.*, 2016; Esken *et al.*, 2018; Mercadé-Melé *et al.*, 2018).

Carroll’s Pyramid, next to stakeholder theory, is the most commonly used concept in the preparation and implementation of CSR principles in an enterprise strategy (Galbreath, 2009; Lahtinen *et al.*, 2018). Even if the enterprise’s operations are dominated by an approach consistent with the theory of stakeholders, it is important to define the hierarchy of domains proposed by Carroll, which affects the nature of actions directed to stakeholders.

The concept of CSR is still evolving and there are still disputes about its scope (Carroll, 1999; Godfrey and Hatch, 2007; Dahlsrud, 2008; Whelan, 2013; Madsen and Bingham, 2014; Blair, 2015; Capaldi, 2016, Lin *et al.*, 2020), with most authors adopting its broad meaning (Maignan and Ferrell, 2001; Matten and Crane, 2005; Gössling and Vocht, 2007; Pollach, 2011; Glavas and Kelley, 2014), according to the model proposed by Carroll. The very concept of the pyramid was later reworked and four CSR domains were reduced to three: economic, legal and ethical, combining ethical and philanthropic activities in the last domain. This combination was justified by an argument that philanthropy can be considered both in ethical and discretionary terms (Schwartz and Carroll, 2003). In a 2016 publication, Carroll referred to a discussion about whether economic responsibility is contrary to ethical responsibility. Looking from the stakeholders' perspective, he stated that the CSR pyramid should be treated as a whole and not as a concept with a hierarchical order. Moreover, he pointed out that ethical issues permeate the entire pyramid, i.e. economic, legal and philanthropic dimensions are subject to ethical decisions.

According to Wagner-Tsukamoto (2019), not only ethics, but also economics permeate all other fields of CSR. A similar conclusion can be made on the basis of institutional theory in relation to legal responsibility, even more so, because legal

regulations largely explain the differences in the approach to CSR in different countries (Gaughan and Javalgi, 2018; Colovic *et al.*, 2019).

Not referring to the considerations about the complementarity of domains in Carroll's Pyramid, some authors point to the possibility of their different hierarchy due to cultural conditions, possibilities of political intervention, level of economic development, the presence of non-governmental organizations, organization of social movement etc., (Thanetsunthorn and Wuthisatian, 2018). In Africa (and developing countries on other continents), due to socio-economic factors (lack of direct foreign investment, poor infrastructure, corruption, high poverty, high unemployment), philanthropic responsibilities are often important and occupy second place in hierarchy, after economic and before legal and ethical responsibilities (Visser, 2006). This situation is explained by cultural and religious conditions (Hamidu *et al.*, 2016 Masoud, 2017). Another new proposal to update the hierarchy of domains in Carroll's pyramid, due to the increased impact of business on society, is to give priority to the ethical and legal domain over economic and philanthropic (Baden, 2016).

For the purposes of the article, the classic approach of the Carroll's pyramid, consisting of four domains, was adopted due to the possibility of comparing the results obtained with the results of research carried out so far. Most published research indicate the hierarchy of domains in accordance with the pyramid (economic responsibility first, followed by legal, ethical and philanthropic responsibility). Such results were obtained in the 1980s for companies in the USA, Japan and England (Aupperle *et al.*, 1985), which was confirmed in the 1990s by Pinkston and Carroll (1996) for companies in the USA, England, France, Switzerland and Japan (in the case of Germany and Sweden, legal responsibility came first before economic). Further research confirming the hierarchy assumed by the Carroll's pyramid is conducted among managers from the USA and France (Ibrahim and Parsa, 2005), as well as Mexico (Amezaga *et al.*, 2017).

Research does not always confirm the order adopted in the pyramid (Germany and Sweden, cited above in the research of 1996). Research in large enterprises owned by African-American entrepreneurs and shareholders (Edmondson and Carroll, 1999) showed that, after economic responsibility, ethical responsibility took the next place and legal responsibility only then came third. The same hierarchy (ethical dimension before legal) was indicated by research in Malaysia (Dusuki and Yusof, 2008). The reasons for this hierarchy can be seen in the cultural conditions of the surveyed enterprises.

Research in Tunisia in 2014 even indicated that, within CSR enterprises, the primary focus is on philanthropic responsibility and then on legal responsibility (before economic and ethical responsibility). Researchers explained this hierarchy by the influence of Islamic values on corporate culture in Tunisia and pressure from trade unions to comply with the labour code. The third place of economic responsibility

was explained by the economic slowdown (hindering the improvement of economic results) and political instability (Noamene and Elouadi, 2015).

The respondents in the above-mentioned studies were members of the top management of enterprises. That group of respondents represents the interests of business, moreover, the level of profit achieved is one of the basic criteria for assessing their work. Their preferences are usually not compatible with the preferences of society as a whole. Studies directed to other groups of respondents give different indications of the hierarchy of CSR domains. The proposed hierarchy of domains of the CSR pyramid proposed by Baden (2016) (ethical responsibility before legal, economic and philanthropic) is the result of research conducted among respondents from various countries (mainly from the UK, India and the USA, but also from 10 selected European countries outside the UK), both from the business environment and non-business.

Studies conducted among management students in Brazil have shown a complete reversal of the classic CSR pyramid (philanthropic action before ethical, legal and economic) (da Silva *et al.*, 2020). The authors interpreted the obtained results by explaining the Brazilian cultural, social, economic and educational context, related to the huge social inequality, as well as the content of courses offered to students (with frequent emphasis on the importance of ethics).

Studies conducted among consumers in the USA, South Korea and the United Arab Emirates have shown different preferences regarding CSR domains. Apart from the absolute differences in the valuation of individual domains, in the USA and South Korea, the first positions were taken by legal responsibility against ethics, in the USA third place was taken by economic responsibility, in South Korea it was philanthropic responsibility. Research results in the UAE were similar to the classic CSR pyramid, the first two places were taken by economic and legal responsibility, while the third by philanthropic responsibility (Rim and Dong, 2018).

Serious discrepancies in the hierarchy of CSR pyramid domains, especially in the case of referring research to various groups of respondents, have become a motivating factor for testing CSR priorities in this field in Polish enterprises. A group of respondents selected for the purposes of this article, on the one hand represents the business, on the other hand they do not include general directors. It should be emphasized that this group, on behalf of the enterprise, implements CSR activities in practice, at the operational level.

### **3. Research Methodology**

#### **3.1 Research Hypotheses**

The main purpose of the article is to define the hierarchy of activities within the Carroll's pyramid, declared by respondents who manage CSR activities as part of

their official duties. The initial hypothesis, assuming the expected order of domains, is based on previously quoted international research and the assumption that CSR managers are more subordinated to the expectations of the enterprise's management board than the expectations of the environment (stakeholders).

*H1: The hierarchy of CSR areas of responsibility declared by respondents who manage CSR activities as part of their official duties is in line with the order according to Carroll's pyramid.*

The next hypothesis is associated with the target group of respondents and relates to their perception of relationships between CSR areas.

*H2: For people managing CSR activities, all areas of activity are complementary and not competitive.*

Undertaking CSR initiatives is limited by the enterprise's financial capabilities. As a representation of these possibilities, the respondents' assessment of the statement was assumed: "the most serious internal source of risk is a lack of financial resources". Another hypothesis refers to the relationship between the perceived state of enterprise finances and CSR activities.

*H3: The level of assessment of areas of CSR activities depends on the enterprise's financial situation.*

Because the research sample is large enough, it is possible to check how the approach to CSR activities differs depending on the size of the enterprise, the sector it represents and the importance of CSR as part of the respondent's professional duties. The last hypothesis refers to the above cross-sectional study of the research sample.

*H4: The level of assessment and hierarchy of areas of responsibility in the field of CSR depends on the size of the enterprise, the sector it represents and the importance of CSR as part of the respondent's professional duties.*

Verification of the above hypothesis allows for the creation of a hierarchy of factors determining the assessment of individual areas of CSR by respondents.

### **3.2 Materials: Research Sample and Research Assumptions**

The research sample was determined on the basis of the latest available data regarding the number of enterprises, broken down into size classes published by Statistics Poland in relation to non-financial enterprises at the end of 2018 ([www.stat.gov.pl](http://www.stat.gov.pl)). The representativeness of the sample was obtained in cross-sectional data according to the size of the enterprises and the economic sector they represent. The sample was selected at random and included 722 enterprises,



including 347 large (employing 250 and more people) and 375 medium (employing from 50 to 249 people). Surveyed respondents according to sector: 350 enterprises from the manufacturing sector, 42 from construction, 124 from trade and 206 from the services sector. A simple randomization method was used to select the sample.

Research was limited to large- and medium-sized enterprises, in order to get answers from people who are responsible for implementing CSR activities. Three groups of respondents were identified: employees, for whom managing CSR activities is the only duty, employees, for whom CSR is one of the basic duties (e.g. marketing and CSR director, investor relations and CSR manager, delegated board member), as well as persons responsible for CSR as part of other duties. Small enterprises were omitted in the research, because in their case mainly the owners (or managers of the entire enterprise) would answer, and their answers would contain declarations rather than references to actual CSR activities.

In order to determine the hierarchy of activities under CSR according to Carroll's pyramid, the answers to one of the questionnaire's questions were used as part of broader research on the attitude of enterprises to risk and CSR. In the analysed question, individual levels of the Carroll's pyramid were characterized in a descriptive way. Respondents were to determine to what extent CSR activities are directed at: improving economic results (competitive position, internal relations, relations with the economic environment), adapting to the requirements of law (commercial, labour, environmental protection, consumer rights), ensuring ethics of functioning (introduction of appropriate standards and complying with them to eliminate unwanted behaviours), reducing social problems in the environment (support for local communities, philanthropic activities).

As a representation of the financial situation of enterprises, according to the respondents' opinion, the question regarding the financial situation of enterprises was used to assess the lack of financial resources as the main internal source of risk. A five-point Likert scale was used in both questions analysed (1. Does not concern my enterprise. 2. It only concerns my enterprise to a small extent. 3. Partially concerns my enterprise. 4. It concerns my enterprise to a significant extent. 5. Fully concerns my enterprise). The questionnaires were conducted in the period of September-October 2019 by a research unit certified by the Polish Ministry of Science and Higher Education.

The method of analysing data obtained on the basis of a questionnaire was subordinated to the hypotheses set out in the article. To determine the hierarchy of activities declared by the respondents under the Carroll's pyramid model, the arithmetic average of the scores in the analysed cross-sectional data (the size of the enterprise, sector and importance of CSR as part of the respondent's professional duties) was used. The verification of the hypothesis regarding the relationships between the valuations of the four areas of CSR (their complementarity) was based on Pearson correlation coefficients between the analysed values. Pearson's

correlation coefficients were also used to verify the third hypothesis. In this case, the relationship between the assessment of individual areas of CSR and the assessment of the level of risk in the form of a lack of funds was examined. In order to verify the fourth hypothesis regarding the characteristics of respondents deciding on the level of assessment of CSR activities, a chi-square test of independence regarding the distribution of responses in individual cross-sectional data was conducted. Its task was to determine to what extent the analysed cross-sectional data of respondents (enterprise size, sector and importance of CSR as part of the respondent's obligations) differentiate their answers.

#### 4. Findings and Discussion

Table 1 presents arithmetic averages of the scores obtained among the respondents for the four areas of CSR. In addition to the total data, cross-sectional data of respondents according to the size of the enterprise, sector and position of the respondents are presented (importance of CSR as part of their professional duties), together with the number of individual groups of respondents.

**Table 1.** Valuation of the significance of areas of responsibility identified in the Carroll's pyramid, according to respondent groups (arithmetic average)

Group of respondents	Responsibility			
	economic	legal	ethical	philanthropic
<b>Total (N = 722)</b>	3.58	4.11	4.02	3.34
<b>Large enterprises (N = 347)</b>	3.64	4.08	4.05	3.42
<b>Medium-sized enterprises (N = 375)</b>	3.53	4.13	4.00	3.27
<b>Production (N = 350)</b>	3.66	4.16	4.07	3.46
<b>Construction (N = 42)</b>	3.64	3.93	3.83	2.95
<b>Trade (N = 124)</b>	3.73	3.95	3.89	3.20
<b>Services (N = 206)</b>	3.34	4.14	4.06	3.29
<b>The only duty (N = 71)</b>	4.03	4.46	4.41	3.77
<b>One of the basic duties (N = 230)</b>	3.71	4.31	4.33	3.67
<b>As part of other duties (N = 421)</b>	3.44	3.94	3.78	3.09

*Source:* Own research.

The obtained absolute level of valuation of areas of responsibility is very high, compared to the research cited before the empirical part (legal and ethical responsibility obtained an average rating above 4.0).

In almost all of the cross-sectional data of respondents, the highest ratings were received by legal responsibility, before ethical, economic and philanthropic. The only exception turned out to be the respondents, for whom CSR activity is one of the basic duties; for this group, the highest ratings were obtained by ethical responsibility, before legal, economic and philanthropic. For the entire population, the valuations were: 4.11 (legal liability), 4.02 (ethical), 3.58 (economic) and 3.34 (philanthropic). In the construction and trade sectors, economic responsibility obtained a higher valuation than the average for other areas.

As for the place of CSR within the respondents' professional duties, in case of separate positions in large enterprises, dealing only with CSR, there were 40 respondents (11.5%), 123 (35.5%) respondents were those, for whom CSR activities are one of the basic duties, respondents from 184 enterprises (53.0%) were responsible for CSR activities as part of other duties. In the group of medium-sized enterprises, the appropriate proportions were – 31 (8.3%) respondents at separate positions, dealing only with CSR, 107 (28.5%) respondents, for whom CSR activities are one of the basic obligations, 237 (63.2%) persons responsible for CSR as part of other duties. This summary shows that the group of large enterprises places slightly more attention to CSR activities.

Comparing enterprises by size, respondents from large enterprises assess economic, ethical and philanthropic responsibility higher in relative terms, with the biggest difference occurring in the case of philanthropic responsibility. This is probably due to the fact that a stronger market position (financial possibilities) and better recognition in the environment encourages large enterprises to undertake philanthropic activities. Representatives of medium-sized enterprises rate legal responsibility higher. This is probably due to the fact that, just like smaller entities, medium-sized enterprises are more seriously threatened by the possible consequences of non-compliance with the law.

In the cross-sectional data by sector, the economic responsibility was assessed highest by respondents from the trade sector, in other cases the highest valuation was recorded among respondents from the production sector, which significantly contributed to relatively high ratings for the general population (respondents from the production sector constituted 48.5% of the sample). The lowest rating (2.95) of philanthropic responsibility among respondents in the construction sector is worth paying attention to. This is the only value in Table 1 below level 3 (the response "partly concerns my enterprise").

All areas of responsibility were rated highest by those working in separate positions, for which the management of CSR activities is the only duty. The second largest group of respondents was employees, for whom CSR is one of the basic duties. Respondents responsible for CSR as part of other duties rated all levels of all CSR activities the lowest.

In order to verify hypothesis 2, assuming that all domains are complementary rather than competitive for those who manage CSR activities, Pearson correlation coefficients between four component assessments were calculated (Table 2).

**Table 2.** Correlations between the areas of CSR identified in the Carroll's pyramid

Group of respondents	A/B	A/C	A/D	B/C	B/D	C/D
<b>In general</b>	0.5703**	0.4884**	0.3900**	0.7614**	0.4162**	0.5040**
<b>Large enterprises</b>	0.5755**	0.4762**	0.5249**	0.8067**	0.4870**	0.5248**
<b>Medium-sized enterprises</b>	0.5700**	0.4993**	0.2775**	0.7217**	0.3604**	0.4861**
<b>Production</b>	0.5830**	0.5134**	0.4050**	0.7654**	0.4781**	0.5403**
<b>Construction</b>	0.7678**	0.6896**	0.6189**	0.8149**	0.6009**	0.6597**
<b>Trade</b>	0.5900**	0.4749**	0.2721**	0.7394**	0.3400**	0.4735**
<b>Services</b>	0.5439**	0.4555**	0.3889**	0.7519**	0.3151**	0.4219**

*Note:* \*\* significance level 0.01: A - economic responsibility, B - legal responsibility, C - ethical responsibility, D - philanthropic responsibility.

*Source:* Own research.

It should be emphasized, that all Pearson correlation coefficients obtained between individual areas of CSR turned out to be positive, and moreover, statistically significant at the level of 0.01. This allows us to positively verify hypothesis 2. Respondents treated CSR areas in a complementary way, assessed activities in all CSR areas at the same time high or low. The correlation coefficients of economic responsibility with other areas decreased in accordance with the order proposed in the Carroll's pyramid, the highest coefficients were recorded in relation to legal, then ethical and philanthropic responsibility. The highest correlation coefficients occurred between the highest valued responsibilities, i.e. legal and ethical.

To verify the hypothesis that the level of assessment and hierarchy of areas of responsibility in the field of CSR depends on the financial situation of the enterprise, an assessment of the indications was used that the most serious internal source of risk is the lack of financial resources. The arithmetic average of the indications in this respect was 2.32 (closest to the response "it concerns my company to a small extent"), which may indicate a good financial standing of enterprises in the assessment of the respondents. All Pearson correlation coefficients between the four CSR domains and the assessment of financial risk turned out to be statistically insignificant, assuming values close to zero. This indicates that respondents dealing with CSR at the operational level do not see a significant relationship between these activities and the financial situation of the enterprise. They probably operate within the budget allocated to them and do not feel responsible for the financial results of the entire enterprise. Such an interpretation of the results obtained would explain, among others, only the third place in the hierarchy of their assessments of economic responsibility.

The last of the hypotheses presented in the article, allowing to determine the hierarchy of characteristics of respondents deciding on the level of valuation of significance of individual CSR domains, was verified on the basis of the chi-square test of independence.

**Table 3.** Significance levels for the chi-square test of independence in the cross-sectional data according to the characteristics of the respondents

Group of respondents	Responsibility			
	economic	legal	ethical	philanthropic
<b>Size of enterprise</b>	no significance	no significance	0.02	no significance
<b>Sector</b>	0.01	0.02	0.025	0.02
<b>Place of CSR in scope of duties</b>	0.01	0.005	0.005	0.005

*Source:* Own calculations.

The chi-square test of independence indicated that differences in the ratings of respondents from large- and medium-sized enterprises are statistically significant only in the case of ethical responsibility. It can, therefore, be assumed that the size of the enterprise determines the level of assessment of individual CSR domains to a small extent. Other results indicate that what significantly differentiates the respondents' assessment are the represented sector and the work position (there is a statistically significant relationship between the assessment of the importance of all CSR areas, the represented sector and the place of CSR in the scope of duties).

The likelihood that belonging to a particular sector has an impact on respondent answer is higher than 97.5% (in the case of ethical responsibility), higher than 98% (in the case of legal responsibility) and higher than 99% (in the case of economic responsibility). Since the probabilities obtained for the cross-sectional data according to job position (the importance of CSR in the scope of duties) are higher in three cases and equal in just one obtained for the sectoral cross-sectional data, it can be assumed that the occupied job position determines the differences in respondents' answers slightly more strongly.

## 5. Discussion and Implications

Board members of enterprises, in both developed and developing countries, indicate economic responsibility as the primary domain of CSR. Such a declaration is in line with the expectations of shareholders (owners) and Supervisory Boards, on whom the management board members depend on for holding their positions. CSR managers in Polish enterprises do not confirm the classic CSR pyramid (Carroll, 1979, 1991), indicating the dominance of legal and ethical responsibility over economic (which is a negative verification of the H1 hypothesis). The hierarchy obtained in the study is consistent with the survey of customer expectations in the USA and close to the expectations of customers from South Korea (Rim and Dong, 2018).

The conclusion is that CSR managers try more to adapt to the expectations of stakeholders than to comply with the CSR strategy formulated by the management board (assuming that the management boards of Polish enterprises also put economic goals first and the expectations of Polish customers are close to the

expectations of US customers). This may indicate that CSR managers have more frequent and closer contact with stakeholders (including customers) than with the top management. If we assume that CSR managers implement CSR activities in practice, the obtained results indicate the need to consider a new hierarchy of domains in the Carroll's pyramid. Of course, the proposal to change the order of importance of CSR fields (legal and ethical responsibility by economic and philanthropic) requires verification by research addressed to CSR managers in other countries. The positive verification of hypothesis 2 (strong positive correlation between all areas of CSR responsibility) confirms the assumption that individual CSR domains permeate each other (Carroll, 2016; Wagner-Tsukamoto, 2019). CSR managers do not treat them as competitive domains.

A summary of the results of research conducted so far on the hierarchy of areas in the CSR pyramid indicates that they depend on the position occupied by the respondent in the organization or their environment. Different respondents have different tasks (in the case of managers of different levels) and expectations (in the case of stakeholders). Therefore, research results directed to different groups of respondents should not be directly compared. Coming to practical implications, it cannot be ruled out that Polish enterprises are specific in that they already assume the order of preferences reported by CSR managers at the strategic level. If that were true, the practical implication would be to suggest that enterprises notify their priorities within the CSR environment. This would improve their image, also among business partners who comply with CSR principles.

However, the scenario seems to be more likely that there are different preferences for CSR activities at different levels of management (strategic and operational). In this case, it should be considered as to whether this is done with the consent of the top management and what effects it brings. One option is that activities tailored to customer expectations (preferring legal and ethical responsibility) translate into customer loyalty and, consequently, economic results. Top managers can give freedom in the activities of CSR managers, on the condition that they achieve good economic effects, officially declaring dominance in the strategy of economic outlook.

An alternative option is the low efficiency of CSR managers, partly as a result of adopting priorities other than those assumed in the CSR strategy. In this case, it should be suggested to increase control by the top management over the profitability of CSR activities undertaken at the operational level. Which of the above situations dominates in practice will be decided upon by the top managers.

## **6. Conclusions**

The article contributed to filling the cognitive gap regarding priorities declared by CSR managers, i.e. persons implementing CSR activities on behalf of enterprises in practice. The research results indicate that the respondent's job position (the scope of

duties related to CSR) and the economic sector they represent have the greatest impact on the valuation of individual areas of CSR, while the size of the enterprise has a weak impact. Persons only responsible for the CSR area rated the activities of enterprises in all areas the highest, employees, for whom CSR was one of the basic duties, rated them slightly lower, the respondents responsible for CSR as part of other duties rated them the lowest.

On this basis, it can be concluded that respondents assess and prioritize CSR activities from the perspective of their work position. This conclusion also indicates a negative verification of hypothesis 3 (no correlation between the valuation of areas of CSR and the valuation of financial risk). As this conclusion is based on correlation studies, with a relatively low valuation of financial risk, this may indicate either the effectiveness of CSR activities (a possibly small impact on the results of enterprises) or the financing of expanding CSR activities due to good financial condition of enterprises.

The direction of further research will be to determine the hierarchy of CSR pyramid domains from the perspective of the top management of Polish large- and medium-sized enterprises. This will allow to check whether, in reality, CSR activities in individual enterprises indicate the implementation of strategic assumptions of the management board or whether they are corrected (and to what extent) at the operational level. Obtaining the same hierarchy as in the case of CSR managers would indicate the specificity of the approach to CSR in Polish enterprises. Obtaining a different hierarchy would indicate the need to harmonize strategic assumptions with operational activities.

Considering the problems raised in the discussion and implications section, the research should be extended to include questions about the participation of CSR managers in creating and correcting corporate strategies (in particular CSR strategies), as well as methods of reporting, assessing and monitoring the profitability of CSR activities undertaken at the operational level. To obtain comparable data, it will be necessary to conduct research on a representative group of board members of enterprises, which will probably take interviewers more time than for questions directed at operational level managers. However, the current situation related to the Covid-19 pandemic and the dramatic change in the behaviour of enterprises in the short term is a more serious limitation for research. Research should be carried out after stabilizing the economic situation (at present, many enterprises are struggling to survive, preference for the economic domain of CSR is therefore almost certain), not earlier than in 2021.

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