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HIERARCHY OF GOALS AND OBJECTIVES IN AN ENTERPRISE STRATEGY IMPLEMENTATION PROCESS

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1. Introduction

Although Sustainable Development (SD) and Corporate Social Responsibility (CSR) have already been adopted to the management vocabulary and agenda in Central and East European countries (CEEC) there is still a discrepancy between the strongly related to PR activities symbolic construction of corporate identity, market image and reputation, and deliberate addressing sustainability issues to markets and societies through systematic actions. Strategy experts claim that in the XXI century the winners may take all of the markets undergoing globalization if they are able to advance their new standards making difference before rivals.[1] The major question is: how such relatively new phenomena in business as SD and CSR inspire managers facing crisis impacts on sales, costs, productivity of resources, profitability and confronting rivalry from market global giants? Do they make a difference?

The Central and East European countries after joining the EU have reengineered their economies and institutions observing the social and environmental impacts of that framework change. However the scientific research activity in the area of strategy and CSR is rather restricted to focus groups, there is a large progress in running all sorts of surveys allowing for comparisons if they are professionally designed and repeatedly announced. [2] More and more companies are inviting to their websites, although the quality of information heavily differs and reporting sustainability issues is not yet the standard activity within corporate governance model.

In Poland 2011 small and medium sized companies account for 99, 8 % of total number of companies registered. SMEs that emerged from the systemic change rarely have business and reputational credentials stemming from continuous activity for years that allowed them to build a distinguished culture in the complex process of organizational learning. Regardless from their limited resources and competing against experienced giants in hard crisis times they forge their philosophy of survival and success. How durable is this growth? Is it sufficient to construct business models, strategies and operations only around tangible resources and results? Maybe in view of the obsolete strategies of mature companies new entrepreneurship patterns developed in hard times in Poland and other CEE countries will become an engine of growth in Europe?[3] The discussion is mainly on the way of running business. The question, who can afford SD/CSR, appears with lower stress on values[4].

This paper is aimed at analysis of the dominant logic behind the company strategy implementation process under the impact of turbulent environment and limited resources available at crucial moments[5]. It is assumed, basing on the secondary research in Poland in the field of strategy, operations, sustainable development and CSR, that in recent years more numerous Polish companies incorporate the SD and CSR issues in a very pragmatic business oriented way. So, business rules go first, other rules next, but the process of learning, especially of innovative best practices, inspires the growing number of others by the force of positive example.

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[1] Grant R.M. *Współczesna analiza strategiczna,* Oficyna Wydawnicza Wolters Kluwer, Seria Biznes, Warszawa 2011, p..32

[2] Journals and newspapers. Eg. Puls Biznesu, Rzeczpospolita, Forbes, organizations eg. Responsible Business Forum, Lewiatan (association of Polish private employers), Polish Business Council, Business Center Club, portals, eg. Biznes.pl.

[3] L. Walesa comment to the book: A. Vizjak, A. Kwiatkowski, *Walka z rekinami biznesu. Sześcian wzrostu w konkurencji opartej na skali,* Studio Emka, ATKEARNEY,Warszawa, 2009.

[4] Such books as S.Lachowski, *Droga innowacji,* Studio Emka, Warszawa 2010 stress the role of values in successful innovative businesses, but their impact still is marginal.

[5] G.Leśniak-Łebkowska_ *,Zastosowanie komplementarnej logiki w integracji procesu zarządzania strategicznego, Zarządzanie strategiczne. Problemy, kierunki badań,* red. R. Krupski, Prace Naukowe Wałbrzyskiej Wyższej Szkoły Zarządzania i Przedsiębiorczości, Wałbrzych, 2009.

There are 5 following specific questions one should ask in the situation where the dominating doubts still are: does it pay to be socially responsible and environmentally friendly?

- What is the relationship between the financial situation of a company and its propensity to increase SD/CSR activities?
- What are managers' key issues and priorities in the strategic management (short-, mid-term and long-term)?
- How global factors shape their strategic reactions?
- Are the fastest growing companies responsible and environmentally friendly?
- Who are the winners in rankings of responsible companies in Poland?

Value system is not a determining factor to force sustainability and responsibility. Knowledge and building new competences to win seem to be a driving force to combine those issues into one integrated and business viable concept.

2. Strategy in turbulent times – academic view on overcoming chaos

Turbulent environment has been well described in management studies, which are the point of departure in this paper. One of the key concepts used in strategic management textbooks is the rational prescriptive model of the strategy process consisting of analysis, design, choice and implementation stages. This model, although builds the common ground for understanding and communicating on strategy issues within an enterprise and with external stakeholders, has been undermined because of lack or too slow alignment of a company ventures with external context.[6] Hamel referred to "grey-haired revolutionaries" in such companies as Charles Schwab, Cisco or GE Capital, the large and mature companies needing a fresh air to breathe, what meant passionate innovations and the end of "one - vision wonder". Innovations however, despite of the idea and passion require adequate resources, disciplined implementation, and always mean the risk. SMEs are not buffered in such a process, so for them it is a Taoist question: how to maneuver between survival and extinction?

The key issue for the company is to keep pace with changes without sacrificing the competitive position what means an extreme stress on financial results. Strategy is no longer the "wish" thing, but more and more the "must" thing. New models have been proposed, incorporating continuous controlling activities of all strategic management process stages, scenario based planning, active experimenting, flexible operational systems to deal with change, especially in the field of building capacity needed to capture the temporary opportunity or to run large-scale processes or mega projects. From the resources point of view[7] a company has to allocate and relocate tangible and intangible resources among diverse applications. The design of strategic management model should consist of three steps: setting up a consistent goals/responsibilities structure, developing scenarios and strategic objectives and, finally, developing action plans to be implemented[8].

Fig.1. Organizational constituencies for strategy implementation (own elaboration)

[6] G. Hamel in his book *Leading the revolution,* published by the,Harvard Business School Pressin 2000 in the first chapter points out the end of progress, rising expectations and diminishing returns (pp.1-31) what business has to face and the answer is a revolution through innovations.
[7] J. Barney, D. Ketchen Jr, M.Wright, *The Future of Resource-Based Theory> Revitalization or Decline?*Journal of Management, 10.03.2011 (on-line).
[8] A. de Waal, *Strategic Performance Management. A. managerial and behavioral approach,* Palgrave, McMillan, 2007.



In the figure 1 it is illustrated how the companies put together the needs for stability, order and control through setting up internal arrangements facilitating orientation, efficiency and effectiveness (left side). In turbulent environments the change is the king, so the forms of ventures, ranging from the lean processes up to temporary projects, should be intelligently designed as strategic vehicles of success through actions matched to perceived opportunities (right side). The management process starts from leadership, symbolic description of wishes, values, goals, etc. In the central “pipeline” there is a process of acquisition, distribution and transformation of resources into results. The key decision is about priorities in access to the most valuable tangible and intangible resources with their value being attributed in relation to the demand for them. The critical meter is time that affects all financial results: time to perceive the window of opportunity, time to mobilize forces to react, time of an operational cycle, time to get to the market with innovation, time to collect invested money back, and so on. Time-based competition became tougher with the IT and Internet solutions getting pace. The overall results represent the set of benefits,

intended or unintended, each of them having the different meaning for diverse stakeholders and influencing their decisions in next strategic cycles. The side-effects maybe positive or negative, what especially refers to environmental and social issues, frequently being followed by policy interventions.[9]

More universal approach than just the reactive or proactive strategy to crisis is to be considered. Management shouldn't be chaotic. Disturbed orientation may call for getting back to basics. Some will refer to goals, procedures and increased efforts to succeed, others to strengthening the base reinforcing the ability to understand, motivate, act and build conditions for smooth delivery with goals and methods being flexibly forged in this process. As a matter of fact learning needs experimenting and reflection. In business it means pragmatic, empirical and adequate strategies.

3. Three types of strategic goals – concept of staged development

In this paper three types of strategic goals are being considered, each of them reflecting major values and efforts behind them: survival, growth and sustainable development. (Fig.2). These goals refer to a company desired position on the market, in the country economy and society or, in the world. They evolve alongside with the industry life cycle, where the vast majority from the point of start is already a designated victim of the consolidation process. In four subsequent stages of the industry cycle, namely: opening, scale, focus, balance & alliance, the number of companies decreases due to concentration through M&A, amounting to 80% at the endgame.[10] The only survivors are 3-4 market leaders and the same number of leaders in successful 9 types of niches.[11] So, the survival is the priority, but one may survive the next stages of industry evolution only through simple growth and next by the growth building value to all important stakeholders, what implicitly means sustainability[12].

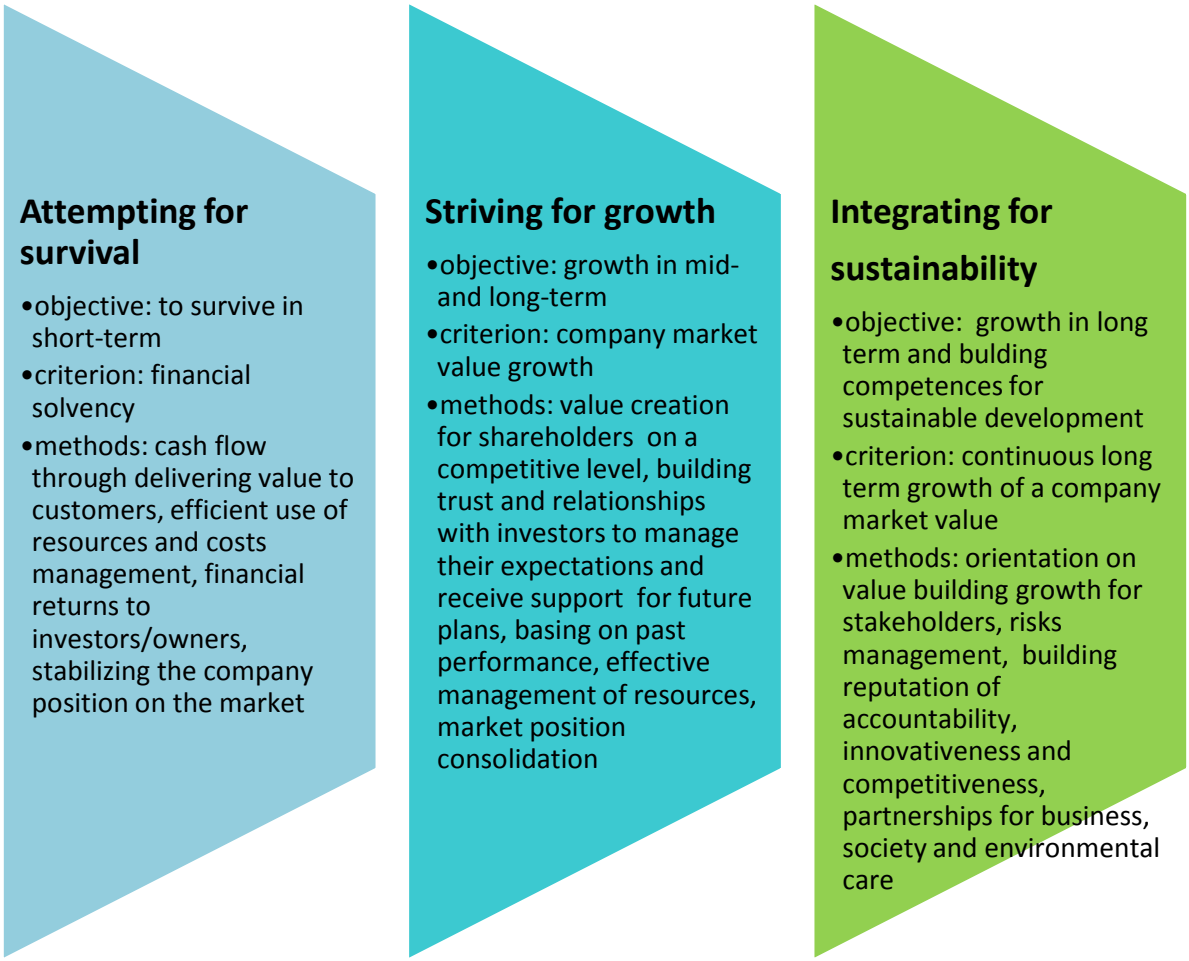
Fig. 2. Hierarchy and evolution of goals (own elaboration)

[9] Study on the Competitiveness of the EU eco-industry, Final Report, part 2, ECORYS, Teknologisk Institut, Cambridge Econometrics, CES ifo, Idea consulting, Brussels, 22 October 2009 (ENTR/06/054). To provide the comparable approach in investigating diverse subsectors of eco-industry the methodology covers the following issues: 1. Sector overview with insight in its nature, 2. Micro data on major players in the field, 3. Competitiveness analysis and major competitiveness issues, 4. The sector and its supply chain with interrelation with other sectors (upstream and main customers), 5. The regulatory and other framework conditions (economic and social environment, regulations, labor market, R&D, innovation, technology, globalization impact), 6. A dynamic SWOT analysis, 7. An overview of potential policy issues and suggestions.

[10] A. Vizjak,*Competing against scale. The growth cube in a scale-based competition. Założba, 2008.* See the fig.1.5 The consolidation endgame curve by ATKEARNEY, p. 31.

[11] See: F. Kroeger, A. Vizjak, A. Kwiatkowski, *Sukces w niszach rynkowych. Strategie uzyskiwania globalnej przewagi konkurencyjnej,* Studio Emka, Warszawa, 2005.

[12] The concept of industry life cycles shows that at the endgame only leaders survive until the next cycle starts after a breakthrough. It gives advantage to diversified companies splitting their risks, but sustainability also means the set of competences enabling further evolution through innovativeness. So, the sustainability doesn't mean the state of everlasting safety, but the ability to go further, also through start-ups.



Each company plans to earn money from satisfying needs of customers and regardless of its size and market position, everyday fights for **survival** in a highly competitive environment. Nobody is protected against all risks. The criterion for survival in financial terms is solvency, i.e. the ability to pay all accounts. There is a set of business objectives and methods of attaining such a safe and comfortable state with accounting and financial management being the highly needed competences in management to navigate among perils. The survival issue is a must for small and medium sized companies until they find a relatively safe niche or, in case of broader ambitions, when they manage to build potential for growth. The large companies through all operations lead the survival game with their competitors, representing the comparable potential and determination to win. Sometimes the survival is at stake and the outcomes of business activities may take two forms: bankruptcy and dissolving all resources or M&A type of altering the configuration of resources (tangible and intangible) under the control of new management who proposes new strategy of market presence.

The second type of goal is **growth** in short-term, mid- term and long-term. The criterion in such a case is the company value creation, what turns attention to owners, shareholders and other stakeholders who enable the growth faster than organic, what requires external sources of capital, positioning in the marketplace, credibility, building new competences for growth enhancement. The consolidation process taking place in the global economy puts an immense pressure on companies: either they grow faster than competitors or will be marginalized to niches where they are also endangered by transnational corporations and an array of local entrepreneurs. At this stage there is a strong temptation to grow at any price. The scale of operations starts creating potential problems of business management, environmental and social impacts. The strain on the deterioration of these areas may be hampered either by ethical

owners, managerial cadres and employees (endogenous factors) or by exogenous factors, such as legislation and social pressure, each of them having a variety of instruments to influence a company conduct. Growing companies are the objects of increased observation and in case of their success there is a public expectation/pressure of sharing their success with less fortunate. Then the ethics again is under contest, how much to share and with whom, so enterprises are feeling more comfortably when adopting sponsoring policies reflecting their availability to share. It also means the development of more advanced instruments of aligning non financials with business success.

The goal of **sustainability** in a company development path requires systematic learning process and appropriate resources with the growing importance of intangibles. It is evident that large companies generating the free cash flow which can be used in diverse allocations (business, environment, society) are in a comfortable situation if it is only in line with shareholders values, agreed priorities and plans. It requires new corporate governance models and practices stretched "beyond business". Sustainable development, still is - after a long journey the business already made - a controversial and ambiguous term. Investors prefer the clear concept of ESG (Environment, Society, Governance), clearly addressing, what should be done strictly for business, what for environment, and what for society. [13]The goal of sustainability in order to be measured requires the extension of the paradigm of company value creation for the sustainable value creation. Here we are on the crossroads. Market leaders define their major responsibility as creating welfare for the society through delivering useful products and services, generating added value to be shared with stakeholders and secure the company further growth. This road leads inevitably to internationalization and globalization, with operational and financial criteria excluding any competition, what may reinforce the poverty in the world. The concept of sustainable value was introduced by Stuart Hart, the author of 70 academic papers and several books, who writes that "strategies for sustainability are often counter-intuitive: No is really yes, up is really down"[14] From his work experience for China and India he made comparisons of the development paths and asks the question: which path will be more sustainable on the long run: to follow the OLD WAY growth of existing giants and developed countries or to base on existing values of transparency, entrepreneurship, local and rural dispersed communities to force: new urbanism, mass transit, sustainable agriculture, distributed generation, renewable energy, bottom-up entrepreneurship, IT-enabled development, inclusive wealth creation. He proposes on his blog: "Voice of the Planet" such entries as: *The New Dust Bowl; Decentralized, Distributed and Disruptive: the New Diseconomies of Scale; Beyond the Tyranny of Labor Productivity.* The choice, which way to support belongs to every individual. The practitioners investigate new ideas how to be sustainable and work out new practices. Numerous centers of excellence in scientific research are working towards proposing such a definition and based on verified cause-effect relationships model that can't be ignored by practitioners in business society, just because it is clear, opens new horizons of prosperity, although not without efforts. It has a lot in common with crisis prevention mechanisms, at least in the areas of non systematic risks. In case of systematic risks the companies strongly based on shared values are better prepared to cope with crisis and in case of large opportunities they are better prepared to jointly develop potential to make and discount a change. Such challenges made them develop more sophisticated set of incentives and instruments. They include integrated systems of management, adopting the top standards of transparency, reporting and building image of a responsible company, going beyond the regulations to prove their conduct is meeting the standards of corporate citizenship. It is more than the licensee to operate. It is the responsible partnership with other organizations and individuals who together care about sustainability having in mind the long term value of the whole civilization of Earth. Integrated strategy puts together: market position, investment objectives, society goals, value for customers, and compliance to legal regulations. In reward for its conduct the company may achieve: increased sales and profits (value for shareholders), better

[13] See reports on Socially Responsible Investing in publications of Social Investment Forum (USA) or Eurosif (Europe) which prove the growing importance of real investments in ECG, with SRI approaching the broad market scale from the niche position, thus becoming the feature of the modern financial market closely related to contemporary patterns of Corporate Governance, including the CSR and sustainable development reporting.

[14] *Sustainability,* Stuart L. Hart's Monthly Newsletter, December 2011, e-mail direct message to friends.

communication with all stakeholders and the market, increased innovativeness and more sustainable future.[15]

An organization usually has to pass through seven steps of CSR strategy implementation:

1. Identifying the most likely combined external triggers on the company activity,
2. Scoping what matters, what means the review of existing strategies potential to cope with perceived problems,
3. Making the business case of proposed initiatives basing on financial simulations (cost/benefit analysis) and other supportive functional strategies to choose the most attractive integrated strategy,
4. Committing to action stemming from social and leadership impact assessment on the consistency of a company strategy, fit to environment and culture,
5. Integration of existing resources and gathering lacking ones from identified sources,
6. Engaging stakeholders in the process of multilateral communication and influence,
7. Measuring and reporting that requires the indicators, data collection, review of results and lessons learned.[16]

4. Condition, strategies and goals of Polish SMEs in 2011[17]

The SMEs role in crisis is crucial due to their assumed flexibility. On the other hand their safety is endangered due to external impacts and internal weaknesses. In this point it is to be discussed the hierarchy of their goals with the use of conclusions from the PKPP "Lewiatan" 2011 report based on CBOS poll taking place on June 15- August 19 on the sample of 1501 active private companies employing 2-249 people on job contracts. The sample was divided into all 16 provinces, and into 9 sectors: manufacturing, water supply, wastes and waste water management, re-cultivation services, construction, wholesale and retail trade, transportation, storage and connectivity, lodging and catering services, information and communication services, real estate care services, professional, scientific and technical works.

In Poland there were 1,67 million companies registered accounting for 72,3% of country GDP and employing 6,5 million persons[18]. Their structure differs from UE average, is more dispersed: large companies (only 3,11 thousand), SMEs (share: 99,8%) , were dominated by micro firms (96%), with numbers of small (50, 2 thousand) and medium (almost 16 thousand). In terms of importance for the country economy measured by the contribution to GDP creation: large companies share was (24%) and SMEs (48,2%) with the shares of micro (30,5%), small (8%), medium (10%). Large companies employed 2,5 million persons (38,6%), medium 1,6 million (24,5%), small over 1 million (16,1%), micro 1,36 million (20,8%). The majority of SMEs were active in trade (30%), with manufacturing accounting for 11%, construction for 13%, and services for 45%.
Relatively good conduct of the Polish companies in 2011 was mainly attributed to their conservative strategies in financial management and low leveraging level with high focus on the Polish market. The drawbacks of such strategy are the limited openness to export, investments and innovativeness. The former competitive strategy based on low price (lower cost of resources, successful competition with low cost countries import and fit with local demand structure) declared by 52% of investigated companies allowed them for securing survival was supplemented with building relationships with customers and business partners at the same time followed by deliberate investments where the demand was well defined and solutions were well calculated. Present strategy, started in 2008, represents the shift from selling low cost into quality products and services for reasonable price (43, 3% respondents declared this priority against only 15,4% focusing on price) and 42,8% sustains this strategy for the nearest 2-3 years.

[15] Based on D.E. Hawkins, *Corporate Social Responsibility. Balancing Tomorrow's Sustainability and Today's Profitability.* Palgrave (Macmillan), NY, 2006, p.191-192.
[16] Based on P. Berrone, L. R. Gomez -Mejia, *Environmental Performance and Executive Compensation: An Integrated Agency-Institutional Perspective.* Academy of Management Journal, Vol.52, No.1, 2009, p. 103-126.
[17] PKPP "Lewiatan", under the direction of M. Starczewska-Krzysztoszek, the chief economist of Confederation, conducts a 3-year research project co-financed by European Social Fund *Monitoring the condition of the SME sector in 2010-2012,* the results each year are published and discussed during the conference.
[18] December ,2009 (GUS 2011).

In view of the growing adverse impact of external conditions (rising prices of energy and raw materials, demand factors, employment, inflaction , exchange rates, more expensive and difficult external financing), accompanied by the country regulations, administrative procedures, fiscal policy, social costs, companies expect the drop of profits limiting the ability to grow. They will have to countervail their influence through cost rationalization, better risk management and stronger reliance on the human capital. The preferred business models are strongly dependent from knowledge and competences of cadres. That's why the respondents from all types of SMEs declare the needs in investing into human capital development (75,5-78,8%) rather than in employment cutting. The competence most searched is the experienced employee (55%). The cost cutting has a limited potential while innovativeness still is the weak side of this group. Small propensity to innovate stems firstly, from the risk awareness, second, from the shrinking profitability and increasing cost of money, except from the EU operational program "Innovative Economy" and other EU funds. There is also a limited knowledge and awareness of types of innovations. Many companies stick to their core products and services and adopt typical niche strategies available for SMEs, while ignoring the process and marketing innovations. Deep product and process innovations require stronger country platforms, as the SMEs with their individual potential are too weak to drive innovations.
These observations fall in line with the KPMG partners more detailed list of identified priorities of top managers in Poland and in the world.[19] The most important priorities in Poland were:

- operations change aimed at cost efficiency (43%),
- Improved management of cash and capital turnover (32%),
- Growth through better transactions (30%),
- Preparing organization for important change of the business model (25%)
- Human capital management and retention of the appropriate people (24%),
- Better risk management (21%),
- Searching for new opportunities on emerging markets (21%)
- Introduction of product innovations (20%).

10% of respondents declared incorporating of sustainable development into the company business model.

5. The growth challenge

The second type of goals becomes important in a company strategy implementation when the perceived opportunity is followed by exceptional internal motivation and potential to grow. Such companies are identified in the ranking of the most prospective companies quoted at the stock exchange, where the measure is the Total Shareholder Return (TSR). [20]One may attempt to check the commitment of companies with the highest TSR to sustainability and social responsibility. The fast growth allows for generating cash that could be used for these purposes. The best WSE quoted company has earned for its shareholders during recent 3 years over 1200%. During the last 10 years the better investment for shareholders was 3000% return. TSR is based on two perspectives: internal (decision on dividends or increased value of shares) and external (share price established by the market). In general in years 2009-2011 the fastest growth rate was in food and chemical industry companies. The medium sized companies were the best handling market turbulences compared to small and large ones. Their market capitalization growth was faster than WIG, twice faster than small companies and more than twice faster as large ones. The companies most suffering from the drop of investors trust belonged to construction and development sectors.
The fastest growth rate achieved Cormay (1264%), Synthos (916%), Silvano (633%), Integerpl (598%), Kernel (465%), Abpl (454%).
When ones navigates the websites of these companies could be impressed by the core products and services, pace of investments into the future success through commercialization of innovative projects, building scale through M&A, building synergies, progressing with market consolidation, purchasing from developing countries. Products based on knowledge, in the prospective biotechnology area, like

[19] M. Grabarek, W. Stopka, A. Bernatek, HBPR.PL, maj 2012, s. 23.
[20] Ranking TSR: Złota Akcja Biznes.pl. Poznaj 100 najlepszych spółek giełdowych. Biznes.pl/rynki/giełda/…/ranking-tsr-zlota-akcja-biznespl-poznaj-100-najlep.5106523., 19.04.2012.
There is also the ranking of the newspaper "Puls Biznesu" conducted from 13 years by PENTOR. The criteria: growth perspectives, investors relationships, management competences, quality of products and services, market success evaluated by 180 specialists from the financial market institutions.

specialized medical analyzers and diagnostic laboratory tests (PZ Cormay) prove to be successful vehicle for increased value creation for shareholders. The production of unique material (like synthetic rubber in the form of emulsion for numerous industries at the top quality level, with all components of integrated system of management (quality, safety, environment), all top standards as it is in case of Synthos gives the company nr 1 in Europe and no 3 in special polystyrene, but in view of global competition requires further investments. Silvano, the producer of women underwear from Estonia, with the sales growing in central and east Europe with extentions to Asia (Russia, Kazakhstan) offers interesting returns to shareholders meeting the expectations of customers due to good business management practices. No information on sustainability issues are available. Integer.pl is a the group that grows due to the weaknesses of the Poczta Polska (state postal service), successfully developing the postal services to 500 locations in Poland from its central magazine, very efficient delivery systems allow the for dispatching the promo materials and addressed letters within 48 hours. Kernel, agricultural holding from Ukraine does not provide information, except from the financial data from the stock exchange.AB.Pl is one of the Polish champions investing abroad in their area of expertise, that is the distribution of IT products, hardware, software and home appliances based on digital technology.

What turns attention in this category of companies, is that they also undergo market fluctuations and are aware of the necessity for further growth depending from the continuous flow of money from investors to support the new ventures. Their competences are mainly business ones but sustainability related to business specific features is also there, especially reputation and accountability for investors, clients and business partners. These companies are not seen in CSR rankings.

The separate ranking of the companies the fastest increasing their market value is also proposed by "The Forbes" magazine, as "The Diamonds of Forbes"[21] in cooperation with Dun & Bradstreet Poland business intelligence agency who provided methodology and surveyed the official reports of companies delivered to KRS[22] in 2011, that met the criteria of EBIT, ROA, solvency, not lagging with taxes and exhibiting positive financial results and value of capital assets. The Swiss method combining the assets and revenues valuation allows for weighted average calculation overcoming weaknesses of just one method. The Forbes Diamond has to prove as minimum 15% -growth of market value. Companies are divided into revenue level categories, grouped into provinces. The analyses are deepened by the experts look at the contingencies. The publication includes all observations of what happened recently, all new phenomena, like care for eco-innovations, logistics and wastes management, energy efficiency, changing the local business and social environment, barriers hampering development, commitment to traditions, the safest sectors in crisis, the most affected by crisis, the benefits from industry clusters, etc.

6. Business social responsibility and sustainability initiatives

The leadership in promoting CSR activities in Poland belongs to Responsible Business Forum (FOB), the nongovernmental organization that started seeding the idea of incorporating business ethics, social responsibility and environmental care into business strategies. At the beginning they mobilized the top ranking companies and popularized their responsible business practices proving that it's feasible. By force of positive examples and rivalry the innovative responsible business practices started, embracing the growing number of companies that this way could strengthen their position on the market and image in the society. At present FOB forces through their mission the concept of responsible business as the standard practice strengthening competitiveness, social satisfaction and environmental stewardship. The scope of their activity is broadening all the time, thus securing them the position of leading platform for cooperation, dialog of stakeholders and support to companies interested in CSR. One of the most popular initiatives of FOB is the ranking of responsible company. Six Rankings as so far conducted by the newspaper "Gazeta Prawna" under the auspices of FOB allow to increase the number of companies who care, the majority being constituted by large companies. The growing number (already 17) of repeatedly high position (5 times) of such companies as Schenker, Danone, Kompania Piwowarska (SAB Miller branch), TPSA (now Orange), GlaxoSmithKline, PKN Orlen, Cemex,City Handlowy, Lotos Group, Nestle Pl and other prove the popularity of this initiative that every year reports attracting new debutants. Another important initiative from the point of view of this paper is the research project Managers500/Leader CSR, aimed at investigating the CSR priorities of the largest companies in Poland.

[2121] Diamenty Forbesa, Forbes 2012.
[22] The Country Registry Court.

The results of the 2010 survey indicates that brand and image remain the main motive behind engagement in CSR (76%), but the growing importance gain two other motives: building better relationships with local societies (76%) and long-term financial benefits (56%). It shows that the ways of achieving such goals as sustainability and responsibility are numerous and evolving over time with correspondence to business context[23].

The second type of agents promoting responsible and sustainable business is the association of employers.

The most representative and complex opinion survey on the CSR in Polish companies, their business environment and society in general has been done in the project "Coalition for Responsible Business" launched by the association Employers of the Republic of Poland in 2010 and financially supported by EU through European Social Fund. Six industries were investigated: ICT, pharmaceutical, FMCG, finance & insurance, construction and fuels & energy, all of them being "socially fragile" and having high impact on the economy, society and environment. The results show that only 3% of adult Poles from the representative sample heard about the term "CSR", 4% were not sure, 93% gave negative answer. The main issue in questioning respondents from 20 companies (employing apx, 100 thousand employees, selected as the representative sample) was their opinion whether their employers are responsible and how the responsible company should look from the inside. Deepened questionnaires were addressed to 126 representatives of major stakeholders: government and self government administration, legislators, industry/sectoral associations, media, science centers, key suppliers and customers, NGOs and presidents of companies. The results enabled with the use of expertise of PWC the attainment of the major goal: supporting of enterprises in implementing CSR with the use of specially constructed tools: CSR Code defining major principles, implementation manual and 6 sectoral manuals covering industry specific issues. Due to the broad media campaign 43 firms declared to join the coalition, 32 of which passed the CSR audit of PWC. Thus the new differentiating feature has been established, inspiring not only large companies with foreign capital, but also numerous Polish companies of all sizes, some of them being new, other old after deep restructuring.[24]

Another type of initiative belongs to Polish Confederation of Private Employers "Lewiatan" which in partnership with NSZZ "Solidarność" trade union and consulting company Deloitte organized the competition for the CSR activities the best integrated with the business strategy. Participated leading companies of the Polish economy, 20 of them won the competition achieving almost maximum scores. The idea of competition was based on the strong conviction that CSR should have strategic dimension to bring long-term results.[25]

The same moves are observed on the Warsaw Stock Exchange where some of the companies quoted there apply to be registered under the RESPECT index, meeting its requirements concerning responsibility, ecology, sustainability, participation, environment, community and transparency. Altogether Socially Responsible Investments account in Poland only for 0,3% of total assets under management (AuM). According to Eurosif during the next three years their growth will be mainly fueled by the demand from institutional investors, participation in international initiatives (e.g.UN PRI, Global Compact, ISO 26 000, UNDP regional conference on CSR- system of measuring CSR in 5 CEE countries enabling benchmarks for companies and countries)[26] and external pressures from social groups.

So, considering the goal of sustainability/CSR, one should note that it gains popularity due to exogenous initiatives, mainly in large companies, frequently being the branches of international or global industry leaders, followed by the growing number of aspiring Polish companies looking for recognition and brand.

7. Conclusions

[2323] www.odpowiedzialnybiznes.pl
[24] www.koalicjacr.pl/badania.html (15.06.2012)
[25] www.pkpplewiatan.pl; www.csrinfo.org.
[26] www.undp.org/tools/publications.

As the environment of business is not likely to dramatically improve and on contrary, the evolution of crisis is expected, the most important issue is how companies tackle problems and create foundations of long-term success. How many have found the strategies and business models that fit to the market, provide growth and profits due to management excellence and using the levers of sustainability and social responsibility?

The hypothesis on three types of strategic goals founds its justification in the analyzed material, despite of the secondary type of research. Crosschecking the different sources shows that some conclusions concerning the business environment are consistently repeated, regardless of the source, declared strategies and effectively implemented ones differ due to management weaknesses and unexpected or unavoidable external impacts. On the lists of winners one can find not only the same names of global leaders, who enjoy unquestionable positions in the area of applied electronics, PCs, credit cards, some cosmetics due to quality of products , strong brands and long lasting reputation. They continuously pay efforts to keep their position strong. On the move up are the young aggressive regional leaders and most dynamic specialists gaining international recognition. Polish customers highly value domestic banks, insurance companies, fuel stations, travel offices. Services evidently become the strong offer complementing the international product portfolio with value added. The growing number of successful domestic companies in the rankings illustrates their intelligent discovering of existing gaps. The listings are different, so the method of data selection matters and the way of data presentation also counts. Numerous companies still ignore the power of transparency, reporting and participating.

The institutional development brings a lot of valuable initiatives that help companies to understand more about the present rules of the business and going-beyond business game, enable them positioning themselves in the competitive settings, show the direction other companies are choosing to grow, methods they apply, some of them becoming the best practices. The positive examples reduce the risk of followers and still their diffusion brings positive impacts on the economy, society and environment.

The complex and dynamic competitive landscape is not easy to analyze and navigate on daily basis. So, the companies looking for visibility and image of high reputation encounter more problems with costs of effective marketing communication. If the information is “not organized” under the more visible initiative like a countryside ranking, it is not reaching the target. There is nothing strange that companies are more and more interested in building their position not only through just business but also through “starring” at diverse galas. Such organizations as FOB, confederations of employers, trendsetting magazines like prestigious Harvard Business Review Polska or more widely Forbes, Puls Biznesu, or coalitions of expert organizations with media partners, state agencies and business offer popularity on larger scale, multi access channels, and strengthened recognition in case of repeated success, what by definition has a lot in common with sustainability, when the criteria are more ambitious.

[1] www.pkpplewiatan.pl; www.csrinfo.org.
[1] www.undp.org/tools/publications.