

The development of CSR in current business environment based on the philosophy of Tomas Bata the founder.

T. Culík, G. Končítíková and P. Staňková

Abstract — This paper presents the results of research, which was focused on the analysis of social responsible business of Tomas Bata (1876-1932) and Bata Management System before 1945. Aim of the research was to investigate how socially responsible approach of Bata Company before 1945 operated. Consequently, this research determined how the core elements of Bata's CSR might be applied into current business environment. The research is divided into two parts. Firstly, it is focused on the research of archival documents. The first part is focused on the research of archival documents. It is based on the method of oral history - testimony of the witnesses - the people who have experienced Bata Management System before 1945. Furthermore, the method of biographical research and the method of phenomenological research was applied. Using historical data analysis, there were established basic principles of CSR in Bata Company before 1945. The second part of the research is aimed on finding attitude of entrepreneurial environment toward an implementation of selected principles of Bata Management System into its business strategies.

Keywords—Bata system management, Tomas Bata the Founder, Motivation,

I. INTRODUCTION

Cohen (2010) defines Corporate Social Responsibility (CSR) as: “A way of doing business that is based in ethical principles and structured management controls, and that takes into account social and environmental considerations alongside economic considerations when making business decisions, attempts to create positive impact on all

stakeholders.” Important to notice, CSR as a management tool is not only a voluntary approach but mainly, it is a strategy. This article focuses on CSR and its impact in employee satisfaction. Mullerat (2011) points out that CSR can increase employee satisfaction, which will result in delivery of higher and better quality service, logically leading into greater business success. He underlines his assumptions by the formula, which says that satisfied employee will positively influence customer satisfaction and repeat business. Allen and Wilbirt (2002) determine the drivers of employee satisfaction in five separate areas: Work, Pay, Promotion, Supervision, Co-workers. Urip (2010) states that the most still perceive CSR activities as: “A sort of discretionary favour granted to the community by business, and that such largesse is only appropriate after the company is well established, growing and profitable.” The author adds that CSR of this type results in a one-off direct benefit to the community and only limited impact in a term of benefit to the company itself. Coombs and Holladay (2011) believe that: “Being socially responsible necessitates a focus on business practices and the outcomes associated with those practices. Those outcomes are not merely financial; rather, outcomes include sensitivity to the impact on stakeholder on a voluntary basis.” Therefore, CSR should be driven by the organization's vision and purpose. In the term of employee satisfaction, authors describe the fact that talented potential employees as well as current employees might find working with a socially responsible organization intrinsically rewarding. Cook (2008) defines a close relation between employees satisfaction and employees engagement. The author states that: “Employee engagement is personified by the passion and energy employees have to give of their best to the organization to serve the customer. It is all about the willingness and ability of employees to give sustained discretionary effort to help their organization succeed. Therefore, employee engagement is more a psychological contract than a physical one. Considering these fact, engaged employee is very likely satisfied employee too. Wall (2008) sums CSR up by the statement that: “Corporate social responsibility is no longer an optional part of doing business. Long-term profitability, the most important responsibility of management, can only be assured by taking an active stance on CSR. Business needs to engage in the social and environmental problems of today, to ensure the viability tomorrow.”

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Petzhold (2010) finds the basic thought of the concept in „believing “that modern companies should have their duties within the environment, not just to shareholders. In essence, the concept provides long-term wealth to the company. CSR considers all stakeholders: Customers, employees, communities, government and environment too.

Characterising and understanding CSR as a regulatory phenomenon is an important if somewhat distinct step from much of the discussion surrounding CSR (Sheehy, 2012).

To define CSR, it is necessary to perceive its global perspective. Skálová (2013) pays particular attention to the risks that the global market affects companies. Generally speaking, most definitions are based on three-part concept of CSR, which includes economic, environmental and social levels states Kudlová (2012, p.18). Kudlová (2010) also defined different groups of representatives related to the levels. The issue of social responsibility is not related to private sector only, but also the public administration and society as whole. Regarding to this fact, Tetrenová and Košťálová (2013) agree with this conclusions.

Pešík (2013) argues that: *“Many scientists say that the theory of strategic management could be modelled by simple economic models. The purpose of this attitude is not a making of an alternative scientific paradigm. They also do not want to change main methods used in management theory. There models should support and strengthen current pieces of knowledge in the strategic management. By using model there is a great opportunity to give more logical consistency and more precise list of the theory’s assumptions. We summarise main arguments in favour and against using economics models in strategic management theory. Then we use modelling in describing of a corporate social responsibility problem”*. Different view of CSR in different countries pointed out Ivanescu and Ivanescu (2013), who focus on CSR in Romania. According to Kudlová, economic area of CSR is represented by profit, people represent social area, and environmental area is characterized by planet Earth. Furthermore, Kudlová (2012) characterizes **the economic area** as an area where involved parties mutually agree upon the requirements that are related to the principles of management of individual organizations, disagree with bribery and money laundering, agree on compliance with legal, ethical and payment standards. Together, they fight against poverty and abuse of information. **The environmental area** can be characterized as a firm’s ability to define the impact of its actions and activities on the environment. **The social area** is the most discussed area of current CSR issues. This area can be described as an interest in philanthropy, employment policy, and promotion of education and retraining, promotion of gender balance, responsible approach to fluctuation, adherence to ethical rights in labour relations and human rights, underlines Kuldová (2012).

II. PROBLEM FORMULATION

Currently, only a small group of people focus on the research of Bata Management System. The greatest base for

this research is on Tomas Bata University in Zlín. For example Professor Zelený focuses on the research of the Bata tradition. He shows productive publication and scientific activity on this topic, Mrs. Professor Petříková, docent Gregar or Dr. Lešingrová. In spite of existence of the publication and scientific activity on the topic of Tomas Bata and the Bata Management System etc., there still does not exist any study, which would talk about a direct usage or application of the Bata Management System in the current business environment.

Therefore, our research aims at direct application of the Bata Management System on specific companies in such a way that it is possible to prove the success of putting this system into practice with measureable results. The research areas and questions were set after a direct discussion with companies, which were interested in putting the Bata Management System into their business philosophy. The result of the initial meeting with these companies was that the current business environment shows great interest in the implementation of socially responsible behaviour stemming from the experiences of the Bata Management System.

Historical data analysis is carried out as part of the research. These documents have been preserved from the times of Bata Company operating by the year 1945. It is needed to point out at the beginning of presenting our latest results that there does not exist any historical or current publication or research which would be bringing any compact piece of knowledge about the Bata CSR by the year 1945 nor about the ways it functioned, sides involved, their impacts on co-workers of the company or the wide public of the Zlín’s area of the day. The goal of this research is to analyse historical documents of Bata Company. by the year 1945 and to describe the CSR of the day on the basis of this analysis and to find possible usage for the current business environment.

The company’s archive, in which the original documents related to the functioning of the company are stored, serves as a basis for the historical documents analysis. It is not an archive, which would be owned by Bata Company, but a state archive of the Czech Republic.

As mentioned previously, there does not exist any overall historical or latest research or a document describing the CSR of the company by the year 1945. Our research is therefore based on a thorough analysis of the historical data, which formerly served as directives, regulations, public notices, and notes from meetings of the day, historical newspaper articles, photography, personal notes and interviews with witnesses of the day as well as the literature of the day.

The research results bring gradually a complex description of the CSR of Bata Company by the year 1945 and its influence on its co-workers, the citizens of the town of Zlín, development of the town, development of the manager techniques and skills, system of control etc.

The objective of presented research is to find answers to the following research questions:

What were the basic elements of CSR care of employees in Bata Company before 1945?

Is it possible to apply these elements into the current business environment?

What is the opinion of employees before and after the application of selected elements of CSR approach towards the employees?

Following part of the research is focused on attitude and opinions of entrepreneurs to the implementation of Bata Management System and its chosen principles into their business strategies.

III. PROBLEM SOLUTION

The objective of the research is to analyse historical documents of Bata Company before 1945 and based on this analysis to identify possible implementation into the current business environment.

Within the research we carried out the analysis of historical documents that have been preserved from the period of operation of Bata Company before 1945.

As the basis for the analysis of historical documents we used corporate archive of the company that stores all the archival documents related to the operation of the company.

As it was already mentioned, there is no comprehensive historical and modern research and document that would describe CSR in Bata Company before 1945. Therefore, our research is based on a thorough analysis of historical documents, standards, regulations, and minutes of meetings, historical newspapers, photographs, personal notes and testimony of witnesses and the time period literature.

Results of the research sequentially brings a comprehensive description of CSR in the company before 1945 and its influence on the former co-workers, citizens of Zlín, town development, development of managerial techniques and skills, management systems, etc.

Methodology

The content analysis method is focused on a research of the historical documents of the Baťa Company Inc. related to the town of Zlín development in the first half of the 20th century. The archive documents are stored in the Moravian-country archive with a subsidiary in Zlín. This archive is specialized solely in archive documents related to Bata Company. Documents of daily character which the company used belong among the documents analysed. They are for example: transcripts of company sessions, internal regulations, memos, internal rules, norms, daily press of the day published by Bata Company and personal notes of the witnesses of the day. (Hendl 2005)

The method of biographical research aims at the research of personal possessions of the witnesses of the day who experienced the times of Tomáš Baťa the founder and worked in company by the year 1945. These people had a unique opportunity to experience the Bata Management System. They are especially personal notes, documents, photos and printed materials of the day.

The phenomenology research method can be used only in case that the subject of research was considered a phenomenon at its time. Calling a situation, a subject or a person as a phenomenon must be proven from several points of view. Bata Company by year 1945 meets these conditions and that is why it was possible to take advantage of this method in our research.

The oral history method is a very specific method when it is possible to describe the research problem by means of personal testimony of the witnesses of the day who have a personal experience with the subject of research. (Vanek, Mücke, Pelikánová, 2007) As part of the studies of the Baťa history we have a unique opportunity to speak with the witnesses of the day who had the opportunity to experience the Bata Management System by year 1945. We are able to describe the Bata Management System by means of the witnesses of the day's testimonies. Nowadays, there is the possibility to meet witnesses of the day in the Club of Baťa School of Work graduates, which works within both the Czech and Slovak Republic, and it unites the graduates of the Baťa School of Work for young men and women. Testimonies of the witnesses of the day and the historical data content analysis bring unique and unrepeatably findings to our research. (Vaněk, 2003)

CSR of Bata Company toward its employees before 1945

The company had a sophisticated system of employees' care. This system consisted of social, health, cultural and educational areas. Many entrepreneurs are interested to implement certain elements of the Bata Management System into their business strategy and philosophy. However, the system in its whole scope might be elusive. This system evolved sequentially – from basic elements into complexity.

Bata Company before 1945 adopted the principles of „self-government workshop and „profit-sharing“. Each workshop operated as a separate department and it was responsible for its results. Employees had received weekly wages. The wages depended on the quality of output, there was a career system and each employee could use a range of benefits. The most known included Bata houses, further education, personal development, meal allowances, health and social care, laundry, social and cultural facilities, etc.

Bata Company before 1945 established many social, medical, commercial, cultural and leisure facilities and services for both, own employees and their families and for all citizens and visitors too. Tomas Bata established Hospital and Town spa too. As a part of social services there were established homes for elderly, children homes, catering facilities, dormitories, etc. Complex employees' care had been ensured by Bata Social Department. Thanks to the company and unlighted thinking of the founder, Zlín had become rich and cultural town and background. There were libraries, theatres, cinemas (the most modern and the largest in Europe at that times) and there were organized numerous cultural events several times a year. These events were primarily intended for employees of the company and the general public

too. In the area of education, Bata Company and city of Zlín became very famous. The company develop a perfect education system just in 20 years, which become an inspiration for many foreign educational systems.

Application of basic principles of Bata Management System in the current business environment.

The survey covered a total of five medium-sized companies (according to the number of employees, 50-99). We had 425 people participated.

Before the start of the project, these people filled in the questionnaire focused on their satisfaction at their workplace. Consequently, we verified our investigation once again after three months period. More accurate results will be available later as the further testing will take its place one year after the project.

Into the current business environment we have implemented seven basic principles of Bata Management System, those which will not increase any costs for participating companies, but may increase the company's performance and employee satisfaction. These principles are following (Fig. 1):

Principles of the Bata Management System	
1	We all are co-workers
2	Substitutability
3	Self-government of departments
4	Everyday overview of the company situation.
5	The co-worker takes part in the profit and loss.
6	A co-worker must be able to get to know his salary for every day.
7	A co-worker must know the possibility how to heighten his salary.

Fig. 1 – Overview of selected principles of the Bata Management System

I. We all are co-workers. Each of the cooperating companies started to use newly the term co-workers for their employees. You can never force anybody to be a colleague of someone if there is no mutual liking between him and her. As an employer you can ask everyone to be your co-worker. As part of the company strategy we are directed to one goal and so mutual cooperation is a must.

II. Substitutability-each one of us can be replaced. Every working position in any society must be fully substitutable. This is the way we avoided to be dependent on an individual but we depend on all co-workers who function as a working team.

III. Every department must be autonomous. The Bata Management System was built up on so called autonomy of workshops. Every workshop or department was autonomous and worked on its own. It had its own director or leader who was responsible for the results of its department.

IV. Everyday overview of the company situation. In Bata Company while Tomas Bata was there, it was quite common that he got an exact overview of the company

situation onto his desk every day. We are also able to know exact numbers, which represent our current business situation.

V. The co-worker takes part in the profit and loss. All co-workers of Bata Company took part in the profit and loss. Everyone was responsible only for his work, which he was able to compensate financially.

VI. A co-worker must be able to get to know his salary for every day. Inspired by Bata's transparent system of rewards we created a transparent information system with the usage of which is every co-worker able to see his salary for every worked day in the month.

VII. A co-worker must know the possibility how to heighten his salary or so to say: healthy competition towards a better result. In Bata Company every co-worker knew the possibilities how to heighten their salaries.

The results of application of selected principles in practice

The principles above were applied into each company individually. Access to policies was different for both – employees and employers.

The questionnaire was focused to determine employers and employees would welcome the application of the Bata Management System principles. Each question was specified by the scale answers. The scale was divided by points. Each company could get up to 100 point for each criterion. Result of 100 points represented 100% support for the implementation of the policy. The following tables and graphs show the difference between the approach of employees and employers.

During the pilot study, 86% of interested employees stated that they would appreciate higher level of interest of their employers in the area of CSR. After introducing the principles of the Bata Management System, which should become the basis for the development of CSR in the field of employment policy, employers' interest significantly raised up. We assume that many people still confuse CSR with the principles of charity and volunteering.

The table below represents the score of which the owners and managers of the companies assigned to the proposed principles, the score corresponds to the following scale (Fig. 2):



Fig. 2 – Point Scale

The following table (Fig. 3) shows that most entrepreneurs, owners of companies and managers agree with the introduction of the principles of Bata Management System into their business strategies. Scoring of individual companies ranged

from 65 to 91. Each principles of the Bata Management System are marked in the left column of the first numbers I to VII. and conform to the principles introduced in Chapter 3.3.

Attitude of employers toward the proposed principles:

	Company 1	Company 2	Company 3	Company 4	Company 5
I.	78	82	65	74	84
II.	89	84	86	87	84
III.	76	82	86	82	69
IV.	78	74	84	82	86
V.	90	89	88	84	91
VI.	72	74	72	76	74
VII.	70	84	84	80	79

Fig. 3 – Results from the perspective of employers and managers of the companies

The following graph shows the point values in graphical form (Fig. 4):

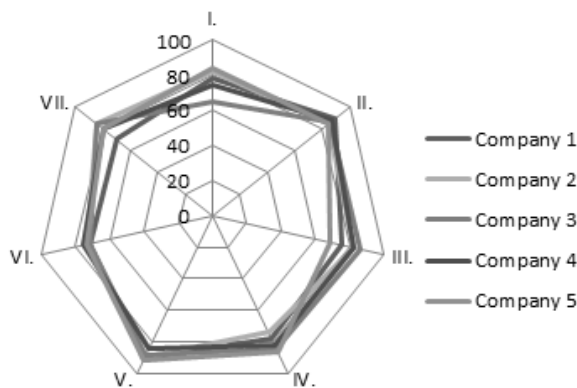


Fig. 4 – Graphic illustration of the opinions of managers and entrepreneurs

From the perspective of employees there is an interesting fact that in the early part of the research have shown interest in CSR by the employers towards them as but later agreed to establish certain principles of the Bata Management System less than employers themselves. Expressions on certain principles of the Bata Management System bordered with an answer that does not agree with its implementation. These values were measured mainly at the principles, which implementation was associated with increasing performance and responsibility of employees (Fig. 5).

	Company 1	Company 2	Company 3	Company 4	Company 5
I.	88	89	84	83	87
II.	68	58	64	64	70
III.	64	54	68	60	72
IV.	62	72	70	68	64
V.	54	52	54	55	56
VI.	70	74	72	76	74
VII.	82	82	80	84	81

Fig. 5 – Employees` score

The following graph shows the point value in graphical form:

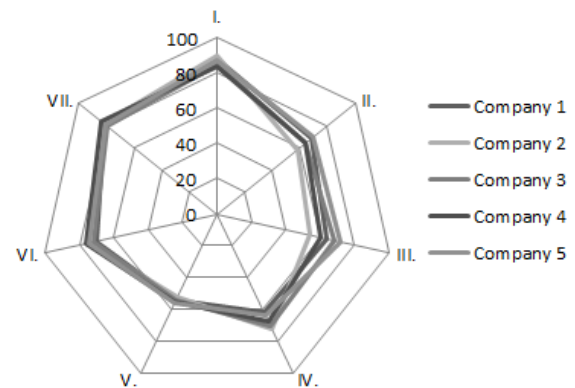


Fig. 6 – Graphic illustration of the opinions of employees

Another object of the research is a possibility of employees` social care model application. Based on the research of archival documents, it was found out that employees` social care could be divided into 10 areas:

1.	<p>Employees` health care</p> <ul style="list-style-type: none"> - Regular health checks - Promoting health through vitamin packages - Support for regular exercise - Development of ergonomics - Promotion of healthy eating
2.	<p>Lifelong education in the field</p> <ul style="list-style-type: none"> - Ability to increase education in the field - Ability to attend lectures and conferences - Rewards for qualification increasing - Development of student incubators
3.	<p>Development of social and cultural life</p> <ul style="list-style-type: none"> - Support community events - Employee involvement in the events - Ability to establish cooperation with cultural institutions
4.	<p>Development of interest in innovation and new technologies</p> <ul style="list-style-type: none"> - Allow employees access to innovation - Encourage innovation - Promote the interest of employees in innovation
5.	<p>Transparent system of motivation</p> <ul style="list-style-type: none"> - Defined motivation system - Fair motivational system - A wide range of tangible and intangible rewards - Regular monitoring of the use of the incentive system
6.	<p>Transparent career growth system</p> <ul style="list-style-type: none"> - Definition of career growth - Definition of career options - Possibility to career growth - Accurate knowledge of requirements for career

advancement	
7.	Transparent reward system <ul style="list-style-type: none"> - Each employee must know a composition of salary - Possibility to influence wages - Variable part of wages is significant
8.	Detailed information system (IS) <ul style="list-style-type: none"> - Accurate knowledge of processes - Sharing process knowledge - Company`s system description
9.	Direct communication and information share <ul style="list-style-type: none"> - Direct sharing of information - Clear rules of internal communication - Defined communication channels - Regular on-going information sharing
10.	Linkage between corporate culture and social life <ul style="list-style-type: none"> - Need to develop corporate culture in the context of the region where the company operates - Sharing information with the surroundings - CSR and CSV

Fig. 7 – Graphic illustration of the opinions of managers and entrepreneurs

Entrepreneurs answered questions related to the possibility of introducing different areas into corporate strategy. The aim of the research was to determine whether the entrepreneurs agreed to the introduction of selected areas in their corporate strategy, in order to improve employees' welfare. The research sample was composed of 25 entrepreneurs of medium size companies (by number of employees, ranging from 25 to 100).

Area 1

Area no.1 was presented through 15 open and closed questionnaire questions. The aim was to determine whether a entrepreneur could imagine a support for any area and implement it into his business. Area no. 1 is focused on employees` health care.

1. Employees` health care
- a) Regular health checks
 - b) Promoting health through vitamin packages
 - c) Promotion of regular exercise
 - d) Development of ergonomics
 - e) Promotion of healthy eating

The results of the research found that most entrepreneurs would support the introduction of (d), which was supported by 72% of respondents. The least support was given to (b).

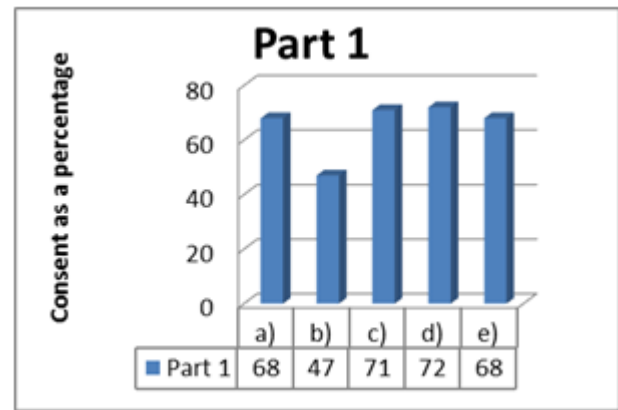


Fig. 8 – Employees` score

Individual answers and reasons were discussed through structured interviews. The interviews revealed that (b) would be supported if the entrepreneurs could directly measure the impact on performance and health of employees. In addition, the entrepreneurs fear of (c) in the term that it would not be received successfully since they presume that employees are lazy and do not want to incorporate movement into their lifestyle. This assumption will be part of further research.

Area 2

Area no.2 focuses on the exploration of education and whether the entrepreneurs consider qualification increase as important.

2. Life-long education in the field
- a) Ability to increase education in the field
 - b) Ability to attend lectures and conferences
 - c) Rewards for qualification increasing
 - d) Development of student incubators

The results showed that 78% of the entrepreneurs would encourage the development of student incubators. During the subsequent interviews it was found out that the entrepreneurs do necessarily need capable graduates and the labour market experiences a lack of qualified workers. The entrepreneurs are aware of the need for employees` education, therefore this are is supported by 71,5% of the respondents.

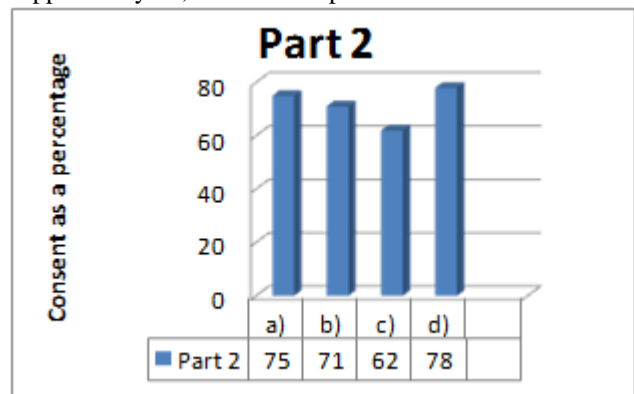


Fig. 9 – Employees` score

Area 3

Area no. 3 is focused on finding the attitudes of entrepreneurs to develop social and cultural life of employees. Questions

were aimed to determine attitudes towards three main areas, which were:

3. Development of social and cultural life
 - a) Support community events
 - b) Employee involvement in the events
 - c) Ability to establish cooperation with cultural institutions

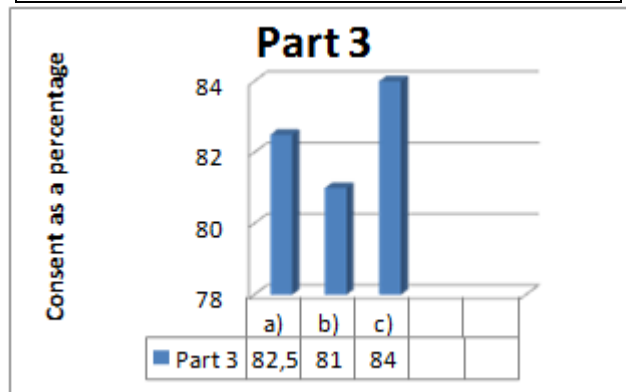


Fig. 10 – Employees` score

As the most valuable area, the entrepreneurs consider the close connection of corporate cultural events and social life of the environment, where the company operates. Also, 82,5% of the respondents would welcome cultural events for employees. During the interviews, it was found out that most of the entrepreneurs believe such actions can improve relationships between employees.

Area 4

The fourth area of the research is focused on finding the entrepreneurs attitude to innovation and innovative approaches. Innovation has been divided into three main categories. Each category is focused on a different relationship to innovation.

4. Development of interest in innovation and new technologies
 - a) Allow employees access to innovation
 - b) Encourage innovation
 - c) Promote the interest of employees in innovation

Through the questionnaire it was found out that the entrepreneurs most willingly approach to promotion of innovation. Such support for innovation is usually associated with higher performance of the company. The main obstacle in introducing innovation in service sector companies is perceived in the reluctance of employees to embrace innovation as beneficial. Most of the employees in manufacture sector have concerned that innovation will replace their work positions.

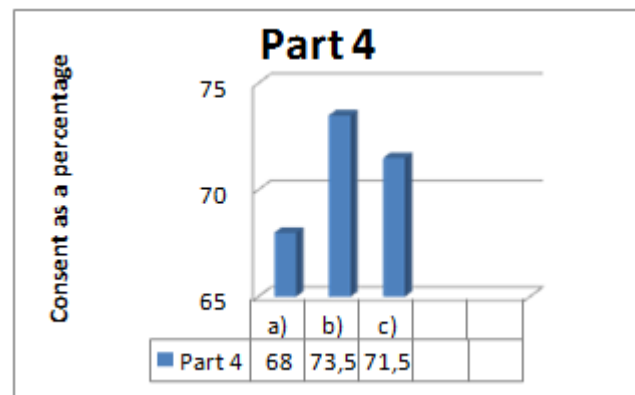


Fig. 11 – Employees` score

Area 5

The topic of the fifth research was the incentive system for employees. This area is directly related to the principles of Bata Management System before 1945. The system has been thoroughly analysed and the analysis was verified through a questionnaire, whether it is possible to apply any principle in the current business environment.

The fifth area was examined through five subsequent areas:

5. Transparent system of motivation
 - a) Defined motivation system
 - b) Fair motivational system
 - c) A wide range of tangible and intangible rewards
 - d) Regular monitoring of the use of the incentive system
 - e) Each employee can participate

The survey showed that 82% of the entrepreneurs would welcome the wide range of tangible and intangible rewards that would be clearly defined. Many entrepreneurs indicated that “ill-defined” incentive system is a weakness of their business strategy. They further stated that bonuses are randomly distributed based on inaccurate data.

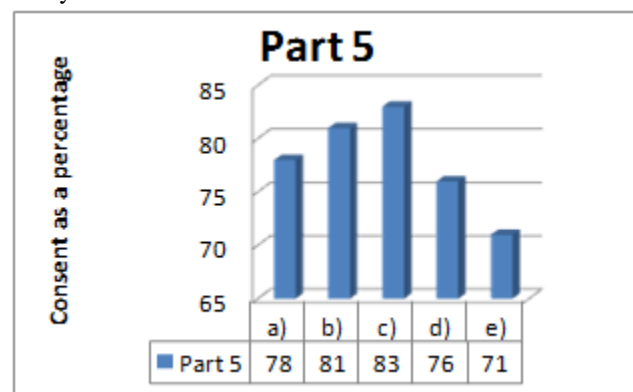


Fig. 12 – Employees` score

Area 6

The sixth area of the research was focused on finding employer`s attitude towards career development system in their companies. The research area was divided into four parts:

6. Transparent career growth system
- a) Definition of career growth
 - b) Definition of career options
 - c) Possibility to career growth
 - d) Accurate knowledge of requirements for career advancement

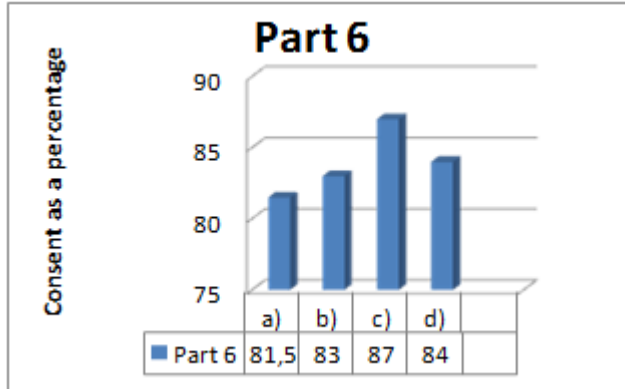


Fig. 13 – Employees` score

The research showed that 87% of the entrepreneurs would like to introduce in their business strategy system to ensure that every employee has the opportunity for career growth. In all categories, more than 80% of employers would welcome the implementation. They perceive career development as one of the most motivating factor.

Area 7

The subject of seventh area was the relationship of the entrepreneurs to the wage system in their company. The research was divided into three areas:

7. Transparent reward system
- a) Each employee must know a composition of his/her wage
 - b) Possibility to influence wages
 - c) Variable part of wages is significant

Most of the entrepreneurs agreed with (a). Points (b) and (c) would be supported by the employers, but they would have to know the exact algorithm by which such a system operates. Specifically, at (b) it is required to access each company individually.

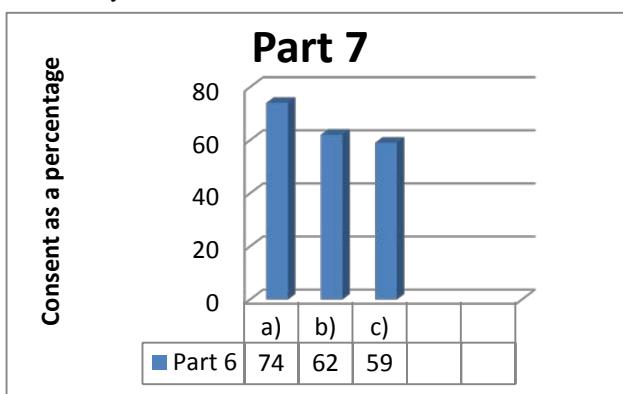


Fig. 14 – Employees` score

Area 8

This area of the research addressed the issue of functioning information system in selected companies. Research questions were divided into three areas:

8. Detailed information system
- Accurate knowledge of processes
 - Sharing process knowledge
 - Company`s system description

The precise knowledge of information system has 82% of the entrepreneurs. Score of 78% were reached in areas (b) and (c). The respondents would appreciate these principles in their companies.

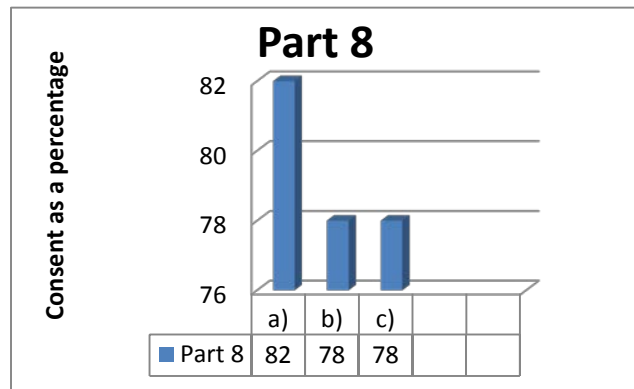


Fig. 15 – Employees` score

Area 9

The last but one area of the research was focused on the attitude of management to communicate with their employees. The research was aimed on four different levels of communication and the attitude of the entrepreneurs towards these levels.

9. Direct communication and information share
- a) Direct sharing of information
 - b) Clear rules of internal communication
 - c) Well-defined communication channels
 - d) Regular on-going information sharing

This area was evaluated as one of the areas, which the entrepreneurs would like to improve their companies the most. In particular, area (c) and area (d) achieved the score over 90%.

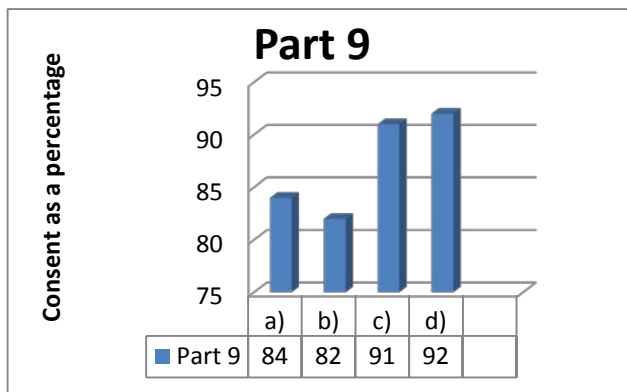


Fig. 16 – Employees` score

Area 10

The last area of the research was focused on the relationship of companies to society and the wider area, where the company operates. Primarily, it was focused in issues of CSR and CSV, information sharing and the development of corporate culture in a societal context. The research area was divided into four parts:

- 10. Linkage between corporate culture and social life
 - a) Need to develop corporate culture in the context of the region where the company operates
 - b) Sharing information with the surroundings
 - c) CSR development
 - d) CSV development

75% of the entrepreneurs are willing to develop corporate culture in the context of regional development. The ability to share information with the surrounding was confirmed by 77% of the respondents. Ability and willingness to apply CSR and CSV principles was conferment by 72% and 69,5% of the entrepreneurs.

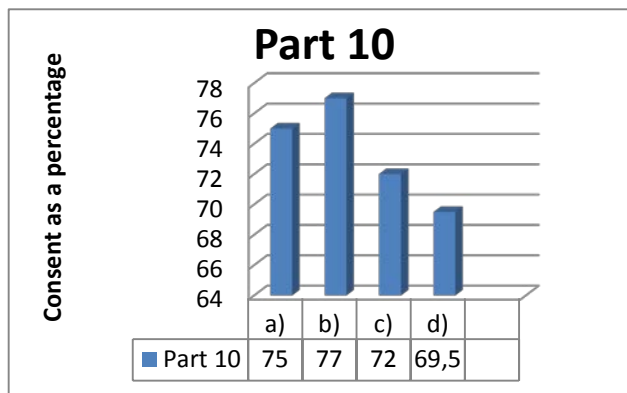


Fig. 17 – Employees` score

IV. CONCLUSION

Based on the charts above, we conclude that the employees perceive selected principles more sceptically than the employers. As already mentioned, we assume that this fact is due to misconceptions about CSR, which is still perceived as a charity. The employers would welcome the transparency that brings those principles. Based on the application of those

principles it is continually possible to watch which employees has done more work and for what they are responsible.

All of the principles above (marked I to VII) were applied to selected companies individually. We measured the employee`s satisfaction and performance of each company. This measurement will be performed again at regular intervals in order to monitor the impact that the implementation of the principles delivers.

The answers to the research questions in this pilot study are following:

The first question is: “What were the basic elements of CSR care of employees in the Bata Company before 1945?” The question was answered by extensive historical research, which described the various elements in the Bata Management System in details. The research focused on the basic elements of care to the entire and complex system, sophisticated procedures, which have been used in Bata Company.

Based on the preliminary research, we found out that these elements can be applied in the current business environment, but the application itself must be always adapted to the specific circumstances of any individual company.

The third question: „What is the opinion of employees before and after the application of selected elements of CSR approach toward employees?” The answer we determined is that there are differences before and after implementation. Before the implementation, employees had a great interest to improve their working position and status. After further learning of the principles, they were not too supportive for the changes. Their perceptions on the implementation of the principles were very borderlines. This reality is due to fact that employees would appreciate greater benefits and care, but do not like going through changes or they are unwilling to work more, more responsibly and more transparently. On the contrary, at the preliminary research the employers were not interested in changing their attitude towards their employees. After presenting the concrete steps, these principles were gladly accepted. The research also showed that employers are willing to increase company benefits and care of employees in exchange of higher responsibility and transparency. Specific research results – the effect on profit of the company and employee satisfaction will be known after subsequent measurements after a certain time. Currently, the research continues, so that all applied principles will be adhered.

The second part of the research showed very positive information. More than 50% of the respondents are able to apply any of the principles in their business strategy. After this pilot study, selected areas were implemented in 25 companies. Each criterion was modified for the selected company. Before the start of implementation, specific measurements were taken. Consequently, these measurements were taken during the implementation and 1 year later as well. The indicators have been measured continuously in order to clearly state that: “Thanks to the implementation of selected Bata Management System`s principles it have been achieved increase in companies performance and employees satisfaction.”

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