https://doi.org/10.17221/369/2023-AGRICECON

Corporate social responsibility and the relationship to stakeholders in large agricultural holdings in the Czech Republic

Marie Šimpachová Pechrová, Ondřej Šimpach*

Institute of Agricultural Economics and Information, Prague, Czech Republic

**Corresponding author: simpachova.marie@uzei.cz*

Citation: Šimpachová Pechrová M., Šimpach O. (2024): Corporate social responsibility and the relationship to stakeholders in large agricultural holdings in the Czech Republic. Agric. Econ. – Czech, 70: 155–164.

Abstract: Corporate social responsibility (CSR) is also implemented in agriculture, where larger agricultural holdings have a higher influence. We focused on them and situated our study to a country with a large average farm acreage – the Czech Republic. The aim of the paper is to assess to what extent large agricultural holdings perceive socially responsible behaviour as being important and how it is manifested in their relationship to the stakeholders and the behaviour in economic, social and environmental areas using Carroll's pyramid and concept of 3 'P'. It is also examined if the higher perception of CSR influences the assets. Firms were grouped according to the perceived CSR by a cluster analysis. The highest economic responsibility in cluster 1 corresponded to the relatively high value of the assets, but the highest was in cluster 2 and 3 with important legal and ethical responsibilities. Cluster 4 had the lowest CSR, the same as the value of the assets, but further investigation is needed. The most important stakeholders were the owners and employees, but also the range of activities was provided for the locals. CSR and the importance of the stakeholders in large Czech agricultural holdings were highly perceived, especially on an economic level and in the social area.

Keywords: Carroll's pyramid; farm; interest group; profit–people–planet concept

Corporate social responsibility (CSR) is the attitude of a firm where a company voluntarily assumes co-responsibility for the well-being and sustainable development of society, while it maintains its competitiveness and profitability, which are not two conflicting goals. It is a commitment to behave responsibly towards the environment in which the company does business. Especially in case of agricultural holdings, the relationship towards nature is important. Large agricultural companies are still sometimes seen as polluters or damagers of the countryside despite that not usually being true. Therefore, research is oriented on the companies as their land management has a high impact on the countryside and the locality in which they operate in. Previous studies in the Czech Republic included only small and medium agricultural firms. Čerkasov et al. (2016) found out, based on structured interviews, that the manifestations of social responsibility often belong to economic and social areas. Activities in environmental area did not exceed the legal framework and many of the activities emerged from the nature of agricultural production. We have compared those findings with the situation in large agricultural companies. The aim of the paper is to assess to what extent large

Supported by the Institute of Agricultural Economics, Czech Republic, Internal Research Project No. 1117/2023.

https://doi.org/10.17221/369/2023-AGRICECON

agricultural holdings perceive socially responsible behaviour as being important and how it is manifested in their relationship with the stakeholders and behaviour in economic, social and environmental areas.

Moreover, performing socially responsible activities shall have an economic and non-economic effect on the firm [as confirmed by Martos-Pedrero et al. (2022) on Spanish firms]. Therefore, we also examined whether the higher perceived social responsibility implied a firm's higher assets.

The case study is performed in the Czech Republic, because the farms belong among the largest in the European Union. According to Eurostat (2022), the largest farms in the Czech Republic (27.8 % of the total farms are 50 ha or more in size) accounted for as much as 92% of the utilised agricultural area (UAA). There is a dual structure: the majority of agricultural holdings are managed by physical persons (85.3%), but their UAA share is only 29.8%. On the other hand, the share of legal persons is only 14.7% (from which 83.8% are corporate companies and 11.5% are cooperatives), but they farm 70.2% of the UAA (1.8 mil. ha). Moreover, they employ 65.0% of the employees in agriculture (CZSO 2023). Hence, large agri-holdings are important subjects that define the countryside and locality.

Large companies have a legal obligation under EU Directive 2014/95/EU to make their impact on society and the environment (non-financial reporting) public since January 1, 2017. Businesses with 500 or more employees, a net turnover of EUR 40 million or a balance sheet of EUR 20 million in total and public interest entities are obliged to also report environmental issues. Hence, sustainability is important for EU authorities. This rule probably does not apply to many agricultural holdings, but non-financial reporting is also important in agriculture because the Farm Accountancy Data Network, which collects data from farms for policy-making purposes, is changing to a Farm Sustainable Data Network and will not only collect economic information, but also ecological data. Besides, the European Commission adopted European Sustainability Reporting Standards for use by all companies subject to the Corporate Sustainability Reporting Directive in July 2023.

The research results will provide an overview of the situation in the field of social responsibility in the Czech Republic and may motivate agricultural enterprises to further develop it. The results will provide policymakers with information on whether large agricultural enterprises consider other aspects rather than just the financial aspects of their management to be important and whether their activities can also go beyond the framework of legally mandated measures. Further research can follow up on the results especially in the field of CSR motivation.

The paper is organised as follows: the next section defines the term CSR, then the main concepts of CSR are introduced and the selection of the particular concepts for the purpose of our research is justified. Afterwards, a literature review is given. The methodology section presents the application of CSR concepts on primary data. The CSR in large agricultural holdings and their relationship to stakeholders is contained in the results section. The discussion section and the conclusions follow.

Theoretical framework

Despite that CSR has been a part of firms' behaviour and has been discussed and examined by scholars for decades, there is no unique definition of CSR. 'One generic definition of CSR is a company integrating the interests of those affected by it into its business model and activities' (Costello 2021). Also, another definition connects the company and its reason for existence with its stakeholders (customers, employees, communities, suppliers, and shareholders). The purpose of the company is to 'solve the problems of people and planet profitably' (Grantham 2021). CSR can be referred as 'corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare' (Dave 2017). CSR represents the responsibilities of corporations to their stakeholders and the obligations to society and sustainable development and helps companies to build trust with external stakeholders. (Yuan and Cao 2022). The broadest definition comes from the European Commission (European Comission 2011) which sees CSR as the responsibility of enterprises for their impacts on society.

There is not a unique CSR concept. Carroll (1992) created a pyramid with four levels of responsibilities. Economic responsibility is a base, because the firm has to be profitable to be function. It is followed by legal responsibility (a firm has to obey the law). A higher level of responsibility is ethical, which is the obligation to do what is right, just and fair and to avoid harm. Finally, at the top of the pyramid is philanthropic responsibility, which means to be a good corporate citizen. The firm shall contribute to the community and improve the quality of life.

Carroll's pyramid can be linked to the stakeholder's theory. Different groups of stakeholders require, expect or desire some actions from the firm at each level

https://doi.org/10.17221/369/2023-AGRICECON

of the pyramid (Windsor 2001). The theory believes that the exchange and division of various resources between a corporation and its stakeholders is a necessary condition for success (Yuan and Cao 2022). The company must identify those who are affected by its actions and accept accountability for them. (Grantham 2021).

The CSR concept was linked to corporate social performance (CSP) framework by Wood (1991). Martos-Pedrero et al. (2022) based their conceptual model of CSR on the relationship of agricultural companies to employees, partners, customers, farmers, the environment, community and competitors.

A 3 'P' framework distinguish three areas where the company have influence: profit (economic), people (social), planet (environmental) (Tetřevová et al. 2017). It stresses 'the need to consider the long-term consequences of organizational actions, not just for profit, but also for the planet and people' (Čater et al. 2023). The main aspects of the company's CSR activities are the people, planet (environmental issues), and prosperity of the business. (Sergeeva and Kapetanaki 2022). The goal of the firm is to balance profit with the people and the planet and minimising the social conflict potential (Isacowitz et al. 2022).

Areas proposed by Steinerová (2008) include the market (that corresponds to profit), local community (people) and environment (planet), and a fourth component – the working environment. Tetřevová et al. (2017) proposed a modified concept of CSR components with economic, social, environmental, ethical and philanthropic responsibilities as CSR pillars.

Despite the criticism of Carroll's pyramid (e.g. Tetřevová et al. 2017), this method together with 3 'P' was chosen because it covers all the necessary areas of CSR in agriculture and both methods supplement each other. Especially, the environmental, ethical and philanthropical responsibilities are important because large agricultural enterprises influence the countryside and life in the municipality.

Literature review. Environmental issues and food safety in the agri-food sector are relevant arguments why companies need to behave responsibly. 'The study of CSR in the agri-food sector is especially relevant because this sector not only has an important economic function, but also has a social function as it contributes to the viability of rural areas and balanced territorial development' (Martos-Pedrero et al. 2022). Corporate environmental responsibility in the agri-food industry in the Republic of Serbia was examined by Milić (2021). She found out that it was above the world average, but, according to the consumers, it was insufficient.

Koloszko-Chomentowska et al. (2015a) examined the environmental sustainability of agricultural holdings in Podlaskie voivodeship, Poland in 2007–2012. Field crop and mixed holdings achieved more favourable environmental sustainability indicators than dairy cattle breeding (due to the excessive number of livestock). Koloszko-Chomentowska et al. (2015b) undertook a similar assessment for Lithuanian farms and found out that good practices were violated only in livestock production (granivores).

Small farms are considered to be vital for the sustainable development of the countryside. According to Struś et al. (2020), 'the gradual disappearance of small family farms not only disrupts the direct relationships between food producers and consumers, but also puts food security at risk, primarily on a local and regional scale'. Guzmán et al. (2022) found that the decrease in family farming and the increase in intensive land management caused the decrease of the provision of agroecosystem services by farms in Spain. This is in line with the findings of Aslaksen et al. (2021) – the shrinking of family farming has led agroecosystems to deteriorate.

In accordance with that, Grzelak (2018) found a positive relationship between the economic situation of the agricultural holdings and their negative impact on the environment. Martos-Pedrero et al. (2022), on a case study of Spanish firms, found out that the orientation of agri-food firms towards socially and environmentally responsible practices positively affected their image and reputation and their financial performance.

MATERIAL AND METHODS

The research questions of the study are 'To what extent do large agricultural holdings perceive socially responsible behaviour as being important?' and 'How is it manifested in their relationship to the stakeholders and behaviour in economic, social and environmental areas?'

Carroll's pyramid of CSR and the 3 'P' theory are the used methods. The assessment is based on the opinion of managers because the behaviour of the main person in the firm has the potential to influence the behaviour of the whole firm as confirmed by Martos-Pedrero et al. (2022). Likert scales of responses (without a neutral statement) are used in order to assess the intensity of the attitude of the respondents.

Carroll's pyramid of social responsibilities

The responsibilities at each level of the pyramid were identified by consultation with two scholars and one

https://doi.org/10.17221/369/2023-AGRICECON

farmer to find specific important responsibilities that are specific for agriculture. There were six activities at the economic level (land ownership, quality of products, profitability, modernisation, innovative approach and enlargement of fields), three at the legal level (employees' safety and health, compliance with the principle of equal opportunities and transparency of reporting non-financial information), three at the ethical level (reliability, communication with stakeholders, code of ethics) and two at the philanthropic level (support of the public and local communities, philanthropic and donation activities). We examined whether those activities were 'very/rather important', or 'rather/fully unimportant' for the representatives of the agricultural holdings. The answers were awarded points as a proxy for the level of the perceived importance of CSR (4 – very important, 1 – fully unimportant; max. 56 points).

The agri-holdings were divided according to the level of the perceived social responsibility using the cluster analysis method. The purpose of this method is to group the objects (agri-holdings) according to the similarity of their characteristics (the most similar answers on the assessment of the CSR).

We used a hierarchical type of cluster analysis. First, the objects that are the most similar are grouped together, and the less similar ones are gradually added until finally all objects are in 1 group. A graphical representation of this procedure is a dendrogram (clustering tree). By 'cutting' it at a suitable height, the desired number of groups of objects is obtained. The similarity between the objects is expressed as their distances. The comparison of clustering methods and the calculations of distances can be found, for example, in Löster (2017).

Ward's linkage method and Euclidean distances were applied. Ward's linkage method is preferred when we want to create balanced groups (Šimpachová Pechrová and Šimpach 2018). The dendrogram was cut to create 4 groups. They were described in terms of the characteristics of the firm (legal form, number of employees, acreage) and of the manager (age, education, gender).

Applying CSR principles shall also bring economic benefits. Therefore, the average value of the assets in each group was calculated and compared to the CSR profile of each group. The differences in the value of the assets in each cluster could not be statistically tested, because there were not enough observations (economic data were available for 48 firms).

3 'P' concept – profit, people, planet

We examined particular stakeholders and activities in economic, social and environmental areas. The questions asked and the corresponding scaled answers are listed in Table S1 in the Electronic Supplementary Material (ESM).

Importance of stakeholders in general. Before differencing the stakeholders into three areas, their importance, in general, was evaluated from the point of view of the representatives of the agricultural holding, because the organisation-stakeholder relationships lead to new ideas about the responsibilities of organisations, the role of managers, and the most appropriate management style (Susnienė and Sargūnas 2009).

The influence of the stakeholders on the functioning of the company was assessed. Then the stakeholders were ranked according to their importance for the functioning of agri-holdings from a social and economic point of view. Finally, the managers answered if they communicate their decisions about the functioning of the company with the stakeholders.

Economic area. From an economic point of view, the participants at the market are the most important. The assessment starts with a focus on the customers and consumers. The relationship was examined through the quality of the products (presence of quality certificates).

The relationship with the owners and investors was assessed only in the general relationship with the stakeholders (see above).

The relationship to other agricultural firms (potential competitors) was mapped. Also, the relationship between farmers and non-farmers is important as stated by Graddy-Lovelace (2021), so the relationship with the competitors and other local firms was assessed.

Social area. The relationship with the most important inner stakeholder (employees) and external stakeholders (schools, local community and municipalities) was assessed. Some aspects were already assessed in Carroll's pyramid. We, therefore, focus on what non-financial benefits the agricultural holdings provide for the employees and how they get feedback about their job satisfaction.

Then the relationship of agricultural holdings with potential employees – i.e. with schools and their students is assessed (how the firm cooperates with different types of schools and whether the firm has a strategy to attract young people). Involvement in local communities was examined through the participation with social life in the village (12 activities). Finally, the quality of the relationship and interactions with the municipalities were examined.

Environmental area. Local people are affected by the farming practices of the agricultural holdings. With increasing awareness of negative environmental impacts of agricultural production intensification, the

https://doi.org/10.17221/369/2023-AGRICECON

sector responded to the consumers' demand by implementing environmental protection activities (Liu et al. 2022). We asked about the implementation of environmental measures from the area of nature protection or the reduction in resources in the last 5 years.

The results were put into the context of the main aim of the agricultural holdings' business. The business goals of firms were analysed, e.g. in Tetřevová et al. (2017).

Data

The primary survey among 133 representatives of large agricultural holdings in the Czech Republic mainly took place in October 2018 by face-to-face or phone interviews. The questionnaire contained questions about the corporate social behaviour of the agricultural holdings, its manifestation and about the relationship with the stakeholders. Also, the characteristics of the company and of the mangers were gathered. The respondents were randomly selected from companies farming on at least 1 000 ha in municipalities with less than 2 000 inhabitants. The majority of the respondents (82.0%) were men. The age was mainly between 41 to 60 years. Two-thirds (2/3) of the respondents had a university degree and one-third (1/3) had a high school degree. The agricultural holdings employed over 6 300 employees which accounts for 6.6% of the total employees in agriculture. The farmed agricultural land was over 280 000 ha, which is 5.0% of the total Czech agricultural land. The arable land was over 170 000 ha, which is 5.9% of the total arable land. The majority of the holdings were joint-stock companies or cooperatives; the rest were limited liability companies, which is different from the total of the Czech Republic (the most are limited liability companies, then joint stock companies and cooperatives in the Czech Republic). Most of the agricultural holdings are farmed in the Středočeský, Jihočeský (both 16.5%) and Vysočina regions (15.0%), which corresponds to the structure of farms in the Czech Republic, where most of the farms are in the Středočeský, Jihočeský and Jihomoravský regions [most of farms are there (19.9%), in contrast to 9.0 % in our sample]. The data about the assets of the agri-holdings were available from the Business Register for 48 companies only. The description of the data can be found in Table S2 in the ESM.

The data were processed in MS Excel, the statistical description and cluster analysis were performed in Stata 15.

RESULTS

From Figure S1 in the ESM, it is obvious that, in the economic level of Carroll's pyramid, it is necessary to own the basic production factor, namely the land. The representatives of the agricultural holdings did not consider the expansion of its ownership to be important, but the current state to be important. The quality of the products and the profitability of the company were also important as they were the basis for firm's functioning.

Figure S2 in the ESM shows the answers on the other responsibilities. All the legal responsibilities were very important or at least rather important according to the representatives of the agricultural holdings. The majority of them considered employee safety and health as very important. Compliance to the principle of equal opportunities and transparency of reporting were less relevant.

Ethical responsibilities towards the stakeholders, which include the reliability of the firm and communication with stakeholders were rated as very important. However, a formalised code of ethics is not preferred despite the fact that it has benefits. The code of ethics can serve as a decision-making guideline principle that sends a positive signal to the public and increases the reputation (if the employees behave accordingly).

Philanthropic responsibilities were the least acknowledged. The respondents even considered them as fully unimportant in some cases. However, as will be evident below, it does not necessarily mean that the companies are not performing any donation activities or sponsorships.

The companies were divided into four groups. Their characteristics are displayed in Table S3 in the ESM.

In cluster 1, the economic responsibility is rated the highest. Holdings here were characterised by the highest share of companies in the legal form Ltd. from all the clusters. The companies are rather medium sized in terms of the average number of employees, but, in terms of the arable and agricultural land, they are the largest. Most managers were in the 41–60 age group and had a university degree. This cluster also had the highest proportion of women in leadership positions. The value of the assets in 16 enterprises in this cluster was almost the lowest overall.

The holdings in the 2nd cluster stressed the ethical and legal responsibility, which were mostly the joint-stock companies, that brings an increased emphasis on the mandatory disclosure of information, and therefore also legal responsibility. The enterprises were the smallest in terms of the number of employees and acreage of arable land. Unlike the other groups, the share of the youngest farmers and university graduates had the highest share. Also, the average value of the assets per enterprise was the highest.

https://doi.org/10.17221/369/2023-AGRICECON

The ethical responsibility is rated the most overall in cluster 3. The enterprises are either cooperatives or shareholder companies. The size of the enterprises is medium in terms of the number of employees and area. Managers between the ages of 41 and 60 with a secondary education predominated here. The value of one company's assets was relatively high too.

It is typical for cluster 4 that the managers attached the lowest importance to all types of responsibility. However, there were only 24 enterprises in this group. On average, they employed the most employees. The managers were mainly in the oldest age category of 61–80 years and the group had the lowest proportion of university graduates. Perhaps this is also why particular levels of social responsibility were not considered as important as in the other groups. The average asset value was the lowest by far.

Martos-Pedrero et al. (2022) found that the CSR is positively related to the image and reputation of agri-food firms and their financial performance. In our case, it seems that the emphasis on the ethical and ethical-philanthropic responsibility is associated with a higher asset value. Conversely, a pure focus on economic responsibility or a generally low emphasis on all types of CSR is connected with a lower asset value. However, we only have a small sample of enterprises due to the lack of data (48 in total) and further research is needed.

The results of the assessment of the relationship to the stakeholders and socially responsible activities in the 3 'P' areas are displayed in Table S4 in the ESM.

The majority of the representatives of agri-holdings stated that employees and shareholders, investors or owners had the greatest influence on the functioning of agricultural holding. The influence of the municipalities was lower and that of non-governmental organisations, associations was even negligible. The most important aspect from social and economic point of view were the employees and shareholders, investors or owners.

The importance of shareholders, investors and owners is highlighted by the fact that the majority of managers said that they communicate and consult their decisions with them. Consultations with employees and municipalities are less common.

The first important group of stakeholders in the economic area are the buyers of the firms' products to whom they provide quality and safe products.

Some agricultural enterprises own certificates that increase their credibility in relation to the end customers or buyers. Milk producers held a QCZ milk quality certificate that certifies the producers with the management above the criteria set for raw milk, animal health and animal welfare. Only a negligible percentage of enterprises received other certificates.

The relationship with other agricultural enterprises was mostly rather positive or very positive.

Similarly, the majority of the respondents rated the relationship with other non-agricultural enterprises as rather positive or very positive. Some respondents could not rate the relationship and or had no other non-agricultural businesses nearby.

Due to the high influence of employees on the functioning of the firm, we were interested in the social area as to whether they provide feedback regarding their job satisfaction and what benefits they are provided to increase it. The majority of companies survey the level of satisfaction of their employees in informal meetings. They also organise appointments with employees, but randomly. A regular evaluation of employees takes place only in half of the companies. On the contrary, employee satisfaction surveys and mailboxes for comments and suggestions are marginal.

Almost all the firms offered discounted meals to employees. Then they organised social events for employees and enable them to further develop and enhance their education. However, only a minority had a formalised system (career development plans, etc.). Personal benefits are less common, the same as an allowance for commuting to work.

Cooperation with schools is not only an act of philanthropic responsibility for companies, but it can also be beneficial from an economic point of view for the effective acquisition of new employees. Most of the surveyed companies provided student internships. They also consulted on diploma theses and organised excursions. They also participated economically by lending or donating technology to schools. Only 18.0% of agricultural holdings had a strategy to attract young people.

The representatives of agricultural enterprises considered the relationship with the municipality as rather or very positive. They monitor the events in the municipalities in which they farm, mostly informally (they meet representatives of the municipality, for example, in a pub, or at social events).

Participation on a social life in the locality was frequent, which can build positive perception among the local inhabitants and potential customers. Agricultural holdings participated, e.g., on cultural events organised by the municipality, donated products to events, sponsored the fire brigade, etc. We understand sponsorship here as part of supporting the local community (responsibility towards the local people) than only merely a marketing strategy.

https://doi.org/10.17221/369/2023-AGRICECON

In the environmental area, almost all the agricultural holdings implemented measures to save energy, which is reasonable not only from an ecological, but also from an economical point of view. Besides, 2/3 of the agricultural holdings took measures to protect the ground water and soil which is an obligation given by law in certain areas (e.g. Council Directive 91/676/EEC). Over half of the agricultural holdings took measures to reduce air emissions, landscaped the terrain in the municipality, planted bushes to enhance the greenery and tried to keep the moisture in the landscape.

DISCUSSION

Activities at the level of economic responsibilities were perceived as the most important (particularly the ownership of the land). This is in line with the main aim of the businesses – sustained and long-term profit making (64.7% of all the agri-holdings see this as the main goal). A good company name was important for only 27.1% of the respondents, which may make the higher levels of the pyramid less important to farm managers.

Employees' safety and health was the most acknowledged aspect from the legal responsibilities and the reliability of the firm was the most acknowledged aspect from the ethical responsibilities. The philanthropic area was perceived as a superstructure and, hence, the least important. Also, the study of Deigh et al. (2016) found that philanthropic activities are largely undertaken by firms on an *ad hoc* basis only.

The economic responsibility perception was the highest in cluster 1 with the largest agri-holdings. This corresponds to the finding of Udayasankar (2008), where the economic responsibility is more important for the large enterprises. There was the highest share of female managers in this cluster and a high average CSR score at each level of the pyramid also. This is in line with Çera et al. (2022): 'female owners/managers are more likely to agree with the CSR rather than male ones'.

Legal responsibilities were important especially in clusters 2 and 3. Cluster 2 had the smallest companies, so the administrative burden resulting from the legislation might be bigger. Boyne and Meier (2013) found that the administrative intensity is higher in small organisations, and in organisations with big budgets. In addition, the EU's requirements for sustainable agriculture are increasingly becoming mandatory instead of voluntary. This higher pressure on obeying legislation can be reflected in the perceived importance of legal responsibilities.

The firms in cluster 4 with the oldest and the least educated respondents perceived all the CSR activities as the lowest. As stated in Çera et al. (2022): it is 'considered that an educated individual can behave more responsibly towards the environment, people, and society,' so maybe the lower perception of CSR is the result of the lower education.

Regarding the age of the manager and the influence of the age on the CSR, we cannot find a clear pattern here, unlike in Çera et al. (2022) who suggested that the linkage has a U-shape: managers younger than 36 and older than 55 years had high agreement with the CSR.

The most important stakeholders were the shareholders, investors or owners and employees according to the opinions of the managers. This is confirmed by the fact that the managers consult their decisions with them. According to Çera et al. (2022), managers were inclined more to the CSR than the owners.

The representatives of agri-holdings saw the employees as an important stakeholder which corresponds to the stated importance of their safety and health as one of the legal responsibilities. However, only 12.0% of the firms held a corresponding Occupational Health and Safety Assessment Series (OHSAS) 18001 certificate.

Also, the communication with the employees about the firm's functioning was common, but the investors and owners were more important. This finding is in line with Laur and Danilovic (2020) who examined the influence of the stakeholders on the change in organisation and found that internal stakeholders were actively engaged in the process of change.

The importance of employees is also manifested in the benefits where almost all the agri-holdings provide at least some. 'Benefits are a great opportunity to lure, raise and keep employees' (Stalmašeková et al. 2017). Matejun and Ratajczak (2019) stated that employee satisfaction surveys and data protection, and protection of employee privacy were key socially responsible actions towards employees. In accordance with that, our agri-holdings also survey job satisfaction, mainly at informal meetings.

Considering the difficult situation in the agricultural labour force market (Urbancová and Vrabcová 2020), it is surprising that only a minority of the agricultural holdings had a formalised strategy for attracting young people. Nevertheless, they provided student internships and practice. According to Duspivová et al. (2018), employees in agriculture are motivated to work there because it is a meaningful and necessary human activity and that they produce Czech products.

https://doi.org/10.17221/369/2023-AGRICECON

The relationship towards customers was expressed by the provision of quality products (ownership of QCZ certificates of milk quality) which was held only by a little more than one-fifth of the firms. Satisfying consumer needs was also a main goal for only 3.8% of the agri-holdings.

The relationship to other farms in the locality was rated positively which indicated that there was not a large competitive struggle for resources (mainly land). This is a positive finding, as cooperation rather than competition is encouraged between agricultural holdings by the authorities. Measures of the Common Agricultural Policy are also targeted on the cooperation in the development of new products, procedures and technologies or innovations in agriculture. (Ministry of Agriculture 2021).

The quality of the relationship with non-agricultural firms was also good, but it might be because the companies do not interact and, thus, there is no room for the creation of negative relationships.

The relationship with the municipality was mostly assessed as positive. A very negative relationship was a consequence of: 'The municipality has a large debt and does not invest in roads outside the municipality' (this could cause problems with crossings between fields to the agricultural holdings) and 'Locals want peace, a nice smell, silence at night.'

The prevailing good relationships may have several explanations. More than half of the interviewed representatives (59.0%) lived in the municipalities where their agricultural firm farm. In addition, no representative of the agri-holding was indifferent to the events in the municipality where they farm.

The agri-holdings highly supported cultural life in the municipality and sponsored various clubs. Also, the study of Deigh et al. (2016) found that donations, employee voluntarism, projects and partnerships were the mostly performed CSR activities by the firms.

The relationship to environment was examined through the number of realised ecological measures, such as energy saving measures, that were the most frequent, the same as the protection of the groundwater and soil and a reduction in air emissions. However, the implementation of the measures could have been motivated economically or by the need to obey the law.

CONCLUSION

The aim of the paper was to assess to what extent large agricultural holdings perceived socially responsible behaviour as being important in their business and how it was manifested in their relationship to the stakeholders and in the behaviour (activities) in the economic, social and environmental areas. The study was based on Carroll's pyramid of CSR and the 3 'P' theory. The assessment was based on the opinion of the managers.

Activities at the level of economic responsibilities were perceived as the most important [the same as in Čerkasov et al. (2016)]. In particular, the ownership of the land was crucial. The employees' safety and health was the most acknowledged from the legal responsibilities and reliability of the firm was the most acknowledged from the ethical responsibilities. On the other hand, the philanthropic area was perceived as a superstructure and, hence, the least important.

The agri-holdings were divided into four groups by the cluster analysis according to the level of responsibility. The highest perceived economic responsibility was in cluster 1, which corresponded to the relatively high value of the assets in this group. On the other hand, in cluster 4, the perceived social responsibility in general was the lowest, the same as the value of the assets of the firms. The highest value of the assets and the highest legal and ethical responsibility were noticed in groups 2 and 3. Our results suggest that the higher perception of ethical and philanthropic responsibility is related to the level of the firm's assets, which is in line with the findings of Udayasankar (2008). However, a more extensive investigation is needed.

The most important stakeholders were the employees – the managers communicated their decision with them, provided them non-financial benefits and observed their job satisfaction. Also, many activities were geared towards the local communities and the environment (despite that the measures there could have also been motivated economically).

The limitation of the research is that it is based only on the opinions and perception of the managers, so the real behaviour of the firms might be different. Therefore, feedback from the stakeholders about their perception is needed. We have already performed research, where we asked the representatives of the municipalities on the quality of the relationship with the agricultural holdings (Šimpachová Pechrová and Šimpach 2024). We plan to ask also local people in the future research in several case studies. The next challenge for the future research for us is to focus on the impact of the socially responsible behaviour of agricultural holdings on their reputation, because a high level of CSR can help build the good name of the company (Aggarwal and Saxena 2023). This shall lead to the bet-

https://doi.org/10.17221/369/2023-AGRICECON

ter economic situation of the agricultural holdings. Part of this research will also assess the motivation of agri-holdings' managers for undertaking CSR activities.

REFERENCES

Aggarwal A., Saxena N. (2023): Examining the relationship between corporate social responsibility, corporate reputation and brand equity in Indian banking industry. Journal of Public Affairs, 23: e2838.

Aslaksen H.M., Hildebrandt C., Johnsen H.C.G. (2021): The long-term transformation of the concept of CSR: Towards a more comprehensive emphasis on sustainability. International Journal of Corporate Social Responsibility, 6: 11.

Boyne G.A., Meier K.J. (2013): Burdened by bureaucracy? Determinants of administrative intensity in public organisations. International Public Management Journal, 16: 307–327.

Čater T., Čater B., Milić P., Žabkar V. (2023): Drivers of corporate environmental and social responsibility practices: A comparison of two moderated mediation models. Journal of Business Research, 159: 113652.

Carroll A.B. (1992): The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. Business Horizons, 34: 39–48.

Çera G., Khan K.A., Bláhová A., Belas J. Jr. (2022): Do owner-manager demographics in SMEs matter for corporate social responsibility? Equilibrium – Quarterly Journal of Economics and Economic Policy, 17: 511–531.

Čerkasov J., Vokáčová L., Huml J., Honzík P., Margarisová K. (2016): Social responsibility in the marketing activities of small and medium farms. In: Proceedings of the Agrarian Perspectives XXV, Prague, Sept 14–16, 2016: 77–83.

Costello K.W. (2021): What is the social responsibility of companies? The Electricity Journal, 34: 107008.

CZSO (2023): Integrované šetření v zemědělství – 2020 (Integrated survey in agriculture – 2020). Available at: https://www.czso.cz/csu/czso/zemedelstvi-celkem-5baq977uio (accessed Oct 30, 2023; in Czech)

Dave A.I. (2017): Voluntary vs. mandatory CSR. International Journal for Innovative Research in Multidisciplinary Field, 3: 204–208.

Deigh L., Farquhar J., Palazzo M., Siano A. (2016): Corporate social responsibility: Engaging the community. Qualitative Market Research: An International Journal, 19: 225–240.

Duspivová K., Nesrstová M., Miklová M., Doleželová P. (2018): Vliv digitalizace a robotizace na charakter práce a roli sociálního dialogu v zemědělství (The impact of digitization and robotization on the nature of work and the role of social dialogue in agriculture). Available at: https://www.zscr.cz/media/upload/1527066127_agrodialog-ii-studie-final-20180430.pdf (accessed Oct 30, 2023; in Czech)

European Commission (2011): A renewed EU strategy 2011–14 for Corporate Social Responsibility. COM/2011/0681. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0681 (accessed Feb 25, 2024)

Eurostat (2022): Statistics explained: Farms and farmland in the European Union – statistics. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Farms_and_farmland_in_the_European_Union_-_statistics#Farms_in_2020 (accessed Oct 30, 2023)

Graddy-Lovelace G. (2021): Farmer and non-farmer responsibility to each other: Negotiating the social contracts and public good of agriculture. Journal of Rural Studies, 82: 531–541.

Grantham R.B. (2021): People, plant, and profits: Re-purposing the company. Company and Securities Law Journal, 38: 250–273.

Grzelak,A. (2018): The economic situation and environmental effects of agricultural holdings in the EU countries. In: Proceedings of the 5th International Scientific Conference on Modern Economics. Vigo, May 14–16, 2018: 129–136.

Guzmán G.I., Fernández D.S., Aguilera E., Infante-Amate J., de Molina M.G. (2022): The close relationship between biophysical degradation, ecosystem services and family farms decline in Spanish agriculture (1992–2017). Ecosystem Services, 56: 101456.

Isacowitz J.J., Schmeidl S., Tabelin C. (2022): The operationalisation of Corporate Social Responsibility (CSR) in a mining context. Resources Policy, 79: 103012.

Koloszko-Chomentowska Z., Wiater J., Zukovskis J. (2015a): Environmental sustainability of family-owned agricultural holdings in the Podlaskie Voivodeship. Journal of Ecological Engineering, 16: 111–116.

Koloszko-Chomentowska Z., Zukovskis J., Gargasas A. (2015b): Ecological and economic sustainability of Polish and Lithuanian agricultural holdings specializing in animal production. In: Proceedings of the 7th International Scientific Conference Rural Development 2015. Academia, Nov 19–20, 2015: 5.

Laur I., Danilovic M. (2020): Enabling change within new forms of organisations: An empirical investigation of change patterns and stakeholder influence on core intermediary activities. Journal of Organizational Change Management, 33: 1041–1070.

Liu J., Yang W., Cong L. (2022): The role of value co-creation in linking green purchase behavior and corporate social responsibility – An empirical analysis of the agri-food sector in China. Journal of Cleaner Production, 360: 132195.

Löster T. (2017): Comparison of results of selected clustering methods on real data set. In: Proceedings of the 11th International Days of Statistics and Economics, Prague, Sep 14–16, 2017: 886–896.

https://doi.org/10.17221/369/2023-AGRICECON

Martos-Pedrero A., Jiménez-Castillo D., Cortés-García F.J. (2022): Examining drivers and outcomes of corporate social responsibility in agri-food firms. Agricultural Economics – Czech, 68: 79–86.

Milić T. (2021): The rise of corporate environmental responsibility in Serbian economy: The case of agri-food industry. Economics of Agriculture, 68: 945–959.

Ministry of Agriculture (2021): Rural Development Programme on period 2014–2020 (Program rozvoje venkova na období 2014–2020). Available at: https://www.szif.cz/cs/CmDocument?rid=%2Fapa_anon%2Fcs%2Fdokumenty_ke_stazeni%2Fprv2014%2Fzakladni_informace%2Fprog_dokumenty%2F1625641021462%2F1625641087281.pdf (accessed Oct 30, 2023; in Czech)

Matejun M., Ratajczak M. (2019): Economic and social benefits of socially responsible actions towards employees in agribusiness enterprises. Management, 23: 49–63.

Sergeeva N., Kapetanaki E. (2022): Corporate social responsibility as a strategic narrative: The cases of UK project-based organisations. Project Leadership and Society, 3: 10007.

Šimpachová Pechrová M., Šimpach O. (2018): Grouping of agricultural holdings in the European Union. In: Proceedings of the 12th International Days of Statistics and Economics. Prague, Sep 6–8, 2018: 1737–1743.

Šimpachová Pechrová, M., Šimpach, O. (2024): The relationship between agricultural holdings and municipalities. Agris On-line Papers in Economics and Informatics, 16: 105–116.

Stalmašeková N., Genzorová T., Čorejová T. (2017): Employee benefits as one of factors of work motivation. In: CBU International Conference Proceedings 2017: Innovations in Science and Education. Prague, Mar 22–24: 448–452.

Steinerová M., Makovski D. (2008): Koncept CSR v praxi. Průvodce odpovědným podnikáním (The Concept of CSR in Practice. A Guide to Responsible Business). Prague, Business Leaders Forum: 32. (in Czech)

Struś M., Kalisiak-Mędelska M., Nadolny M., Kachniarz M., Raftowicz M. (2020): Community-supported agriculture as a perspective model for the development of small agricultural holding in the region. Sustainability, 12: 2656.

Susnienė D., Sargūnas G. (2009): Prerequisites of stakeholder management in an organization. Engineering Economics, 62: 58–64.

Tetřevová L., Vávra J., Bednaříková M., Munzarová S., Košťálová J. (2017): Společenská odpovědnost firem společensky citlivých odvětví (Social Responsibility of Companies in Socially Sensitive Sectors). Prague, Grada Publishing: 224.

Udayasankar K. (2008): Corporate social responsibility and firm size. Journal of Business Ethics, 83: 167–175.

Urbancová H., Vrabcová P. (2020): Age management as a human resources management strategy with a focus on the primary sector of the Czech Republic. Agricultural Economics – Czech, 66: 251–259.

Wood D.J. (1991): Corporate social performance revisited. Academy of Management Review, 16: 691–718.

Windsor D. (2001): The future of corporate social responsibility. International Journal of Organizational Analysis, 9: 225–256.

Yuan B., Cao X. (2022): Do corporate social responsibility practices contribute to green innovation? The mediating role of green dynamic capability. Technology in Society, 68: 101868.

Received: October 31, 2023
Accepted: March 7, 2024
Published online: April 12, 2024