

Erasmus+ Poland National Report

on
SMEs and youth
organizations
cooperation

This study was conducted within the framework of *Cooperate to Operate - bringing together youth organizations and SMEs through corporate social responsibility (CoOp)* project.

CoOp project (2017-2019) aims to enhance the collaboration between Small-Medium Enterprises (SMEs) and youth organizations, thus to promote and encourage private investment in youth development, and education. The main objective of the project is to support youth workers and youth organizations to diversify their funding sources and attract investments from the business sector, by professionalizing them in the field of CSR and fundraising from SMEs.

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The project is outcome of a partnership between Norsensus Mediaforum (Norway), Youth Work Ireland (Ireland), Fundatia Danis (Romania), Asset Tec (Greece) and Fundacja Robinson Crusoe (Poland).

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Executive Summary

Context and research objectives

CoOp Polish National Report was developed within Cooperate to Operate – bringing together youth organizations and SMEs through corporate social responsibility (CoOp) project. The main goal of the research was to collect relevant information that can be used by the CoOp partners in developing meaningful tools for youth organizations interesting in increasing and improving their collaboration with Small and Medium Enterprises from their community.

First, the study identified the gap in the national literature referring to the youth organizations, SMEs and the collaboration between these. Second, it aimed to understand how the youth organizations interacted with SMEs from their community, and what kind of bad or good experiences they had in these collaborations or partnerships; what these organizations' needs are in regards to collaboration with the private sector; what kind of resources they need from SMEs; what type of SMEs will fit their profiles; and, finally, what type of projects they could propose to SMEs for future collaboration. Finally, the study also targeted SMEs, learning from them what CSR activities they develop within their communities; how they cooperate with the youth organizations; what their needs and motivations in regards to CSR are; what type of projects they will be interested to develop with youth organizations; what type of NGOs will fit their profiles; what obstacles for being involved in community project they might encounter; and finally, what they could recommend to NGOs to allow for more and a better cooperation with SMEs.

Research methods

CoOp Polish partner, Robinson Crusoe Foundation (FSR), conducted a literature review looking to previous studies on Polish SMEs' community involvement, Polish youth sector and cooperation between SMEs and youth organizations. Besides that an interview was held with an expert, who is working for many years as consultant for an international consulting company, which is supporting companies in their CSR efforts. This literature review as well as the expert interview helped us in identifying the informational gaps as well as gain a first understanding in regards to the collaboration between the Polish youth organizations and SMEs.

Then, following the CoOp research design, FSR conducted a survey sent to more than 50 youth organizations and NGOs working with young people from Poland. 15 respondents answered to the survey, allowing reaching a 30% response rate. The general objective of the survey was to understand how Polish youth organizations interact with small and medium enterprises (SMEs) from their community; and what the youth organizations needs are in regards to collaboration with the private sector.

For the third and last part of the research, FSR conducted interviews with eleven representatives of SMEs from Poland. The purpose of the interviews with the owners or the employees of SMEs was to identify to what extent SMEs tend to follow a pattern or have a particular interest while cooperating and establishing partnerships with youth organizations or NGOs working with young people. Besides the aspects related to cooperation practices among SMEs and youth organizations, the qualitative research also tackled the question of motivation when it comes to SMEs involvement in community development and to build on the issue of successful collaborations as well as recommendations provided by the SMEs.

The youth organizations and the SMEs included in the field research were selected using the stakeholders network of FSR, thus we used the convenience sampling method. We chose this sampling method, as the main goal of the research is to respond to the project partners and their stakeholders' needs and interests in regards to the topic of SMEs-youth organizations collaboration.

Main results

The national desk research showed that there are no relevant studies specifically referring to the Polish SMEs' involvement in the community or in supporting youth organizations, thus we could conclude that from our perspective relevant data are missing on the following topics: how many SMEs are involved in community projects / activities, what types of SMEs get involved, what types of causes or projects the SMEs support, or what types of organizations they support, the amount given, the motivation for giving, and any plans for the future in regards to their CSR / community involvement. The best insights provided the expert interview which allowed us to receive information especially in regard to the motivation for giving.

The same, the desk research could not point to any relevant study that specifically analyzed the youth organizations' collaboration with the business sector or the SME sector from Poland, thus the Polish literature on this topic misses a lot of data on the following topics: type of projects that youth organizations develop in collaboration with the companies, type of companies they work with, the amount of support provided, and plans they have for future collaboration with the business sector, more precisely with Polish SMEs. Still, the resulted literature review presents data from relevant studies that talk about the collaboration between the business sector, in general, and the NGO sector from Poland.

The main results of the survey showed that NGOs working with youth and youth organizations had stable financial times in the last years, increasing or keeping their budgets stable. Also, referring to the income sources, we can conclude that the NGOs responding to our survey count mostly on local, regional, national or European public funds as well as membership or individual contributions. The survey results also show that large companies are more often mentioned by NGOs, as income sources, than SMEs. Actually, none of the organizations participating in the research mentioned that they had a contribution in their funds from SMEs. Generally, cooperation between youth organizations and the business sector does not seem to be too developed in Poland. Only 20% of organizations mentioned

that they are receiving funds from international and large companies. When asked again about the percentage of donations from SMEs received in 2017, the majority of youth organizations mentioned (53,3%) that they receive no donations from SMEs and 46,7% responded that the contribution from SMEs is small, below 10% of their overall budget. However, nearly all respondents mentioned that they need money from SMEs, followed by in-kind or service contributions.

Finally, Polish youth organizations prefer to work with companies that have a specific CSR strategy or philanthropic strategy and clear objectives for their community involvement (60%). In second place, 33,3%, respondents answered that they prefer to work with companies that do not have a specific philanthropic or CSR strategy, and are open to discuss and adapt their support in accordance with their organization's projects. Even there seems to be a difference in regard to if it is better to work with a company that has a clear strategy or not, the overall majority of respondents prefers to work with larger companies. Only ¼ mentioned that they would prefer to work with SME companies, because they can have direct contact with the owner or the main decision maker in involving the company in community projects. Out of 15 respondents only one mentioned that the size of the partner organization does not matter.

The main results of the interviews with the SMEs show that most of the enterprises support several community projects per year, and they prefer to give in-kind or volunteering support instead of money. In terms of causes SMEs choose, they tend to favor projects targeting children or young people. The companies do not have a outlined CSR strategy, and the majority of the companies do not have dedicated personnel for making CSR / community involvement decisions. However, the projects and activities SMEs get involved in show some strategic thinking behind them. SMEs prefer to choose for projects that are local, allow to involve employees and/ or can contribute to specific other needs the companies have. Moreover, the persons we talked to, nearly all emphasized the need for clear objectives of a project to be presented to them, as well as the support from the NGOs side in the realization of the project. The owner, as a decision maker, plays a vital role in the decision making process on which CSR activities to develop or support. Therefore, developing a personal relationship with SMEs seems to be crucial but also most effective in allowing to develop a long-term cooperation.

For the complete results of the CoOp research in Poland, please read the following chapters, and for any question you might have, we encourage you to contact directly with FSR.

Literature Review

previous studies on Polish SMEs' community involvement, Polish youth sector and the collaboration between SMEs and youth organizations

Reports, studies referring to the involvement in CSR activities of Polish companies (SMEs, large or multinational companies)

Over the years there have been various reports published in Poland on CSR activities of companies. For the sake of this report we chose two reports which allow to provide the best overview. The first report is published by the Responsible Business Forum (Odpowiedzialny biznes w Polsce, 2016), the largest and most known organization in Poland which is promoting CSR practices among business entities in Poland. The second report, Social Business Responsibility in the Polish reality (Społeczna odpowiedzialność biznesu w polskich realiach. Teoria a praktyka, 2015), was chosen for this research as it seems to be the only report currently available which provides an objective overview on the implementation of CSR activities by business entities in Poland. In both cases the reports focus on companies in general, without making a distinction, nor present different data and trends for categories of companies, more precisely for multinational, large and small and medium enterprises. Moreover, the focus in both reports is predominantly on very large and multinational enterprises.

The report on Responsible Business Practices in Poland (2016) was developed by the Forum for Responsible Business in Poland, the main and biggest organization in Poland which is promoting the topic of CSR. The organization's members are the largest companies in Poland, who are also the main sponsors of the Forums activities and reports. The report is based on information collected from various experts and companies within a 1 year time frame. It is published every year, since 15 years. Unfortunately, the 2017 edition of the report was published after this project's data collection ended.

The objective of the report is to provide an overview of CSR activities of companies in Poland. It provides information on CSR activities of 180 companies which want to report on their CSR activities realized in 2016. Not only large companies but also SMEs are able to join the reporting and publish their activities. In 2016 the number of SMEs who reported on their CSR activities was 48 (in 2015 – 35). The hidden objective of this report is to provide to companies a forum where they can showcase their CSR activities to positively influence their brand image. Therefore each publication of the report is connected to a gala during which prizes are given to the most responsible companies in various categories. Next to the practices the report also includes articles from various experts in the CSR field in Poland, and provides reading recommendations on the topic of CSR and current international trends.

Companies can send in their CSR practices which are then qualified by a group of experts. Then they are grouped based on 7 areas of the ISO 26000 norm. In 2016 the reporting was also connected to the 17 SDG goals. CSR activities reported are being labeled based on the SDG they support.

In total 880 CSR practices conducted by 180 companies (large and SMEs) in 2016 in Poland are published in the report. Out of which, 180 companies are SMEs. Most of the CSR activities reported by companies fit into the category "community engagement and development of local communities". The least practices reported are from the category "human rights". The authors of the report noticed that fact, by writing that CSR is not only philanthropy. However, like in previous years many practices were philanthropic in nature. Companies also engaged in many educational activities, focused for example on safety and health. Many projects conducted were directed towards children and youth, of which many focused on work skills development as well as building entrepreneurial spirit.

The second report, Social Business Responsibility in the Polish reality. Theory and Practice (2015) was developed by the NGO Fundacja CentrumCSR. The research for the report was financed by Norway Grants and the creation of the report by European Social Funds. It was published in 2015, however it is based on research which started in 2014. The report was written with the aim to provide an objective understanding of the status quo on CSR in companies operating in Poland. On how CSR is adapted and used by 227 of the largest companies in Poland. Therefore, allowing for more transparency, enabling various stakeholders to gain insight into CSR activities of companies, and therefore establish a dialog with the companies. The report is the first to be published by an independent organization on the topic of CSR in Poland. The research was based on desk research, by analyzing information provided on CSR of a given company on their own, as well as other internet pages. The analysis was based for each company on 12 indicators/questions. The companies were chosen based on the revenue and amount of employees. The findings were then sent to each of the companies to allow for verification and feedback. Till the time of the publication 70% of all companies verified the findings, sent to them. To the company screening of the 227 companies, also 26 expert comments were added to the report. Based on the findings, it can be concluded that CSR in Poland is rather philanthropy and employee volunteering and not in line with the EU definition on CSR which says "CSR is the responsibility of companies on their influence on society". The easiest of all criteria to fulfill by all companies was to have CSR information on their webpage: fulfilled by 65,6% of all companies. Many of the foreign owned companies also did not translate the CSR information into Polish. Out of all companies, only 22,4% mention that they have a CSR dedicated person. In Polish companies the topic of CSR was generally managed by PR/Communication employees. Only 15,4 of all companies had a non-financial report, using GRI standards, allowing to decide on what aspects to report on. Out of all companies only 32,1 % had an ethical code of conduct. Generally, it can be said that CSR in Poland is used for promotion purposes, e.g. by giving money to charity. Small activities are blown up for promotion purposes. The monitored companies showed to be very surprised when they were asked on feedback on the presented monitoring results. Which seems to be an indication that there is a general lack of 'monitoring organizations' on CSR aspects in Poland.

Reports, studies referring to youth organizations' cooperation with SMEs or the private sector

There are no widely published reports which focus on cross – sector cooperation between youth focused NGOs and SMEs in Poland. However a few reports can be found which focus on providing an general understanding on NGO- business cooperation in Poland.

The first report Cooperation of Non-governmental Organizations with Businesses- Guide for Effective Cooperation (FOB) was developed by the Forum for Responsible Business in Poland. The report was funded by the European Social Fund, however there is no indication on when the report was created. The target group for this guide are NGO representatives in general as well as representatives from the business sector, not matter the size of the business. No sample of organizations is mentioned as well as the methodology used to develop the findings.

The objectives of the report are the following:

- provide reasons for building cross-sector cooperation, both for NGOs and the business sector;
- provide an understanding on what CSR is and what it entails;
- provide an overview on what a possible partnership could focus on and how it could be organized; including an overview on CSR partnership trends.

The conclusion from the report is that both sectors can win from cooperating together, when developing a project that can create a win-win situation for both. A cooperation should lead to a mutually beneficial partnership which allows both sides to use their strengths to tackle social problems. NGOs therefore need to know their strengths and find partners in the business sector that can benefit from building on those strengths.

The second report NGO and Business, a base for a good cooperation (2014) was developed in cooperation between Confederation Lewiatan and the consulting company Deloitte. This report has also been financed by the European Social Fund. It is based on a project cooperation between the two organizations, which started in 2011, with the aim to increase companies involvement in CSR activities in Poland. The report is the result of a 2 year study on this topic, which started in 2012 and ended in 2014. The general aim of the project was to promote cross-sector cooperation between NGOs and companies in Poland, in order to increase the development of social capital and shorten the time frame needed for its development.

In order to reach this, the study first aimed to gain an understanding of the status quo of NGO/business cooperation in Poland and the underlying perceptions in each of the sectors. To do so, information was gathered from the following sources: desk research- literature review; phone interviews with both business and NGO sector representatives, in total 176 interviews; two expert interviews, who both poses in depth- knowledge in project management of social projects; 33 in-depth interviews with representatives from both NGO and the business sector. The target group for this report are various representatives from the

NGO and business sector (large companies), as well as all other stakeholders who are interested in gaining a better understanding on cross-sector CSR cooperation.

Main findings from the report:

- 82,5 % of companies who took part in the study view NGOs as partners in their realization of CSR practices in their company;
- 94% of all companies mentioned that they know what CSR means;
- The majority of companies sees CSR as charity or environmental protection practices;
- Most companies (70%) do not have a CSR strategy, however 73% declared that they engage in CSR activities;
- Most of the companies mention that they have difficulties in specifying the needs of NGOs;
- The majority of NGOs mention that they have difficulties in creating partnership offers for companies; that they have difficulties with informing companies about their needs and expectations, as well as initiating business partnerships.;
- 70% of companies declared some kind of partnership with a NGO;
- Half out of those companies that have never cooperated with NGOs mentioned as reason that they have no knowledge of partnership opportunities;
- The most common form of cooperation is in the form of financial or in kind donations; rather more seldom support in the form of knowledge transfer/services;
- In return NGOs generally provide promotional activities;
- As benefits from the cross sector cooperation companies generally mention reputational reasons, the creation of a brand image among various stakeholders. Less important are benefits for companies related to improved competitiveness or gaining new ideas;
- NGO often do not see the benefits they can provide to companies (like e.g. implementing new ideas in companies, increasing market reach or reaching new clients).

Generally, NGOs view the financial gain as a benefit from a cooperation with a business as well as the possibility to gain new competencies and skills as well as the possibility to enhance their brand image. Not many NGO representatives view a cooperation as a possibility for generating innovative solutions and the professionalization of activities.

- The majority of companies is interested in continuing or starting a cooperation with a NGO.
- The form of cooperation preferred by companies is the realization of a common project or the provision of donations.
- NGOs prefer from of cooperation to receive a financial donation and only after that project cooperation or knowledge transfer.
- When selecting a given NGO for cooperation, companies choose based on expertise in a given field and professionalism. An offer which is tailored to the needs and expectations of a company and specifies clear goals is also important. Unfortunately, NGOs mention that they have difficulties in this regard which is hindering cross-sector cooperation between those two groups.

Conclusions

Many NGOs lack the professionalism to engage in long-term partnerships with the business sector, or to even make first contact. Many companies lack a clear strategy in regard to their CSR activities, creating chaos, minimizing its cooperation with NGOs therefore often to donations. Both groups need to start thinking strategically in regard to a common cooperation. Businesses need to see that communities that NGOs support are also their clients, employees or partners and therefore building partnerships for the sake of those communities can bring mutual benefits to all partners involved.

Gaps identified in the literature

There are a few reports dedicated to CSR in Poland, and most is published on the webpage of the Forum for Responsible Business in Poland (Forum Odpowiedzialnego Biznesu). However, there seems to be a lack of reports which deal with the topic of CSR objectively. Most of the organizations which publish the reports, provide mainly large and multinational enterprises another possibility to showcase their CSR activities or use the reports to underline their own expertise and the support they can provide to companies, in this regard. Government sponsored reports on CSR in Poland also focus mainly on providing an overview of CSR activities of large companies, their practices but not necessarily analyze the limitations of those activities. Government organization also provide reports that are aimed to support large Polish business, around 300, in their current obligation to provide a non-financial report, also widely termed CSR report.

Out of many reports that have been published over the years, only one can be found which tries to show objectively the extend and quality of CSR activities in large companies. In regard to CSR activities of SMEs the information that can be found are very limited. The reason for why SMEs do not know what CSR is and what it involves, seems to be correlated with the fact that also not much has been done till now in Poland to change this. The Polish government agency PARP was able to change this reality a bit by overseeing and providing grants and trainings to various SME companies in the whole of Poland to support them in the development of CSR practices in their companies. The project was realized thanks to Swiss Contribution funds. In total, 177 SME companies received financial support for the realization of their CSR projects, which foremost focused on ecological and social improvements within the companies, and rarely involved community or NGO partnership projects. Two reports which were published on this project by PARP, in 2015 and 2017, both focus on showing best case studies of realized projects by companies which took part in the project. However, those reports do not provide any analysis of the SME's sector CSR understanding, changes in attitude, aso.

Most information on SMEs CSR activities and understanding in Poland can be found in various articles but not one report exists which would provide an objective and coherent overview. Currently there is no report available which would describe specifically cross-sector cooperation practices between SMEs and youth organizations. However, there are various reports which deal with the topic of cross-sector cooperation between NGOs, in general, and the business sector. Based on the findings from those reports it is possible to

transfer many of the conclusions to SME- youth focused NGO cooperation, and build on it recommendations and tools which could improve and increase this specific cross- sector cooperation.

As there are no relevant studies specifically referring to the SME's involvement in the community or in supporting youth organizations, we can conclude that from our perspective relevant data are missing on the following topics: how many SMEs are involved in community projects / activities, what types of SMEs get involved, what types of causes or projects the SMEs support, or what types of organizations they support, the amount given, the motivation for giving, and any plans for the future in regards to their CSR / community involvement. However, through the research we will conduct in the CoOp project we might test some of the information, provided by the reports mentioned above, about the general companies' behavior in getting involved in community projects. Similarly, as there are no relevant studies that specifically analyze the youth organizations' collaboration with the business sector or the SME sector from Poland, we can conclude that literature miss a lot of data on the following topics: type of companies they work with, the amount of support provided, and plans they have for future collaboration with the business sector, more precisely with Polish SMEs.

Polish SMEs' CSR activities

Main figures on Polish SMEs

Based on the information provided from the report on the situation of SME sector in Poland (PARP, 2017 (Raport o Stanie Sektora Małych I Średnich Przedsiębiorstw w Polsce, Polska Agencja Rozwoju Przedsiębiorczości- PARP, Warszawa 2017) there have not been any major changes in SME numbers over the years 2008-2016. The majority of companies in Poland, 99,8 % , are SME's. Out of which the majority, 96%, are micro companies (employing less than 10 employees) around 1,84 mil. This is not surprising, given that 90% of all companies in Poland have the legal statues of being managed by a physical entity, usually one person business. Small companies make up 3% of all polish companies, around 56,7 thousand. Medium companies 0,8%, around 15,6 thousand companies. Large companies, 0,2% , around 8 thousand companies.



SMEs sectors of activity

In regard to sectors most of the SMEs in Poland are active in the service sector, 50,8%. Service including activities like medical services, transport and storage, technical and professional services. Every 4th SME is active in retail (26,1%), and every 8th SME company in construction (12,8%). Every 10th SME company is active in the manufacturing sector (10,4%) (PARP, 2017)



Type of CSR activities SMEs develop

Based on a project conducted by the Polish Institution PARP on 40 SME companies describes in the report "Responsibility makes sense- CSR in SME companies" in 2015 (Odpowiedzialność się opłaca, czyli CSR w MŚP, Polska Agencja Rozwoju Przedsiębiorczości, 2015) the definition of CSR is not very well known to Polish SMEs. They often engage in CSR activities, which are directed towards their employees or involve community engagement, however they are not aware of this activities being termed as CSR as they are rather natural for them. Ms. Aleksandra Stanek- Kowalczyk, Senior Manager for CSR and Sustainability at Deloitte, (Expert Interview FSR, 03.01.2018) mentioned, that "when SME companies think about CSR they think about charity, philanthropy, therefore there is still a lot of room for improvement and education among SMEs". Moreover, she mentioned: "Very often SME are involved in philanthropy and then the big companies come and tell them to do something together, to do some employee volunteering. The SMEs are not very happy about that as they say „we have to work in order to earn the money”. Based on the above information one can conclude that Polish SMEs are involved in CSR activities, even they are not really aware of it. Therefore, if employee volunteering is involved it seems not to be a formalized process. Generally, SMEs prefer to engage/provide support to local causes in their communities. They do not like to formalize those activities in order to not create an extra "burden" which will demand more work from them.

Type of organizations the SMEs support

Based on the information provided by Ms. Aleksandra Stanek- Kowalczyk, Senior Manager for CSR and Sustainability at Deloitte, (Expert Interview FSR, 03.01.2018), "SMEs usually choose organizations to work with that are local that are connected with their location (city or region) of operation. Very often it is the owner who decides on which organization to engage with. The decision logic is based on the owners personal involvement and not on strategic and rational rules". However, Ms. Stanek- Kowalczyk mentioned also that the kind and type of support that SMEs provide is usually not based a strategy which the SME has in place in regard to their CSR activities. She mentioned "I do not believe that CSR is something that is planned strategically. Very often in SME companies there is nothing planned ahead, very often they fight to survive and make decision in regard to CSR adhoc. We still have in Poland a problem with cooperation of business with NGOs and the perception of NGOs. Business very often does not trust NGOs because companies are afraid of the NGOs credibility in terms of money-, project management, aso."

Type of support the SMEs provide

There are no sources in Poland which provide reliable data on the kind and amount of support provided by SMEs. Based on the information provided by Ms. Aleksandra Stanek- Kowalczyk, Senior Manager for CSR and Sustainability at Deloitte, (Expert Interview FSR, 03.01.2018), "For smaller companies it is harder to give money, they prefer to give materials, something they produce or have. For bigger companies, that are mature in terms of CSR, they try to link money with other involvement like employee volunteering. However, most

companies are ok with just giving money. They demand a report and pictures and then they are happy that they receive an article and 200 pictures, so they can say- this is our CSR."

The SME s' motivation to support social activities, community projects, etc.

Based on a project conducted by the Polish Institution PARP on 40 SME companies describes in the report " Responsibility makes sense- CSR in SME companies" in 2015 (Odpowiedzialność się opłaca, czyli CSR w MŚP, Polska Agencja Rozwoju Przedsiębiorczości, 2015), three main reasons were mentioned on why a SME decides to create and engage in CSR activities. The first reason is related to the employees of a SME company which very often lack the possibilities of receiving a promotion or receiving trainings which allow them to increase their competencies and therefore also positive influence their motivation. Involving employees in volunteering activities allows SME employers to give something "extra" to their employees which increases their motivation, engagement as well as competencies. The second reason mentioned is the possibility to find new clients. Many multinational companies have process and standards in place which demand also from their suppliers, even if they are SMEs, to have CSR activities in place. By developing a CSR strategy as a SME, one can therefore gain access to new and larger clients. The third mentioned reason in the report is related to the competitiveness of the SMEs. By being seen as an responsible company by their local community and clients, the SMEs can increase their competitiveness in relation to competitors who do not engage in CSR activities. In addition to the three reasons mentioned above, Ms. Aleksandra Stanek- Kowalczyk, Senior Manager for CSR and Sustainability at Deloitte, (Expert Interview FSR, 03.01.2018), mentioned "Generally there is no rule on what type of cause and therefore NGOs organizations, companies support, however for multinationals the reason is usually reputational, PR driven. In terms of SMEs this is different. SMEs usually choose organizations to work with that are local that are connected with their location (city or region) of operation. Very often it is the owner who decides on which organization to engage with. The decision logic is based on the owners personal involvement and not on strategic and rational rules. "

Decision making process in regards to the CSR activities

Based on the experience of FSR in cooperating with SMEs in Poland it is very often the decision of the owner which determines if and in what CSR activity to engage in. This was also confirmed by Ms. Aleksandra Stanek- Kowalczyk, Senior Manager for CSR and Sustainability at Deloitte, (Expert Interview FSR, 03.01.2018), who mentioned: " Very often it is the owner who decides on which organization to engage with. The decision logic is based on the owners personal involvement and not on strategic and rational rules."

Youth organizations' collaboration with the business sector

Main figures on Polish youth organizations

There is not one report in Poland which would solely focus on youth organizations activities. Therefore, for the purpose on providing some insight on possible situation of youth organizations we will look at NGOs in Poland in general. The youth organizational information provided in this part is based on the experience of Aureliusz Lezenski the President of Robinson Foundation, who has over 20 years of experience in Polish youth sector.

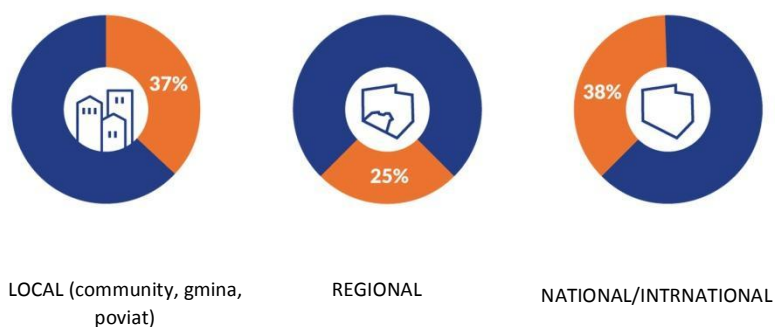
There were around 20 thousand foundations and 106 thousand associations registered in Poland in December 2015. That means there are five times more associations than foundations. Proportions have, however been changing, with more and more foundations being established, for a year before the number of foundations was six times lower than the number of associations.

However, the fact of there being 126 thousand organizations registered in Poland does not mean that all of them are operating actively. It is estimated that approximately 70% of registered organizations carry on their activity. The rest have either suspended their activity or ceased to operate altogether. This means that the number of associations and foundations actively operating in Poland is around 100 thousand.

What is the scale of operations of Polish NGOs?

- local community (5%)
- gmina or powiat (32%)
- voivodeship (25%)
- country (28%)
- international (10%)

Many associations and foundations conduct parallel operations: while operating locally they take on activity on a regional scale, organise gmina or powiat-wide actions or, while operating internationally, their first and foremost focus is on domestic activity – either nationwide or regional or even concentrating on local community work.

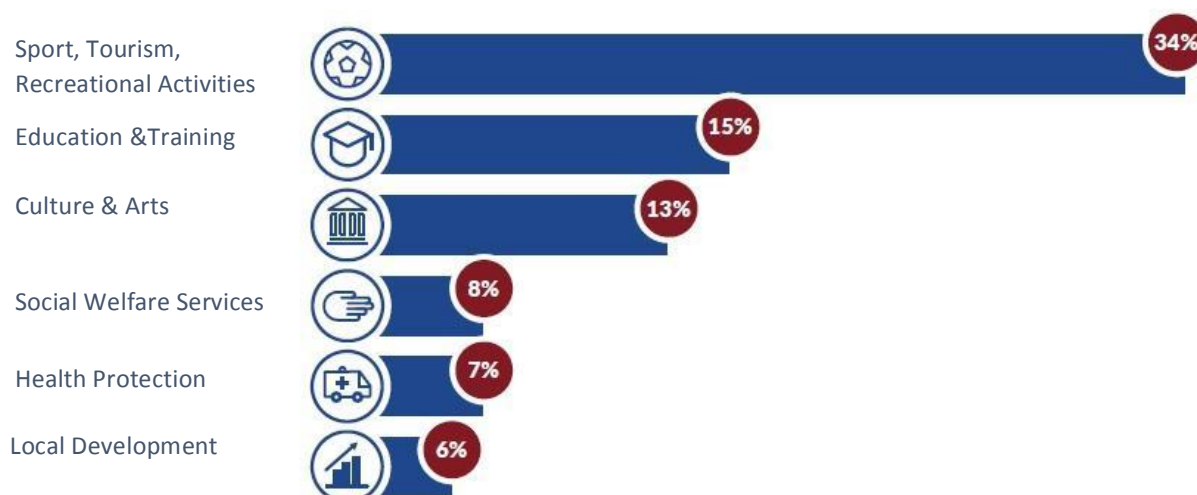


Sectors of activity of the youth organizations

What are Polish NGOs primarily involved in?

- sport, tourism, recreational activities and hobbies (34%): e.g. conducting sports classes, organising recreational events, taking care of sports facilities
- education and training (15%): e.g. activity clubs for children and youths, organising courses and trainings for adults, running of schools
- culture and arts (13%): e.g. organising fetes, festivals, cultural education, activities advocating regional traditions
- social and social welfare services (8%): providing help and support to the disabled, the poor, large families, people with addictions
- health protection (7%): e.g. health promotion, education, running of rehabilitation centres
- local development (6%): e.g. encouraging local community activities, neighbourhood activities, development in rural areas

Sectors of activity



In regard to youth organizations specifically, developed projects are realized in the following areas:

- Arranging leisure activities as a method for nonspecific preventive treatment of social exclusion.
- Sports and sport education.
- Ecological education.
- Digital education.
- Teaching and talent development.

Youth organizations annual budgets

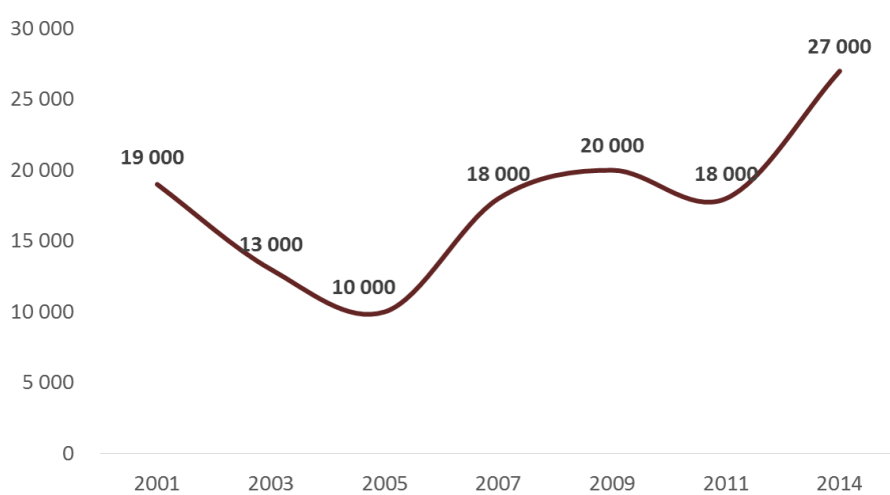
What is Polish NGOs annual budget?

The average income of an organization is growing. Annual budget of an average organization in 2014 amounted to 27 thousand zlotys, which was 9 thousand zlotys more than three years before.

Nevertheless, although budgets of organizations are increasing, stability and unpredictability of incomes are still big problems. At the beginning of March 2015 only 21% of organizations had more than half of the funds for the current year (2015) secured, and as few as 8% of associations and foundations had more than half of their 2016 budget secured. What does the budget of an organization depend on? The amount of income varies greatly. Among others, it is influenced by:

- the size of the place where an organization has its seat. The average budget of organizations based in rural areas was several times lower than the average budget of organizations based in Warsaw.
- the field in which an organization operates

Organizations operating in the field of culture have lowest average annual incomes, while those involved mainly in social welfare services – the highest.

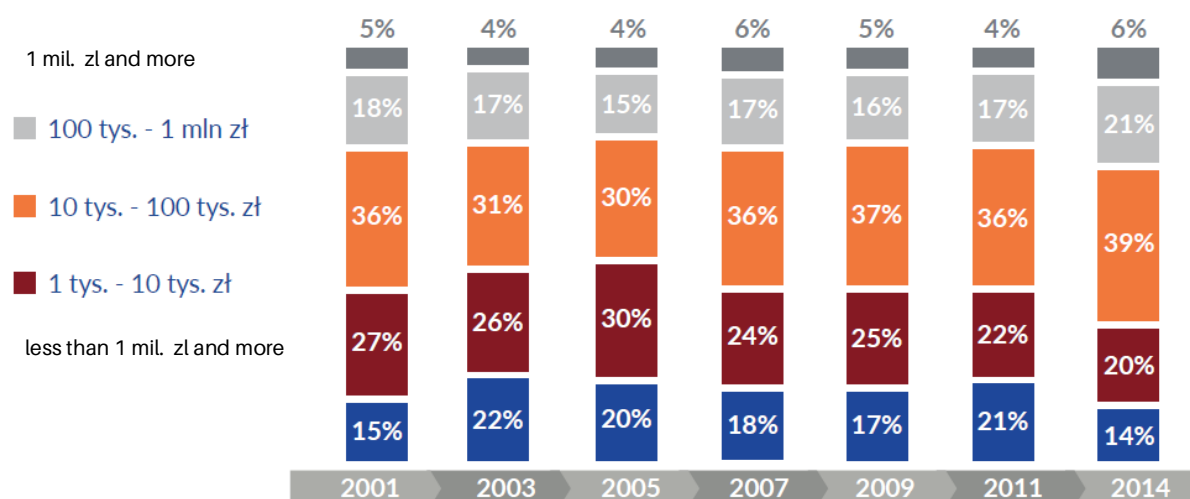


Main income sources for Polish youth organizations

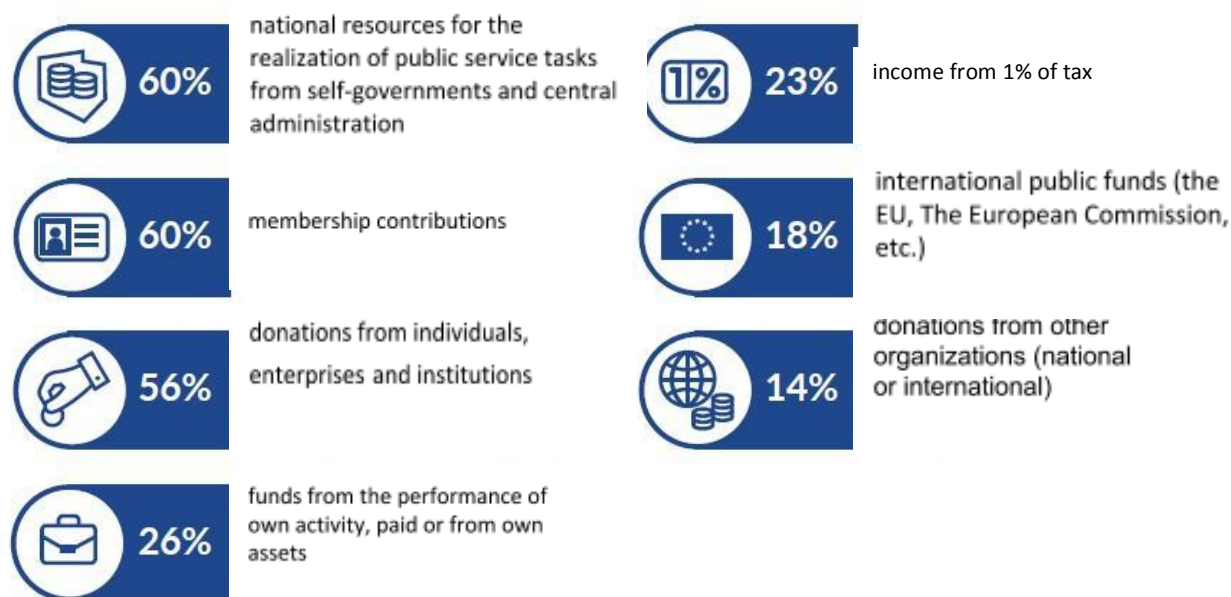
Where do NGOs get their funds from?

The number of sources from which NGOs receive their incomes is growing. In 2014 there were, by and large, three sources of income and 27% of organizations received income from four sources. There has been an upward trend in the use of financing from public sources: from self-governments, the government, 1%, the EU, as well as from donations from individuals, companies and institutions.

Structure of income



Sources of income most often used by Polish NGOs in 2014



As it can be observed in the above figure, the sources of income most commonly used by Polish organizations in 2014/15 included:

- national resources for the realisation of public service tasks from self-governments and central administration – used by 60% of organizations
- membership contributions – 60% had incomes from that source
- donations from individuals and enterprises – constituted part of the budget for 56% of the sector
- funds from the performance of activity against consideration or resulting from wealth creation - 26% of associations and foundations
- income from 1% of tax – 23% of the sector

- international public funds (the EU, The European Commission, etc.) – contributes to the budgets of 18% of organizations
- donations from other organizations (national or international) – 14% of associations and foundations

Points 3 and 7 – donations for NGOs – are important in the light of cooperation with business, however, it must be said that some of the foundations are corporate foundations supporting non-corporate foundations. In 2016 the number of corporate foundations amounted to 200 registered and active entities. Youth organizations use cooperation programs with local administrations, which are often backed by EU funds or permanent subsidies from the government.

Polish NGOs' cooperation with the business sector

NGOs cooperate actively with business in big cities. This mostly involves cooperation between corporate organizations and local or national NGOs. The main reason for cooperation with business is to obtain financial or tangible/material resources for operation. Another is to obtain the support of gratuitous voluntary service as consultancy assistance.

In youth organizations fundraising activities are generally run by the president or a member of the management board. Youth workers in Poland rather do not engage in collaboration with businesses. Their main role/task is to work with young people, and this is what they are trained to do. Often they refuse to act as intermediaries between NGOs and companies. The situation is different in the case of projects and programs developed by companies, here youth workers are more open to participate, however not in a leading role.

Resources

Odpowiedzialny biznes w Polsce. Dobre praktyki, Forum Odpowiedzialnego Biznesu, 2016
Społeczna odpowiedzialność biznesu w polskich realiach. Teoria a praktyka. Grzegorz Piskalski, Fundacja CentrumCSR.PL, Warszawa 2015

Współpraca Organizacji Pozarządowych z biznesem- poradnik efektywnej współpracy, Forum Odpowiedzialnego Biznesu, Warszawa

NGO i biznes, Podstawy dobrej współpracy, Konfederacja Lewiatan, Warszawa, 2014

Raport o Stanie Sektora Małych I Średnich Przedsiębiorstw w Polsce, Polska Agencja Rozwoju Przedsiębiorczości- PARP, Warszawa, 2017

Odpowiedzialność się opłaca, czyli CSR w MŚP, Polska Agencja Rozwoju Przedsiębiorczości, Warszawa, 2015

Ms. Aleksandra Stanek- Kowalczyk, Senior Manager for CSR and Sustainability at Deloitte, Expert Interview FSR, 03.01.2018

Dobry biznes, czyli CSR w MŚP, Polska Agencja Rozwoju Przedsiębiorczości (PARP), Warszawa, 2017

Report on the survey conducted on Polish youth organizations and organizations working with young people

The general objective of the survey was to understand how Polish youth organizations interact with small and medium enterprises (SMEs) from their community; and what the youth organizations needs are in regards to collaboration with the private sector. The following report presents the data collected from Polish youth organizations or NGOs working with young people.

Profile of the Polish youth organizations part of the survey

The survey was sent to more than 50 youth organizations and NGOs from Poland. Responses were received from organizations' leaders and employees via internet, representing 13 different organizations. The respondents coming from various parts of Poland, all declared that they either work with or for youth in Poland. All of the respondents represent board members or long-term employees of the organizations. Their activities range from local, over national to international in reach. The mission and objectives of most of the organizations is sketched around educational goals in supporting civic values but also skill and knowledge enhancement to support employment, entrepreneurship or basic life skills. Moreover, the organizations support various youth groups from rural versus urban areas as well as disadvantaged background based on economic and social factors.

The sample of organizations, which provided answers, provide a good representation of organizations not only in regard to the above mentioned factors but also due to the differences in budgets and therefore size of the organizations. Budgets of the organizations range from below 20.000 Euros (26,07) to over 200.000 Euros (20%), with none of the budget ranges being a dominant one. The budget of the organizations either increased (46,7%) or stayed the same (46,7%), only one organization mentioned that their budget decreased within the last 3 years. An interesting aspect, which was addressed in the survey, had to do with the main income sources of the organization's budget for 2017. We found out that organizations rely on many types of income sources from local and national governmental funds to income from own business activities, however none of the organizations mentioned that they generated any fund from cooperation with small and medium enterprise (SMEs). Generally, it can be concluded that youth organizations receive more funds from individual and public sources, than private ones.



Youth organizations interaction with SMEs from their community

Taking into consideration the overall purpose of the survey, a considerably discouraging research finding is related to the fact that none of the organizations participating in the research mentioned that they had a contribution in their funds from SMEs. Given that also only 20% of organizations receive funds from international and large companies, but all youth organizations have contribution from local, regional, national or European public funds, it can be derived that youth organizations seem not to be too open to involve the privet sector, and especially SMEs as partners or even funders. When asked again about the percentage of donations from SMEs received in 2017, the majority of youth organizations mentioned (53,3%) that they receive no donations from SMEs and 46,7% responded that contribution from SMEs is small, below 10% of their overall budget.

Communication with the privet sector does not seem to be the youth organizations priority, since it does not take place very often. Only 33,3% of all our respondents mentioned that they are getting in contact more than 3 times per year with an important business partner. The rest of the respondents either get in contact less than that, do not have contact, or do not work with privet sector organizations at all. Nonetheless, when interaction among NGOs and companies does take place, youth organization prefer to communicate or get in touch with the persons who either have a position in the marketing/ PR department of the company or are the general director or owner of the business enterprise.

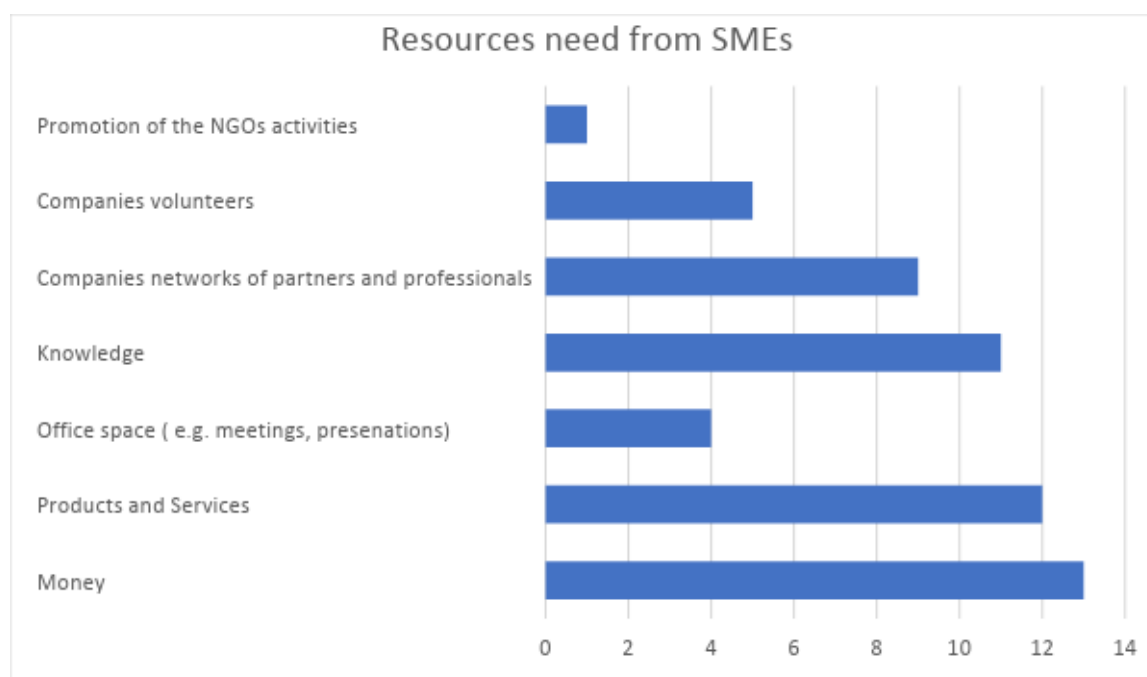
According to the provided answers, youth organizations prefer to work with companies that have a specific CSR strategy or philanthropic strategy and clear objectives for their community involvement (60%). In second place, 33,3%, respondents answered that they

prefer to work with companies that do not have a specific philanthropic or CSR strategy, and are open to discuss and adapt their support in accordance with their organization's projects. Even there seems to be a difference in regard if it is better to work with a company that has a clear strategy or not, the overall majority of respondents prefers to work with larger companies. Only ¼ mentioned that they would prefer to work with SME companies, because they can have direct contact with the owner or the main decision maker in involving the company in community projects. Out of 15 respondents only one mentioned that the size of the partner organization does not matter. In this respect, the preferences of the organizations are rather clear, but that does not necessarily indicate that NGOs are inclined to collaborate only with big companies or the ones that rely on a straight forward and clear CSR strategy.

For contacts with the private sector, more than half of the youth organizations mentioned that they assign fundraisers to do that job. In second place executive directors are responsible for this task. Three respondents even mentioned that in their organizations also youth workers engage in fundraising activities with the business sector. However, when asked about the qualifications of those persons who are meant to develop or maintain the relations with companies, over half of the answers indicated that those persons do not have either the right background, nor training to do that job. However, as "they believe in what they do" or because they develop "workshops, so they know what they need" they seem to be also able to take upon collaboration building activities with companies. Nevertheless, as we also have some NGOs in our sample with a larger budget we also received responses that the person doing the fundraising job, has a business background, received trainings and has the experience to develop a fundraising strategy for the organization. Therefore, the better of the NGO, the more professional the fundraising activities seem to be organized.

Youth organizations' needs

The needs of NGOs vary, however most of the NGOs mention that they would want money as a form of support from SMEs. In the second place respondents mention products and services and in third knowledge. However only 5 respondents would be happy to receive volunteers. Further down the needs line, also office space was mentioned as well as the need to have access to the companies network of partners and professionals. The answers show the considerable need for support that NGOs would be happy to receive from possible business partners.



Perspectives of future collaborations between SMEs and youth organizations

The above-mentioned needs and the expectations directed towards the SMEs are reflected in the future plans for projects and activities NGOs have. Not all of the respondents have already concrete plans and $\frac{1}{4}$ of respondents seem not to consider a NGO – SME cooperation, however those that have, have very specific projects and activities in mind they hope to receive support from SMEs for. The mentioned project and activities ask for financial, in kind contributions but also intern places and employee volunteers. Given that only a few the respondents mentioned that they have created projects before that involved the support of SMEs, there seems to be a trend to try out collaborating with SMEs in the future. The projects which were conducted in the past by the NGOs involving SMEs, SMEs provided volunteers, products or services. NGO representatives mention that in order to develop and carry out successful joint projects with the business sector, the partnerships between youth organizations and SMEs should be built on openness, including openness to share knowledge, commitment, an partnership approach as well as flexibility and trustfulness.

Main conclusions

The sample of the organizations which responded to our survey have bigger budgets than the average NGO in Poland. However, no matter this fact, many of the same trends have been identified in this research sample as in the earlier literature review/desk research. As found in the literature review, NGOs seem to have experienced some stability in regard to their budget over the last couple of years. In regard to income sources, we can conclude that the NGOs responding to our survey are in line with the national trends of using overall public funds and to an lesser extend privet sector funds. Moreover, youth organizations as other

NGOs in Poland seem to prefer to develop a NGO- private sector partnership with a large company instead of a SME. The cooperation with SMEs, as already mentioned in the literature review, is nearly non-existent and involves in most cases in-kind or volunteering support from the SMEs. Moreover, the responses from the survey show also that youth organizations seem not to be good with communicating to the business sector about their needs which has been also mentioned before in various other studies. The lack of professionalization of the NGO sector, especially in regard to smaller NGOs, seems to hold the sector back in the realization of projects and activates the sector hopes to develop for the young people they support.

Report on interviews with Polish SMEs

For the last part of the research, interviews have been conducted with eleven SMEs from Poland. The purpose of the face to face interactions with the owners or the employees of SMEs was to identify to what extent SMEs tend to follow a pattern or have a particular interest while cooperating and establishing partnerships with NGOs. Besides the aspects related to cooperation practices among SMEs and youth organizations, the research also asked for the motivation, when it comes to SMEs involvement in community development. The following report presents the data collected through individual interviews from the Polish SMEs, conducted either face-to face or during an online meeting, in case of SMEs that were not located in the Warsaw area.

Profile of the SMEs involved in the interviews

The interviews were held with representatives from various SMEs, ranging from service companies with just a few employees to big production companies with number of employees ranging to around 200. Moreover, we tried to target companies also from outside of Warsaw, both operating at local and at a national or even international level, however still fitting the definition of a SME. Several business are family run or were started by entrepreneurs as start-ups. The fields of business covering event and PR agencies, an internet service company, a law office, production companies, a training company, a headhunting company, as well as a bank. In nearly all cases we were able to hold the interviews, with decision makers in the companies, with either the owners or the representatives of the board of the companies. This fact, as well as the diversity of companies provided, allows us to have relevant information on which our conclusions and recommendations can be based.

SMEs' Corporate Social Responsibility activities

Out of the 11 companies only three have not been involved in any type of CSR or community support activities. The remaining company interviewees were all able to provide examples of current or past activities in which they themselves, or/and several employees were involved. The type of activities and programs in which the SMEs are involved, or which they sponsor are dependent on the budget and therefore the size of the SME. In the largest SME which took part in our research, the company involves on a constant basis two of its employees (1% of employees) in CSR initiatives of the company. Moreover, it plans to also implement employee volunteering activities targeted towards more employees of the company. Another bigger SME, which is active in the banking sector, is generally always trying to involve its employees in its CSR activities. The employees are asked to write, once a year, a mini-grant application on behalf of a NGO and realize together with the NGO some of the planned activities. Also integration activities are always focused on supporting CSR causes: "During our last integration employees were involved in assembling bikes, which we bought

earlier, and which were than later given to youth from a social welfare center". However, the smaller SMEs also showed that the size and budget is not essential when wanting to engage in CSR activities. The owners and/or employees engage prominently in volunteering activities in which they provide their time and knowledge though e.g. providing trainings, giving expert knowledge and consulting services, spending time and developing activities for youth from foster care facilities. Other mentioned that they provide internship places for youth from foster care, or also support NGOs by promoting their activities among their clients and provide a platform for the NGOs to meet other business representatives. Sponsoring and financial support seem to be less popular among the SMEs. Those that do, mentioned that they sponsor NGOs portages in helping them to become better in science. Another provides goods and financial donations for local community picnics or provides scholarships to local school youth.

From the examples provided by the SMEs on CSR activities and programs they are involved in, we can conclude that the SMEs have to some extend a "strategic mindset" in regard to the causes and the way they provide support. The activities and causes are predominantly in line with the business field the SME is involved in, or support other needs of the SME, e.g. increasing employee satisfaction, promotion in the local community, also as a possible employer promotion among clients, aso.

In regard to those SMEs that mentioned that they are not involved in any CSR activities, the interviewee mentioned that the reason for engaging in CSR activities, would be focused on increasing satisfaction and cooperation among their employees. However, those SMEs did not seem to see the urgent need to do so as they believe that their business do not have a larger impact on the local community, and therefore do not necessarily need to engage in CSR activities.

Cooperation between SMEs & youth organizations

All SMEs that are already involved in CSR activities are supporting youth. Moreover, the ones that are not involved in any activities till now, mentioned, when they were asked on what kind of projects they could think of supporting, that they would be inclined to support young people in their development. This are very good news for youth organizations as they seem to share the same values and beliefs as most of the business representatives we talked to. Another positive aspect is that most of the SMEs mentioned, that they prefer to provide support through NGOs, being engaged in projects that certain organizations develop and manage. One SME which is not cooperating with an NGO but rather with the local mayor to support schools and provide scholarships, mentioned the drawbacks of such a cooperation. The company experiences lack of time in order to develop the program further which is clearly a good argument on why a cooperation with a NGO in this case could prove beneficial.

Very often the SME, or rather the owner of it, has already an idea on what cause he/she wants to support and is searching for the right organization to bring the idea into action. One of the interviewees mentioned "We got in contact with many organizations. One of them was close

to me due to the fact that it is based in my family region. I started to organize trainings, taking youth to matches. This is a long-term project, for which I feel responsible. It is more a passion than work for me.” From this example is also clearly evident, that the personal preferences and background of the decision maker, in regard to which CSR projects to support, are playing an important role. One interviewee mentioned : “ the key to a successful cooperation for me is knowing the key person [of the NGO] in the project personally, a person that I know and which is for me important, this is for me an important reason on why I want to engage”. Again, the SMEs do not seem to want to only answer to various requests of NGOs for support but as another interviewee put it “ find more systemically answers for us on the following questions: who, why, how do we want to support.” This, and other answers also show that the duration of partnerships is not always an one time thing. Usually, SMEs prefer to work with one steady partner over a longer period of time, plan more strategically than just react to one-time requests that seem not to bring any further value to the giver.

SMEs’ needs and motivation in regards to CSR

Clearly, the SMEs we talked to are not only interested in charity, in providing only money. The activities they are asking for, or which they already realize, need to allow for the engagement of employees as well as the local community. Most of the interviewees mentioned that they do, or would like to, engage in CSR activities which allow them to foster cooperation and engagement among their employees, use in a sense CSR activities instead of the usual integration parties. Besides using CSR as a HR tool, many also mentioned that the programs and activities need to be conducted in local communities of the business, as wells as where the employees are located. Another aspect mentioned, is that the SME want to see the effect after the project. The effect it had, the “ real” influence on the persons or community the project was target towards. Based on this information it seems to be essential that that NGOs should think of how to measure the impact of their activities, and the way they can and want to communicate this information to possible business partners.

Even most of the SME interviewees mentioned that they are not interested to get involved in CSR activities with NGOs, that only demand from them to provide financial support, they are well aware that the time and effort of the NGO needs to be recompensed. Therefore, what is needed is from the the NGO to provide a proper project proposal that also includes the budget and other resources needed. Unfortunately, NGOs do not always have a good opinion among the SMEs when it comes to their professionalism. As one of our interviewee put it: “ NGOs are in chaos, they are not well managed as they are not professionalized and therefore they are not good in managing various activities, like for example, promotion and communication.” However, the passion and enthusiasm that NGOs show in regard to the projects they realize in local communities, that is something that SMEs would like to be infected by, and bring into their companies.

The last point important to SMEs, is the need to build up a personal relationship with the NGO representatives. As often the owner of the SME is deciding on the CSR projects to be supported, a feeling of trust and mutual understanding needs to be established. Inviting the SME representatives to events the NGO is organizing, making them feel part of the

“community” which the NGO is supporting, seems to be a good strategy to build up a long-term partnership.

Main conclusions and recommendations provided by SMEs

The very good news for this research, and therefore youth organizations, is the fact that SMEs seem to be very fond of supporting youth through CSR activities. This fact has been already confirmed by the literature review/desk research as well as by the expert interview. However, SMEs do not just want to support any kind of youth but youth from the local communities they are located in. This is because SMEs that engage in CSR activities seem to know very well the benefits of doing so. This strategic mindset on CSR activities seems not to be in line with the initial findings from the literature review. Of course promotional causes within the community or among business partners and clients seem to be the predominant reason on why to support certain projects, but among our SMEs also examples can be found of CSR activities which support the sustainability of the business, by making sure that employee satisfaction is fostered as well as interest is built up among youth for a certain business field which allows to ensure a future stream of new employees. Therefore NGOs wanting to build up a cooperation with a business partner should always look for companies which products and services are in line with the mission and activities the NGO is involved.

SMEs show also a clear preference for projects which allow for employee engagement. Based on our earlier findings which showed that NGOs would like preferably to only receive money or in-kind donations, this are not the best news. These type of projects demand more work from youth organizations in the form of communication and coordination with the business partner. Therefore, it seems even more important that NGO representatives learn to “speak” the same language as the business does, by communicating to them on the activity details, the timeframe, the assets and resources needed as well as the objectives and possible “return on investment” of certain activities. Moreover, most SMEs do not have the manpower of dedicated personal to support the development of CSR projects and therefore rely on the support from NGOs to coordinate all activities. Many SMEs we talked to mentioned that they want to build up long-term partnerships with a given NGO. However those that think of engaging in CSR activities, but have not done so till now, are more hesitant and would prefer to start a NGO-SME partnership, preferably from a “pilot”. A small activity, that does not demand too many resources and time, which could prove if a partnership could be continued.

This hesitation and the need to first “try out” seems to be related to the fact that SMEs do not have very often the possibility to meet with NGO representatives. There seems to be a lack of a possible forum/space which would allow to get to know each other better. This fact has been already mentioned by our expert interviewee, and agencies (PR/event) seem to play very often the middle man in introducing NGOs to companies. However, in the case of SMEs which do not have the resources to ask agencies to help them with their CSR activities, this task of bringing the two parties together, is even more difficult. Therefore, NGOs need to be very determined and well prepared when approaching SMEs, preferably have also

references in the local community that can support the trustworthiness of the given organization.

The owner of the SME is the most important person to convince. The project proposal needs not only to be adapted to answer business needs, and be articulated by using “business language”, but moreover it needs to fit with the owners values and mission he/she things are important to support.

Summing up, it can be said that establishing a SME-NGO cooperation is hard work, especially for NGOs that need to take upon themselves many tasks that would be rather handled by CSR representatives in larger enterprises. However, it is worth it and pays out, as SMEs are more faithful and flexible, preferring to build up long-term relationships in order to support positive developments in the local community.