

# CONTRIBUTION OF FINANCIAL RESOURCES OF SOCIAL ENTERPRISES (WISES) IN THE AREA OF CORPORATE SOCIAL RESPONSIBILITY

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**Abstract:** The objective of this article is to compare financial resources of several social enterprises from the Moravian-Silesian Region of the Czech Republic that help to re-integrate unemployed – from the category of disabled – back into the society. These firms are commonly referred to as work integration social enterprises (WISEs). Comparison is connected to the effects that are created in the area of social responsibility. For the comparison of the financing resources of these selected work integration social enterprises, the author uses method of multidimensional scaling. The effects of corporate social responsibility that are brought up by the financing of stakeholders are evaluated by the method of Social Return on Investment. The example of selected work integration social enterprises shows that the effects in the area of corporate social responsibility are predominantly connected to the employment of people with disabilities, where the value added is being created. These effects relate not only to the composition of main stakeholders, or structure of financial resources, but they also require longer time period (minimum five years) to bring its fruit.

**Keywords:** Corporate Social Responsibility, financial resources, social enterprise, social enterprise (WISE), Social Return on Investment, work integration.

**JEL classification:** G3, L3, L31, M14

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## Introduction

Corporate Social Responsibility is being used in both private and non-profit organizations. There is no widely acknowledged definition of the term Corporate Social Responsibility (CSR). Corporate Social Responsibility is voluntary and it does not have strictly defined boundaries (Pavlík, Bělčík et al., 2010). Theoretical founding of Social Responsibility and modern approaches to socially responsible investments firstly emerged and developed in the United States of America in the second half of twentieth century. Since the nineties the Social Responsibility starts to develop also in Europe. Principles of the socially responsible behavior of corporations appeared even before in both Europe and America, however they were not defined as such (Krajňáková, Vojtovič, 2011; Pavlík, Bělčík et al., 2010; Zdražilová et al., 2010).

The corporate social responsibility can be incorporated into sophisticated business strategy of companies, especially in case of organizations that work toward social goals and profit or in case of organizations that focus on profit but at the same time have some social impact on their environment. In such cases the corporate social responsibility can be reflected in a form of financial support, company's mission or goals, it can influence such company in the process selecting its suppliers or enforce ethical norms on its suppliers, it can also impact joined projects with high added value (Brančíková, 2010). In case of social enterprises the social benefits are essential part of business strategy. Corporate social responsibility of social enterprises is connected to area of its work and services it provides. Corporate social enterprises that do specialize in bringing unemployed back to the labor process are the type that dominates Europe (WISE – work integration social enterprises) (Defourny, Nyssens, 2008).

The paper is divided into the theoretical part - chapters 1 and 2 and the empirical part - chapter 3 and 4 (discussion). The aim of this article is to compare the financial sources of several charities (social enterprises – WISE type) from the Moravian-Silesian Region of the Czech Republic in contrast with effects that they bring into the area of corporate social responsibility. The method of multidimensional scaling is used for the comparison of financial resources. The method of Social return on Investment (SROI) is used to evaluate corporate social responsibility of selected social enterprises (WISEs). This method evaluates effects of corporate social responsibility according to amount of financial support provided by stakeholders.

## **1 Social Enterprises and Their Financing**

A social enterprise is an organization that applies commercial strategies to maximize improvements in human and environmental well-being, rather than maximising profits for external shareholders. Social enterprises can be structured as a for-profit or non-profit, and may take the form of a co-operative, mutual organization, a social business, or a charity organization (Ridley-Duff, Bull, 2011). Social enterprises do not necessarily need to be differentiated by their legal form. They are, first of all, characterized by their nature and features; in other words – by social goals. They all have three features: entrepreneurial orientation, social intent and social adequacy of intent. The category of „social capital” is often mentioned in connection with functioning of social enterprises (Defourny, 2006; Dohnalová, 2006).

Social enterprises are characterized by multisource financing. It is usually a combination of public and other sources of some sort. Each nonprofit organization should achieve optimal combination of achievable financial resources. Public financing comes predominantly from the institutions of state administration (ministries) and from the institutions of local governance (regions and cities) (Boukal, Vávrová et al., 2009). In case of non-governmental non-profit organizations as well as social enterprises it is financing from public budgets under the state subsidy programs, schemes and grant projects. Individual ministries with their systems of grants are the most important source of funding. Once a year there is a competition in which nongovernmental and nonprofit organizations can take part. Financial aid is linked to the main areas of operation (subject of activities undertaken) of non-profit organizations or social enterprises. In addition, there is support from the municipal (city) and regional authorities (Rektořík et al., 2010; Boukal, Vávrová et al., 2009).

Non-profit organizations or social enterprises do not focus solely on grants from public sources. Other forms of financing may be linked to public procurement, resources resulting from contracts for providing services and resources mandated by the legal provisions (for religious organizations and public and private schools) (Boukal, Vávrová et al., 2009). Apart from public sources, non-profit organizations and social enterprises also use private financing. Private financing could be provided in a form of financial means and material gifts. Resources may come from various firms, foundations and endowment funds or they can be generated by own activities of social enterprise. All partners (public and private) that take part in the financing of social enterprise are commonly referred to as stakeholders (Hunčová, 2007).

## **2 Corporate Social Responsibility of Social Enterprises**

Social responsibility is being understood as a commitment of an enterprise to the society as whole; i.e. not only in the form of legal obligation but also in the forms of economical, ethical and philanthropic compulsion (Caroll, 1999; Pavlík, Bělčík et al., 2010). Corporate social responsibility, as defined by the European Commission in 2001, is a concept by which

companies voluntarily integrate social and ecological views into their day to day operations and interactions with other interested subjects (stakeholders) (Zadrazilová et al., 2010).

The main precondition to understanding concept of socially responsible investment is to define goals of an enterprise. The goal of socially responsible investment is not only the profit marginalization. It comes from needs of internal and external environment. It includes also social and environmental aspects of work. Current theoretical research of social responsibility pays great attention to the views that a socially responsible organizations may hold. Among those most basic is the general social responsibility of a society that covers four elements: economic, legal, ethical and self imposed values (such as increased welfare of the society, quality of life, improved social relations, etc.) (Krajňáková, Vojtovič, 2010). It is important for each social enterprise to define its key stakeholders. Within the concept of social responsibility the enterprise (firm) represents all stakeholders, everybody who has an influence on the daily work of this enterprise and everybody and every entity that is being influenced by the work of this enterprise.

Social enterprises deal in numerous activities in a variety of spheres. However, based on the findings of EMES, the most dominant type – in Europe – is work integration social enterprise (WISE) (Defourny, Nyssens, 2008). Social Enterprises (WISE) are autonomous economic subjects whose main purpose is to integrate people who have difficulties to compete on the job market into the work process. The placement of such person can be either within the WISE itself or directly within the open labor market. This integration is achieved through the productive activity or through the requalification (Hunčová, 2007; Davister, Defourny, Gregoire, 2004). Within the wide scope of social economics, the professional integration (full social and integration through employment) of employees with some sort of placement-related handicaps is the real added value of WISEs. Within the social economics, this work integrating initiatives are most valued when they coincide with the environment of high unemployment Kantorová, 2010; Vomáčková, 2009; Davister, Defourny, Gregoire, 2004).

The corporate social responsibility of WISE should be balanced in all three dimensions – so called “triple- bottom line”: in the area of business and undertaking, in the area of benefits it brings to the society and in the area of local development and ecology. Even though the social goals seem to be alike, their individual added value from a point of view of each stakeholder will vary especially when it comes to Brančíková (2010) for example stakeholders and their individual benefits; life quality of employees and their families; local dimension, positive influence on environment. From the psychological viewpoint, individual added value provides the recipient with human dignity, the concept of utility for him/herself and the meaning of life, active participation in the creation and sharing experience with others, etc.).

## **2.1 Evaluation of Corporate Social Responsibility of Social Enterprises**

Evaluation of corporate social responsibility is usually done with the help of some sort of exact measuring method or some indexing or benchmarking method. Exact methods that evaluate social responsibility of an enterprise do include selective standards or norms. OECD (Guidelines for Multinational Enterprises) and GRI (Global Reporting Initiative) are among those organizations that use the most complex standards for evaluation or measurement of corporate social responsibility (Pavlík, Bělčík, et al., 2010; Zadrazilová et al., 2010).

Researches that have been focused on the work of non-profit organizations and social enterprises caution us about the low level of prestige that these organizations carry in the Czech Republic. There is an alarming lack of professionalism within the management and

among the employees (including volunteers) of these organizations. There is also insufficient level of financial flows transparency and inadequate reporting and monitoring. An effective use of monitoring tools may easily increase credibility of these organizations towards variety of interest groups that include potential new members, sponsors and volunteers. One of the methods used for measuring socially responsible investment of non-profit organizations (social enterprises) is: method of social return on investment (SROI), method of local multiplier (LM3), and some other methods that are used as a part of social accounting and auditing (Dvořáková, Hunčová, 2011).

One of the methods that are being used for measuring of social benefits is social return on investment (SROI). SROI has been derived from social responsibility and cost and income analysis. It is being used in cases where a better understanding and a good impact management of social, economic and environmental values is being required. It could measure social benefits in contrast to investments that were needed to achieve the initial goal. Within the SROI, there are three elements: engagement of parties involved (stakeholders), financial means brought in by stakeholders and benefits that cannot be measured in terms of market value. SROI represents a framework within which those social effects are being measured that social enterprises may bring into the local communities (Halásková, 2011b; Leighton, Wood, 2010). SROI analysis helps social enterprises to understand the value of their work and the value that it brings to different groups. It is important to prove the value to the stakeholders. SROI is not being used only by the organizations, but also by investors (stakeholders that provide financing) for these organizations. Investment into different types of organizations creates variety of social benefits and added values (Halásková, 2011b).

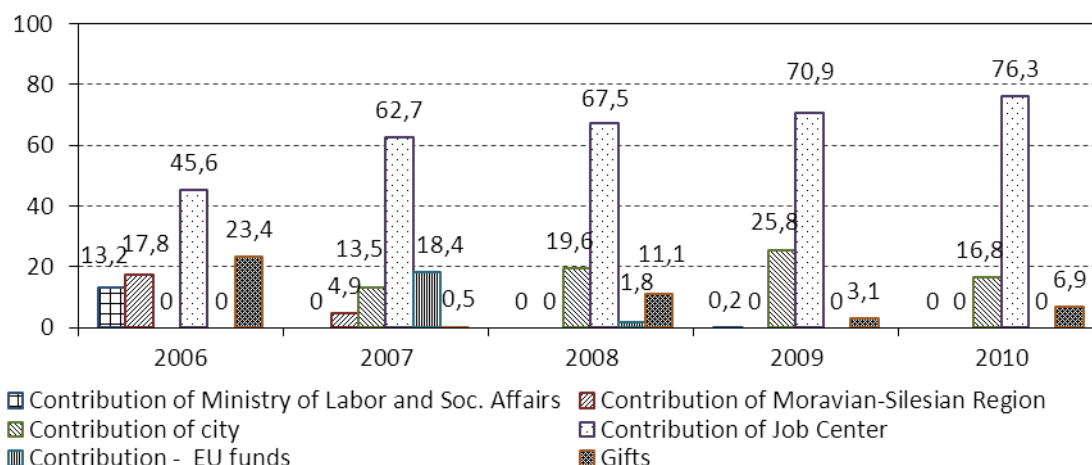
### **3 Empirical part – Selected Social Enterprises (WISEs) and Their Financial Resources**

Christian Charity of Ostrava-Opava diocese is the biggest non-governmental provider of social and medical services in the Moravian-Silesian Region. The organizational structure is that of a holding. It consists of 17 local charities with legal personalities that are headed by headquarters (Diecézní charita ostravsko-opavská, 2011). Three local charities (Charity in Opava, Charity in Hrabyně and Charity of St. Alexander in Ostrava) have – by the nature of their focus on protected employment – character of work integration social enterprise (WISE). In the center of its work are activities dealing with employment and improvement of working habits and labor skills of handicapped clients.

#### **Charity in Opava municipality and their structure of financial resources**

This charity (within its section that deals with the protected employment) works on finding employment for people with disabilities. It runs several locations that provide employment for people with handicaps. It is being run as a workshop for people with heaviest handicaps and its daily operations are run as such (Charita Opava, 2011). Protected employment provided to its clients (workers with disabilities) by Opava Charity is offered in the following three locations: Protected Workshop of St Joseph, Protected Technical Workshop and Protected Workshop in Vlaštovičky. Between the years of 2006 and 2010 the most of the funding has been provided by the Job Center in Opava and by the City of Opava. The following graph depicts the key financiers (stakeholders) of this project as a percentage of their funding share, see Picture1.

**Figure 1:** Charity of Opava – financial support of protected employment in years 2006–2010 (%)

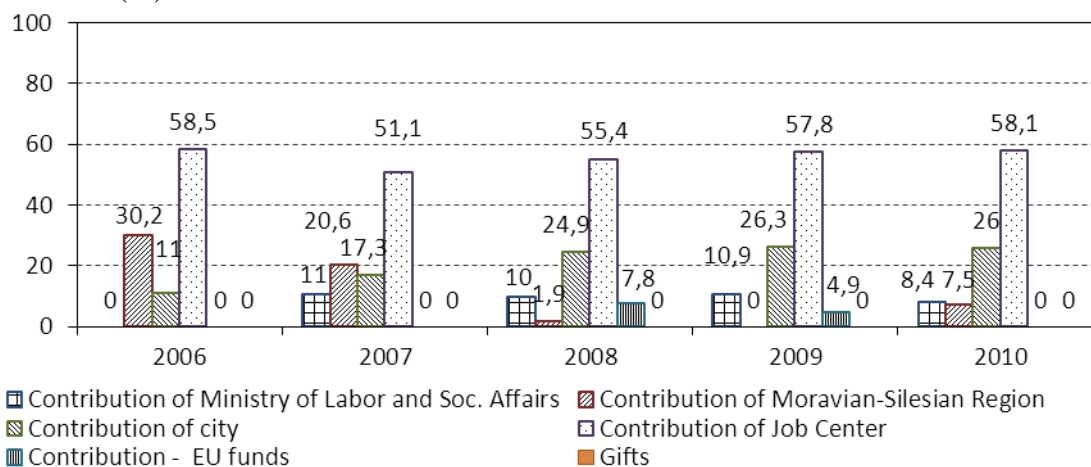


Source: Annual Report Charity of Opava years 2006–2010, data processed by author herself

### Charity of St. Alexander in Ostrava and their structure of financial resources

Charity of St. Alexander in Ostrava started to work in May 1999. It deals in numerous humanitarian activities. The majority of workshops that it runs are protected under the labor act and its accompanying provisions. People with disabilities are the major group of the workforce in these protected workshops. The remaining part of its workforce is recruited predominantly from among the people with long-term unemployment records or from among unemployed youth (Charita sv. Alexandra 2011). City of Ostrava and Job Center Ostrava were the two major stakeholders that provided funding for Charity of St. Alexander between the years of 2006 and 2010. In addition, within the years of 2006 and 2007, also the Ministry of Labor and Social Affairs of the Czech Republic and the administration of Moravian-Silesian Region provided funding. The level of funds (percentage of funding) provided in support of protected employment by major stakeholders is depicted in greater detail in the Picture 2.

**Figure 2:** Charity of St. Alexander – financial support of protected employment in years 2006–2010 (%)



Source: Annual reports Charity of St. Alexander 2006–2010, data processed by author herself

### Charity in Hrabyně municipality and their structure of financial resources

Charity in Hrabyně is a non-governmental non-profit organization that seeks employment for people with greatest health related handicaps and disabilities. Charity in Hrabyně also works on improving conditions as well as shapes working and living environment for their clients. The charity currently runs several protected workshops. The services that charity provides result in strengthened independents and improvement of skills of clients (Charita Hrabyně, 2011). Job Center from city of Opava is the major funds provider for protected workshops run by Charity in Hrabyně. Table 1 depicts percentage of funds provided within the years of 2006 and 2010.

**Table 1:** Charity in Hrabyně – financial support of protected employment in years 2006 – 2010 (%)

Financial source/ year	2006	2007	2008	2009	2010
Contribution of Ministry of Labor and soc. Affairs	0	0	0	0	0
Contribution of City	0	0	0	0	0
Contribution - EU Funds	0	0	0	0	0
Contribution of Job Center	0	100	100	100	100
Gifts	0	0	0	0	0
Total	0	100	100	100	100

*Source:* Annual reports Hrabyně Charity 2006–2010, data processed by author herself

### 3.1 Comparison of Financial Resources of Selected Social Enterprises (WISEs)

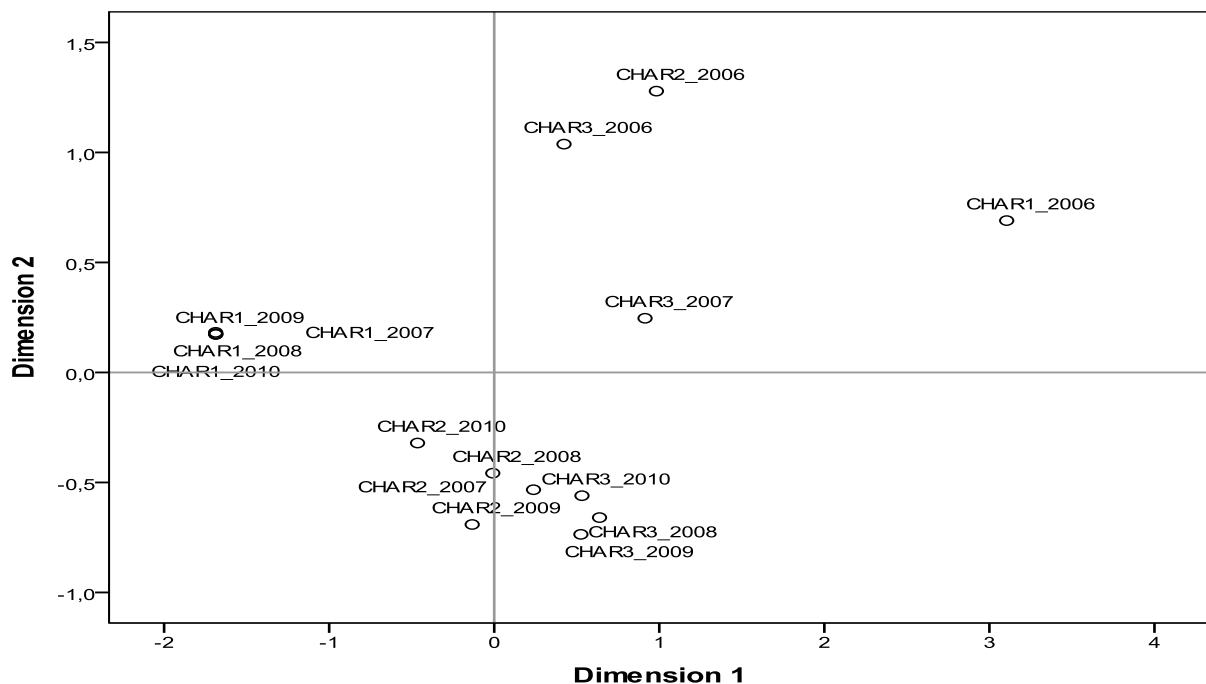
Multidimensional scaling is the method used for comparing financial resources of selected charities (social enterprises – WISEs). The multidimensional scaling method reveals important dimensions based on similarity or distance of objects. Multidimensional scaling is used primarily to compare objects when it is impossible to derive the basis for comparison. It is a method that allows us to compare objects or features that are normally not measureable. The aim of multidimensional scaling is to determine the number of dimensions, and position of the object (coordinates of the object). This means that the greater the similarity between two objects is, the closer the points that are shown in the model are. The advantage of multidimensional scaling is that it does not require assumptions of linearity, multivariate normality or metrics. In addition, multidimensional scaling allows us to analyze relative frequencies and convert them to an array of distances, from which it is subsequently possible to create a two dimensional graph with dots that indicate similarity or distance of objects. The output of multidimensional scaling is a scatter chart ("a perceptual map"), in which the coordinates are the basic measures (dimensions) and points are products, respondents, opinions, or other comparison objects. This means that the multi-dimensional scaling graphically shows how the various objects clump or not (Mazzocchi, 2008). However, it is difficult to define dimensions of the axis in relation to the subject of research (in this article a charity/WISE in relation to the sources of their funding by year). Two indicators are crucial for assessing the validity of the multidimensional scaling results. Firstly, there is so called "s-stress", a measure of stress ranging from 1 (worst possible fit) to 0 (perfect fit). Unfortunately, it is not possible to put an absolute value on the goodness of fit, since s-stress varies with the number of stimuli, or matrices used in its calculation. Consequently it is necessary to look at several fit indices and get a sense of if any of them indicate large amounts of error. Secondly, there is so square of the correlation coefficient (RSQ) of input distance and the calculated distance multi-dimensional scaling, which are determined from the coordinate values of each object in the perceptual map with corresponding number of dimensions. RSQ can take values

within the interval  $<0, 1>$ ; where values  $\geq 0.60$  are considered acceptable for the validity of the result (Mazzocchi, 2008).

Job centers are the stakeholder that takes the biggest interest in the work of examined WISEs (Charity Hrabyně, Charity of st. Alexander, Charity Opava). Job centers provide the most of the financing. In case of Charity of St. Alexander as well as Charity Opava there are also cities and Ministry of Health and Social Affairs of the Czech Republic.

Legend: CHAR1 – Charity Hrabyně, CHAR2 – Charity Opava, CHAR3 – Charity of St. Alexander. There are also several clumps that have been numbered 1 through 5. Clumps reflect similarity or difference in the levels of financial resources of individual WISEs throughout the years 2006 and 2010. Namely: Clump 1 – CHAR1 2007, CHAR1 2008, 2009, CHAR1 2010, Clump 2 – CHAR2 2007, CHAR2 2008, CHAR2 2009, CHAR2 2010, CHAR3 2008, CHAR3 2009, CHAR3 2010, Clump 3 – CHAR2 2006, CHAR3 2006, Clump 4 – CHAR3 2007 a Clump 5 – CHAR1 2006.

**Figure 3:** Financial resource of selected WISEs in years 2006–2010



*Source:* Collected data processed by author herself in SPSS program

S-stress is 0.11 (ie, the degree of good fit among the individual distances of objects – charities/WISEs) and RSQ index reached 0.96, which was established based on the quality model MDS using two axes possibly and third dimension doesn't bring any other significant results to the evaluation itself.

As picture 3 suggests, the structure of financial sources in contrast to other social enterprises (WISE), within the observed period (2006–2010), varies in case of Hrabyně Charity. In the case of this charity the main (and at the same time the only) provider of financial means for protected employment was Job Center from Opava city (clumps 1 and 5). The level of financial means of Hrabyně Charity that has been provided by the Job Center from Ostrava city did not change significantly over the years of 2007 through 2010 (clump 1). Opava Charity and Charity of St. Alexander had a similar structure of financial resources (for area of

protected employment) in years 2008–2010 (clump 2). Opava Charity has been financed from the following sources (by the following stakeholders) in the period 2008–2010: Opava Job Center that provided for 71% of overall financing and the City of Opava that provided 20.7%. Similarly the Charity of St. Alexander had the following shareholders that financed its projects during the period of 2008–2010: Ostrava Job Center provided for 57% of financing and the City of Ostrava 25%, in addition to that 7% of financial means did come from gifts.

There could be a certain level of similarity noted between Opava Charity and Charity of St. Alexander in 2006 (clump 3). In case of Opava Charity, among major sources that financed protected employment, there were subsidies from the administration of Moravian-Silesian Region (17.8%), Opava Job Center (45.6%) and other financial gifts (23.4%). Protected employment projects of the Charity of St. Alexander depended on funds provided by the administration of Moravian-Silesian Region (30.2%), City of Ostrava (11.3%) and Ostrava Job Center (58.5%).

In 2007 projects of protected employment of Charity of St. Alexander (clump 4) received funding from Ministry of Labor and Social Affairs of the Czech Republic (11%), administration of Moravian-Silesian Region (20.6%), City of Ostrava (17.3%) and Job Center in Ostrava (51.1%).

### **3.2 Contribution of Financial Resources of Selected WISEs in the area of Corporate Social Responsibility**

The benefits (qualitative effects), which provides public financial support of interested stakeholders in the form social added value, are rated by the method of SROI (Social Return on Investment). It is possible to evaluate social return on investment and added social value through analysis of three centers of Christian Charity of Ostrava-Opava Diocese in Moravian-Silesian Region. As Brančíková, L. (2010) states, the individual added value of WISEs vary depending on the number of stakeholders involved, quality of new job opening, type of employer or depending on business strategy and local needs. Following text describes individual workshops in a greater detail and discloses their stakeholders.

#### **Charity of Opava and their contribution in the area of Corporate Social Responsibility**

Up until year 2008 the Protected Workshop Vlastovičky had been co-financed also by the European Union and Ministry of Regional Development of the Czech Republic. The creation of these protected workshops has been supported by the program “New System of Accommodation, Employment, and Support for the People with Sight and Mental Disorders” that has been financed under the “Joint Regional Operational Programme” of the European Union (Charita Opava, 2011).

Protected technical workshop had been established thanks to the support of the following stakeholders: European Union, Ministry of Labor and Social Affairs, Job Center, and Opava City. Workshops provide employment opportunity for the people that would have difficulties to find jobs for themselves under the regular market conditions (Charita Opava, 2011).

Stakeholders provided funding and created individual benefits with added value. Social return of investment in the area of corporate social responsibility is obvious, namely:

- benefits for stakeholders themselves: Apart from stakeholders that provided most of financial resources (picture 1) there was also the OKD Foundation that provided 300 000 CZK in the year 2009 under the project scheme “For Health” that allowed for reconstruction of premises of one workshop. A workshop that recycles used electric



appliances. ČEZ Foundation financed the purchase of a forklift. Siemens Foundation co-funded a workplace for shredding paper.

- life quality of employees: The landlord and some other sponsors helped to reconstruct the former garage premises and turn it into a new workshop that recycles used electric appliances. Reconstruction brought improvement of the work environment and allowed for increased number of employees of the protected workshop. Protected workshops do help people with disabilities to integrate themselves into the society.
- cooperation with municipality / city: The minimal work qualification is required in order to qualify for the employment in the protected workshop. This minimal qualification is being provided in cooperation with Job Center and Secondary Technical School in Opava.
- Positive impact on living environment: Protected Technical Workshop helps to resolve problem of ecological liquidation of specific waste (namely electric appliances) in the region of Opava (Charita Opava, 2011).

### **Charity in Hrabyně and Charity of St. Alexander and their contribution in the area of Corporate Social Responsibility**

**Charity in Hrabyně:** Job Center in Opava provided financial means for the project of protected workshop that employs people with disabilities. The funds that came from the Job Center in Opava resulted also in other social benefits. That is an individual added value that can be noted in a form of improved life quality of employees. By being employed, the employees with disabilities do get an opportunity to work. An opportunity the regular mechanism of regularly functioning job market would deny them of.

**Charity of St. Alexander:** Financial support of the mayor interested stakeholders (Job Center Opava, City of Opava and OKD Foundation) in years 2006–2010 brought an individually added value. OKD Foundation provided funding of 180 000 CZK (Czech crowns) to St. Alexander Charity in 2008. The money was used for financing a project called “Work and Social Integration of People with Disabilities”. In the area of corporate social responsibility this investment generates returns in the form of:

- quality of life of employees: Charity of St Alexander increased work premises and improved the working environment. Due to these improvements the Charity has been able to employ additional workers with disabilities.
- fulfilling goals of local administration and its long term goals: Charity of St. Alexander helps to decrease unemployment among disabled population of the city – people who would otherwise be employable only with extreme difficulties. Protected workshop runs presentation and sales center located in the Zoological Garden in Ostrava since 2004. With the help from Ostrava Job Center the Center in 2007 employed 3 disabled. In addition this cooperation later resulted in creation of seasonal jobs for people with disabilities (Annual reports Charity of St. Alexander 2007–2010).

## **4 Discussion**

Current theoretical studies of corporate social responsibility pay attention to positions that an organization with social responsibility can hold. The general corporate social responsibility is perceived as a basis in accordance with four criteria: economic, legal, ethical and accepted responsibility (increase of welfare, quality of life, improvement of social relations, etc.) (Krajňáková, Vojtovič, 2010; Zadražilová et al., 2010; Trnková, 2004). Problems of evaluating corporate social responsibility of social enterprises are connected to the variety business activities as these may impacts various areas such as regional development, ecology. They affect disadvantaged groups and improve their social integration and their quality of life.

These facts have been noted by the research with the focus on measuring of social value (Leighton, Wood, 2010; Brančíková, 2010).

Use of financial means of social enterprises (WISE) is connected to the individual value added; a value that is created in the area of corporate social responsibility. By studying the sample of social enterprises (WISE) between the years 2006 and 2010, some differences have been noted in the structure of finances of Hrabyně Charity. The one and only funding source of the Hrabyně Charity had been Job Center Opava. On the other hand a similar structure of funding providers has been noted between Opava Charity and Charity of St. Alexander. The structure of their financial resources suggests that both these organizations apply a multisource financing. Among the financial major resources were support provide by Job Center, City administration and financial gifts.

The example of the social enterprises (WISEs) from the Region of Moravia-Silesia of the Czech Republic shows that it is possible to evaluate – by SROI method – how the financial support translates into positive effects and benefits. Positive effects are noted in the area of corporate social responsibility. It is possible to measure qualitative effects of corporate social responsibility connected to the employment of people with handicaps. These specifically reflect in the following areas:

- in circle of financial support that had been provided by stakeholders for the own benefits of each one of them: protected workshops of Opava Charity,
- life quality of the employees: protected workshops of Hrabyně Charity, Opava Charity and Charity of St. Alexander,
- sustainable business strategy that is in line with the needs of the local community and that adds to the abilities and development of not only disadvantaged employees: protected workshops of Hrabyně Charity, Opava Charity and Charity of St. Alexander
- in cooperation with the city administration; fulfillment of its long term objectives, improvement of life quality in the city and even wider region: protected workshops of Charity of St. Alexander and the protected technical workshop of the Opava Charity,
- positive impact on the living environment: protected Technical Workshop of Opava Charity.

## **Conclusion**

The social goals of WISEs are very similar. They differ in terms of their individual value-added in terms of various partners (stakeholders) involved and the type of employer. Evaluation of benefits (corporate social responsibility) of WISEs is related to different fields and aspects of their business orientation that may relate differently to regional development, ecology, to other disadvantaged groups and their social integration or improve their quality of life. The corporate social responsibility of WISE should be balanced in all areas of economic activities: in the area of business, in the area of social benefits and in the area of local development and ecology. The added value of an individual WISE can be measured in terms of number of employed people with handicaps, in terms of quality of a new job opening and in terms of its working environment. The value added by an individual WISE differs with the point of view of an individual actor and with the type of an employer (Halásková, 2011a; Brančíková, 2010).

Effects that are generated by WISEs in the area of corporate social responsibility are connected not only to individual stakeholders but also to structure of financial resources that is available to WISEs. The use of financial resources of selected work-integration social enterprises (WISE) in the context of corporate social responsibility is mainly associated with

the creation of new jobs and development of new services that support the integration of disadvantaged groups in the labor market (especially handicapped citizens and long-term unemployed). In this way WISEs help to strengthen social capital at the local level.

After the evaluation of corporate social responsibility in case of selected social enterprises WISE it can be derived that comparison of benefits/effects that WISEs bring should be carried on samples (WISEs) that are active in the same area and focus on the same purpose of their activities. Such as for example the social enterprises that focus on employment and work integration of disadvantaged persons. Effects that WISE create in the area of corporate social responsibility depend not only on the composition of major stakeholders but also on the structure of financial resources that is available to WISE. Another precondition to good evaluation of benefits that WISE create is a long term time horizon (with a minimum length of five years).

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