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CORPORATE SOCIAL RESPONSIBILITY AND SWOT ANALYSIS: THE CASE OF NIS COMPANY

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Abstract: The aim of this paper is to present the connection between Corporate Social Responsibility (CSR) and SWOT analysis through a case study of NIS, one of the largest energy companies in Southeast Europe. The theoretical framework covers the development of the CSR concept, with special emphasis on its economic, legal, ethical, and social aspects, as well as the specifics of its application in the energy sector. SWOT analysis was applied as a method for identifying strengths, weaknesses, opportunities, and threats in the company's operations, with results quantified through weighting and evaluation of key parameters. The findings show that NIS possesses significant internal potentials, such as tradition and a developed production system, but also weaknesses related to outdated infrastructure and geopolitical risks. The most important opportunities have been identified in the development of renewable energy sources and digitalization, while the greatest threats are volatility in energy prices and competition from the renewable energy sector. The discussion highlights that the implementation of CSR strategies, particularly in the fields of ecology and social development, has a direct impact on financial performance and the long-term sustainability of operations. The results confirm that the combination of CSR and SWOT analysis provides a useful framework for strategic planning in the context of the energy transition.
Key words: corporate social responsibility, SWOT analysis, NIS, sustainable development, energy sector

INTRODUCTION

In today's business environment, energy companies face the challenges of sustainable development, increasing societal demands, and regulatory pressures. In this context, Corporate Social Responsibility (CSR) has become a key framework that enables the balancing of economic, environmental, and social objectives. On the other hand, SWOT analysis is one of the most widely used tools in strategic management, as it allows for a systematic assessment of internal potentials and external factors that shape a company's competitive position.
The aim of this paper is to present, through a theoretical framework and a case study of NIS, the interconnection between CSR and SWOT analysis, as well as their significance for strategic decision-making in the energy industry. Special emphasis is placed on the identification of strengths, weaknesses, opportunities, and threats that shape NIS's operations, and on the analysis of how CSR contributes to risk reduction and the strengthening of competitive advantage.

MATERIAL AND METHODS

Corporate Social Responsibility (CSR)

Corporate Social Responsibility has evolved since the 1950s, when the idea was first formulated that companies, in addition to their economic role, also bear broader social obligations. During the 1960s and 1970s, the concept underwent intensive development through various definitions and approaches, eventually becoming a central framework for understanding the relationship between business and society [1].
CSR encompasses the overall framework through which concern for stakeholders is integrated into company strategies and day-to-day activities. In modern business practice, CSR is viewed

as a set of principles and practices that promote sustainable development, compliance with ethical standards, environmental protection, and active contribution to the community. Its implementation contributes to creating better living conditions for both present and future generations [2].

Today, CSR is increasingly seen as a strategic instrument for achieving competitive advantage and long-term sustainability. Research shows that strong corporate governance—such as board independence and diversity—enhances CSR performance and leads to more transparent reporting. High CSR performance is also linked to improved financial results, particularly in the environmental dimension, confirming that responsible business conduct simultaneously strengthens corporate reputation and market value [3].

CSR is also closely related to the achievement of the Sustainable Development Goals (SDGs), as it reduces risks, improves access to capital, and strengthens relationships with stakeholders. In this context, public policies and international standards play a crucial role, especially in the European Union, where mandatory reporting instruments and standardized frameworks such as GRI and ISO norms have been developed to increase transparency and accountability [4].

In the energy sector, CSR carries particular importance due to the high environmental and social risks associated with operations. Its three key pillars are social, environmental, and economic: investing in employees and communities, reducing emissions and transitioning to renewable energy sources, and ensuring reliable and efficient energy supply through continuous investments in new technologies. This approach reduces negative impacts and fosters long-term competitive advantage [5].

CSR also applies to internal stakeholders, with special emphasis on employees. Initiatives such as volunteering programs, donations, environmental projects, health and safety measures, and professional development contribute to stronger employee identification with the company, greater job satisfaction, and loyalty, while reducing turnover and risks. In this way, CSR benefits not only society and consumers but also the organization itself, by building a more stable and productive workforce [6].

SWOT Analysis

SWOT analysis is one of the most widely used tools in strategic management, as it allows for a systematic evaluation of internal and external factors shaping an organization's competitive position. The essence of this method lies in identifying strengths and weaknesses within the company, as well as opportunities and threats from the external environment, thereby providing a reliable basis for decision-making and adapting strategies to future challenges. Internal analysis covers resources, capabilities, and key competencies, including financial, infrastructural, and innovation capacities, managerial skills, and brand value. External analysis refers to opportunities and threats from the wider environment, based on political, economic, social, and technological factors, as well as industry competition. In this way, SWOT links internal organizational potentials with external conditions and enables the formulation of sustainable strategies [7].

In modern business conditions, advanced models have been developed to enhance the traditional SWOT framework. Integrated approaches combine data and metrics from different industries and digital systems, helping to avoid common shortcomings of SWOT such as superficial interpretation and the absence of action plans. Such approaches confirm that SWOT remains an important tool of strategic planning, but its application must be supported by standardized frameworks and digital tools to ensure relevant and applicable results [8].

Extensive application across sectors has demonstrated that SWOT analysis remains a flexible and effective tool for strategic decision-making. When properly applied, it goes beyond the mere listing of factors and is linked with the TOWS matrix, which enables the development of effective strategies by combining internal and external dimensions. Furthermore, integrating SWOT with tools such as PESTEL analysis or multi-criteria methods (AHP, ANP) provides more precise and actionable outcomes, reaffirming SWOT's central role in contemporary management [9].

CASE STUDY: NIS COMPANY

About NIS Company

The Petroleum Industry of Serbia (NIS) is one of the largest energy companies in Southeast Europe and represents a vertically integrated system that covers the entire business chain – from exploration and production to refining, distribution, and sales of oil derivatives. In addition to its core activities, the company is also active in the development of renewable energy sources and petrochemicals. NIS operates with its headquarters and main facilities in the Republic of Serbia, including the Pančevo Oil Refinery, a network of gas stations, and storage capacities. The company’s mission is based on efficient operations, investment in technologies and human resources, as well as the development of the community in which it operates. The ownership structure includes “Gazprom Neft” with 44.85% of shares, the Republic of Serbia with 29.87%, “Gazprom” with 11.30%, while the remainder belongs to citizens, employees, and minority shareholders [10].

CSR in NIS Company

In line with its sustainable development strategy, NIS develops a wide range of activities within corporate social responsibility.
The **ecological dimension** includes the remediation of historical pollution and returning land to agricultural use, reducing emissions and installing solar panels at gas stations, as well as implementing HSE standards and preventive measures in environmental protection. In addition, the company participates in local environmental initiatives such as afforestation and recycling, which confirms its strategic approach to reducing the impact on climate change.
The **social responsibility** of NIS is reflected in investments in local communities through the “Together for the Community” program, support for educational, cultural, and healthcare institutions, as well as employee engagement through the Volunteer Club. The company develops student internship programs and continuously invests in the education and training of employees. Special emphasis is placed on occupational safety and reducing professional illnesses, which is part of a broader policy of ensuring safe and healthy working conditions. In this way, NIS strengthens its position as a desirable employer and a reliable partner to the local community [11].
The **economic responsibility** of the company is reflected in investments exceeding four billion euros since 2009, including modernization of infrastructure, improvement of technological processes, and the development of new capacities. NIS is actively involved in the digitalization and automation of business processes, which contributes to increased competitiveness and efficiency. In addition, the company invests in energy efficiency of refineries and distribution facilities and ensures transparency through regular reporting in accordance with international standards (GRI).
The **ethical dimension** of NIS corporate responsibility includes compliance with laws and the fight against corruption, ensuring equal opportunities for all employees, alignment with international business standards, and transparent reporting of results. The company promotes responsible supply chain relations, with special emphasis on respect for human rights and ethical business practices with suppliers. In this way, NIS confirms its commitment to sustainability, integrity, and responsible business operations at all levels [12].

SWOT Analysis of NIS Company

SWOT analysis provides a comprehensive overview of the company’s internal potentials as well as external factors that affect its market position. Based on the presented data, an assessment of NIS strengths, weaknesses, opportunities, and threats was conducted, with weighted values showing the relative importance of each factor.
Table 1 presents the strengths of NIS company.

Table 1. *Strengths of NIS Company*

STRENGTHS	
Parameter: **Tradition**	Weight: 0,6
Sub-parameters:	Score:
Loyalty:	8
Brend:	10
Average score:	(8+10)/2=9
Factor/parameter score:	0,6*9=**5,4**
Parameter: **Production system**	Weight: 0,8
Sub-parameters:	Score:
Exploration (oil and gas):	8
Refining and distribution:	9
Average score:	(8+9)/2=8,5
Factor/parameter score:	0,8*8,5=**6,8**

The company’s strengths stem from its long-standing tradition and a well-developed production system. Decades of experience, a strong brand, and a loyal customer base ensure market stability, while control over the entire production chain—from exploration to sales—enhances efficiency and competitiveness. These strengths enable NIS to maintain its leading position in the region and to adapt more easily to market changes.
Table 2 presents the weaknesses of NIS company.

Table 2. *Weknesses of NIS Company*

WEKNESSES	
Parameter: **Obsolete infrastrucure**	Weight: 0,7
Sub-parameters:	Score:
Equipment age:	8
Maintenance costs:	7
Average score:	(8+7)/2=7,5
Factor/parameter score:	0,7*7,5=**5,25**
Parameter: **Geopolitical vulnerability**	Weight: 0,8
Sub-parameters:	Score:
Ownership ties with Russia:	9
Risk of sanctions:	9
Average score:	(9+9)/2=9
Factor/parameter score:	0,8*9=**7,2**

The weaknesses are primarily related to outdated infrastructure, which increases costs and slows modernization, as well as geopolitical vulnerability due to ownership structure, which brings significant risks in crisis international circumstances, such as sanctions. These weaknesses require careful and strategic management.
Table 3 presents the opportunities of NIS company.

Table 3. *Opportunities of NIS Company*

OPPORTUNITIES	
Parameter: **Development of renewable energy sources**	Weight: 0,9
Sub-parameters:	Score:
Solar power plants:	8
Wind farms:	9
Average score:	(8+9)/2=8,5
Factor/parameter score:	0,9*8,5=**7,65**
Parameter: **Digitalization and innovations**	Weight: 0,7
Sub-parameters:	Score:
Automation:	9
Digital services for customers:	7
Average score:	(9+7)/2=8
Factor/parameter score:	0,7*8=**5,6**

The most significant opportunities for the company lie in the development of renewable energy sources and digitalization. These are rapidly growing sectors globally, and NIS has already invested in solar panels and digital customer services, which demonstrates alignment with global trends. If properly utilized, these opportunities can bring long-term competitive advantages and ensure sustainable growth.
Table 4 presents the threats of NIS company.

Table 4. *Threats of NIS Company*

THREATS	
Parameter: **Changes in oil and gas prices**	Weight: 0,9
Sub-parameters:	Score:
Market availability:	7
Impact of global conflicts:	8
Average score:	(7+8)/2=7,5
Factor/parameter score:	0,9*7,5=**6,65**
Parameter: **Competition**	Weight: 0,6
Sub-parameters:	Score:
Small distributors:	5
Transition to renewable energy sources:	8
Average score:	(5+8)/2=6,5
Factor/parameter score:	0,6*6,5=**3,9**

The most significant threats arise from the external environment, namely the volatility of energy prices and increasing competition in the renewable energy sector. These changes can strongly affect revenue and market share, especially if the company fails to adapt quickly. Strategic diversification and investments in innovation are therefore essential to mitigate risks.

Overall conclusion for SWOT

The comprehensive analysis shows that NIS possesses strong internal potentials but also faces challenges that require careful management. By maximizing its strengths and opportunities—tradition, brand, production system, investments in renewables, and digital technologies—while minimizing weaknesses and threats, the company can position itself as a responsible, modern, and sustainable player in the energy transition and further strengthen its role as a regional leader.

RESULTS AND DISCUSSION

The analysis shows that corporate social responsibility (CSR) has a direct impact on the economic performance and competitive position of companies. As emphasized earlier, CSR performance, particularly in the environmental dimension, positively influences financial results, reputation, and market value. In the case of NIS, this is confirmed through investments in renewable energy, environmental protection projects, and human resource development, which not only contribute to society but also strengthen the company's market position and reduce external risks.

Public policies and international standards, such as GRI and ISO 14001, encourage companies to enhance transparency and accountability through institutionalized CSR practices. In the context of NIS, alignment with these standards represents an important opportunity to reduce regulatory risks and strengthen stakeholder trust, which is fully consistent with the opportunities identified in the SWOT analysis.

The specific features of the energy sector, which faces significant environmental and social challenges, indicate that CSR integration brings competitive advantages. For NIS, this means that investments in environmental projects and social initiatives are not merely costs but also instruments of risk reduction and long-term sustainability.

From the perspective of technological innovation, Hajizadeh (2019) highlights that the application of machine learning in the oil and gas industry creates significant opportunities to improve efficiency and safety. Digitalization and automation of processes, supported by advanced ML technologies, can be an important opportunity for companies such as NIS to strengthen their competitive position, but at the same time pose threats if skilled personnel and systemic support are not secured.

Theoretical literature also confirms that SWOT analysis, when applied analytically, enables managers to develop effective strategies by linking internal strengths with external opportunities and threats. By combining insights from the theoretical framework and practical analysis, it becomes clear that CSR strategies and SWOT analysis are not isolated tools but complementary approaches. While CSR contributes to sustainability and competitiveness, SWOT analysis facilitates the identification of internal and external factors that can accelerate or hinder the implementation of these strategies. In the case of NIS, this interconnection confirms that socially responsible business practices and strategic planning together form the foundation for long-term resilience and successful positioning in the energy transition.

CONCLUSION

Drawing on its experience and tradition, yet facing infrastructural and geopolitical challenges, NIS represents a typical example of a company that must balance internal potentials with external risks. The SWOT analysis revealed that the company's key strengths are a strong brand, loyal customers, and a developed production system, while its weaknesses include outdated infrastructure and risks associated with ownership structure. At the same time, opportunities for growth were identified in the transition to renewable energy sources and digitalization, whereas threats stem from energy price volatility and increasing competition.

The discussion confirmed that CSR strategies significantly contribute to long-term sustainability, strengthening stakeholder trust, and mitigating identified threats. Investments in ecology, the community, and human resources are not merely costs but mechanisms for enhancing market position and reputation. By combining the results of the SWOT analysis with the application of CSR principles, NIS can position itself as a responsible and modern company capable of leading the energy transition in the region.

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