

CORPORATE SOCIAL RESPONSIBILITY AS A NEW APPROACH TO THE EMPLOYEES' SATISFACTION

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Abstract

The article deals with the corporate social responsibility of enterprises with a focus on the social pillar. The social pillar involves the behavior towards employees, their satisfaction, and support. Corporate Social Responsibility represents the voluntary commitment of the organization to consider in its decision-making process and daily activities the needs of the customers, clients, suppliers, employees and the citizens living on the site where it operates. Socially responsible business means voluntary monitoring and respects social and environmental aspects in everyday economic activities as well as relations with cooperating and supporting bodies. Foreign definitions emphasize the continuous commitment of organizations to behave ethically and to contribute to economic growth, while promoting the improvement of the quality of life of employees and their families, as well as local communities and companies. The activities of the 66 enterprises included in the research were analyzed. Based on the results of the quantitative analysis of semi-structured questionnaires, it was found that business activities differ depending on the size of the company and the influence of the foreign owner.

Key words: Corporate social responsibility, employees' satisfaction, CSR social pillar

JEL Code: M12, M14, O35

Introduction

This article aims to get acquainted with the results of the analysis of CSR activities of 66 businesses operating on the Czech market. Corporate social responsibility and a socially responsible company is a topic that has begun in the United States of America and spread to other countries and economies of the world and nations. Corporate Social Responsibility represents a voluntary commitment of organizations (commercial and non-profit) to involve in their decision making, and day-to-day activities the needs of all stakeholders. The stakeholders represent their customers, clients, vendors, employees, citizens living in the area where they operate, and all other entities covered by its activities, as well as the environmental and social environment.

1 Corporate social responsibility

Socially responsible business means the voluntary monitoring and respect for social and environmental concerns into everyday economic activities and relationships with cooperating and supporting bodies. They underline the continuous commitment of the definition of foreign organizations (commercial and non-profit) to behave ethically and contribute to economic growth and also in improving the quality of life of employees and their families, as well as the local community and society as a whole. The concept of CSR calls for changing the orientation of commercial companies. It means the change in orientation from the pursuit of the objectives associated with maximizing profits on the planning the long-term goals. The businesses have to taking into account not the only economic success, but also the benefits for people and nature, which we call the Triple bottom line (People, Planet, Profit). Using CSR activities enterprises are also creating social innovation. The organizations use their knowledge, and at the same time, address some social problems. Many commercial firms perceive that the society as a whole should give something back to the society, or should pay more attention to their employees and the broader environment. CSR combines the social and environmental needs with activities in the field of business. The authors Anheier and Toepler (2010) reported that initially CSR was synonymous with donations from companies to non-profit organizations or people in need. Commercial companies that carry out a charity and behave socially responsibly have been seen as a "good corporate citizen." International Organization Business for the Social Responsibility states that CSR is the management of economic activities in a manner that meets or surpasses the ethical, legal, commercial, and social expectations of the business (Kotler, Lee in Kunz, 2012).

Corporate social responsibility includes socially responsible activities, exposure to community and implementation of publicly beneficial projects. The socially responsible behavior of firms can be described as activities going beyond the statutory, not only but also ethical, commercial and social expectations (Baker, 2012). We understand as the commitment of CSR responsible companies to adopt decisions and implement procedures, which are desirable regarding the values and goals of the company. Corporate social responsibility is often referred like the concept, in which the company voluntarily assumes the shared responsibility for the well-being and sustainable development of modern society and at the same time is expected to maintain its competitiveness and profitability.

Furthermore, CSR is a voluntary commitment by companies to behave responsibly in the functioning to their employees, the environment and the society in which they operate (Porter, Kramer, 2011). A characteristic feature of most definitions is their versatility, which broadly defines the framework and basic principles for all types of businesses, regardless of their scope of business. Use CSR in practice is reflected in the form of voluntary integration of social and environmental considerations into everyday business operations and interactions with stakeholders. It also extends in particular to business ethics, labor, and the environment. The meaning of responsibility varies critically as one moves from collective or corporate responsibility to individual responsibility (Bevan, 2011). Foreign authors connect socially responsible behavior with sustainable development in the area of three responsibilities. According to this "triple bottom line" is built of a socially responsible business of commercial companies and non-profit organizations on three pillars: economic (Profit), environmental (Planet) and social (People).

1.1 Economic pillar

Economic pillar represents the area that involves the overall management of the company, the behavior to customers, employees, investors, and suppliers. It includes the creation of a profit not at any price, but about biodiversity, environmental sustainability, the environment and the responsibility for the community. In practice, this means that the company does not promote the profitability at all costs, but it is taking care of the environment and society as a whole. The CSR responsible companies favor the long-term sustainability of short-term profits. The management is following the ethical principles and principles of moral responsibility to the whole society. The company is transparent in its business concerning all groups of stakeholders.

1.2 Environmental pillar

In the activities of the environmental area, the company is dealing with the influence of their business on the environment. Support a precautionary approach to the protection of the environment; assess the degree of risk of systematic non-compliance with the standards of the environment, the health and safety of people. To inform the employees about preventive approaches in this area and lead them this way is an example of activities within the environmental pillar. A significant challenge for businesses is formulating the environmental principles, their communication and review compliance on all levels. It is not just that the company sorts waste, but is developing such eco-conscious strategies to ensure that there is no damage to the environment. In its activities supports the development and diffusion of

environmentally friendly technologies that protect the environment and do not pollute it. Sustainably it uses all resources and recycles more of their wastes and products. About the environment, the companies are innovative in this area. They not only connect the activities leading to the protection of natural resources but they also actively participate in initiatives that promote environmental responsibility increases (Zeitouni, Sadeh, 2014)

1.3 Social pillar

The essence of the social pillar CSR lies in the fulfillment of the idea that only in a healthy company prospers the long-term sustainability. It sometimes substitutes the weak policy of local governments in social policy (Paliskova, 2015). In this area, the companies are showing their solidarity with the broader society and point out that individuals from the business behave as citizens. The company, which acts as socially responsible, shall ensure the consumer protection tools, as understanding the contracts, sufficient information about the products, clear solution of disputes and complaints and ensure the respect to human rights including working principles. Such a company requires the same from its suppliers and business partners. CSR responsible companies support the volunteer activities of its employees and have a comprehensive strategy for corporate philanthropy. The company may also be a source of social innovation when looking for solutions to current issues of CSR. Any organization should also change conditions or expectations, legal or regulatory developments affecting social responsibility and new opportunities for enhancing its efforts in CSR activities (Moratis, 2016).

In addition to the above mentioned 3 "P" in recent years, the companies also underline the employee pillar of the CSR. The employee pillar is related to the legislative and ethical principles of interaction of employers and employees especially in the area of labor relations, employee care and levels of the work environment and working conditions. This pillar is often linked to the social pillar. Employees appear to be the clear priority in the sustainability report communications followed by customers and then the suppliers (Husser, 2012). The company active in the field of CSR supports freedom of employment and the corresponding status of their employees, in labor relations and collective bargaining.

Kotler (2013) states that commercial companies today cannot afford to ignore the social responsibility. More and more consumers in today's information age pass information about the impact of the products and their production process on the environment, the health and welfare of the people, families, and communities. People are increasingly interested in the quality of the products, the used technologies and social activities of the company. Regarding the social component of CSR, the trust consideration among employees and management is crucial

(Fehre, Weber, 2016). Socially responsible business not only represents the social and environmental benefits, but offers the existing and potential employees higher trust, create a positive brand reputation differentiate from competitors, ensure growth of employee loyalty and satisfaction. A firm's CSR strategy must also take into account the extent to which consumers perceive the CSR initiative to be authentic (Alhouti, 2015).

2 Research

The research was carried out in the years 2015 and 2016 out of 66 enterprises operating in the Czech Republic. The research was conducted in the form of a quantitative questionnaire survey. The research sample was assigned to businesses of different sizes, in different sectors and different countries of origin. There were addressed 150 enterprises, responded 66. The return rate is 44 %. To determine the size of the business was used the European Union definition where small and medium-sized enterprises are considered to be companies with the number of employees to 250. Companies with a higher number of employees are considered to be large.

The questionnaire contains seven questions, broken down on the issue, which explain the used range. The scale ranged from 1 to 5.

The hypothesis used for the research: The use of CSR forms within the social pillar focusing on employees varies by the size of the business and by the country of the owner.

2.1 The research results

The research was attended by 66 enterprises; see. Table No. 1. Due to the small number of representatives of some countries, the data were aggregated into four groups: the Czech Republic, the USA, Europe and Asia.

Tab. 1: Respondents according to the country of origin

Country of HQ	Number of respondents
Czech Republic	18
USA	10
Germany	9
Netherlands	6
Belgium	4
Great Britain	5
France	4
Sweden	3
Japan	3
China	2
Korea	2

Source: own research

After merging into groups were included 18 enterprises from the Czech Republic, 10 companies from the USA, 31 companies from Europe and 7 companies from Asia. The results in each of the areas of the CSR employment sub-pillar are listed in the Table 2.

Tab. 2: CSR activities in social pillar

Type of activities	Country of headquarters				Median
	CZ	USA	EU	Asia	All
Health and safety	4,3	4,8	4,9	4,9	4,9
Employees' complaints	4,1	4,4	4,8	4,7	4,6
Equal opportunities	3,8	4,0	4,4	4,2	4,0
Work - life balance	4,0	4,0	4,3	4,1	4,1
Professional growth	4,1	4,4	4,6	4,7	4,5
Satisfaction surveys	3,8	4,8	4,6	4,5	4,6
Freedom of association	3,9	4,0	4,7	4,4	4,2
Median	4,0	4,4	4,7	4,5	4,5

Source: own research

In the framework of the research results were compared with the associated regions calculated the median for each area of CSR. From the results, it is evident that the highest attention to the area of health and safety, followed by the employees' satisfaction survey. The surveyed companies put stress also on complaints of employees and their growth. In contrast, the area of work-life balance and equal opportunities is supported at least. About freedom of association, some businesses have indicated that they do not have trade union at its business; some of the questions were irrelevant for them. In the comments, the respondents indicated that the area of work-life balance is a difficult one, since they work in shifts, and are facing a shortage of workers. At present, it is necessary to use the overtime work. In the area of equal opportunities alleged that some of the activities in the production are not suitable for women, thus dominating the male representation.

The distribution of activities according to the size of the business is shown in the Table number 3. The research involved 48 small and medium-sized enterprises (73 %), and 18 large enterprises (27 %).

Chi quadrat analysis confirmed the independence of the data on the level of importance 5 %.

$$G = \sum_{i=1}^r \sum_{j=1}^s \frac{(n_{ij} - n'_{ij})^2}{n'_{ij}}$$

Test criterion: $G = 0.465$

Critical value: $\chi_{(1-\alpha); df} = 28.869$

Tab. 3: Activities in social pillar according to the size of the company

Type of activities	Small	Big
Health and safety	4,1	4,5
Employees 'complaints	3,8	4,8
Equal opportunities	3,7	4,6
Work - life balance	4,1	4,7
Professional growth	4,3	4,8
Satisfaction surveys	3,4	4,9
Freedom of association	4,5	4,9
Median	4,1	4,8

Source: own research

From the result, it is clear that small and medium-sized businesses achieved lower numbers. It is justified, first, the amount of work and less specialization, and also lower financial resources that are devoted to the CSR activities. Nevertheless, all respondents indicated that this is an important area that will continue to pay. The median value shows that small and medium-sized enterprises, the employees' field of CSR are paying significantly less than the big companies. Small and medium-sized enterprises do not have the time to gather feedback from employees in the form of satisfaction surveys. In this area, the biggest difference was recorded. The small and medium-sized enterprises have significant reserves in the issue of equal opportunities.

Chi quadrat analysis confirmed the independence of the data on the level of importance 5 %.

$$G = \sum_{i=1}^r \sum_{j=1}^s \frac{(n_{ij} - n'_{ij})^2}{n'_{ij}}$$

Test criterion: $G = 0.286$

Critical value: $\chi_{(1-\alpha); df} = 10.645$

2.2 Discussion

The research confirmed the hypothesis that there are differences in the use of CSR forms within the social pillar focusing on employees. They vary by country and size of the business owner. From the outputs, it became clear that large companies pay significantly more attention to CSR employee sub pillar than the small and medium enterprises. The big employers are able to invest more finances into CSR. The employees plays the most important value to them. Being socially responsible can also increase their reputation and increase the brand value. The biggest difference between small and large companies appeared in the area of satisfaction surveys. The management of small companies have more opportunities to know employees individually, the approach that more direct to all level of employees. It depends on the experience and approach of the top management. Still also in the small and middle enterprises, the employee survey can bring important feedback and bring new ideas for improvement of employees' satisfaction.

About the country of the company owner, the highest initiative in this area are provided by the companies within the European Union, followed by the Asian and US entrepreneurs. In the context of the Czech companies is the possibility of significant improvement in the expansion of activities in the field of the employment pillar of the CSR. On the other hand, the results showed that most businesses are actively interested in this field. If we made a comparison with the outputs of other areas of CSR, this area is covered the most. It includes the crucial topic as a safety and health protection at work, which is crucial for businesses.

2.3 Limitations of the research

This research was carried out on a sample of 66 enterprises. This refers to a pattern that can show trends. However, the authors recommend for the generalization the further research in this area with a higher number of respondents. Also the comparison of activities in two others CSR pillar can be a topic for further research.

Conclusion

The research was devoted to the determination of whether and to what extent the businesses are engaged in activities within the social pillar of CSR, with a focus on employee sub-pillar. In the framework of the questionnaire survey was addressed 150 enterprises from a deliberate choice. The number of responses amounted to 66, i.e., 44 % return rate. In the framework of the research, it was found that the employee area of CSR is entirely supported a lot. CSR

activities in the surveyed areas vary according to the size of the company and the country of the owner. Big business support activities in the employment pillar significantly more than small and medium enterprises. As well as the largest owners from the European Union are the most active in CSR employee pillar, followed by Asian and American companies. Enterprises with the Czech ownership pay attention to the social pillar of CSR at least. We can also conclude that we found in the CSR employee sub-pillar all the elements of 3 P – economic, environmental and social. The activities used within CSR employee pillar support employees satisfaction and motivation.

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