

# Employees' Expectations from CSR: The Case of Master Students

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**Abstract:** Corporate Social Responsibility (CSR) influences the performance of employees> it contributes to attract and retain employees, and to increase the labor productivity. Employees want good wages and good prospects, nevertheless they want to feel proud of the company they work for.

The paper explores the expectations of employees involved in an economic master program in line with CSR activities developed by the companies they work for. Examining the opinions about CSR of this category of employees is motivated by the fact that they are the most active constituent of the labor force, those who are supposed to be the most enthusiastic to engage voluntarily in CSR projects. This category of employees is expected to be the future managers, who will decide CSR strategies and their commitment to CSR will be reflected in the programs that companies will develop.

The research is a qualitative, consisting of a group discussion, and continued with a self-administrated questionnaire. The study focused on master students from the largest economic university from Romania.

The conclusions of the paper reflect the fact that this category of employees is interested mostly on training programs offer red by the companies, but, also, cares about the companies' involvement in the society issues.

**Keywords:** CSR, employees, qualitative research.

## 1. Introduction

Corporate Social Responsibility (CSR) emerged as a major issue in the last decades. From the '50, when Bowen used for the first time the notion of "modern" CSR, the concept grew in attention and disputes and has enriched the content. The development of the CSR concept introduced new elements, in connection to the character of CSR activities, priorities in CSR behavior and dimensions of the CSR. If Milton Friedman, in '70 argued that the only responsibility of a company is to produce welfare for its shareholders, Archie Carroll, in 1979, added the four dimensions to the CSR definition (economic, legal, ethical, and charitable responsibilities). CSR continued to evolve, adding to its interest preoccupations about the interests of other entities that are related to the company's activities and environment. The stakeholders' theory, according to which firms not only address the needs and wishes of shareholders, but for multiple parties (employees, the suppliers, the community and the society) is another major contribution that induces the importance of the community's issues in the CSR activities. More recently, the contribution of CSR to the sustainable development represents a change in the CSR approaches, under the socialization and globalization drives (Moon, 2007).

The stakeholders approach explains the importance of CSR in increasing the company's efficiency. Treating stakeholders as partners creates the premises to unify the interest of those with interests in the company and to increase the responsibility that they have to each other.

This paper intends to concentrate on a particular group of stakeholders, namely young employees who are included in a MBA program. The particular interest of this category derives not only from the importance of employees for any company, but mostly from the importance that those young and educated category of personnel has on the performance of any company.

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The importance of this group of employees is given by their characteristics "...They are strong-willed, passionate, optimistic, and eager to work. ... They care deeply about the world and its problems. There is so much potential for this generation," says Marci Armstrong, associate dean of graduate programs at Southern Methodist University's Cox School of Business. "They're going to change the world." (Gloeckler, 2008). They are the future managers, and CSR is determined by the managers' attitude towards responsibility (Zu, 2008; Mamun, 2009).

Studies focus on the relation between employees' engagement and CSR activities are numerous (Stawiski 2010, Rodrigo and Arenas, 2008, Kissidia, 2007). These reveal that the higher an employee rates their organization's corporate citizenship, the more committed they are to the organization (Stawiski, 2010 p. 2).

However, the students' (as workers) attitude towards CSR is not directly investigated by the literature. Some studies relate CSR activities to the image that companies develop among students, but these studies are seeing students as consumers. Such investigations underline the positive relationship between consumer responses and CSR (Wang, 2009). Other researches concentrate on the importance of CSR, when students are looking for an employer, stressing the importance of corporate values promoted through CSR activities. "The Millennials generation 1980-2000 is 78 million, and they prefer (88%) those employers whose CSR activities promote the same value as their own" (PricewaterhouseCoopers, 2007).

Studies that investigate criteria for choosing the future employer suggest a more objective image about the value of CSR in the eyes of young and educated employees. However, these studies are not offering a unitary view at a deeper analysis and the results are not always relevant for appreciating the importance of CSR in the eyes of students.

Some surveys carried on this subject reveal that despite a strong commitment that young generation have to CSR activities developed by companies, the most important criterion followed in choosing an employer is the salary. In a study conducted in India, almost 65% of the respondents considered salary as the most important criterion for choosing the future employer. It was followed by the *learning and development opportunities that the company offers*. Only about 26% of the respondents felt that company's support to the community and environmental causes, would be important criteria for selecting the company. Asked whether they would prefer joining a high-ranked CSR company, more than 68% of the respondents felt such a company would be more humane to its employees (Article 13 Group, p.27).

In another study (Sinéad English & Associates, 2009), developed in 2009 on more than 700 students, graduates putted a high value on their personal development and on having inspirational and motivational managers from whom to learn. Factors considered extremely important in attracting graduates are friendly work environment, job security and promotes work. Being ethical employer ranked on the 6<sup>th</sup> position, from 16 factors. Given current job market uncertainty, it is explicable why job security is considered more important than good salary, which ranked on the 9<sup>th</sup> place. The results of these studies are not surprising. Even in the case of ordinary employees, data shows that while CSR does make a unique contribution to organizational commitment, it is a small contribution, and not as important as basic job satisfaction (Stawiski, 2010).

However, for a country as Romania, where CSR is in its infancy, young generation is the only one that may ask for an employer who is committed to responsible actions towards other participants than shareholders and internal stakeholders. Society's issues are considered, in general, the responsibility of government, and only large, multinational companies are expected to involve in communities concerns (Zaharia et al, 2010).

## **2. Methodology**

This research was carried on in 2010, on a sample of 150 graduates who had a place of work and attended a Master Program in Business and Marketing. It was based on group discussions (2 group discussions, each of them consisting of 20 persons) about CSR and the awareness of the concept. It was followed by a survey based on auto administrated questionnaire. The participants were between 21 and 28

years of age and there were 88 female students and 62 male students. All of them worked for private companies in Bucharest.

The group discussion was necessary in order to identify the awareness of the concept of CSR and what do graduates understand through CSR. Also, in group discussions have been identified elements regarding factors that motivate graduates in choosing employers and if CSR activities are among the criteria pursuit in choosing an employer.

The questionnaire was design following the idea from group discussions. The most important aspect was to determine what kind of CSR actions they expect more from the company they work for.

The major limit of this research lies in the representativeness of the results. The group selected for this research is not representative for their generation or for the segment of graduates' employees. The results cannot be generalized neither to Bucharest. However, the results may be important for companies when they design CSR actions that are pursuing to increase labour personnel loyalty or attractiveness for workers. The study can be used as a start point for future research on a comparative base in order to identify similarities or differences among countries or categories of employees.

### **3. Findings and Discussions**

During the group discussions the topics that have been approached were related to CSR awareness and its importance for the company. Also, participants were asked to mention what they know about CSR campaigns and what kind of companies do they consider that should be involved in CSR.

Most of the participants were aware about CSR. Some of them acquired knowledge about CSR during their license studies (from marketing, management, ethics courses), others found out about CSR campaigns advertised on television, and others have been involved in voluntary actions during their license studies.

Regarding the topic "which companies should be engaged in CSR activities", most of them appreciated that all companies should develop CSR activities, but mostly multinational companies (due to their financial power). About SMEs, they considered that CSR is desirable, but only if SMEs can afford to sustain CSR activities. Most of the participants (over 80%) appreciated that paying taxes and compliance to the law is enough to consider SMEs social responsible.

About what kind of CSR activities they consider that are important, the participants mentioned CSR actions oriented to the environment, education, health, vulnerable groups and community issues. The answer was significant different when they were asked to select from a variety of CSR orientation. In this case, CSR actions oriented to employees become very important. They all agreed that in difficult periods, companies are normal to reorient their CSR activities to those causes that are more stringent to the company (like employees). There have been statements like "it is better to orient financial resources in order to minimize the job cutting instead finance external actions as environment or community issues".

At the topic which are the most important stakeholders for a company, the majority appreciated that clients are the most important, but significant important are suppliers, employees and other partners of the company.

The last aspect discussed was about voluntary actions. Asked if they considered that employees should be involved in voluntary actions, everybody agreed that the involvement in voluntary action is important and increases the responsible behaviour for any company. However, all of them mentioned that this should not be considering an element of differentiation among employees, in terms of wages or promotion. "If it is voluntary, should remain voluntary. There are, probably, persons who want to involve themselves in voluntary actions, but they have family obligations or other problems and do not have time for this!" "Companies should be more interested in competitive employees."

As a conclusion of group discussions, it seemed that CSR is a known concept and graduates appreciate as a positive aspect the CSR activity in the firms' preoccupation. They consider that CSR is more suitable for large companies then for SMEs, inducing the idea that CSR is a costly behavior and not any company afford to do such an effort. The importance of CSR is subordinated to personal aspirations and considerations,

which are linked to job security, personal development and career opportunities offered by the firm, as other studies revealed (Stoian and Zaharia, 2009).

Employees are indifferent to voluntary actions. They don't reject these kinds of actions, but they consider that employers shouldn't appreciate the workers' performance through their involvement in voluntary actions. Voluntary actions are, as the name says, "voluntary", and should not be related to job evaluation.

The survey followed the directions indicated by group discussions. From 150 questionnaires that have been distributed, 137 were valid.

The questionnaire had 5 multiple choice questions. The first one was about the concept awareness. Most of the respondents were aware about CSR (92% from the valid responses), and 94% consider that CSR is an important dimension for a company.

The second question was about source of information. The most important source of information about CSR was communication campaign developed by companies and advertised on TV (91%) and from the courses they had during their license studies (87%). Those that work in multinational enterprises were aware, also, from the CSR activities developed by their company (53%).

Which is the most important group of stakeholders was the third question. On the first place came clients (91% from valid answers), followed by investors (86%), employees (83%) and business partners (73%). On the last place were state agencies (45%) and NGOs (41%).

Another question was related to the importance of CSR activities. This question was in the form of Lickert scale. The respondents were asked to rank from 1 (not important at all) to 5 (very important) different CSR actions: training programs for employees, employees' donations for different causes, ethical practices for human resources management, possibility of using for free different companies' facilities, actions oriented toward environment protection, sustaining education, involvement in health care. The most important were considered the training programs for employees (4.3/5) and ethical practices for human resources management (4.03/5). With high scores were considered actions sustaining education (3.98/5), involvement in health care (3.89/5) and actions oriented toward environment protection (3.76/5). On the last place were the possibility of using for free different companies' facilities (2.5/5) and employees' donations for different causes (2.4/5). The results are not surprising and are in the spirit of group discussions conclusions. There are studies that underline that CSR is not a panacea, and the employees' issues are very important when a company is selected as an employer (Stawiski, 2010). It seems that civic spirit is secondary to the personal interest and that actions that concern civic behavior should not be mixed with professional life. This hierarchy is also explained by a lower development of the civic attitude that is characteristic to some countries that recently became democracies (Lewicka-Strzalecka, 2006). Also, in developing countries the issues related to the employees' welfare are determinant (Ahmad, 2006).

The last question was about the voluntary actions and if a company should be appreciated as social responsible according its employee's voluntary activities. This statement has to be evaluated from 1 (not important) to 5 (very important): Employees' voluntary actions are not considered to be very important (2.3/5) in appreciating a company as being social responsible. This result is in the line with the previous question regarding employees' donations for different causes and with the conclusions from group discussions that civic attitude is not considered so important.

#### **4. Conclusions**

One conclusion that can be drawn from the literature is that the graduates' opinions regarding the importance of CSR differ, but they have similarities in significance and meanings. These differences are determined by the type of the survey (i.e. how the questions are asked, if the research is focused on the CSR or CSR is among other subjects that are investigated), and by the economic situation in the environment where the study is conducted. It seems that during economic downturn, graduates, as all employees, are more preoccupied about job security than about other issues. Also, it seems that the importance of CSR is determined, also, by the collective consciousness (the importance of CSR according to the social norms) and by the education they acquired during their studies.

This case study offers similar conclusions as in the literature. CSR is a known concept and graduates appreciate as a positive aspect the CSR activity in the firms' preoccupation. They consider that CSR is more suitable for large companies than for SMEs, inducing the idea that CSR is a costly behavior and not all companies afford to do such an effort. CSR is important, but more important are factors that have a direct connection with job security, personal development and salary. This conclusion is sustained, also, by the hierarchy of CSR activities from graduates' perspective. On the first position in importance, are CSR activities oriented to employees. Even CSR is considered, in general, an important criterion in evaluating an employer; actions oriented to employees are the determinant component of the CSR that graduates are looking for.

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