

# PERCEPTION OF EMPLOYEES IN SERBIA ABOUT CORPORATE SOCIAL RESPONSIBILITY

*Anđelka Stojanović, Sanela Arsić, Ivan Mihajlović,*

*University of Belgrade, Technical Faculty in Bor, Serbia*

## **Abstract**

This paper is a part of a more comprehensive research that is conducted at Technical faculty in Bor, in cooperation with other states (Macedonia, Bulgaria, Romania, Russia and Albania). One of the basic goals of research is to determine the level of awareness toward a new business model which has Corporate Social Responsibility (CSR) as a key element of sustainable strategy. Results presented in this paper concerns part of research held in Serbia with intention to identify perception and attitudes of employees about corporate social responsibility, as well as to determine influence of some the company's activities, which apply this business model, have on employees.

*Keywords: Corporate Social Responsibility, employees*

## **Introduction**

Corporate social responsibility is a business practice that implies the company in its performance, besides the making profit as a primary motive, takes into account influence on the environment in which operates. There is no unique definition of CSR, therefore, numerous authors and institutions have developed different levels and concepts for understanding and applying CSR. The European Commission was presented a Green Paper "Promoting a European Framework for Corporate Social Responsibility", where defines CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." (European Commission, 2001, page 8)

Dahlsrud (Dahlsrud, 2006, pages 3-4) was studying 37 definitions of CSR and after qualitative analysis he defined essence through the five dimensions: the environmental dimension, the social dimension, the economic dimension, the stakeholder dimension and the voluntariness dimension. The research, that we are conducting, is taking into account all five dimensions defined by Dahlsrud.

Freeman and Liedtka suggested that employees should be considered “as a vital part of value creation process” (Freeman & Liedtka, 1997, pages 286-296). Employees are important because they have a double role in CSR practice, those who implement CSR activities and those who are affected by the implementation of CSR activities.

Companies introduce CSR in business practice with different intentions. The CSR activities are investments due to resources that should be expended so the motivation for managers to implement CSR activities can vary. Some use CSR activities only for marketing purposes, to gain a better public opinion and improve reputation. Other companies seek new ways for improving its business practice through innovation, upgrading of quality, improving working conditions and safety, striving to create a balance between work and private life of employees, taking care of environmental impact and usage of resources, with no precise intention of acting socially responsible. The third group of companies has a precisely defined concept to act in the socially responsible manner as part of their business strategy and sustainable development plans.

Many researchers have been dealing with the relationship between employees and CSR activities. McWilliams and Siegel have tried to identify what is an appropriate level of investments in CSR that maximizes profit and at the same time fulfills demands of stakeholders (McWilliams & Siegel, 2001, pages 117-127). Also, models with multi-dimensional aspects are developed (Reverte, Gomez-Melero, & Cegarra-Navarro, 2015, pages 1-15) whose results show the significant influence of CSR activities on organizational performance.

In according with Maslow's theory of motivation, Figure 1, managers invest in human resources because, after fulfilling basic needs of employees it is necessary to continue the motivation process. This is the method for empowering workers and developing new capabilities and thus gaining stronger corporate culture and achieves competitive advantage.



Figure 1: Maslow's hierarchy of needs

([http://www.hf.faa.gov/webtraining/teamperform/TeamImages/Chapman\\_maslow.gif](http://www.hf.faa.gov/webtraining/teamperform/TeamImages/Chapman_maslow.gif))

For managers, it is very important communicating of their efforts, collecting information and audit of feedback. They want to know is there any effects on engagement, loyalty, and performance of employees and consequently viewing of the company as a desirable place to get a job.

### **Research method**

In this study, we used questionnaires as a tool for the survey. Questions were found in surveys with the similar topic (Reverte, Gomez-Melero, & Cegarra-Navarro, 2015, pages 1-15; Lee, Park, & Lee, 2013, pages 1716-1724) and adjusted for this questionnaire. Some questions are related to a general knowledge about CSR and the others are about averments which relate to the five most important dimensions of CSR. It is used a Likert five-degree scale for expressing the opinion of the respondents. Collected data were processed with software package SPSS 18.0. The target group was employees in Serbia and 90 questionnaires were collected.

### **The research results**

On the question do employees have basic knowledge about the existence of CSR, we obtained following. The 45.6% of respondents know about the concept and can explain it to someone else. Only 14.4% of respondents have never heard of CSR practice. Based on above results, we can state that the employees have certain expectations of the CSR activities in companies. Results show high degree of agreement with statements about increasing the motivation (Mean 4.0667, Sd 0.88432), gaining better loyalty of consumers (Mean 4.0111, Sd 0.94208), and amelioration of company image (Mean 4.2667, Sd 0.88432).

Concerning five defined CSR dimensions, employees evaluate environmental dimension as the most important dimension (Mean 4.1000, Sd 1.14214). The economic dimension is following (Mean 4.0333, Sd 1.15584), then the social dimension (Mean 3.8889, Sd 1.11622), the voluntariness dimension (Mean 3.4667, Sd 1.27376), and the stakeholder dimension (Mean 3.3000, Sd 1.26713).

Employees find some responsibilities more important than mere making profit. Respect of employees' rights employees from Serbia doesn't find severe problems in their organizations. As the worst problems they find unfair payment (Mean 2.7222, Sd 1.60076) and overtime work (Mean 2.5444, Sd 1.51518). Employees' safety problems are on the third place (Mean 2.4444, Sd 1.44651). Employees have also rated efforts of companies on workforce development (Mean 2.9333, Sd 1.41262) and results show that they have the indifferent attitude of this kind of activities.

Protection of the environment is the field of CSR that employees are aware the most. Those activities are visible in companies, therefore, they don't have problems to recognize them. Energy saving has the best score (Mean 3.1000, Sd 1.49944) followed with recycling of waste material (Mean 2.8667, Sd 1.58078) and management of environmental system (Mean 2.8444, Sd 1.26234).

As most important investments in local community, respondents have marked the sponsorships of sports and cultural events (Mean 2.9000, Sd

1.50691), donating to organizations that are dealing with social activities and have social influence on different groups (Mean 2.7333, Sd 1.40465), and partnerships in projects with social involvement (Mean 2.6222, Sd 1.27709).

Some barriers related to CSR implementation are stated as: lack of financial resources (Mean 3.4556, Sd 1.39953), lack of motivation among employees (Mean 3.3000, Sd 1.32775), lack of information about CSR (Mean 3.1778, Sd 1.40287), absence of government support (Mean 3.1444, Sd 1.42656), and absence of public support (Mean 3.1333, Sd 1.21044)

### **Conclusion**

Based on obtained results in this research, the employees in Serbia have basic knowledge about CSR business practice. They perceive the concept as a marketing tool for gaining market positions and loyalty of consumers as well as employees themselves. In great number, the respondents as CSR activities recognized mainly orientation on environment protection, and social engagements, while other dimensions of CSR are lower ranked. They have assessed the importance of activities connected with direct influence on work environment, safety and improvements, mainly neutral. The attitudes of employees concerning barriers in the implementation of CSR activities are that mainly external factors have responsibility for a lack of CSR implementation while their personal engagement they don't perceive as important.

### **References**

- Dahlsrud, A. (2006). How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions. *How Corporate Social Responsibility is* .
- European Commission. (2001). *Green paper: Promoting a European framework for corporate social responsibility*. Brussels: European Commission.
- Freeman, E., & Liedtka, J. (1997). Stakeholder Capitalism and the Value Chain. *European Management Journal* 15 No 3 , 286-296.
- Lee, E., Park, S.-Y., & Lee, H. (2013). Employee perception of CSR activities: Its antecedents and consequences. *Journal of Business Research* 66, 1716–1724.

McWilliams, A., & Siegel, D. (2001). Corporate Social Responsibility: a Theory of the Firm Perspective. *The Academy of Management Review* 26(1) , 117-127.

Reverte, C., Gomez-Melero, E., & Cegarra-Navarro, J. (2015). The influence of corporate social responsibility practices on organizational performance: evidence from Eco-Responsible Spanish firms. *Journal of Cleaner Production*, 1-15.