Social Responsibility in the Area of Labour Practices in the Context of Employer Branding

Keywords: goodwill; employer branding; corporate social responsibility; labour practices

JEL: M12; M14; M31


Abstract

Theoretical background: In an environment of ever-increasing competition, companies are looking for proven ways to gain competitive advantage. This translates into an increased interest in goodwill and the factors that allow its value to be raised. Goodwill is the differentiating ability of a company, compared to others or an average company, to make a profit. One of the factors that can build goodwill is the company’s image as an employer. Therefore, it is very important for companies to undertake employer branding activities. Employer branding is company’s activities aimed at achieving a positive image and becoming the so-called employer of choice. Among these activities, the company’s implementation of the concept of corporate social responsibility has an important place. Certainly, a company’s activity in any CSR area translates into the way the company is perceived by employees, but activities in the area of employee practices are of primary importance. Enterprises can take a wide variety of measures in relation to employees, tailored to their specific characteristics, capabilities and competencies, as well as the needs reported by employees.

Purpose of the article: The purpose of this paper is to illustrate the concept of employer branding and then present one of the areas of CSR – the area of employee practices – and show how activities in this area can help build an employer brand. Another goal is to assess the level of activity of Polish companies in this CSR area.
Research methods: To achieve such goals, the method of analysis of the literature on the subject and reports on the issue in question was used.

Main findings: Based on the considerations, it can be concluded that employee practice activities are an important instrument in employer branding. The survey also showed that these activities are popular among Polish companies. It can also be predicted that interest in these practices will continue to grow, primarily due to the demographic situation in the labour market and the increasing difficulty in attracting good employees.

Introduction

In an ever-increasing competitive environment, companies are looking for proven ways to gain a competitive advantage. One such way is certainly building a strong corporate brand. Definitions of a company’s brand most often refer to the experience customers have when they interact with the company or its products. However, it is increasingly emphasized that the brand of a business entity is also built by the feelings of its employees, related to their employment with the entity. Consequently, increasing importance in the creation of a company’s brand is attributed to activities known as employer branding (EB).

Employer branding is a company’s activities aimed at achieving a positive image effect and, consequently, gaining the status of the so-called employer of choice. An employer of choice becomes, according to Meier, an organization that is able to achieve its growth and profitability goals by attracting and retaining employees, in the quantity and quality it needs (Meier, 2006). This is particularly important in a situation of “war for talent”, i.e. the increasing difficulty of attracting the right talented employees to a company. The special importance of the employer brand was also highlighted by the COVID-19 pandemic (SHRM, 2020).

A concept that supports companies in building an employer brand is corporate social responsibility (CSR). Numerous studies show a positive relationship between CSR activity and corporate image.

The purpose of this paper is to illustrate the concept of EB, and then present one of the areas of CSR – the area of employee practices – and show how activities in this area can help build an employer brand. Another goal is to assess the level of activity of Polish companies in this CSR area. In order to achieve the goals formulated in this way, the method of analysis the literature on the subject and reports on the issue in question was used.
Literature review

Brand, employer brand, employer branding

Branding issues became popular in the 1980s. During this period, there were numerous acquisitions of companies, in which purchase prices far exceeded the net book value of the acquired entities, which was primarily associated with the possession of strong brands by these companies (Urbanek, 2016).

The already classic definition of a brand is that it is a name, term, sign, symbol or design or a combination thereof, with the aim of identifying the seller’s goods or services or a group of them and distinguishing them from those offered by competitors (Keller, 2011). This definition can be applied to all products of a company, including such a product as unique and specific employment experience, which the company offers to its employees (Edwards, 2010). This approach allows us to move from the general concept of a brand to an employer brand.

The traditional definition of an employer brand, proposed by Ambler and Barrow (1996), says that an employer brand is a package of functional, economic and psychological benefits provided by employment and identified with the employing company. In turn, according to Burke, the employer brand is the way current and potential employees perceive the promise made by the employer (Burke, 2007). Similarly, it is seen by Rosethorn (2016), who recognizes that it is a bilateral contract between an organization and its members; it is the reason why people choose to become members of an organization and stay in it.

According to Backhaus and Tikoo, through employer branding activities, the company emphasizes the unique aspects of employment at a given company, distinguishing it as an employer from its competitors (Backhaus & Tikoo, 2004). “It is the totality of a firm’s effort to promote to existing and prospective employees that the organization is a desirable place to work” (Sarabdeen et al., 2023).

Employer branding is divided into external and internal. The purpose of external EB is to encourage interest in the company and attract prospective candidates to the company. As Lievens and Slaughter explain, external employer branding can be considered as a synonym for employer image management. Internal EB, on the other hand, is aimed at employees already employed in the organization and is associated with the benefits that come from working for a particular employer. According to the above authors, this term can be equated with identity management (Lievens & Slaughter, 2016).

It seems that the first step in building an employer brand should be to focus precisely on internal employer branding. After all, current employees are that group of stakeholders in any organization who, as it were, “on themselves” test the veracity of the company’s promises. Internal EB activities influence, according to the purpose of these activities, the company’s employees. This positive impact translates into increased employee retention and engagement, as well as faster adoption of organi-
zational values by employees. Internal EB helps create a workforce that is difficult for other companies to emulate (Backhaus & Tikoo, 2004). These practices improve the relationship of current employees with the company, contribute to the overall performance of the company (Heilmann et al., 2013).

At the same time, it is the employees who build the company’s image in the environment, by giving outside feedback about their workplace. Thus, it should be emphasized that internal EB, simultaneously affects the environment and causes an increase in the number and quality of candidates to work in a particular company and thus supports the activities carried out by the company under external EB (Lievens et al., 2007). Thus, it is also a factor in attracting talent to the company and keeping them in the organization.

A positive employer brand, built through EB, also influences customers, increasing their satisfaction and satisfaction with their purchases. According to Gadomska-Lila, this is the result of the integration of different spheres of the company – the manufacturer of certain products, a member of the local community, or, finally, the employer (Gadomska-Lila, 2013). Consequently, EB also allows to get a higher return on investment and higher profitability (Heilmann et al., 2013). Thus, it helps to increase the company’s values and gain a competitive advantage (Backhaus & Tikoo, 2004).

Employer branding is therefore no longer just “a nice to have strategy”, but should become a business imperative (WilsonHCG, 2020). Among the activities undertaken by a company as part of employer branding, CSR practices occupy an important place.

Corporate social responsibility and its impact on employer image

The concept of CSR was born back in the 19th century, developed in the 20th century, but only gained popularity in the 21st century. However, there is still no single, generally accepted definition of CSR. Here it will be assumed that CSR is a concept whereby companies integrate social and environmental issues into their business activities and in their relations with stakeholders on a voluntary basis (Communication from the Commission…, 2022). In implementing the CSR concept, companies “must foremost assume their core economic responsibility and voluntarily go beyond legal minimums so that they are ethical in all of their activities and that they take into account the impact of their actions on stakeholders in society, while simultaneously contributing to global sustainability” (Sarkar & Searcy, 2016). They manage relationships with a variety of stakeholders who can have a real impact on their business success, and strive to respond to legitimate stakeholder claims and fulfill the demands they make.

CSR activities can be implemented in seven areas, such as (ISO 26000):

1. Organizational governance – an area concerning the principles and norms relating to the broad management of the company.
2. Human rights – social responsibility in this area focuses on respect for human rights and human dignity, particularly civil, political, economic, social and cultural rights.

3. Labour practices – this area emphasizes relations with employees, but also deals with certain aspects of cooperation with subcontractors, suppliers.

4. Environment – activities in this area primarily include the issue of reducing and adapting to climate change and protecting and regenerating the environment.

5. Consumer issues – in this area attention is paid to the attitude to consumers. In particular, fair practices in the marketing of products and services, fair contract terms, and objective and reliable information.

6. Social involvement and community development – this area includes conducting social dialogue, which should involve community organizations in the process of planning and implementation of social projects, taking into account real social needs when choosing directions for involvement, including making social investments in such areas as education and culture, health, development and access to technology.

7. Fair operating practices – refers to the fight against corruption, responsible involvement of the company in political activities but also fair competition, promotion of social responsibility in the value chain and respect for property rights.

Many researchers point to the positive impact of CSR activities on company image and, consequently, EB. For example, Turban and Greening showed that companies’ social performance (CSP) is positively related to their reputation and attractiveness as employers, suggesting that CSP can be a competitive advantage in attracting candidates (Turban & Greening, 1997). A positive correlation between EB and CSR was also shown in her study by Jain (2013). In turn, according to Dögl and Holtbrügge, socially responsible environmental performance affects a company’s environmental reputation as an employer and employee engagement (Dögl & Holtbrügge, 2014). Also, research by Benitez et al. provided insights that CSR activities enable firms to build greater employer reputation (Benitez et al., 2020). Also, a study by Sigdel and Amponstira, conducted in the SME sector, showed that CSR has a significant positive correlation with a company’s reputation and, consequently, its performance (Sigdel & Amponstira, 2021).

Characteristics of the CSR employee practice area

Certainly, the activity of the company in each area indicated translates into the way the company is perceived by its employees, and, thus, builds a positive image of the employer. However, the direct relationship between the employer brand and socially responsible activities, can be seen primarily in the area of employee practices. It is the company’s activity in this area of CSR that shapes working conditions, development opportunities and the atmosphere in the organization, and consequently affects the opinions of employees about the company and translates into building
the employer brand. Therefore, the author found it reasonable to focus specifically on this area of CSR.

The activities in the analysed CSR area are aimed at the company’s employees. Employees are the primary stakeholders of any company and also its strategic resource. Ultimately, the ability of an organization to develop and make proper use of other resources depends precisely on the people it employs. Therefore, the task of every company is to create such conditions for employees, so that they can fully engage in work for the organization while realizing their individual needs. This is especially important now, in a situation where we are dealing with a recovering employee market.

The correct behaviour of a company in the area of labour practice, of course is indicated by laws, both international (for example, the Universal Declaration of Human Rights and the recommendations of the International Labour Organization) and national (for example, the Constitution or the Labour Code). Thus, for example, the law normalizes issues relating to working time, vacations, minimum wages, or the dismissal process. However, as highlighted earlier, the concept of CSR assumes that it is not enough just to comply with the law. Socially responsible companies should do more than what the law requires, and should also undertake voluntary initiatives aimed at employees.

The variety of these voluntary activities in the labour practice area is very large. Within this area, the ISO 26000 standard indicates the following issues that a company should consider (Polski Komitet Normalizacyjny):
- employment and contractual relationships,
- working conditions and social protection,
- social dialogue,
- health and safety at work,
- human development and training in the workplace.

The first group of activities concerns hiring practices and the formation of appropriate labour relations. Social responsibility can be manifested here by countering mobbing and discrimination in the workplace. Examples of specific actions in this area include training to raise employee awareness of discrimination and mobbing, to show employees how to behave when they witness or are victims of mobbing or to combat stereotypes and prejudices that may be the basis of discrimination and, consequently, mobbing. Companies can also formalize the fight against these negative phenomena by introducing either an internal anti-bullying policy or a code of ethics.

This group of activities also includes the implementation of diversity management in the company. Diversity management is any company’s activities aimed at optimizing the use of the diversity of personnel in the workplace, that is utilizing the potential of all employees, including those previously disadvantaged (Jamka, 2019). Companies can also sign a Diversity Charter, which is a written commitment to a policy of equal treatment and diversity management, as well as actively preventing bullying and discrimination in the workplace.
In this area, organizations can also take measures aimed at increasing the level of employment security through employment contracts tailored to the needs of individual employees, or mitigating the negative consequences of making employment more flexible, for example, by equalizing the rights of employees working under traditional and flexible employment.

Socially responsible actions concerning working conditions and social protection may, for example, consist in creating conditions in the company that enable employees to achieve a work-life balance. Thus, companies can offer employees longer vacations than the law stipulates, flexible working hours or the possibility to work remotely. Research shows that employees want to balance their work-related and non-work-related commitments, such as family, leisure activities or volunteering (Dabirian et al., 2019; Kashyap & Verma, 2018). The solutions indicated make it possible to meet these commitments.

Also included in this group are measures to support employees in caring for children (e.g. financial or in-kind assistance in the form of becikove, the creation of nurseries and day-care centers at the company) and in caring for elderly or dependent employees (e.g. financial support when an employee needs to use organized care for a dependent). It turns out that companies offering child care are attractive to job seekers (Gaidhani, 2020). In addition, “employer-sponsored childcare act as a straight incentive for females to enter the labor market, but it also has the ability to attract and retain fathers of small kids who seek to facilitate their wives’ employment or who are single parents” (Gaidhani, 2020). As part of social protection measures, companies can financially assist employees by subsidizing their leisure, education, medical care, or apartment purchase.

Another group of activities is social dialogue. Socially responsible activities in this area should be aimed at enabling the presentation of positions and exchange of information between the company and its stakeholders – both internal (employees, trade unions) and external (e.g. customers, suppliers, the local community). Dialogue with employees can, for example, take the form of: daily or periodic meetings between management and employees to communicate key information, consultations with employees on issues of importance to the company, creating opportunities for employees to express themselves and raise their concerns about the situation in the company, e.g. by e-mail, in writing. Studies show that proper internal communication affects employee satisfaction and, consequently, the employer’s image (Tkalac Verčič, 2021). External stakeholders can be informed by the company about its activities, for example, through social reports or in periodic meetings with specific stakeholder groups. The company can also improve its dialogue with stakeholders based on AA1000.

Within the next group of activities – occupational health and safety – for example, companies can undertake activities aimed at increasing the level of knowledge of employees in the field of occupational safety, such as workshops and trainings. The specific subject matter of such meetings should depend on the specifics of the
company and the work of individual positions, as well as the risks that are associated with this work. It is also possible to propose the creation of new positions or even departments in the company, aimed directly at the needs of occupational safety, for example, implementing new solutions for the protection of employee health, or conducting the previously indicated training in the area of occupational safety and health. It may also be important to create systems for employees to report and respond to potentially dangerous situations in the workplace that threaten health and life. Companies can also conduct periodic surveys, or anonymous surveys among employees about safety in the workplace to learn the opinion of employees in this area. Detecting potential hazards provides opportunities to eliminate them and reduce workplace accidents. Socially responsible activities can also include the implementation of standards related to increasing safety in the workplace (e.g. SA 8000, PN-N-18001:2004, ISO 45001:2018). It turns out that safe working conditions reduce absenteeism and staff turnover and increase productivity (OGP, 2013) and this helps build a positive employer brand.

Examples of initiatives within the last group of activities – human development and on-the-job training – are, of course, additional training to improve the skills of employees, both in terms of the skills necessary for their current position and those that may be necessary for the employee in the future. These can also be general training, unrelated to a specific position, such as personal development and career management. Other activities in this group of practices include, for example, organizing development programs for employees (e.g. for managers), organizing internships for employees in other units (which allow them to gain the desired experience or knowledge), or inspirational lectures, e.g. how to succeed, how to motivate oneself. Today’s employees are most concerned with their development. “Development value offered by an employer is a critical factor for the enhancement of the firm’s image as a great employer to work for in the market” (Haidi & Ahmed, 2018).

All the activities indicated above are an investment in creating an organizational culture based on respect for employees. They increase trust in the company, make it possible to avoid many conflicts. They allow the establishment of lasting relationships with employees, build the image of a solid, ethical employer, and, thus, positively affect the employer brand.

Such a large number of groups of activities gives each organization an opportunity to undertake such an activity, that is most suited to the specifics of that entity, its capabilities and competencies, and the needs reported by its employees. At the same time, it is an excellent area for innovation, because in each company employees may have different priorities and other company activities may be attractive to them (Maxwell & Knox, 2009). Employee practices activities influence the way employees treat the company. These activities foster employees’ self-realization and increase their identification with the company, and consequently, help achieve its goals (Almeida & Coelho, 2019).
Research methods

In order to assess the popularity of activities in the area of labour practices, information from the Responsible Business in Poland reports, published annually by the Responsible Business Forum, was used. These are the only surveys on the subject conducted in a continuous and fairly standardized manner over many years.

It should be noted, however, that the Reports do not show the total number of companies in Poland that undertake socially responsible activities. The Reports note and present only the practices that business entities reported in the analysed year, wishing to present them to a wider forum. Despite this, in the author’s opinion, the data included in these publications show trends in the level of interest in activities in specific areas of CSR and, thus, allow conclusions to be drawn about their popularity.

The analysis carried out in this study concerns the years 2011–2021 (the division of CSR activities into 7 areas proposed in the ISO 26000 standard was introduced in 2011 in the analysed reports).

Results and discussions

The analysis of Responsible Business in Poland reports allows us to note that activities in the area of employee practices are among companies operating in Poland, very popular. This trend has actually been visible since 2011. Their share in the number of all reported CSR practices was, for example, 31.6% in 2011, and 25% in 2021. Except for 2012, when labour practices accounted for 16.3% of all reported socially responsible practices, their share in the total number of all CSR practices has not fallen below 20%.

Over the 2011–2021 period, labour practices were the second most frequently reported group of practices (after community engagement and community development practices) (Forum Odpowiedzialnego Biznesu, 2021). Table 1 shows the number of reported labour practices against the number of practices reported in all CSR areas combined.

The Responsible Business in Poland reports also make it possible to track which activities aimed at employees were most popular in a given period. It should be noted, however, that the Responsible Business Forum, for the purposes of these reports, distinguishes more specific groups of activities in the employee area than the ISO organization cited earlier. At the same time, both the number of these groups of activities and their names changed over the analysed years. This was due to companies still reporting new initiatives and activities.

For example, the 2011 report distinguished 6 groups of activities within the employee area: workplace safety, volunteering, health and active living, adaptation and integration, training and development, and employee participation (Forum Odpowiedzialnego Biznesu, 2012). In contrast, the 2021 report showed 13 groups
of activities aimed at employees: workplace safety, dialogue with employees, family-friendly company, employee integration, organizational culture, employee participation, recruitment and adaptation, anti-abuse, training and development, employee volunteering, work-life balance, employee support, employee health (Forum Odpowiedzialnego Biznesu, 2022).

Table 1. Number of reported labour practices against the number of practices reported in all CSR areas combined

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of practices reported in all CSR areas together</th>
<th>Number of reported labour practices</th>
<th>Share of reported practices from the labour practices area in the total number of all reported CSR practices (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>New practices</td>
<td>Long-term practices</td>
</tr>
<tr>
<td>2021*</td>
<td>1,675</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2020</td>
<td>1,958</td>
<td>1,013</td>
<td>945</td>
</tr>
<tr>
<td>2019**</td>
<td>1,696</td>
<td>712</td>
<td>984</td>
</tr>
<tr>
<td>2018</td>
<td>1,549</td>
<td>826</td>
<td>723</td>
</tr>
<tr>
<td>2017</td>
<td>1,190</td>
<td>639</td>
<td>551</td>
</tr>
<tr>
<td>2016</td>
<td>880</td>
<td>461</td>
<td>419</td>
</tr>
<tr>
<td>2015</td>
<td>813</td>
<td>454</td>
<td>359</td>
</tr>
<tr>
<td>2014</td>
<td>684</td>
<td>420</td>
<td>264</td>
</tr>
<tr>
<td>2013</td>
<td>558</td>
<td>403</td>
<td>155</td>
</tr>
<tr>
<td>2012</td>
<td>368</td>
<td>262</td>
<td>106</td>
</tr>
<tr>
<td>2011</td>
<td>209</td>
<td>209</td>
<td>0</td>
</tr>
</tbody>
</table>

*in 2021, the report does not specify the number of new and continuing practices
**starting in 2019, the number of new practices that companies can report has been limited to 10 practices, hence the lower number of new practices this year


The popularity of each group of practices has fluctuated over the years. In 2011, among the reported practices, the largest number was related to workplace safety (Forum Odpowiedzialnego Biznesu, 2012). For example, Nestlé Polska introduced the SUSA programme (Safe and Unsafe Acts) with the primary aim of involving employees in the assessment of workplace safety. GlaxoSmithKline’s manufacturing plant, on the other hand, has introduced a Lock Out/Tag Out system that prevents workers from coming into contact with dangerous machine parts, even while performing emergency inspections (Forum Odpowiedzialnego Biznesu, 2011).

In 2015, the most popular activities focused on workplace safety, training and development, and employee health (Forum Odpowiedzialnego Biznesu, 2016). Skanska in Poland, for example, introduced the Unlimited program, which is available to white-collar employees who have been with the company for at least two years. It allows intra-company internships in other countries and exchange of knowledge and experience. The period of work abroad lasts from 3 to 6 months. For the duration of the stay, each participant receives the support of their mentor and has an opportunity to learn the job in detail (Forum Odpowiedzialnego Biznesu, 2016).
In the 2017 reissue, employee volunteering was among the most represented activities (Forum Odpowiedzialnego Biznesu, 2018). For example, employees of the Gdańsk branch of LPP designed and refreshed the interiors of the dining room of the Gdańsk Children’s Hospital in Polanki as part of their volunteer work. Meanwhile, at the Cracow branch of LPP, employees played the role of Santa Claus and gave gifts to patients of various wards of the children’s hospital in Prokocim. In turn, employees of Skanska in Poland, as part of the initiative “Joint renovation of a square in Wola, Warsaw” carried out a project to improve the aesthetics of the area. As part of the action, benches, a chess table were set up, plants were planted, blurred lines on the basketball court were renewed, and children’s games were painted on the asphalt (Forum Odpowiedzialnego Biznesu, 2018).

The specificity of the activities undertaken in 2020 was influenced by the pandemic. Companies implemented practices to support employees and protect them from coronavirus infections. They also allowed employees to get involved in ongoing outreach activities for the benefit of local communities, groups at risk of exclusion and hospital staff (Forum Odpowiedzialnego Biznesu, 2021). For example, Capgemini Poland has undertaken initiatives such as transitioning 97% of employees to remote work, changing and adjusting HR procedures and processes, bringing office space into compliance with the sanitation regime, creating a dedicated process for communicating COVID-19 issues, changing procedures for IT support teams, and establishing crisis staff, among others (Forum Odpowiedzialnego Biznesu, 2021).

In 2021, practices relating to the digitization of the work environment, offline work, employee volunteering, work-life balance and wellbeing stood out (Forum Odpowiedzialnego Biznesu, 2022). Philip Morris Poland, for example, has made it possible for office workers to use remote work and perform duties outside the office under flexible working hours. For a balanced work week, employees can choose the eight-hour working day between 7:30 a.m. and 6:30 p.m. Online meetings are held from 9:30 a.m. to 4 p.m. with breaks in between (Forum Odpowiedzialnego Biznesu, 2022).

The research presented here confirms the thesis that employee practice activities are popular among Polish companies. According to the author, this is due to several reasons.

First, it may be related to the problems of hiring highly qualified employees, amid a recovering employee market and demographic problems in the labour market. According to the Hays report (Firmy chcą zatrudniać…, 2022), in 2021 the dynamics of the recruitment market in Poland exceeded expectations, with 34% more employers seeing recruitment issues, than in the previous year. Employers were motivated to rebuild teams by the lifting of restrictions, the possibility of increased business activity and vaccination campaigns. In such conditions the employer brand plays an important role, which can be built through labour practices.

The second reason for the popularity of labour practices, compared to practices in other areas of CSR, is that they are diverse and can be tailored to the needs of each company’s employees.
Another reason for companies to focus precisely on this area may be the fact that many of these practices do not require large financial outlays (e.g. employee participation, health-promoting training, employee volunteering, organizational solutions concerning, for example, employee reporting of workplace hazards, introduction of flexible working hours).

Conclusions

Summarizing the above considerations, it should be said that activity in the employee area is a very good way to build the employer brand. It can also be anticipated, that interest in these practices will continue to grow, primarily due to the demographics of the labour market and the increasing difficulty in attracting good employees. It should be stressed, however, that companies should not only introduce good practices proven by other companies, but also need to tailor these activities to the needs reported by their employees. Only then will it be possible to achieve employee satisfaction and, consequently, build an employer brand. For, according to Mishra and Subudhi (2019), today organizations achieve a competitive brand no longer through products, but rather through people.

References


