

APPLYING CORPORATE SOCIAL RESPONSIBILITY TOWARDS EMPLOYEES AS PART OF PROJECT MANAGEMENT

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ABSTRACT

The article gives an overview on the research of project management from applying the Corporate Social Responsibility towards employees in the spectre of the project management standards in the small, medium, and big enterprises in the Slovak Republic from the project manager point of view. An employee who performs quality work at work expects, in addition to his wages, the benefits that an employer can provide through CSR projects. It is a very important social aspect of company behaviour towards its workers. Authors of the paper state the importance of Corporate Social Responsibility from project manager's point of view in the researched companies as a part of building social responsibility towards employees and their members of families. The study included in the paper consists of quantitative and qualitative research of 272 selected small, medium and big enterprises in the Slovak Republic, focused on a questionnaire survey. Data retrieved from the survey have been processed by advanced statistical methods. To verify the responses of respondents to individual questions, the chi-squared test was used. Critical analysis is being used to identify specific factors of application the CSR concept in the companies from the project manager's point of view. The paper brings empirical pieces of evidence of how project managers in the selected locally based companies have been applying the social aspects into the concept of their own project management. 60% of the monitored enterprises apply CSR activities to their employees in the response spectrum almost always. However, it is very striking that 21% of them do not apply CSR to employees at all. 43% of the monitored enterprises apply CSR to their employees and their family members in their CSR projects. However, up to 43% of the businesses monitored do not monitor or apply projects to their employees and their family members. This paper includes list of recommendations for Slovak small, medium and big enterprises based on best practices abroad, with aim to increase the knowledge and involvement of social problems into the projects of the companies to increase the effectiveness of the CSR towards employees.

Keywords: *project management, CSR, project manager, employee, project*

INTRODUCTION

The combined trends in corporate governance, as well as in corporate marketing management, are primarily geared towards corporate social responsibility. These trends are not limited to international concerns, but also to small and medium-sized enterprises. Most CSR-targeted projects are subject to the planning and management of corporate project managers. Therefore, the opinion of the project manager, his education and skills are very important. However, they are also very much discussed. The impact of training and education of project managers in enterprises is undeniable and obvious, and this training should be an important part of building corporate environmental and social responsibility. Nowadays, we consider the ability

to realize projects crucial for the company's future success. Such competence may also be determined by the extent of the appropriate competencies of the project manager. Project managers have to accomplish many tasks in order to complete projects under the triple scope, time and budget constraints to meet the quality requirements of project goals and stakeholder expectations.

Corporate Social Responsibility is a modern phenomenon of corporate governance in the developed world, not only in multinationals but also in medium and small businesses. Most socially responsible projects are subject to the planning and management of corporate project managers. Therefore, the CSR project manager's view is very important and highly discussed. The impact of training and education of project managers in companies is obvious and education should be an important part of building corporate social responsibility. Successful companies balance economic and social goals by integrating social interests into their strategies [1], [2].

Responsibility towards employees deals with the quality of relationships between the company's management and its workforce, and the capability enhancement of all people working for the company. It is related to the level of wages (or remuneration for subcontractors), respect for workers' rights and capabilities in the workplace, and consideration for workers' professional development and for their situation in case of redundancy plans [3]. CSR can be a great tool for employer branding. Conscious shaping the image of an attractive employer leads to a competitive advantage. This phenomenon allows ensuring the quality of the employee work and their greater satisfaction. When employees feel satisfied at work they promote the brand to the environment [4]. Project management is undoubtedly one of the main themes in most organizations, and it is necessary for successful application CSR projects. Project management serves as a very valuable application platform. Currently, projects are very diverse and can have different goals, needs, and requirements. Projects are often utilized as a means to achieve an organization's strategic plan [5].

Modern, complex societies require a well-reflected application of ethical concepts. CSR is a method of effective strategic business management. For project management, this means the systematic combination of the interest in the project with the interest in public well-being. Integrating project players of different cultural backgrounds and finding, defining and implementing joint standards for socially responsible actions is difficult. This requires high social competency of the project management, which has to have the qualification and competence required for developing and promoting CSR. Introducing CSR to projects using existing standards improves cooperation between the project players for the benefit of more efficient project handling and trustful cooperation [6]. Businesses now integrate corporate social responsibility into their business values by default and integrate them into their processes [7]. Corporate social responsibility can also be understood as a benefit for the local community and region, as well as represents a new dimension of regional development. It is externally manifested in the creation of higher quality social relations with individuals, social groups, local governments which can contribute to the accumulation of social capital of local communities' strategies [8], [9]. The growing interest in CSR projects among companies is also evident, among other things, from a large number of organizations participating in research that assessed their performance within CSR [10]. Also, the BCG study conducted by employees of globally operating companies found that up to 70% of participating companies have consistently implemented CSR in corporate governance [11]. As Caputa [12] mentioned, the foundation of the relationship, in which the customer becomes an active participant of exchange, is customer's emotional engagement, which finds its reflection in, among others, launching a one-way of two-way information transfer, what could be the way to effective projects CSR.

METHODOLOGY

The study included in the paper consists of quantitative and qualitative research of 272 selected small, medium, and big enterprises in the Slovak Republic, focused on a questionnaire survey. Data retrieved from the survey have been processed by advanced statistical methods. To verify the responses of respondents to individual questions, the chi-squared test was used. Critical analysis is being used to identify specific factors of application the CSR concept in the companies from the project manager's point of view. For processing the data we used SAS statistical program. As a non-parametric method we used Kruskal-Wallis test, what is a nonparametric equivalent of one-factor analysis of variance, i. allows to test the hypothesis H_0 that k ($k \geq 3$) independent files come from the same distribution. It is a direct generalization of Wilcoxon's two-choice test for independent selection files ($k \geq 3$) [13].

The interpretation of the results is as follows: If the P-value of Kruskal-Wallis test is greater than 0.05, we do not reject the null hypothesis; Otherwise, we reject the null hypothesis and accept the alternative hypothesis. The effect of the investigated quality factor on the variable to be explained is statistically significant [13]. The SAS 9.3 statistical software, in which we performed the calculations, also offers the calculation of the so-called Spearman coefficient. P-value, which we compare with 0.05. If the P-value is greater than 0.05, we do not reject the null hypothesis, the dependence between the variables being examined is not statistically significant. Conversely, if the P-value is less than or equal to 0.05, we accept an alternative hypothesis, the dependence between variables is statistically provable. The mosaic plots and X-square we tested in the program R. The questionnaire consisted of 5 questions on business identification, and four question groups on project management, project implementation, project manager training, CSR and project management, and a group of respondent information questions (project managers). The questionnaire was distributed through an online form in Google forms. The individual project managers confirmed the basic information about the surveyed company, which means that the survey was not anonymous but conclusive. From the point of view of the size of enterprises, the most participating businesses, namely 56% were small businesses [14]. Medium-sized enterprises accounted for 24% and large enterprises 20%. A very important variable in the sample of enterprises examined was the economy sector in which the business predominates (see Table 1). Most, 20.59% of enterprises were from the public sector and the second largest group was industrial enterprises, 19.12%.

The questionnaire survey aimed to provide a sample from the whole territory of Slovakia, therefore the third identification mark was the region, according to the territorial division of the republic. As the highest concentration of enterprises is in the Bratislava region, it was also reflected in the sample obtained, 37.13%, followed by enterprises from the Banská Bystrica region, 19.46% and the Nitra region 13.6%.

Table 1 Number of researched enterprises by sector

Code	Category	number	relative frequency
9	Public sector	56	20,59%
4	Industry	52	19,12%
8	Real estate/construction industry	36	13,24%
3	Retail/Consumer Goods	28	10,29%
1	Telecommunications / information technology	25	9,19%
2	Media/entertainment industry	19	6,99%
5	Public Services (Energy/Gas/Waterworks)	14	5,15%
7	Finantial Services	13	4,78%
6	Chemical Industry(Oil Processing/Transport)	11	4,04%
10	Logistics	11	4,04%
11	Others	7	2,57%
	Overall	272	100,00%

Source: own elaboration

A very important monitored 4th variable was the company's yearly turnover. The structure of the monitored enterprises was recorded as follows: enterprises with turnover up to 2 mil. € (53.3%), turnover 3 - 10 mil. € (20.2%), turnover 11 - 50 mil. € (12.9%), turnover 51 - 200 mil. € (7.4%) and enterprises with a turnover of more than 200 mil. € (6.3%).

RESULTS

The paper brings empirical pieces of evidences how project managers in the selected locally based companies have been applying the social aspects of CSR towards employees and towards employees and their family members into the concept of their own project management and also, how the companies are dealing with the social problems in the region and social problems in the society. 52% of the surveyed companies deal with their project management projects with an average value of more than EUR 20,000. We could say, regarding the turnover and the size of projects, there is some space for applying CSR into the management and marketing of the company. The project managers of the companies surveyed stated that, from the perspective of monitoring only 53% of enterprises perceive this need from a social perspective.

The results of the survey document the applying of CSR in a company general in the context of the yearly turnover of the company. The result from the surveyed companies in Slovakia is: profitable companies are applying CSR into the management of the company, always almost 47,6 % of the companies with turnover lower than 2 mil. € and 76,5 % of the companies with higher turnover than 200 mil. €.

Figure 1 documents the level of applying the six forms of CSR into the management and marketing of the company. For all three size of companies, the ecological problems in the region, where the company is based are the most important, especially for big enterprises. The importance of social problems and CSR towards employees for big companies has the same level. For middle-sized companies are the most important areas of ecological problems in the region and application of CSR towards their employees.

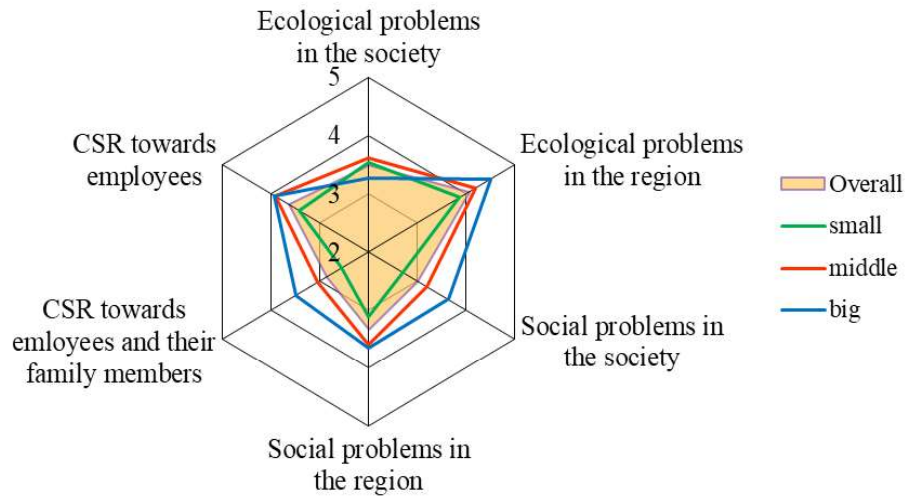


Figure 1 Structure of researched enterprises of applying CSR in the management and marketing by the size of enterprise

Source: own elaboration

In small businesses, due to fewer employees and family, friendly ties, they are more connected to the environment in which they operate. There are personal ties in these companies, which logically translates into selected forms of CSR in marketing management. The results of the questionnaire show that small businesses mainly focus on CSR towards employees, but also on social problems in the region (disadvantaged groups, etc.) and on environmental issues in the immediate vicinity of the company.

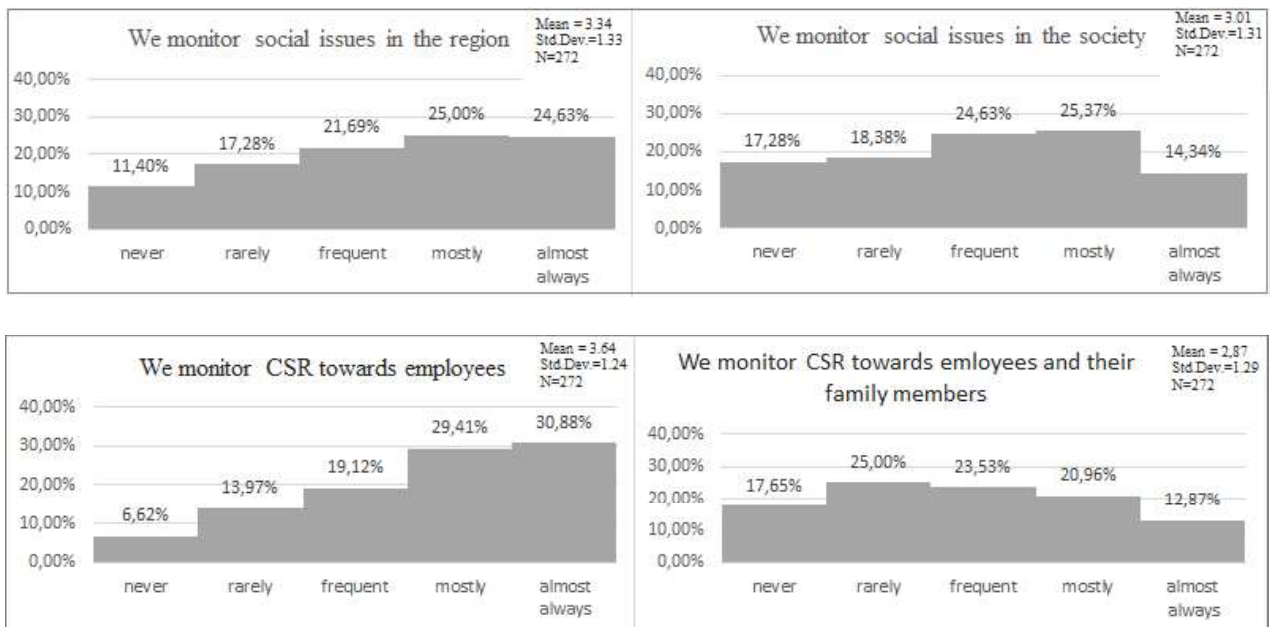


Figure 2 Four possibilities of applying CSR in the company's management

Source: own elaboration

Similarly, Figure 2 presents the results of applying individual CSR forms to business management. Regardless of the variables, on average, businesses tend to focus most on dealing with their employees, almost always 30.88% of the businesses monitored, and almost always 24.63% on social issues in the region.

Figure 3 presents the results of the questionnaire response test (ot122) 35.1 questionnaire, CSR fulfilment against employees, where Test Statistics Value X-squared = 27.41, df = NA, p-value = 0.0354, means that the answer is significant in relation the company's annual turnover. Often, Figure 3 documents (question 123) the questionnaire replies 35.2, applying CSR to employees and their family members in relation to the company's annual turnover. The X-squared = 33.495, df = NA, p-value = 0.0053 test statistic value indicates that the response is significant in terms of company turnover. The blue and red colours in the mosaic charts document the departure from the dependence caused by variations in responses, such as variant 5 in question 123. In combination with responses of 1 rt 3, abundance of 4.01 is expected to be significantly lower than observed 10.

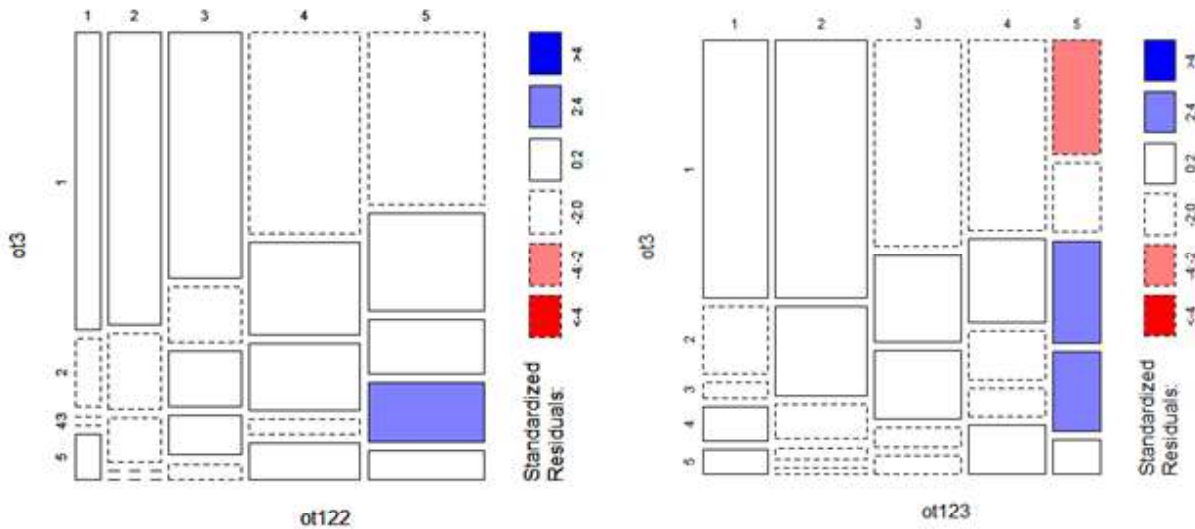


Figure 3 Mosaic plots of applying CSR towards employees and towards employees and their family members in dependence of yearly turnover of the companies. Program R.

Source: own elaboration

Since we considered the variable yearly turnover to be an important determinant of business decision-making about the area that will be most closely pursued in CSR projects, we decided to use the non-parametric method Kruskal-Wallis test (see Table 2).

Table 2

Wilcoxon Scores (Rank Sums) for Variable o35_CSR_towards_employees. Classified by Variable o3_turnover					
o3_trzby	N	Sum of Scores	Expected Under H0	Std Dev Under H0	Mean Score
1	145	17552.50	19792.50	625.905297	121.051724
2	55	8151.50	7507.50	503.887955	148.209091
3	35	5193.50	4777.50	420.078989	148.385714
4	20	3624.00	2730.00	327.444751	181.200000
5	17	2606.50	2320.50	303.680787	153.323529
Average scores were used for ties.					
Kruskal-Wallis Test					
Chi-Square	15.8754				
DF	4				
Pr > Chi-Square	0.0032				

Source: own elaboration, program SAS.

In the case of the monitoring and application of social problems in the region into CSR, there are significant difference between the turnover of the companies. The impact of the turnover has been proven in the area of how businesses pursue societal challenges in society as a whole. The difference was between the industry such as 1 Telecommunications / information technology and 3 Retail / Consumer Goods.

CONCLUSION

Current business is looking for new ways to attract and maintain customers. CSR is one of the ways in which companies declare their interest in public affairs, the environment, the social aspects of society, and the problem of human resources and the well-being of their employees. The authors of this study present the results obtained through a questionnaire survey in small, medium and big enterprises in the Slovak Republic. The survey was primarily focused on the application of project management tools, the application of CSR in project management, and the attitudes of project managers to the enterprises under review. 39.1% of the sample of monitored enterprises focus on CSR towards their employees, almost always, mostly and frequently. It can be stated that partial results show that CSR and human resources are very important for businesses. More are applied by companies in project management of CSR towards employees and also their family members, almost always, mostly and frequently in 66.1%. On average, up to 24.3% follow the social problem in the almost always region, but up to 17.28% never follow the general social problems in society. It is very positive that CSR projects are directed to their employees, here it can be stated that this is a precondition for increasing care for the development of human potential in enterprises. The results of individual analyzes show that large enterprises are more intensively engaged in the issue of social problems and ecology, especially in the region where they operate. The study confirms differences in the application of CSR between small and medium-sized enterprises. It is understandable given their turnover and profit. Mainly employees and environmental issues are important for small businesses. The results of the study show that the training of corporate project managers is very important because it is these people who are responsible for project solutions that can also be CSR projects.

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