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IN CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility to Employees: The Best Labour Practices in Transport and Logistics Companies

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Abstract: The paper focuses on corporate social responsibility to employees in the context of transportation and logistics companies. It raises the issues related to the good practices of CSR in relation to labour practices. The study also discusses the approach to employees as stakeholders of the company. The transport and logistics branch is selected for analysis, due to its importance for the economy and the necessity of implementation the corporate social responsibility policy. The aim of the paper is to identify and assess ethics and labour practices in the context of logistics companies. It is achieved through the analysis of practices included in the companies' CSR reports and reports 'Responsible business in Poland' issued by the Responsible Business Forum. The analysis is realized on the case of the two top companies that received the "CSR leaf" – a prestigious award for responsible business.

Key words: labour practices, employees, stakeholders, human resources, CSR practices, logistics.

1. Introduction

The interest in corporate social responsibility is on increase. Currently, we can observe companies that are just beginning their way to the implementation of the CSR concept, as well as the leaders which modify their own policies and actions connected with responsibility. An interesting example of a highly competitive branch, where the CSR idea gradually evolves to the advanced level is the transport and logistics area. The transport branch is a specific field of the economy. It is considered a pillar of the market and the development of other sectors of the economy and the country depends on its efficiency (Małek, 1969; Rydzkowski, 2005). On the other hand, it is very focused on changes and requirements of its customers. But, this is also the branch where violations of human rights, the wicked pay and working conditions are often identified (Garncarz, 2015). What is the response from employers? Leading companies of the logistics industry for years have been repeatedly rewarded for activities in the field of CSR. They become pioneers of changes in the CSR area and their actions could be an example for smaller companies. They create good practices related to social responsibility, providing appropriate working conditions for their employees.

The paper concerns the idea of CSR labour practices in the context of the logistics branch. The aim of the paper is to identify and assess ethics and labour practices in logistics companies. It is achieved through the analysis of practices included in the companies' CSR reports and reports 'Responsible business in Poland' issued by the Responsible Business Forum. The analysis is realized on the case of the two top companies that received the "CSR leaf" – a prestigious award for responsible business.

2. Corporate social responsibility to employees

According to the principles of corporate social responsibility, such a responsibility of a company is not limited to the external environment, but a company should to be responsible to its employees. A company willing to gain the title of a fully responsible business, should (Jabłoński, 2013):

- comply with all legal requirements;

- voluntary create its own mechanisms of managing compliance with the expectations defined by society;
- observe the principles of corporate social responsibility;
- manage in a fair manner with respect for diversity;
- take care of stakeholders;
- not allow to violate the principles of ecology and other requirements that are associated with the area of enterprise operations;
- be involved in the life of local communities;
- produce financial and social dividends.

Foreign leaders of the logistics area have already achieved the primary level of corporate social responsibility. They are responsible and they also know that the functioning of contemporary organisations should be more focused on ethics (Lipovetsky, 2000). This is the reason to concentrate on the involvement and partnership. Such assumptions often need to analyse previous activities and strategies (Kisil, 2013).

The starting point is to create the right attitude among employees. According to Klimek (2014) this process should include four stages:

- courses for employees;
- code of ethics;
- ethical recruitment and selection for promotion;
- ethical governance teams.

Employees for companies represent not only human resource, but they are the part of their organisations as stakeholders. Their presence has got an impact on business risk management, because they are combined in the related risks. There are eight dimensions of risks connected with relations in a company. These include risks of: investment, credit, employment, license to operate, purchase, price war, supply and compliance (Bustamante, 2014). All these above-mentioned risks are correlated with relationships that a company has with its stakeholders. They concern the following groups: shareholders, banks, financial intuitions, future and current employees, local and global society, consumers, competition, suppliers and politics (Bustamante, 2013). Such a multiplicity of stakeholders shows that relevant relationships with them and communication could not be underestimated. But in order to do this it is important to pay attention to the expectations of stakeholders. On the part of employees they are mainly (Clarke, 1998):

- decent salary appropriate to employee engagement in the enterprise development;
- stability of employment;
- the possibility of development, participation in courses and career development;
- working conditions for achieving organisational objectives and outputs.

All of these expectations are consistent with the previously mentioned ethics in relationships with employees. It is necessary to remember and fulfil them. Fulfilling expectations of employees is an opportunity not only to improve their own or the company efficiency but it also affects employee satisfaction with their work (Biesok and Wyród-Wróbel, 2014). Job satisfaction is another very important issue, but it is not a simple process. Indeed, there are many factors influencing employee satisfaction. It may be mentioned, among others: the identification with the company, communication, perception by superiors, motivation, staff development, interpersonal relations, working conditions (Bilińska, 2008). All these aspects certainly apply to the appropriate management of stakeholders-employees and undoubtedly they combine the advanced level of corporate social responsibility.

Creating a brand value is another issue why stakeholders-employees are important for a company. According to the rules determining the value of the brand, an improved CSR strategy can become a significant factor in the company's position, as it is associated with one of the three elements of its building – the brand power (East, Wright and Vanhuele, 2014). A CSR strategy influencing the good attitude of stakeholders to the brand can have an effect on the brand value (Figure 1).

Summing up this part of the paper, it is worth emphasizing that responsibility to employees actually affects the value of the brand. But it is to be founded on a few basic principles. Kisil (2013) lists thirteen key actions which are associated with good labour practices:

- compliance with the principles of diversity;
- providing voluntary work;
- fair relationships between co-workers;
- opportunity to express views and ratings by employees;
- ensuring safety in the workplace;
- providing employees with information about any activities that are associated with them;
- providing medical care;

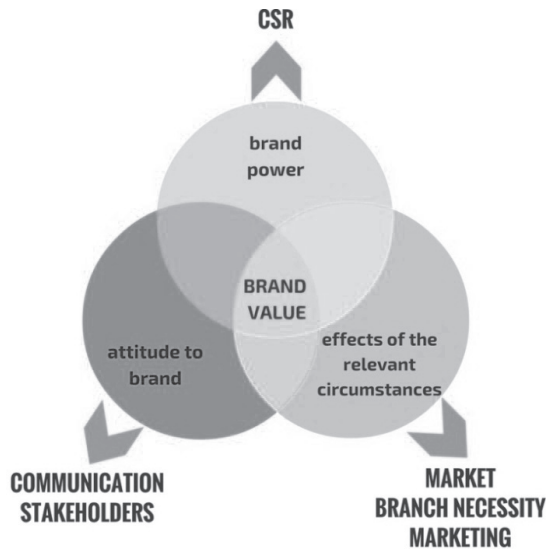


Figure 1. The brand value in the context of the CSR strategy
Source: own illustration based on East et al. (2014).

- ensuring an appropriate structure for work and fair wages;
- ensuring satisfactory conditions of employment;
- encouraging the development of employees;
- respecting private and family life of employees;
- supporting employees in unexpected circumstances;
- implementation of outplacement programs.

Among these thirteen practices, diversity management deserves special attention. A company can avoid abuses related to diversity management through undertaking initiatives focused on such key areas as: organisational culture, company policies and procedures, human resources management, internal communication, monitoring and reporting, and external business activities spreading diversity management in the country (Responsible Business Forum, 2013).

Ensuring good labour practices is not an easy task. The main reason why the practices are not enough implemented is the erroneous belief that CSR activities do not give benefits. Therefore, the following part of the paper will explore the benefits of the implementation of CSR practices for human resources management.

3. Benefits and risks associated with the implementation of the CSR concept to the human resources management

The benefits from the implementation of CSR policies to company strategy may involve aspects of moral and ethical advantages, of economic relations or the environment and social profits. Certainly for the company the most important are economic benefits. They can be direct or indirect. The direct advantages are connected with the improvement of company resources and its relationships with the environment (Zieliński, 2014). Looking in detail to this the following benefits could be distinguished (CSR.PL, 2012):

- positive image in the media by an increase in confidence in the company, which is fair to its employees;
- the transparency of the company activities and fulfilling the basic principles of corporate social responsibility;
- increase in social legitimacy for the enterprise;
- incentive for potential investors that the company is responsible and reveals details of its operation.

The indirect advantages of CSR are related to goodwill and loyalty (Zieliński, 2014). 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 the employee to know from the moment of recruitment, build a bond with him. It allows to ensure the quality of the employee work and their greater satisfaction. When employees feel satisfied at work they promote the brand to the environment. This is a mutual benefit (Berłowski and Turłukowska, 2011).

This theoretical part shows that there are many opportunities to engage companies in good practices in the area of work. It is also associated with a number of benefits for human resource management and for the functioning of an organisation. The analysis of the prevalence and type of labour practices used in the transport and logistics branch is presented in the next section.

4. Labour practices in the transport and logistics area

CSR Leaves is a prestigious award for the most responsible companies in the Polish market. It is awarded each year. The prize is awarded by the POLITYKA weekly, which together with the consulting firm

Deloitte prepares a list of responsible companies. Assessment criteria are based on the guidelines of the international standard ISO 26000 about social responsibility in seven areas: corporate governance, human rights, behaviours towards employees, environmental protection, customer care, business integrity and social commitment. In May 2016, the fifth edition of the awards was held. Prizes were awarded in three categories i.e. gold, silver and white CSR leaves. Gold and silver leaves are awards for companies with the highest standards of CSR management, while white leaves are the rewards for companies that take only selected activities in the area of corporate social responsibility. Among transport and logistics companies, two of them were rewarded with gold leaves: Raben Group and Schenker Sp. z o.o. (Rudzki and Palczewska, 2016). The awards for these two companies are not surprising. The companies are considered to be leaders in the field of social responsibility. In their activities, there can be observed practices associated with many aspects of CSR (Turoń, Golba and Czech, 2015). The author has investigated what kind of labour practices are presented in the reports of both companies and in the reports of ‘Responsible Business in Poland’ issued by the Responsible Business Forum for the period from 2010 to 2015. The RBF reports carefully define practices that should be included in the good practices associated with employees. They have been developed on the basis of ISO 26 000, and include (Encyklopedia CSR, nd):

- safety in the workplace;
- dialogue with employees;
- being friendly to employees who are parents;
- employees participation;
- anti-fraud;
- recruitment and adaptation;
- courses and development;
- volunteering;
- work-life balance;
- support staff;
- care about employee health.

Each of the above examples were sought in the analysis of practices of both companies. The first of the examined companies was the Raben Group. The Raben Group currently employs 4,800 people in Poland. Employees of the group mention many advantages of their conditions of employment e.g. co-workers, leadership, autonomy and work-life balance. The company offers employees the opportunity to continuously

develop their competencies. They can choose external and internal courses, language courses and e-learning. The company also provides its employees with a social package. It includes such elements as: Multisport card, life insurance, private medical care, Christmas gift cards etc. (Raben, 2015). Raben is also involved in activities for the health of their employees. Through the organisation of the CSR week, the company realizes the main goals of its CSR strategy (Responsible Business Forum, 2012). The other Raben practice is connected to diversity management. The result is that the company has signed the Diversity Charter. Raben also cares about safety in the workplace. To promote safe behaviours in the warehouse, the company has prepared a competition for forklift operators named ‘dancing with the pallets’. The company also urges for voluntary activities. The aim of the program is to convince employees to work for local communities. As a part of the initiative, the employees propose ideas of social projects, which are subsequently funded by the company. In the future, the company plans to expand the practice of voluntary competency.

The second of the analysed companies i.e. DB Schenker Sp. z o.o. also presents a lot of labour practices. The first practice is volunteering of DB Schenker employees. The company engages their couriers, clients and business partners into volunteering activities. In each edition, about 600 employees participate working in partnership with both the non-governmental organisations, as well as public institutions such as schools, community centres and hospices (Responsible Business Forum, 2010). The other activity is the investment in courses and employees self-development. For example, Schenker operates a special programme for managers named ‘Leader of the future’ and for young workers – ‘School for the young’ (Responsible Business Forum, 2011). The company wants to improve skills of its employees. In order to provide employees with development opportunities, DB Schenker introduces three types of action (DB Schenker, nd):

- internal recruitment before the external;
- internal promotion process;
- individual plan of improving employee skills.

Similarly to Raben Group, DB Schenker also cares about the development and safety of its employees and couriers. They examine employees’ satisfaction and promote diversity management. The company constantly monitors the diversity of employment by gender and age. For its employees, the company provides (DB Schenker, nd):

- funding for medical packages;
- funding for sports and recreational activities;
- participation in corporate and external sports tournaments;
- annual vaccination against influenza;
- workshops to prevent health problems.

As shown by the examples of the application of good practices, they are consistent with the assumptions of CSR on labour practices presented by the ISO 26000 norm. Taking care of employees is undoubtedly a part of the strategy of corporate social responsibility of both mentioned companies. The suggestion for both companies is to increase the participation of employees in the organisation. That practice would have a major impact on the perception of the company by its stakeholders, what is very important in the logistics branch because of the increasing competition.

Summary

Corporate social responsibility in accordance with the requirements of the European Union will soon become a mandatory aspect of operations in large companies. It will be a strategic moment. Companies that have already implemented the policy of corporate social responsibility will have an opportunity to verify their current strategies and decide on the direction of their CSR further activities. In that case drawing the attention to the employees who are considered to be key stakeholders can bring significant benefits. It is worth remembering them, especially since it will not be the only benefit for the company. They will be also advantages for the employees and as a result, and for the company's environment.

Quoted in the text examples used among the leaders in the transport and logistics sector indicate that there are many opportunities for action within the field of socially responsible labour practices. It is important for other companies from the transport and logistics area to take example from the leaders of CSR i.e. Raben Group and DB Schenker. Such practices will improve the image of companies operating in the challenging sector. They can also have an impact on the achievement of the objectives of social responsibility and bring many benefits for the business.

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