Measuring Work and Environmental Culture as Part of the Internal CSR

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Abstract

Corporate social responsibility is an approach that supports sustainable business operations. Among the elements of the CSR concept (leadership, employees, environment, society, product and service) inward activities are examined in the present study based on the aspects of employee safety and working environment. Examining environmental and occupational safety culture helps the leadership to uncover the areas to be developed in strategy planning. Employee satisfaction, safety and the adequate working conditions are important to have motivated and committed workforce. Currently in the labor market the employees' decision is affected not only by the wage and career opportunities, but also by the working environment and the operational view of the company. We developed an evaluation criteria system for assessing work and environmental culture. In this paper, the results of the measurements are presented that were conducted among the employees of a big corporation.

Keywords: internal CSR, OHS, work and environmental culture, management
JEL classification: M14

Introduction

The development of environmental protection and occupational safety culture is a current and very important issue in Hungary today. There are several reasons for this, and the most important one is that the companies and businesses are considering their employees as values more and more, place greater and greater emphasis on social responsibility, either from internal stimulation or for image building purposes, and environmental protection and occupational safety are part of it. The social responsibility of the companies and the employers are becoming more and more decisive not only for the new generations, but also for the senior employees. In the current labor market situation, when the employers are competing for the proper workforce, the fringe benefits to increase the employees' commitment and the reputation and attractiveness of the company come to the fore more and more. Social responsibility is becoming increasingly important in the short and long term strategies of the organizations (Corporate Social Responsibility).

As a result of the researches conducted during the recent years and decades, it has become commonly accepted that the success of a company is affected not only by the direct "hard" factors such as the production, management and organizational processes, but also by the indirect "soft" factors that are less perceptible and are not so clear and obvious, while they also have a significant

influence. Today, we are talking more and more often about sustainable development, environmental protection, personal security and other moral aspects outside the interests of the economic operators, and they begin to be embedded in the people's way of thinking and form an integral part of their decisions.

Therefore, the purpose of the research was, from among the internal CSR activities, while focusing on the employees and the environment, to develop an evaluation system that enables to measure the corporate environmental protection and occupational safety culture. As a result of the evaluation, the areas for development and thus the objectives to be achieved can be determined and the developments can be followed.

Based on these facts, we have formulated the following hypothesis:

Based on the content elements of the laws and standards on occupational safety and environmental protection, an evaluation system of criteria can be established to measure the company's occupational safety and environmental culture.

Theoretical background

Many definitions may be found for corporate social responsibility. Berkes (2018) defines the CSR approach as follows: a way of thinking that takes the interests of the company's affected persons into account and in cooperation with them, does its best to reduce the negative environmental impacts to improve the working conditions and support the society's well-being with voluntary activities beyond the legal requirements, which are measured to its competences and resources. The CSR approach needs to affect the operation of the entire company, and should be integrated into its strategy.

Figure 1
The Elements of the CSR Concept
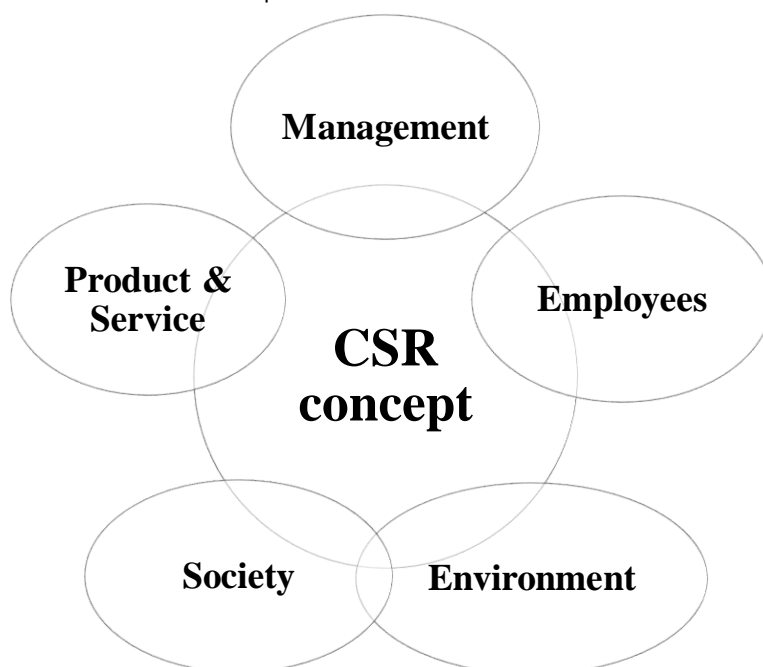
Source: Berkes (2018)

Figure 1 illustrates the elements of the CSR concept, according to which a given enterprise shows its responsibility towards its employees, environment, society, products and services. In order to exercise the responsibility consciously, at

management level, the roles of management and the strategy are important in the concept. A key element of the CSR approach is to take the stakeholders' interests into account (Benn, 2008). Tamás Mészáros (2002, p. 4) refers to the CSR as an independent starting point for the strategy or a starting point connected to the stakeholder theory. The companies are not units of the economy operating in an isolated manner, but integral parts of the narrower and wider environment surrounding them. We can explore the relationship between the companies and the society based on the stakeholder theory of the companies (Boda et al., 1997). The companies are in constant contact and interaction with their environment, and it has an impact on the company's operation, as well. (Dahlsrud, 2006; Benn et al., 2011; Idowu et al., 2013) A company that is trying to operate completely independently of its environment is unsustainable (Perrini et al., 2006; Szlávik, 2009; Péter et al., 2014; Németh et al., 2018). The term "stakeholder" was defined by Freeman (1984) as follows: "stakeholder is any group or individual that may influence the organization's achievement of goals or is affected by it.". The stakeholder concept considers the company to be in the centre of the stakeholder groups (Kindler et al., 1993). The stakeholder theory is connected to the concept of corporate social responsibility as follows: the company monitors its impact on the stakeholders and with their activity; they seek to contribute to improving their economic, social and environmental well-being (Starik, 1995; Matten et al., 2008; Lacy et al., 2010).

The stakeholders can be grouped according to different criteria. The most common aspect of the grouping is the nature of the relationship of a given company and the stakeholder, so, based on that, we can talk about market and non-market stakeholder groups. The other option is to group the stakeholders by their location, so we can distinguish between internal and external stakeholder groups (Kósi et al., 2006).

The primary stakeholders generally have different interests or legal relationships, and their support is absolutely necessary to maintain the business of the company (Clarkson, 1995). They include the owners, the leaders, the managers, the employees, the local communities, the shareholders, the investors and the government which provides the regulatory environment. The stakeholders support or restrict the organization's operation in a wider sense. Recently, the stakeholders in the wider sense include the natural environment, as well (Carroll et al., 2000). During our research, from among the primary stakeholders, we have focused on the employees and the environment surrounding them as internal CSR elements.

Recognizing the importance of environmental protection and occupational safety is not a new thing; some major, long-standing companies already recognized the importance and necessity of them by the end of the industrial revolution, which was not generated by social responsibility but by common economic interests in those days. The first pioneer was the company DuPont, which produced explosives from the early 1800s. In the early days, they had to face many serious accidents, which posed a serious problem for the company. They recognized that the money, time and energy spent on occupational safety and security are recovered; therefore, they started to develop a significant occupational safety culture. These measures significantly reduced the number of accidents (Klein, 2009). Occupational safety is no longer just about avoiding work-related accidents. Its main purpose is to preserve the physical integrity and health of the workers, and to maintain their ability to work (Kósa, 2003; Hatch et al., 2004). Environmental protection started to emerge in the 1960s. According to some views, we can date it from the publication of Silent Spring by Rachel Carson, while according to other views, environmental protection

appeared in 1968, on the UN's General Assembly; anyway, it is certain that the environmental movements have strengthened more and more since the 1970s. (Láng, 2008, p. 636) Today, it is a basic expectation that the companies should do their best to protect their environment for the sustainable development, and ensure that their employees are healthy when they go home from work every day. This results in the fact that the economic operators are paying more and more attention to environmental protection and occupational safety, even beyond the compliance with the legal requirements. Both areas started to develop in Hungary in the 1990s when Hungary began to catch up with the European Union, and the EU legislation was integrated into the Hungarian legal system. The most important laws on this topic are dated in those days:

- Act LIII of 1995 on the General Rules for the Protection of the Environment
- Act XCIII of 1993 on Occupational Safety

We can talk about environmental protection and occupational safety culture at a company when, from the senior executives to the level of the most junior workers, everyone does its best to find the threats and reduce the risks as a permanent active practice (Klein et al., 2000).

Methodology

As a methodology of research, an evaluation system of criteria has been developed to assess the environmental protection and occupational safety culture within a given organization.

Table 1
The Fields and Content Aspects of the Evaluation System of Criteria

Work safety at home	Act LIII of 1995 on the General Rules of Environmental Protection Act XCIII of 1993 on Labour Safety
Environmental safety at home	Act LIII of 1995 on the General Rules of Environmental Protection Act XCIII of 1993 on Labour Safety
Health safety at home	Act LIII of 1995 on the General Rules of Environmental Protection Act XCIII of 1993 on Labour Safety
Workplace atmosphere	Chapters IV., V. and VI. of Act XCIII of 1993 on Labour Safety ISO 14001 and Chapters 4.1 and 4.4.3 of MSZ (Hungarian Standard) 28001
Responsibilities	Chapter IV. of Act XCIII of 1993 on Labour Safety Chapter I. of Act LIII of 1995 on the General Rules of Environmental Protection ISO 14001 and Chapter 4.1 of MSZ (Hungarian Standard) 28001
Providing the conditions	Chapter III. of Act XCIII of 1993 on Labour Safety The joint decree no. 3/2002 (II.8.) of the Ministry of Social and Family Affairs Ministry of Health on the minimum level of occupational safety requirements for workplaces ISO 14001 and Chapter 4.4.6 of MSZ (Hungarian Standard) 28001
Education	55§ of Act XCIII of 1993 on Labour Safety ISO 14001 and Chapter 4.4.2 of MSZ (Hungarian Standard) 28001
Managing the risks	54§ of Act XCIII of 1993 on Labour Safety ISO 14001 and Chapters 4.3.1 and 4.4.7 of MSZ (Hungarian Standard) 28001
Health preservation	58§ of Act XCIII of 1993 on Labour Safety Government decree no. 89/1995. (VII. 14.) on occupational health services
Organizational culture	Chapter VI. of Act XCIII of 1993 on Labour Safety ISO 14001 and Chapter 4.2 of MSZ (Hungarian Standard) 28001

Source: Authors' work

Table 1 illustrates the areas of the created evaluation system of criteria and the standards and laws based on which the elements of the content have been defined. The evaluation system of criteria examines the employees' work and environmental culture at home and at work in 10 areas. The evaluation system of criteria can be divided into three smaller blocks. The first block maps the occupational awareness, the second block the environmental awareness, and the third one measures the attitude of the respondent to healthy lifestyle and health preservation.

The third group of questions assesses the respondent's environmental protection and occupational safety culture based on the everyday habits and his opinion on the importance of occupational safety and occupational safety culture. In this group of questions, the questions can be divided into three groups. The first block measures primarily the workplace atmosphere related to environmental protection and occupational safety, however, it may strongly refer to the general workplace atmosphere, as well. The second block examines how far the respondent identifies himself with the area of environmental protection and occupational safety in the workplace, how much he behaves as a "good host" in this matter. The questions of the third block seek the answer to the question how satisfied the respondent feels within the framework provided by the employer, the environmental protection and occupational safety culture mediated by his superior and his employer. The evaluation system of criteria contains a total of 55 questions, where the respondents had to evaluate on a 5-grade scale what characterizes them most.

The survey has been conducted among the employees of a large multinational corporation operating in Hungary in March and April 2018. The primary purpose of the research was to develop the evaluation system of criteria and to examine its applicability. Though the result of the survey carried out during the validation can be interpreted for the given sample, there are plans to carry out further surveys among the employees of companies of different sizes and businesses to make comparative studies. The evaluation system of criteria was completed by 142 employees; the results were digitized and analysed using SPSS software.

Results

35% of respondents are medium and senior managers, and only 28% of them work in production, in direct (17%) or in indirect (11%) form. The proportion of persons with higher education is very high among the respondents; BsC 38%, MsC 28%, and the proportion of skilled workers is very low (13%). The sex ratio is 50-50%. The respondents are mostly between the ages of 26 and 40 (56%), but the proportion of people between 41 to 55 years of age is also high (30%). However, only a low proportion of employees under the age of 25 (2%) were involved in the survey. Table 2 summarizes the results of the survey for each area of the evaluation system of criteria.

Table 2
Summary of the Results of the Survey with Regard to the Examined Areas

Work safety at home	Although more than 70% of respondents claim that safety is important at home, only 48% of the respondents use personal protective equipment at home during do-it-yourself jobs. However, 75% of the respondents take safety standards into account when they renovate and redecorate their house.
Environmental safety at home	45% of the respondents use public transport or bicycle instead of car, and 37% of them use environmentally-friendly cleaning agents. 70% of the respondents collect the garbage selectively.
Health safety at home	Only 55% of the respondents consider it important to preserve their health, 64% of them live free from harmful addictions and go to screening tests regularly, and 42% of them do sports regularly.
Workplace atmosphere	The survey has shown very high level of occupational safety culture, and the respondents can usually make their work safety suggestions and turn to their superiors with trust. However, the risks mentioned by the workers are not always eliminated in time.
Responsibilities	67% of the employees claim that they often stop a colleague if he or she does not work safely. However, when the workflow is started, they usually do not assess the risks. 47% of the respondents are involved in work safety tasks and 35% are involved in environmental protection tasks.
Providing the conditions	91% of the respondents consider that the employer provides the conditions for safe working, as well as safe and healthy work environment, and the required personal protective equipment, and the condition of the machines and equipment is appropriate.
Education	95% of the respondents receive training; the quality of the training materials is adequate and is related to their day-to-day work. The trainers are well prepared. 84% of them state that they have all the knowledge they need for their work. Only 37% of the employees think that they also receive practical training (not just in theoretical training).
Managing the risks	A high proportion (93%) of the respondents find that the employer investigates the case after an accident, and takes corrective actions. The employer always assesses the risks of the workflows. However, to the questions of whether the risk assessment is available and whether its content is well known, only 42% of the respondents have given a positive answer.
Health preservation	15% of the respondents are not participating in occupational medical tests at all. 47% of the respondents do not use the sports facilities or screening tests provided by the workplace.
Organizational culture	69% of the respondents consider that both environmental protection and occupational safety are core values at their workplace. However, only 44% of them claim that their superiors are setting a good example.

Source: Authors' work

Discussion and Conclusion

Summing up the results, based on the content of the laws and standards on occupational safety and environmental protection, an evaluation system of criteria has been developed which has proved to be suitable for assessing and evaluating

the corporate occupational safety and environmental culture. Based on the results, the environmental protection and occupational safety of the various organizations can be compared, and the areas to be developed can be identified, which can serve as a basis for developing a long-term strategy. The survey showed that although the respondents do not represent the Hungarian society, the answers received reflect the respondents' environmental protection and occupational safety culture properly. Although own safety is important for most of the employees involved in the survey, only a few wear personal protective equipment in their home environment.

It is important for them to protect the environment, yet they could only name selective waste collection as the environmental activity they do at home. They do not feel the importance of health preservation and prevention. Employees are unaware of the content of risk assessments, and the risks they are exposed to. Nonetheless, the work and environmental culture was generally considered to be high. Nonetheless, on average, they have considered the environmental protection and occupational safety culture as high. As the evaluation is performed periodically, the extent of the development can be measured. Repeating the survey at regular intervals, for example annually, the effectiveness of the measures introduced and, optimally, the continuous growth of the environment protection and occupational safety culture can be seen, or, in the case of a wrong development strategy, stagnation or decline is experienced, and the company can make changes in time to ensure that the improvement results in development. Based on the results, we can elaborate a targeted development plan, and organize specific trainings for the different target groups.

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