UNDERSTANDING EMPLOYEES NEEDS THROUGH CORPORATE SOCIAL RESPONSIBILITY

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Abstract:

The current competitive business environment implies that companies need to adopt a people-driven orientation in order to succeed. Fulfilling the expectations of external customers has been one of the most important priorities for many firms. Lately, more and more organizations have become aware of the vital role employees also have as internal stakeholders and customers. Considering the essential part workers hold in delivering business results, it is understandable why many companies seek to recruit and retain competent employees. The paper intends to provide a comprehensive understanding of how corporate social responsibility models can be used to satisfy the needs of employees based on Maslow's hierarchy applied to the work environment. The results outline the importance of corporate social responsibility in attracting and retaining valuable employees due to the concept's contribution in meeting the expectations of individuals.

Key words: *corporate social responsibility, employees, Maslow's Pyramid, transactional model, relational model, developmental model*

JEL Classification: M14, I31, J28

1. Introduction

The current competitive business environment implies that companies need to adopt a people-driven orientation in order to succeed. In the age of risk and uncertainty, they are competing in an increasingly turbulent environment (Toma, 2013; Toma & Marinescu, 2013a; Toma & Marinescu, 2015; Toma, et al., 2015). This is why fulfilling the expectations of external customers has been one of their most important priorities. Lately, more and more organizations have become aware of the vital role employees also have as internal stakeholders and customers (Imbrişcă & Toma, 2020). Workers make possible the functionality of the company by providing the "know-how" that supports business growth and performance (Vosloban, 2012). They are indispensable in terms of producing goods or services (Hakimian, et al., 2016). Considering the essential part they hold in delivering business results, it is understandable why many companies seek to recruit and retain competent employees.

Existing literature reveals that corporate social responsibility (CSR) practices incorporated in companies' strategies may contribute to employee retention and attracting talented workforce (Toma, 2008). CSR presents a mutually beneficial situation empowering organizations and stakeholders to achieve, working together, economic and social objectives (Toma & Marinescu, 2012; Toma & Marinescu, 2013b).

As a process, CSR starts by understanding the needs and meeting the expectations of relevant economic agents. Therefore, organizations may use CSR techniques in order to connect better with workers by satisfying their demands and evaluating properly their potential. The paper intends to provide a comprehensive understanding of how corporate social responsibility models can be used to satisfy the needs of employees based on Maslow's hierarchy applied to the work environment.

2. Literature review
1. Employees from a stakeholder approach

The concept of stakeholders has been associated by researchers from various domains with several terms that revealed the relevance of these parties of interest for a company. For instance, Stanford (1963) through the definition provided, drawn attention to the fact that stakeholders support

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the existence of an organizations (Freeman, et al., 2010). Later on, Freeman & Reed (1983) developed the conceptual framework most use nowadays for explaining the notion, stating that: "stakeholders represent those persons or that group of people vital for a company's survival (Freeman & Reed, 1983, p.91). Moreover, they may influence the achievement of an organization's objective or they can be affected by a company which is reaching its objective" (Freeman & Reed, 1983, p.91). Additionally, Caroll (1989) sustained that: "they have one or more types of interests- from an interest to a right (legal or moral) to owning the company's assets or property" (Clarkson, 1995, p.95). Considering the responsibilities implied by an existing collaboration between an organization and its parties of interest, McAlister (2005) defined the concept of stakeholder as: "those persons or that group of people through which a company is responsible- including clients, investors and shareholders, employees, suppliers, governmental authorities, local communities" (Stancu, 2018, p.78).

Taking into consideration the acknowledge importance of stakeholders to a company's survival illustrated through the definitions provided over time, an analysis of these parties of interest could be perceived as a necessary evaluation that organizations should conduct. An assessment of the stakeholders facilitates a better understanding of a firm's environment which becomes more and more unpredictable and increases the firm's capability to face properly the changes that occur (Wolfe & Putler, 2002).

According to Werther and Chandler (2011), starting from the environment of an company (internal and external), parties of interests can be grouped into three categories: organizational stakeholders which includes employees, owners and shareholders; economic stakeholders such as clients, suppliers, competitors and creditors; social stakeholders, namely the government, non-governmental organizations, the environment and communities (Stancu, 2018, p.81).

Organizational stakeholders represent an essential part of a company as they make possible the functionality of the firm (Toma, et al., 2011; Stancu, 2018). For instance, employees provide the "know-how" that supports business growth and performance (Vosloban, 2012, p.662). Furthermore, they are indispensable in terms of carrying out the object of activity of a firm, namely producing goods or services (Hakimian, et al., 2016).

2. Employees from a CSR approach

Employees are perceived as significant stakeholders that are willing to engage in CSR initiatives which have the role of sustaining a company's performance (Voegtlin & Greenwood, 2016). Nowadays, an organization's competitiveness is measured also based on its ability of attracting and retaining these valuable employees (Barney, 2001). CSR policies may contribute to this regard, creating and maintaining the wellbeing of the firm's relationship with its employees increasing work performance, organizational identification, commitment and citizenship behaviour (OCB) (Bing, et al., 2019). A CSR approach aims to create a work environment where responsibility comes first, and companies are aware of the impact they have on employees and their families. This process starts with opened and recurrent discussions with the employees. A responsible organization is required to understand which the expectations of its workers are and implement actions through which the impact among employees is improved (Glavas & Kelley, 2014). The scope of this approach is to determine active implementation from employees. As an outcome of adopting a CSR perspective in managing relationships with employees, companies which are perceived as responsible by them benefit from a positive image among all involved parties and other intermediaries (Bode, et al., 2015).

Several existing studies focused on examining CSR from employees' point of view (Lee, 2016; Mirvis, 2012; Feder & Weißenberger, 2018; Chaudhary, 2017). The overall result of such investigations suggests that CSR policies adopted by companies may drive attitudinal and behavioral change of workers. Most common approaches regarding social responsibility

in the work environment include: workplace labor policies (for instance, the company ensures that the legal rights of employees are respected; the workers are paid in accordance with their work performance; existence of professional development opportunities for each individual); environmental and sustainable practices (for example, pollution reduction, recycling and waste reduction); charitable giving (donations) (Chaudhary, 2017). Lately, several companies encouraged employees to embrace volunteer opportunities and participate actively in improving the well-being of communities (Barkay, 2012). Therefore, CSR activities have evolved from what a certain company does for its vital stakeholders, to more a collective one, respectively what we as groups of a company can do for us and others, due to the need of workers to create meaningful changes.

3. Utilizing CSR to engage with employees

Meaningfulness for employees can be described as a state in which they "felt worthwhile, useful, and valuable-as though they made a difference and were not taken for granted" (Kahn, 1990, p.704). Thus, taking into account professional interests of employees, three factors have been identified as drivers for experiencing meaningfulness: materialistic tangible benefits orientation (work stability); career orientation (promotions); nonmaterialistic value orientation (making the world a better place) or the "calling" orientation (Nazir & Islam, 2020).

Job orientation can be perceived as a manifestation of an employees' need. Considering Maslow's Pyramid the demands of individuals are as follow: physiological, safety, love and belonging, esteem, and self-actualization (Lee & Chen, 2018). Physiological needs are organic prerequisites for human endurance (for instance, food). If these necessities are not fulfilled the human body cannot work ideally. When a person's physiological necessities are satisfied, the requirements for security become striking. Individuals need to encounter request, consistency and control in their lives. These requirements can be fulfilled by family and society. After physiological and security needs have been satisfied, the third degree of human requirements is represented by the social one and it includes sensations of belongingness. Belongingness alludes to a human psychological condition for relational connections, affiliating, connectedness, and being essential for a gathering. Instances of belongingness needs incorporate kinship, closeness, acknowledgment, sense of membership (Koltko-Rivera, 2006).

The fourth level of Maslow's Pyramid highlights the importance of recognition. Therefore, the esteem needs enhances two categories of demands, namely the esteem for oneself (for instance, dignity, achievement, mastery, independence) and the desire for reputation or respect from others (for example, status, prestige) (Koltko-Rivera, 2006). Following, self-actualizations needs are the most significant level in Maslow's Pyramid. These demands allude to the acknowledgment of an individual's latent capacity, self-satisfaction and looking for self-improvement (Koltko-Rivera, 2006).

Starting from Maslow's Pyramid, an employee engagement hierarchy has been developed (Benson & Dundis, 2003). According to the model, the most fundamental need as an employee is likewise attached to endurance: financial resources (remuneration) (Ozguner & Ozguner, 2014). Individuals need money to procure the physiological needs stated by Maslow. This base of the hierarchy is acknowledged as the survival one (Benson & Dundis, 2003). Furthermore, at this phase employees seem not be engaged with the company (Bing, et al., 2019).

The second level of the employees' engagement hierarchy captures the need of professional stability (Frey, et al., 2006). An employee needs to feel that its position is secured. Even though stability has been achieved, workers at this particular extent are

considered disengaged due to the fact that they might have certain complaints in regards with the management applied in the company (Ozguner & Ozguner, 2014).

The appearance of engagement takes place when an employee becomes part of the group and manages to cooperate with other for a significant reason. This third level is considered the belonging stage (Frey, et al., 2006). When a worker's esteem need is satisfied, he can be considered as engaged with a company (the importance level of the hierarchy) (Greene & Burke, 2007). The employee becomes aware of its contribution to a firm's performance. Even at this phase, he might be tempted to accept a better job offer and leave the company (Greene & Burke, 2007). Self-actualization or the last level of the hierarchy represents the highly engaged employee (Shahzadi, et al., 2019). This type of worker identifies itself with the company and he is willing to do more for achieving both individual and business goals (Shahzadi, et al., 2019).

Additionally, organizations may connect CSR to employee's commitment using the following three approaches: the transactional perspective (which attempts to address the needs and the interests of workers); the relational perspective (which aims for achieving collective sense, respectively the firm and its employees working together, committing and fulfilling social obligations); a developmental perspective (which enables employees and the organization to deliver more prominent incentive for the business and the society) (Nazir & Islam, 2020). The transactional approach underlines market influences impinging on employment and makes it a present moment course of action wherein each party works out of its own advantages or interests (Nazir & Islam, 2020). The following approach, namely the relational one, emphasizes on the communal aspects of employment and makes commitment more a question of common trust and shared interests (David, et al., 2005). The developmental approach captures the relevance of individual and collective learning. While employees should keep on improving their abilities, the company should encourage workers development and deploy their time and talents in response to changing business circumstances (Maon, et al., 2010).

Furthermore, from a CSR angle, the transactional model reveals that imperative to the organization is to recruit and retain talented workers and CSR programs become a part of the firm's offer for individuals (Nazir & Islam, 2020). On the other hand, the relational model uses CSR practices to enhance the identity of both the organization and its representatives (David, et al., 2005). The developmental model describes CSR not just as a joint commitment, bust, also, as a joint chance, reducing the gap between the employer, employee and society (Maon, et al., 2010). From a firm's perspective, this model captures the new direction of CSR, respectively from an individual focus (how can CSR be used in order to support our employees?) to a collective response (what we, as parties of interest of a company and the organization itself, can do together to become a better version of ourselves and fulfill our business and social objectives?).

4. Research methodology

The present paper addresses a quantitative examination implying the colection and investigation of secondary data (scientific articles). The research objective was to develop an understanding of how CSR can be used to engaged with employees based on their needs. Firstly, in order to achieve the stated objective, relevant bibliographic references have been identified, consulting established sources such as Emarald Insights, Sage Publications and Elsevir. Following step was to find distinguishing key associations between maslow's hierarchy applied to employee engagement, the CSR concept and related models. Additionally, a framework regarding which CSR approach would be suitable to apply based on the five known needs of an employee has been provided.

The study has begun with a briefly presentation of employees from a stakeholder's and

CSR perspective, focusing afterwards on understanding the needs of workers based on Maslow's pyramid and how corporate social responsibility models can be useful tools that a company can use for satisfying organizational parties of interest. In consequence, the framework has been developed starting from the introduction of the five stage requirements of employees, respectively: survival, security, belonging, importance and self-actualization. Based on the particularities of each level, a CSR model has been proposed for addressing employee's needs. A company can maintain current satisfaction of its workers or it can strive for achieving more engagement from its employees by creating demands and opportunities to fulfill them by adopting a certain set of CSR initiatives.

5. Results and discussions

Findings show that CSR can be perceived as a useful tool for increasing employee's commitment towards a certain company, but in order to obtain this engagement, the organization is required to understand the needs of its workers and evaluate their potential. The willingness of employees to adopt CSR policies and, moreover, to act and initiate CSR practices by themselves, may be considered an important factor in determining how valuable an employee is for the firm or how valuable he can become. Practically, corporate social responsibility can be used to predict the evolution of a certain worker, taking into consideration his responsiveness to specific CSR actions. One important role of the corporate social responsibility concept is to motivate individuals by satisfying needs and meeting expectations, in order to achieve business and social objectives.

Firstly, CSR should understand and satisfy demands at individual level in order to achieve a collective action. Satisfied individuals may be willing to embrace and apply corporate social responsibility practices, experiencing the benefits by themselves. In this case, CSR it is no longer perceived only as an organization's initiative. Instead, it becomes a collective one, employees and companies supporting the same principles and causes. Therefore, organizations should concentrate more on listening to their workers, encouraging them to communicate honestly and observing how employees respond to the CSR initiatives particularized for them (based on their own necessities) and noticing if a behavioral change occurs.

Starting from the hierarchy of needs applied to employee commitment and the engagement model based on transactional, relational and developmental approaches, a framework including corporate social responsibility perspectives can be developed in order to understand which CSR practices should be operated in managing the relationship with workers based on their demands, as follows (fig.no.1):
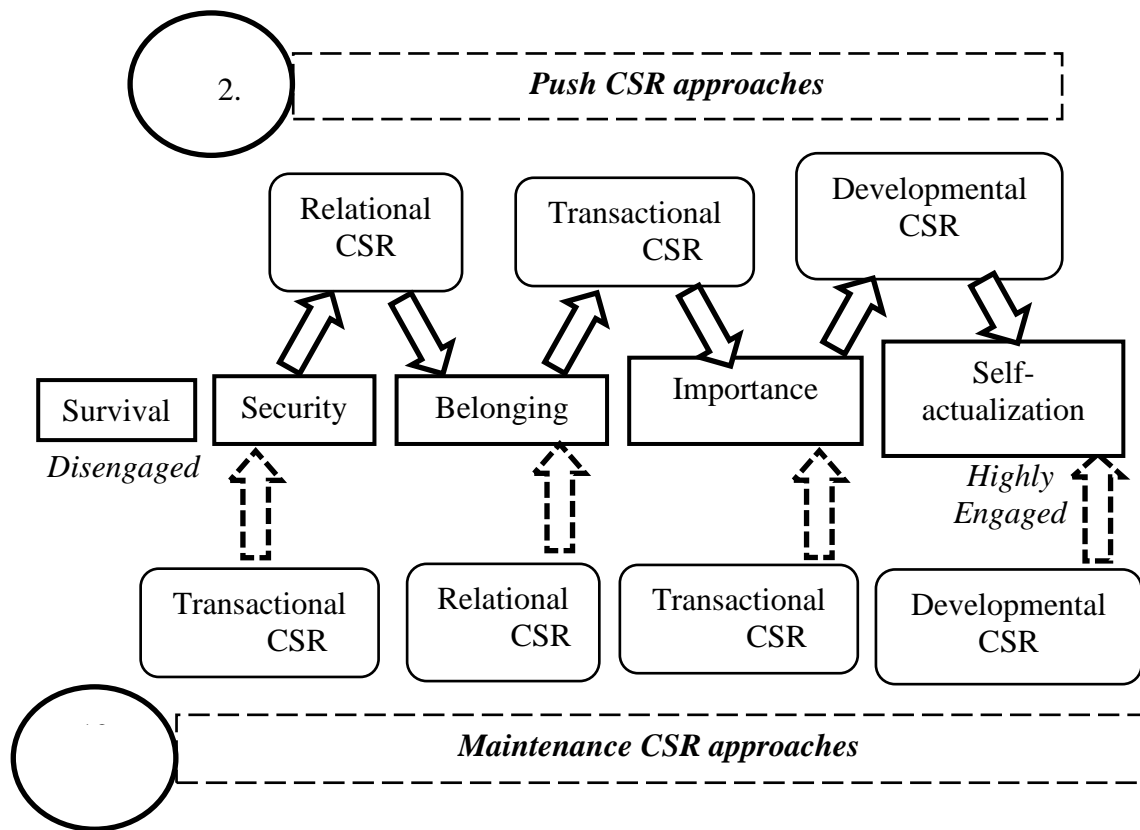
Figure no.1. Framework for addressing employees needs

Source: Author's own contribution based on literature review

An employee at the survival stage is known as being low productive and dissatisfied with its job. Due to the fact that he is only money-driven, this worker is less willing to adopt and sustain the CSR policies of a company. Therefore, CSR initiatives should not be orientated towards him.

Following type of employee, respectively the security-driven one has a minimal productiveness and he might not relate with co-workers or the team manager. In this case, CSR can be approached to maintain and satisfy current needs, or to push, create additional demands and aspire for achieving more. Some of these workers might respond positively and a behavioral change may occur. For instance, if an individual does not integrate in a certain team, he might be receptive to commuting teams or departments and increase its productivity.

If a security-driven employee affiliates to a group, his safety need is fulfilled by having a stable job and experiencing belonging. When an individual identifies itself with a certain circle of people from the organization, he may be considered productive and almost engaged with the company. Regarding CSR, he might be interest in such practices and might be aware of them. Relational CSR initiatives support the requirements of such employees, maintaining them satisfied through self-expression. On the other hand, a transactional CSR focused on obtaining self-satisfaction (for instance, empowering the worker regarding his job duties), may lead to the fourth stage of the model, namely the importance one.

An employee who is aware of his contribution to achieving the firm's objectives can be perceived as engaged with it. From a CSR point of view, the worker might not be involved in the corporate social responsibility initiatives even though he is familiar with them. Self-esteem is important in this case. Such an employee requires recognition of his effort and

results. Therefore, a transactional CSR technique may keep him motivated and satisfied. The second perspective than can be applied in this scenario is represented by the developmental CSR (push orientation). Being already fulfilled with his work, a step forward would be to concentrate on self-actualization.

The last stage of the developed framework illustrates the highly-engaged individual who identifies with the organization. This employee is purpose-driven and self-learning. Moreover, the self-actualization worker may be involved in the CSR activities of a company. Considering his demands, developmental CSR practices would be appropriated for maintaining commitment.

This paper sustains that despite the willingness of an employee to enhance the corporate social responsibility initiatives of a company, CSR practices may be perceived as an important driver for establishing employee engagement and identifying valuable workers. Thus, if a company adopts responsible practices based on employee's needs, then motivation and satisfaction may become essential pillars on which the relationship with the firm is built. Moreover, corporate social responsibility may be perceived as a useful tool in attracting and retaining employees due to the concept's contribution in meeting the expectations of individuals. This outcome is in line with several existing studies such Mirvis (2012), Lee & Chen (2018), Nazir & Islam (2020).

Conclusions

In the past decades, the globalization phenomenon has revealed many opportunities for individuals. Access to information and technology changed the expectations people have in regards with themselves and the society. Humans are facing a challenging period and their needs are increasing.

As an individual, the employee has become, nowadays, besides an important stakeholder of a company, a partner of the economic entity, a vital resource and an inside client. Therefore, the three instances of an employee are as follows: resource, member and partner. Employees as resources utilize their abilities to fulfill job duties. Workers as members besides accomplishing business tasks, affiliate to a group of co-workers and identifies with it. As partners, employees identify themselves with the organization, belong to a work-group and deliver business results. Each instance requires a certain set of CSR approaches based on the worker's needs.

Therefore, this paper presented the manner in which CSR models can be used to satisfy the needs of employees based on Maslow's hierarchy applied to the work environment. Further studies can be conducted in order to improve the proposed framework for addressing employees needs through CSR.

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