



ACTIONS OF FINANCIAL INSTITUTIONS IN POLAND IN THE CONTEXT OF SOCIALLY RESPONSIBLE MANAGEMENT OF HUMAN RESOURCES

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ABSTRACT

Due to the special nature of the core activities of financial institutions associated with the offering of products and financial services, the goal of this article was determined to focus on identifying categories of actions that are taken in the context of socially responsible management of human resources in Poland. Fifteen Polish financial institutions were subject to comparative analysis and forty-four projects completed in 2015 were studied. The results of the analysis made it possible to identify the six leading areas wherein CSR strategies were implemented with employees in mind.

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INTRODUCTION

Implementation of the strategy of corporate social responsibility is a voluntary, although expected by the numerous stakeholders, approach to doing business in its various areas. Synergy in reviewing the effects of economic and non-economic activities undertaken enables outstanding performance, also in social and environmental strata of the company. Implementation of business goals would not be possible if not for the appropriate involvement of human capital.

Employees are the main internal stakeholders of the company. Implementation of the projects dedicated to corporate social responsibility proves correct implementation of the HR role in the company. Such actions are particularly important in the era of

challenges facing human resource management (HRM). Demographic changes, ensuring work-life balance with simultaneous changes in the forms of employment and the growing popularity of flexible work environment require companies to implement updated practices under the HRM strategies.

In this article, comparative analysis of socially responsible activities carried out towards employees will be applied to the financial sector. Due to the special nature of the core activities of financial institutions associated with the offering of financial products and services, these measures should be particularly focused on employee development, strengthening of ethical attitudes and proactive approach to new challenges in the context of HRM.

Therefore, a decision was made for the aim of the article to identify categories of actions that are taken within the framework of socially responsible management of human resources and to compare and evaluate the best practices applied to employees, which were implemented in the financial institutions in 2015. Research methods employed were as follows: comparative analysis, analysis of existing data, web research and studies of references in the field of human resource management and implementation of CSR in financial institutions.

CSR AND HUMAN RESOURCES MANAGEMENT

The multiplicity of definitional approaches dedicated to Corporate Social Responsibility (CSR) leads to the explanation through the prism of voluntarily taking into account the interests of the company stakeholders in all areas of company activity (Green Paper ..., 2001). It is essential to build lasting and positive relationships with both internal and external partners (Nieżurawski, Owczarczyk- Szpakowska, 2015). The key to this collaboration is the increased interest in human capital, environmental protection (Dziawgo, 2003) and fulfilling corporate governance obligations, which extend beyond the legal requirements.

Implementation of enterprise development strategy based on the standards of corporate social responsibility enables sustainable development, which is inseparably linked with the optimal use of the available resources of the enterprise (Nakonieczna, 2008). Therefore, provision of safe and hygienic conditions for the performance of professional duties and care of the health of workers can and should be treated as an inseparable aspect of CSR (*Spoleczna odpowiedzialność...*, 2006). Highly ethical behavior leads to an increase in the quality of life of employees, their households and local communities (*Corporate Social...*, 2000).

The consequences of decisions made by the company lead to the analysis of CSR in three dimensions (*Spoleczna odpowiedzialność...*, 2006):

- internal – the participation of employees or their representatives is required in aspects such as HRM, occupational safety and health (OSH), professional ethics, adapting to change and learning about organization;
- external (local) – cooperation with business partners, local authorities and local NGOs is required because of the importance of the business for the local and regional economies;

- global (external) - globally communicating with consumers, investors and NGOs on human rights, labor rights and environmental protection, both in the company and with its suppliers.

Implementation of CSR activities in the presented dimensions is supported by provisions in various normative documents. Examples of such HRM manuals include Social Accountability 8000 and ISO 26000. At the same time, HRM should be the guardian of ethics in the organization (Antczak, Borkowska, 2014).

The Social Accountability 8000 (SA 8000) Standard is a set of requirements developed on the basis of the declaration and covenant of human rights at the level of national and international legislation and convention of the International Labour Organization, which should be met by the employers. Assessment of compliance of practices taking place within the company is carried out in accordance with the following nine aspects: child labor, forced labor, OHS, the right to organize and to bargain a collective agreement, discrimination, practice discipline, working hours, remuneration and management systems (SA 8000, 2013).

Compliance with standards ensures a high level of transparency in the company in terms of equal treatment of all employees. Furthermore, it provides a stable base in an ethical and socially responsible manner. The positive impact is reflected in the quality of relationships with employees, the image of the company and its products and services presented to the outside world.

In turn, the ISO 26000 Standard points to a wide range of aspects of organizational management in a socially responsible manner. CSR activities are grouped into seven areas: corporate governance, human rights practices in the workplace, the environment, market practices, consumer issues, community involvement and community development (Makuch, 2011). Distinguishing an area directly related to implementation of the HR function within the organization as a key element of CSR within the company stresses the importance of the human factor in this concept (Peçillo, 2011).

European Agency for Safety and Health at Work (EU-OSHA) focuses on the popularization of the topic dedicated on improving working conditions and safety in the workplace. The high level of safety improves employee productivity, reduces absenteeism and compensation paid to employees and ensures compliance with the requirements of customers. Due to the numerous benefits achieved in economic terms, it is recommended to take the following action concerning employees (EU-OSHA, 2016):

- improve working conditions and increase job satisfaction,
- promote work-life balance,
- implement equal opportunities policy,
- provide training and professional development according to plan of employee career path,
- ensure effective communication and involve employees in the decision-making process,
- create responsible and fair conditions of employment, remuneration and financial support for employees.

Measures to ensure a socially responsible human resource management regardless of the industry of business entity require the inclusion of HRM in the formulation and implementation of social and environmental goals while balancing them with economic objectives. At the same time, HRM should play a key role in ensuring that employees will implement this strategy consistently across the organization. Thus, sustainable/socially responsible management of human resources can be defined as the application of HRM tools in order to stimulate employees' trust, values, skills and motivation to achieve the triple bottom line (Cohen, 2010).

Employees should be educated in terms of eco-products, recycling and waste segregation. Enlightened employees should be encouraged to seek solutions to reduce consumption of resources at workplace, which may trigger incubation of innovative solutions for existing processes and implementation of new products or services.

On the other hand, activities designed to develop and increase job satisfaction should contribute to better health and stability of employment among employees. The feeling of job security in the long term helps reduce any interruptions associated with the economic aspects of the lives of employees, their families and communities (Cohen, 2010).

Another necessary solution in a socially responsible human resource management will be determined by the changes taking place as a result of the wide implementation of CSR strategies by companies. We are talking about such changes as (Stawicka, 2016):

- implementing solutions that make flexible forms of the provision of work, such as flextime, telecommuting, job sharing and parenting-friendly company;
- HR policy subordinated to the standards of CSR;
- increase in the number of programs to facilitate the work-life balance;
- activities to popularize the integration of employees, dialogue with employees, participation in decision-making, the open door policy and volunteering;
- other solutions and innovations specific to the organization, industry or nature of the business.

Demographic changes will generate new challenges for the labor market. Extending the retirement age will require the creation of conditions of work and responsibilities tailored to older workers. On the other hand, the Y generation, operating in the world of modern technology, will expect solutions tailored to their expectations. An interesting challenge will be to popularize *crowdsourcing*, which replaces the existing R&D departments, in return to which the community will provide ideas and refine new ideas (CSR Trends, 2014).

EMPLOYEE-FOCUSED ACTIONS UNDER THE CSR, EXEMPLIFIED BY THE PROJECTS IMPLEMENTED BY FINANCIAL INSTITUTIONS

In order to identify the measures of socially responsible actions aimed at employees undertaken by financial institutions in Poland, web search and reference research were conducted. The choice of the financial industry was not accidental. In addition to complying with Author's field of interest, it is a source of good practices in the field of CSR, as evidenced by the preponderance of entities in this sector in the RESPECT Index, as well as numerous CSR project reports published in the FOB reports of responsible business.

Furthermore, the management of human resources in this sector stands out in terms of numerous issues. Employees of financial institutions are primarily individuals finding themselves in direct interaction with customers and building relationships with them. Working in this industry requires high interpersonal and communication skills and thus enthusiasm and resistance to stress. Besides consultants and vendors of products and financial services, the staff also includes analysts, risk management specialists, marketing and IT specialists and others. Performance of professional duties is carried out under time pressure. The ergonomics of the working environment is also extremely important. Human Resources Management operating under CSR in the financial sector should be based on supporting personal and professional development, particularly in terms of social skills, but also with respect for free time. Ensuring a balance may be the key to achieve high efficiency in the industry.

We analyzed fifteen Polish financial institutions they studied the forty-four projects initiated in 2015 or continued by the institution in 2015 but started in previous years (Report 2015, Report 2014). All test subjects are large enterprises. Both legal requirements and stakeholder expectations affect the greater involvement of these entities in the implementation of CSR strategy in relation to the SME sector. However, patterns of practices can and should permeate sectors and enterprises of all sizes.

The results of the comparative analysis enable separation of the six categories of CSR activities undertaken in relation to employees of financial institutions, namely:

1. Life-work balance.
2. Employee involvement in management.
3. Equal opportunities and diversity policy.
4. Safety and health.
5. Education and development.
6. Employee volunteering.

The first mentioned category, the *work-life balance*, concerns activities supporting the reconciliation of work and personal life. It is an often-used practice to initiate solutions targeted to employees who have or are easing themselves into a new role of parenting. Two test entities implemented program for employees who are parents (Industrial Development Agency, ING Bank Śląski). Only one project was an example of a system implementing *work-life balance*. The implemented solution involved care about the comfort of employees, their mental health and the time spent with their families (BEST).

Three interesting programs were implemented within the category of *employee involvement in management*. Projects initiated by ING Bank Śląski - *Innovation as an integral element of the culture* of the organization or *IT TECH DAY* - were highlighted because of the openness of the management to create the possibility of presenting ideas to improve the bank's activities, as well as being an example to inspire employees to work together, exchange opinions and to change the *status quo*. An example of a similar initiative is to create a special application for employees of PKO BP, which allows them to submit a variety of ideas. The projects are based on the aforementioned idea of crowdsourcing. As part of the concept, they build a sense of identification with the organization and mobilize employees to effectively pursue company objectives, which is connected with the search for optimal and innovative solutions.

Equal opportunities and diversity policy category is another expression of pro-social policies of the company. Globalization, internationalization and demographic changes have contributed to the diversity of human resources. At the core of diversity management is to create a culture and systems, which ensure that all employees, regardless of gender, age, race, sexual orientation and physical or mental acuity, are able to contribute to the objectives of the company (Hon, Bruner, 2000, p. 309). Study group analyzes resulted in distinguishing four very different projects, which fit in this demanding area of human resource management. A document was prepared to be a foundation of the company's anti-harassment and anti-bullying policy (Agencja Rozwoju Przemysłu - Industrial Development Agency), the function of Employee Ombudsman was created, acting outside the chain of command (Bank BPH) and the procedure was created for reporting irregularities by contacting the HR Business Partner, Ethics Ombudsman or by calling external hotline, operated by an independent entity (Provident). Other activities were also undertaken in the framework of equal opportunities for employees with disabilities, among whom the study was conducted by having them respond to questionnaire on the rights and needs of their group, with a change in the parking policy and most of all in the creation of future jobs and their availability channels (BPH).

Safety and health category includes a number of projects that have a positive impact on increased safety understood as the adherence to the principles of occupational safety and health, but also affecting private spheres of life of employees, namely financial or leisure activities. Therefore, this is a category that offers the ability to deploy multi-directional projects. As a result of this study, we identified ten good practices implemented jointly by six entities. The most award-worthy projects are those developed by Provident and PKO BP, which clearly focus on the financial education of employees in the area of household budget management and retirement planning. This method of appealing to financial security is a great alternative for many projects promoting the culture of a healthy and active lifestyle among employees.

The last-but-one category refers to activities undertaken by financial institutions in the widely-understood sense of educating employees and promoting their development. The focus here is to allow employees to participate in training courses, workshops, conferences and taking additional studies. However, such actions are not anything new in the theory and practice of human resource management. An interesting alternative is the possibility of employees temporarily transferred to another unit of the bank to gain new experience or knowledge (ING Bank). Particularly noteworthy are the programs created focusing on adaptation of new employees (BEST) and employee development days during which they may benefit from individual consultations (mBank) or *coaching sessions* (BPH).

Employee volunteerism is a category that is currently the most popular form of implementation of socially responsible management of human resources in the surveyed institutions. Altogether sixteen good practices were identified, which were differentiated by target groups, geographical coverage and range of measures taken by the staff of volunteer activities (Table 1). Many institutions use grant systems to encourage employees to carry out their social projects. Particular potential involvement of employees exists in the projects implemented under competence volunteerism, which is a novelty in the implementation of both CSR and HRM. It involves volunteers sharing their knowledge and experience, freely and without any financial bonus (Khan, 2016).

Table 1. Examples of CSR activities undertaken by financial institutions in Poland in the category of employee volunteering in 2015.

Financial institution	Project name	Description
ANG Spółdzielnia Doradców Kredytowych [ANG Co-op of Credit Advisers]	<i>Tutoring program - employee volunteerism</i>	The company established the Foundation <i>I will be who I want to be</i> , supporting young people whose development is not supported in their environment. Employees act as tutors;
BZ WBK	<i>Leaders of Europe's Borderlands</i>	Volunteering actions implemented in Vilnius for the needy and the sick in the Borderlands;
	<i>Competence volunteerism</i>	Employees share their knowledge and experience in support of NGOs;
BGŻ PNB Paribas	<i>Employee volunteering program "I have your back"</i>	The program is based on four pillars of commitment: individual, team, competence and action-based volunteerism;
BEST	<i>Employee volunteerism</i>	Implementation of employee-submitted projects;
PZU	<ul style="list-style-type: none"> • <i>Employee volunteerism</i> • <i>Family volunteerism</i> 	Employees on all levels implement social projects developed in-house;
BGK	<ul style="list-style-type: none"> • <i>Volunteerism is cool!</i> • <i>Competence volunteerism</i> 	Bank employees offer various tutoring sessions, such as finance classes, for young people under the program of civic education "Young Citizen" and the economic education BAKCYL [BACILLUS];
Citi Handlowy	<ul style="list-style-type: none"> • <i>Volunteers' Club</i> • <i>Employee Volunteerism Program</i> • <i>Senior Citizens' Volunteerism</i> • <i>Social activism for senior citizens and providing them an opportunity to share their life and professional experience.</i> 	Bottom-up initiatives of the employees of Citi Handlowy looking for a way to integrate and inspire people engaging in volunteering. Supporting and developing social involvement of current and former employees of the Bank;
Credit Agricole Bank Poland	<i>Grant program - an element of employee volunteering program, "I am involved because I like it"</i>	Employees can get funding for the implementation of their voluntary activities;
ING Bank Śląski	<i>A Good Idea</i>	Volunteerism competition implemented in cooperation with the ING Foundation for Children;
mBANK	<i>Employee Volunteerism Program "Let's do something good together"</i>	Grant competition Three times a year, employees can submit their proposals for action and get up to PLN 2,000 in grants;

Source: own study based on *Odpowiedzialny biznes w Polsce. Dobre praktyki 2015*, FOB 2015.

Such actions result in the increase in employee relations with the local community. Both current employees and former employees or retirees are regarded as potential competence volunteers (Citi Handlowy).

Financial institutions in Poland take a variety of actions involving both current and retired employees. New activities also emerge in the field of *employer branding* (Bednarska-Olejniczak, 2015), aimed at building the [company] image for potential future employees. Adaptation projects and project focused on professional and personal development play an important role. Employee volunteer programs are very popular. Both those dealing with grant and competence volunteerism.

Financial institutions are increasingly supporting efforts to achieve work-life balance, as evidenced by their actions aimed at young parents. Invariably, occupational health and safety activities play an important role. An interesting good practice category is to involve employees in the management of the organization. The analysis confirmed the creation of solutions for submission of new projects or improvements to existing solutions.

THE BENEFITS OF ACTION IN SOCIALLY RESPONSIBLE MANAGEMENT OF HUMAN RESOURCES IN POLAND

Socially responsible actions aimed at employees bring numerous tangible and intangible benefits for both employees and employers. Some of the benefits are: (Łukasiewicz-Kamińska, 2014):

- increased sense of security and comfort,
- increased awareness of changes in the organization,
- participation in decision-making processes,
- identification with the objectives of the organization,
- the opportunity to present own ideas and initiate the implementation of changes,
- increased involvement in social and personal development through employee and competence volunteerism,
- the removal of barriers in contacts between employees and management,
- increased creativity and openness of employees.

While very often any CSR activities are considered an additional cost to the organization, organizations can also gain considerable benefits. Good relationships within the company, increasing the bond between employees and the company affect the increase in loyalty, commitment to the job duties and contribute to lower employee turnover. Good practices applied to improve work conditions and health care contribute to a reduction in employee absenteeism. This problem also applies to parents looking for a work-life balance for their families. Supporting the concept of *work-life balance* counteracts burnout and even develops creativity of employees and stimulates their development. All activities lead to building of a good image of the organization and increase its reputation, which in the days of the search for competitive advantage is a vital element of competition.

The results of the study *CSR Managers* conducted by FOB in 2015 indicates that among the major benefits gained by the company through the implementation of CSR

activities is to raise the awareness of employees in the area of ethics and increasing the involvement of employees (*Managers* 2015). The opinions of the organizations themselves on the great importance of practices arranged with the focus on employees confirmed the validity of popularizing and promoting good practices taking place in the area of human resources management.

SUMMARY

This paper identifies and categorizes CSR practices in the field of human resources management. The surveyed financial institutions have taken a number of activities in the following areas: work-life balance, involvement of employees in management, equal opportunities and diversity policy, safety and health, education and development and employee volunteering. The results of comparative analysis allow us to conclude that the wide range of programs has a positive effect on the quality of human resources management in a socially responsible manner in the financial sector in Poland.

Despite a wide range of CSR initiatives within the HRM, analyzed examples lack activities *strictly* related to the delegation of tasks and the inclusion of employees in management. Allowing submission of innovative projects is a good direction, but it is only one of many steps to increase the involvement of employees in management. Diversity policy as a practice of CSR was identified in only one financial institution, in which disabled people constituted the target group. The range of activities in this area should be much wider. Last year, surveyed institutions, except for one, did not pursue the any concrete measures in terms of *work-life balance*.

The results of the analysis also point to the lack of action that can be clearly defined as practices characteristic of the financial industry. There were no projects implemented with view of the particular exposure of employees of a financial institution to stress or promotion of highly ethical attitudes. A wide popularization of support in the form of *coaching* and other specialized workshops could have a significant impact on the increase in satisfaction and work efficiency. These indications should be used to extend the scope of CSR practices directed at employees of financial institutions and the more fully enable the realization of the idea of corporate social responsibility in their organizations.

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