

Magdalena Stefańska, PhD

**Author Note**

Magdalena Stefańska PhD  
Assistant Professor at Poznan University of Economics  
Department of Marketing Strategies  
al. Niepodległości 10  
61-875 Poznań  
Poland  
tel. 48 61 854 37 71  
email: m.stefanska@ue.poznan.pl

**Why retailers should make CSR concept a tool of building satisfaction in working place?  
Store personnel about CSR**

**Abstract**

The aim of the paper is to explain the role of CSR in building relationship between employees and employer. For that purpose the perception of determinants of work in retailing was evaluated. After this the analysis of perception of CSR image of retailer among store employees was made and confront with their expectations from working place. Then factors analysis was implemented to identify determinants which build attractiveness of working place and after this k-means method was used to define three segments of employees. The results of analysis presented in the paper are based on the research made among employees of retail stores. The research confirm connections between employer's image and general image of working conditions in retailing, also explains the role of CSR in the process of building satisfaction from working in this industry.

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### **Abstract**

The aim of the paper is to explain the role of CSR in building relationship between employees and employer. For that purpose the perception of determinants of work in retailing was evaluated. After this the analysis of perception of CSR image of retailer among store employees was made and confront with their expectations from working place. Then factors analysis was implemented to identify determinants which build attractiveness of working place and after this k-means method was used to define three segments of employees. The results of analysis presented in the paper are based on the research made among employees of retail stores. The research confirm connections between employer's image and general image of working conditions in retailing, also explains the role of CSR in the process of building satisfaction from working in this industry.

### **Introduction and Objectives**

The significance of corporate social responsibility is steadily growing. CSR is defined as a business's voluntary acceptance of responsibility for the effects of its activity. This responsibility can take an economic, legal, ethical, or philanthropic dimension. (Carroll 1991, Carroll 1999, Moir 2001). It is addressed to various groups of stakeholders – customers, suppliers, local communities, competition, as well as employees (Dahlsrud 2008). According to the ISO 26000 standard, CSR means that an organization accepts responsibility for the influence its decisions and actions (products, services, processes) have on the society and the environment. It is demonstrated by the company's transparent and ethical behavior, which:

- contributes to sustained development, health and social prosperity,
- takes into consideration the stakeholders' expectations,
- is in accordance with the binding law and with international norms of conduct
- is consistent with the organization and practiced within its relations (<http://www.odpowiedzialnafirma.pl/o-csr/iso-26000>, (access 2012-08-30).

For a number of reasons CSR is particularly significant for strategies of trade companies. Firstly, the trade chains created by these companies employ thousands of workers, affecting the structure of trade and also employment standards. Secondly, consumers from the EU or the USA are increasingly aware of the origin of the purchased goods, as well the conditions in which they were produced. Therefore, more often now than in the past they are interested in the social responsibility of the retailer in its relationship with the stakeholders from the countries of origin of the product and other countries belonging to the supply chain.

The objective of this article is to explain the role of CSR in building relationships between a socially responsible employer and people employed in shops, taking into account the attitudes of their various segments.

### **Conceptual Framework and Literature Review**

The CSR concept aims at a more precise definition of the business-society relationship. It relies on various theories, especially to the Freeman's stakeholder theory, the competitive advantage theory, or the social contact theory (Garriga and Melé 2004). On the other hand, reinforcing the social role of business is also criticized. According to M. Friedman (1993) the role of business is to generate value for shareholders. T. Levitt claimed that the state is responsible for coordinating and developing social functions, whereas companies exist for totally different purposes (Levitt 1958, in: McWilliams, Siegel and Wright 2006.). CSR is perceived as a factor determining a company's image, both external and internal, on which, in

turn, its competitive advantage is based. This study focuses on an internal stakeholder – an employee. According to the RTB (resource-based theory), this group is a resource with unique competences and skills, which allow trade companies to gain an internal advantage over the competition (Barney, 1991). Also Esiberg, Buck and Gunert (2010), as well as Korschun, Bhattacharaya and Swain (2011) and Lin et al. (2012) try to identify the role of CSR in building relations with employees. While analyzing this resource in the context of retail trade, it has to be borne in mind that because of different types of duties, each group of workers affects the company’s competitive advantage in a different way. Therefore, to narrow the subject matter, this study focuses on employees directly involved in servicing customers, as they influence the market image of a retailer, undermining or strengthening it through their relations with clients. That is why these employees are directly responsible for the market image of a retailer.

Literature devoted to the role of CSR in building the employee-employer relationship in retail trade is rather scarce. Researchers rather focus on defining the role of CSR in relations with customers (e.g. Carrigan, Attalla, 2001; Sen, Bhattacharya, 2001, Korschun, Bhattacharya, Swain, 2011), or the role of CSR in retailers’ strategies. (e.g. Jones, Comfort, Hillier, 2007a). The character of work in trade, as well as the expectations that employees presently have in relation to their employers are the reasons why it is well justified to implement the CSR concept in this sector. Sławińska (2002) divides work conditions in trade into the following groups: economic – the level and method of paying employees, fringe benefits; organizational – the working hours, distribution of work, the system of financial responsibility, the organization and technique of work and internal logistics; psychophysical – aspects of work which affect a worker psychophysically (transporting and placing merchandise on shelves, monotony of work at a checkout, noise); social – the prestige of a job, the opinion about the workplace, interpersonal relations at the workplace, management style, a possibility of fulfilling the need of affiliation, cultural and recreation needs, etc. All these areas must be taken into account in the evaluation of work conditions and play a decisive role in the human resources management and planning employment policy. Table 1 shows the main problems connected with work in trade and expectations of both employees and employers in this sector. From the point of view of potential employees, work in trade is not considered an attractive career for university graduates, who have been trained for managerial positions. Work in innovative, technologically developed sectors, as well as jobs in multinational or global corporations are considered far more interesting.

**Table 1. The qualities of work in shops and expectations of employers and employees**

<b>Work in shops</b>	
<b>Qualities</b>	<b>Expectations</b>
Contact with customers	<b>Employees’:</b> - stability - job security - good working atmosphere - teamwork - opportunity of self-fulfilment - promotion opportunity - attractive salary and well-developed incentive system - flexible working hours <b>Employers’:</b> -high productivity - high qualifications in customer service - efficiency in sales - reinforcing the shop’s and the company’s image - availability
Development of communication skills	
Development of negotiation skills	
Flexible working hours	
Opportunity of earning extra money	
Teamwork	
Promotion opportunities	
Work on weekends	
Work in afternoons	
Relatively low pay	
Mandate contract or contract of specified work employment	
Changeable duties	

Source: own work

The graduates' opinions are often shaped by their own experience of work in the trade sector during their studies, when their limited qualifications did not allow them to perform more responsible functions and all they were offered was a simple selling job. Therefore, the staff turnover in retail trade is relatively high, compared to other sectors.

The example staff turnover ratios in one chain corroborate this opinion – among the shop-assistants the turnover was 88% and among the managers – 20%. Additionally, among the youngest workers (below 18) the annual turnover ratio was 150% (Eisberg, Buck, Grunert 2010). However, the temporary character of work results in the fact that retailers are not interested in investing in their employees, and employees do not necessarily reveal their talents at work. In view of these facts, the potential of this group of employees in building the company's competitive advantage is not fully tapped. Another reason why employers fail to invest in this group of employees is the pressure to reduce costs. This leads to dramatic limitation of training courses and incentive systems (e.g. benefits packages) for temporary workers. Firms tend to underestimate the potential of temporary employees and their role in the customers' buying decisions.

### **Procedure of research**

Previous studies on the employee-oriented CSR have shown that CSR may indirectly strengthen a company's ability to meet customers' needs and also that socially engaged companies attract better workers, since employees wish to be identified with positively perceived companies (Korschun, Bhattacharya and Swain 2011; Lin et al. 2012). Moreover, job satisfaction in trade strongly relies on two factors: the salary (depending on the regularity of its payment), as well as the opportunity of developing a career (Grzesiuk 2012). Other studies point to the salary being a strong motivational factor, but at the same time it only causes physical, not emotional loyalty (Bhattacharya, Sen and Korschun 2011). What is more, employees look for employers who are able to create a working environment based on values which allow workers to fully develop their skills and competences.

This article is based on the following formula of research. The first step is the identification of factors responsible for the attractiveness of work in retail trade. For this purpose both negative and positive aspects of this work have been presented. All of them have been empirically obtained. The next step is the identification of an employer who follows the principles of CSR, as it has been assumed that the CSR actions determine an employer's image. These elements are parts of a model, which assumes the existence of the following relations, which are our research hypotheses:

H1. The attractiveness of work in trade depends on factors connected with working conditions.

H2. The image of a socially responsible employer determines the employees' attitude to work in the trade sector.

The first hypothesis is based on the findings of research conducted by Esiberg, Buck and Grunert (Esiberg, Buck and Grunert, 2010), who pointed to various types of motivation of people who take jobs in trade – a will to make a career, temporary or engaged. A similar division was obtained from a survey of women working in trade (Foster, Whysall, Harris, 2007). The second hypothesis is meant to verify the relationship between an employer's CSR and the perception of work in trade.

### **The research method**

In order to verify the assumed hypotheses, surveys have been conducted among employees of shops. The surveys were quantitative and limited only to the workers directly involved in customer service. The selection of the sample was deliberate. The respondents for

the survey were selected among shop-assistants from shops selling FMCG, clothes and cosmetics. 272 people participated in the survey, but 259 questionnaires were used for this analysis, as 13 had formal flaws. The survey was conducted in the period from May to July 2013 in a selected group of Polish cities. The basic information about the structure of respondents is included in table 2. The analytical tool for the quantitative survey was based on the questionnaire prepared by D. Turker (Turker 2009), as well as on my own detailed collective interviews with employees of shops.

**Table 2. The structure of respondents**

<b>The age of respondents</b>	<b>Number of replies</b>	<b>Share in percentages</b>
up to 25	71	27,6
26-35	93	36,2
36-45	65	25,3
46 and over	28	10,9
Total	257	100,0
<b>Work experience in trade</b>	<b>Number of replies</b>	<b>Share in percentages</b>
up to 4	87	34,5
4-8	55	21,8
8-12	39	15,5
12-16	26	10,3
16 and over	45	17,9
Total	252	100,0
<b>Education</b>	<b>Number of replies</b>	<b>Share in percentages</b>
Elementary	3	1,2
Vocational	55	21,2
Secondary	123	47,5
College	34	13,1
University	44	17,0
Total	259	100,0

Source: own work based on the survey findings

With a view to verifying the first hypothesis two variables were identified – one of them is the perception of work in trade, and the other – the image of a socially responsible seller. Table 3 includes a list of factors used to evaluate the attractiveness of work in trade. The semantic differential seven-point scale was used, with positive aspects on the right and negative on the left. The opinion most frequently expressed by the respondents was that employees like their work, appreciate its attractiveness in terms of the working hours, the easiness of finding it, as well as low expectations as to the qualifications. However, placing the mean between values 3 and 4 indicates that the average value of the assessed index is closer to perceiving the drawbacks of work in trade. Therefore, it was considered justified to conduct research which would separate groups of workers with different attitudes to work in trade, on the basis of the previously identified factors determining the perception of work in trade. The obtained values of the Alfa Cronbach ratio were respectively 0.878 and 0.88, which confirms the sense of conducting the analysis on the basis of the accepted scale. Its findings show that the perception of work in trade is influenced by such variables as: the willingness to make a career as a merchant, stability of work and qualifications of a trader (table 3). It is an indication of the diversified expectations of employees towards their jobs and it justifies their segmentation, which was made with the k-means method (table 4). The segments were named respectively: “reliable traders”, “uncertain of the future” and “career-makers”. The first and the second segments represent people who perceive work in trade as not offering career opportunities, whereas the third one includes strongly career-oriented employees. The

representatives of the first segment more than the others believe in the stability of work in trade and are convinced that this profession requires proper qualifications.

The second segment is represented by people who are less convinced about the opportunity of making a career and, compared to the other segments, its members do not share the opinion about the stability of work in trade. Moreover, this group to the smallest degree sees the relationship between work in trade and the qualifications. They are more sceptical in this respect. Finally, the third and the largest segment definitely the most strongly believes in the potential of trade. This segment is dedicated and interested in the opportunities offered by the employer.

**Table 3. Perception of work in trade**

Opinions about work in trade	Mean	Standard deviation
<b>Factor 1 - career</b>		
I like it	4,43	1,90
Gives me satisfaction	3,97	1,89
I can make a career	3,85	2,03
Quick promotion opportunity	3,63	1,84
Constantly changing duties	3,63	1,93
Well-paid	3,48	1,69
Fosters self-fulfilment	3,37	1,81
<b>Factor 2 - stability</b>		
Offers flexible working hours	4,50	1,81
I favor it the most	3,81	1,60
Is associated with stability	3,79	1,66
Colleagues do not change jobs	3,75	1,79
<b>Factor 3 - qualifications</b>		
Employees easily replaceable	4,79	1,83
Does not require special qualifications	4,50	1,76
Easy to get	4,19	1,77
Small competition for jobs	3,80	1,63

Source: own work based on research findings

In the segment of “reliable traders” decision-makers account for 18%, in the second one – 12% and in the third one – 21%. Although the segments slightly differed in age and experience in work in trade, these differences were not statistically valid, so the demographical variables cannot be regarded as criteria affecting opinions.

**Table 4. Segmentation of shop workers based on their opinions about work in trade**

Factors	Segment 1	Segment 2	Segment 3
	“Reliable traders”	“Uncertain of the future”	“Oriented on carrier”
Career	-0,589	-0,717	0,904
Stability	0,386	-0,309	-0,152
Qualifications	0,721	-1,145	0,036
<b>Share in sample</b>	<b>35%</b>	<b>23%</b>	<b>41%</b>

Source: own work based on research findings

The other variable – the image of a socially responsible employer in retail trade has been obtained as an index being the mean of opinions regarding the following dimensions of the social responsibility of business:

- job security,
- feeling of stability,
- pride of working in a given shop (chain of shops),
- equal rights,
- ethical standards,
- preventing discrimination.

Each dimension was represented by three separate opinions based on the five-point Likert's scale. The index of the image of a socially responsible employer was calculated separately for each segment. Table 5 shows the results of the comparative analysis. The differences are statistically valid for  $p < 0,01$ ,  $F(2;257) = 4,574$ . They indicate a different perception of the employer's image, depending on the perceived attractiveness of work in trade. This image is the most highly evaluated by "career-oriented" people, the least – by the "uncertain of the future".

**Table 5. The image of a socially responsible employer in the opinions of the employees of particular sectors**

Index	Segment 1	Segment 2	Segment 3
	"Reliable traders"	"Uncertain of the future"	"Oriented on carrier"
Mean	3,17	2,91	3,32
Standard deviation	0,72	0,86	0,75

Source: own work based on the research findings

This corroborates the second hypothesis, according to which the social perception of a socially responsible employer determines the attitude of employees to work in the trade sector. It should encourage retailers to invest in the CSR actions addressed to employees, in order to build an internal competitive advantage. An additional benefit could be the improvement of the general image of work in trade, which would result in the recruitment of workers with better qualifications.

### Findings and discussion

Branches compete with one another for the best employees-graduates and candidates for jobs. Presently, the competition for workers who service customers in shops is rather weak, which results from the high supply of candidates interested in work in trade and also from the high availability of such jobs. Research findings show that the evaluation of the image of a socially responsible employer largely depends on the opinions of workers about work in trade. This means that the perception of retailers is shaped by the general image of work in trade. Therefore, companies should adapt their HR policy to the expectations of particular types of workers. In the segment of employees who are uncertain about their future the social responsibility of the employer is the most negatively assessed, so it is necessary to pay more attention to this problem and to adapt the CSR programs to this group, as well as to give them a feeling of stability and fair treatment. The segment of "reliable traders" is a particularly valuable group for a company. These employees appreciate the role of qualifications in a job and see the potential of stability. Although these workers do not share the opinion about the possibility of making a career in this job, it is probable that they do not have such expectations and feel satisfied at the positions they already have. As for the third segment, it is represented by people the most willing to be associated with the company, so it is justified to believe that this group is the most likely to search for information about CSR actions.

## **Limitations**

As in many cases when research is conducted on a purposefully selected sample and in the local market, we have to take into account the limitations which result from these facts and which affect the interpretation and implementation of the findings. First of all, the survey was conducted among workers of shops. Therefore, the findings probably cannot be referred to other people employed in trade, but not directly involved in servicing customers. Moreover, there may be a differentiation connected with the market – workers of other branches, e.g. construction or furnishings, with different customer service specifics, were not included in the survey. Another factor which may influence the social perception of socially responsible employers is the fact that in the Polish trade sector the CSR concept is still developing and its awareness among both employees and customers is still relatively low. The higher the awareness of employees' rights and the expectations of the trade companies, the bigger is the significance of CSR in the human resources management.

## **Further Research**

In the future it is worthwhile to broaden the scope of research in order to obtain CSR solutions adequate to the expectations of particular segments of workers. The differences in their expectations of the employers are the reason why the employers should focus more on the individual objectives and needs of their workers, regardless of the fact that they are all employed in shops in customer service.

## **Managerial Implications**

The presented research findings are very significant for the human resources management at the level of a shop. First of all, in their strategies managers must take into account the fact that CSR is a factor determining job satisfaction and the image of an employer, which, in turn, influences the shop's image for customers. This is why in building relationships with employees, it is necessary to recognize their needs and to ensure appropriate working conditions, in order to achieve the highest possible job satisfaction. This purpose can be accomplished through actions within CSR – codes of practice, supporting victims of discrimination, ensuring work security, social initiatives and supporting careers. As for recruitment from students and graduates, there are already positive exceptions among retail employers, such as Auchan, Carrefour or Tesco chains, which carry out programs addressed to students who are interested in trade (Auchan Raport 2012, Tesco Raport 2011, 2012, Carrefour Raport 2012). Media Markt has introduced an interesting solution: it organizes classes of would-be employees. Their actions within CSR may bring about positive social effects on the micro and macro scale – obtaining better candidates for jobs, improvement of the customer service quality and as a result building internal competitive advantage. This direction seems to be justified in view of the growing competition in the trade sector.

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