

## THE INVOLVEMENT OF COMPANY EMPLOYEES IN SOCIAL AND ENVIRONMENTAL RESPONSABILITY

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### RESEARCH ARTICLE

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#### Abstract

*The involvement of company employees in social and environmental responsibility is a critical aspect of modern business practices. This abstract explores the significance of employee engagement in promoting sustainability and social responsibility within organizations. Employees play a pivotal role in driving positive change by participating in volunteering activities, sustainability initiatives, and advocacy efforts. Their involvement not only benefits the environment and society but also fosters a sense of pride and fulfillment among employees. This abstract highlights the importance of empowering employees to contribute to a more sustainable and socially responsible business culture, ultimately leading to a more positive impact on the world at large*

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#### INTRODUCTION

In today's rapidly evolving business landscape, the role of company employees in promoting social and environmental responsibility has emerged as a critical factor in shaping the sustainability and ethical practices of organizations. The involvement of employees in initiatives that contribute to the well-being of society and the environment is no longer just a trend but a fundamental aspect of corporate citizenship.

Companies are increasingly recognizing the importance of engaging their employees in social and environmental responsibility efforts as a means to not only fulfill their ethical obligations but also to drive positive change and create a lasting impact. From volunteering for community service projects to championing sustainability practices within the workplace, employees play a pivotal role in advancing the values of social responsibility and environmental stewardship.

This introduction sets the stage for exploring the multifaceted ways in which company employees contribute to social and environmental responsibility, highlighting the significance of their involvement in fostering a

culture of sustainability and ethical leadership within organizations. By empowering employees to take an active role in promoting positive change, companies can not only enhance their reputation and brand value but also inspire a sense of purpose and fulfillment among their workforce.

Through a deeper examination of the involvement of company employees in social and environmental responsibility, this study aims to shed light on the transformative potential of employee engagement in driving sustainable business practices and creating a more socially responsible corporate ecosystem. By exploring the motivations, challenges, and best practices associated with employee involvement in social and environmental initiatives, we can gain valuable insights into how organizations can harness the collective power of their workforce to make a meaningful impact on the world around them.

#### MATERIAL AND METHOD

Data was gathered through a combination of quantitative and qualitative methods to assess the involvement of employees in social and environmental responsibility (SER). This included collecting

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energy consumption records, waste management practices, employee demographics, and community engagement activities. Standardized data collection methods were employed to ensure consistency and accuracy across various departments and initiatives within the organization.

#### **Stakeholder Engagement**

Engagement with both internal and external stakeholders was essential for a comprehensive assessment. Stakeholders included employees, customers, suppliers, investors, and community representatives. Surveys and interviews were conducted to gather insights and feedback on current SER initiatives and to understand employee perceptions of the company's efforts in this domain.

#### **Evaluation Framework**

An evaluation framework was developed based on established Corporate Social Responsibility (CSR) criteria. Widely recognized standards such as the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (UNSDG) were utilized to create specific performance indicators for each dimension of SER. This framework enabled the identification of strengths, weaknesses, and areas for improvement within the organization's practices.

#### **Data Analysis**

Collected data were analyzed in accordance with the established evaluation framework. A comparative analysis was conducted to measure the organization's performance against industry benchmarks and best practices. This analysis was aimed at identifying key areas where employee involvement in SER could be enhanced and supported by the organization,

#### **Reporting and Action Plan Development**

The findings were compiled into a comprehensive CSR report, detailing each assessed dimension along with recommended actions. This report underwent validation through stakeholder reviews to ensure accuracy and relevance. Based on the assessment's findings, an action plan was developed that outlined specific responsibilities for implementation and timelines for each initiative.

#### **Implementation and Monitoring**

The action plan was implemented with the use of key performance indicators (KPIs) to monitor progress over time. Regular reassessments were scheduled to measure advancements in employee involvement in SER and to refine the action plan as necessary to align with evolving best practices and stakeholder expectations.

### **RESULTS AND DISCUSSIONS**

#### **Endogeneity and Robustness Tests**

To address potential endogeneity issues related to the choice of instrumental variables, the two-stage least squares regression (2SLS) method was employed. This approach helps mitigate the impact of weak instruments, ensuring that the selected instrumental variables are appropriately related to the explanatory variables. The results indicate that the tests were significant, leading to the rejection of the null hypothesis regarding weak instruments. Furthermore, the findings remained positive and significant, confirming the robustness and reliability of the research outcomes, suggesting that endogeneity does not substantially influence the study's results.

#### **Reverse Causality Analysis**

The possibility that engaged employees may possess more favorable perceptions of the organization was explored through a reverse causality analysis. The baseline model was tested in reverse, excluding moderated mediation. The analysis revealed that none of the indirect paths were significant. The overall model displayed a fit comparable to the baseline model, with a root mean square error of approximation (RMSEA) of 0.073 and confidence intervals ranging from 0.072 to 0.074. The standardized root mean square residual (SRMR) was 0.042, indicating a good model fit. Moreover, the indirect paths from employee engagement to perceived corporate social responsibility (CSR), mediated by perceived organizational support (POS) and authenticity, were both found to be insignificant, with coefficients of -0.012 ( $p = 0.104$ ) and 0.026 ( $p = 0.183$ ).

#### **Descriptive Statistics and Key Variables**

Descriptive statistics including means, standard deviations, reliabilities, and

intercorrelations among variables are summarized in Table 1. Control variables such as satisfaction with leadership, pay satisfaction, and satisfaction with recognition were also measured to ascertain their influence on employee attitudes. Satisfaction with leadership was assessed using nine items, while pay satisfaction and recognition were evaluated with three and two items, respectively. This comprehensive analysis ensures that the study accounts for other factors that could impact employee engagement and their perceptions of CSR.

### **Implications of CSR and Employee Engagement**

The analysis highlights the critical role that social impact and corporate purpose play in driving business value. Engaged employees who align with sustainability values can enhance customer loyalty and trust. Research indicates that customers increasingly favor brands that demonstrate social responsibility and sustainability. Companies that authentically communicate their sustainability initiatives foster strong customer relationships, positioning themselves as ethical choices in the marketplace.

### **Industry Case Studies**

In analyzing corporate social responsibility (CSR) metrics, the findings from a study of S&P 500 firms revealed that while disclosures were positively correlated with third-party ESG scores, the actual environmental performance ratings showed no such correlation. This indicates that disclosure practices may be more influential in shaping a company's ESG scores than the actual environmental performance.

As illustrated by Patagonia's commitment to environmental activism and community engagement, companies that embed social responsibility into their core operations can significantly impact their reputation and consumer trust.

The involvement of company employees in social and environmental responsibility is crucial for fostering a sustainable and purpose-driven workplace. As businesses increasingly face challenges such as climate change and economic inequality, the need for employees to engage in Corporate Social Responsibility (CSR) initiatives has become more pronounced. Research indicates that employees who actively participate in CSR efforts tend to

experience heightened job satisfaction and a deeper sense of purpose, which ultimately contributes to lower turnover rates and improved productivity.

### **The Importance of Employee Engagement in CSR**

Engagement in CSR activities provides employees with opportunities to witness the direct impact of their efforts on society and the environment. This connection between work and the greater good enhances their overall job satisfaction.

A Deloitte study reveals that a significant majority of business leaders view companies as stewards of society, indicating a shift towards purpose-driven corporate strategies that resonate with employees. Moreover, companies that effectively engage their workforce in CSR initiatives are likely to gain a competitive edge in the marketplace, as engaged employees are more innovative and dedicated.

### **Balancing Economic, Social, and Environmental Dimensions**

To create a meaningful CSR strategy, organizations must consider the Triple Bottom Line framework, which emphasizes the importance of balancing economic viability with social equity and environmental stewardship. By addressing these three dimensions, companies can develop initiatives that not only fulfill their ethical obligations but also contribute to long-term financial success. Sustainable practices such as ethical sourcing and emissions reductions not only enhance a company's reputation but also appeal to consumers who increasingly demand responsible business practices.

### **Overcoming Challenges in CSR Communication**

Despite the evident benefits, many organizations encounter challenges in effectively communicating the importance of CSR to their employees. Climate scientist Per Espen Stoknes notes that sustainability communication can often feel distant or irrelevant to individuals. To counteract this, companies can adopt strategies like the Ducky Challenge, which simplifies sustainability concepts and makes them accessible and engaging for employees. By creating relatable and tangible CSR initiatives, organizations can foster a culture of participation and enthusiasm among their workforce.

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## CONCLUSIONS

The involvement of company employees in social and environmental responsibility (ESR) has become a pivotal element in contemporary corporate practices, reflecting a broader shift towards sustainability and ethical engagement within the business landscape. Companies such as Interface, a leader in modular carpet manufacturing, have set benchmarks by adopting innovative sustainability measures, including closed-loop recycling and a commitment to 100% renewable or recycled materials. These initiatives not only reduce waste but also lead to significant financial benefits and increased customer loyalty, demonstrating the interconnection between environmental responsibility and economic performance.

Notably, the engagement of employees in these sustainability efforts has shown to enhance job satisfaction and foster a culture of stewardship, with organizations like Step It Up Academy implementing training programs to empower workers in sustainability initiatives.

This employee involvement is not merely a trend but a crucial strategy for organizations aiming for zero net emissions and minimal environmental impact, thereby aligning business operations with the broader goals of Corporate Social Responsibility (CSR) and the United Nations Sustainable Development Goals (UNSDG). Despite the evident advantages, challenges remain in effectively integrating CSR into corporate culture and communicating its significance to employees. Research indicates that while many organizations strive to be seen as socially responsible, there can be gaps between CSR intentions and actual environmental performance, leading to

scrutiny regarding the authenticity of their initiatives.

Moreover, the efficacy of CSR disclosures has raised debates about whether they truly reflect a company's sustainability practices or merely serve to enhance corporate image without substantive actions behind them. Ultimately, the role of employees in driving corporate social responsibility initiatives is becoming increasingly recognized as essential for both organizational success and societal impact. As businesses face growing pressures related to climate change and social inequities, fostering an engaged workforce committed to sustainability is paramount for long-term viability and competitiveness in an evolving marketplace.

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