

THE ROLE OF PERSONNEL MARKETING IN THE PROCESS OF BUILDING CORPORATE SOCIAL RESPONSIBILITY STRATEGY OF A SCIENTIFIC UNIT



THE ROLE OF PERSONNEL MARKETING IN THE PROCESS OF BUILDING CORPORATE SOCIAL RESPONSIBILITY STRATEGY OF A SCIENTIFIC UNIT

Sylvia Jarosławska-Sobór, Ph.D.

Central Mining Institute, Poland

e-mail: sjaroslawska@gig.eu

DOI: 10.14611/minib.17.03.2015.09



Summary

In this paper has been discussed the meaning a human capital is performing in the CSR strategy building and the role of the personnel marketing in this situation. Dynamic changes in the company surroundings extorted a new look on intangible resources. Organizations understood human capital and social competences firmly influence on creating values of the organization, profits generating and achieving a competitive advantage in XXI century. Personnel marketing nowadays is the flagship for the CSR implementation and building a values of modern organization, especially such special like scientific unit.

In this paper we found main values taken by the Central Mining Institute as a crucial for its importance for social responsibility. Analysis was made on the base of the Central Mining Institute experiences in the developing strategic CSR that took account special features of scientific organization.

Keywords: CSR, social responsibility, human capital, strategic management, scientific unit

Introduction

Over the past few dozen years Corporate Social Responsibility (CSR) has become a subject of academic research and business practice. CSR is a strategy of management, which through conducting a social dialogue with various groups of stakeholders contributes to the growth of competitiveness of companies on the global level and forming the conditions for sustainable social and economic development. It is emphasized that social business running, that is, the process of learning and including changing social expectations in management strategies, has a significant impact on the competitiveness of companies (Bernatt, Bogdanienko, Skoczny 2011).

By now most organizations have been paying attention above all to material and financial resources, treating non-material resources as company components, which can't be properly measured in terms of economic value. However, dynamically changing social environment has enforced a new way of looking at non-material resources. It is because in contemporary economy it is not just material, or financial resources, but also knowledge and human skills that count. Organizations have understood that it is human capital and competences that have a significant influence on the creation of an organization's value, generating profits and achieving competitive advantage in the 21st century. Human capital and structural capital now constitute two basic forms of intellectual capital (Edvinsson, Sullivan, 1996). The term of human capital is understood as knowledge, experience, qualifications and skills of the employees, which are significant for the effects of a company's activity. Recently also relational capital has been added to these two forms. Relational capital concerns relations within a network of partners (they include also market channels, relations with clients and suppliers, capital ties), their level of satisfaction with these relations and the level of loyalty towards the company (Kurowska, Derlatka 2009; Perechuda, Chomiak-Orsa 2013). This component of intellectual capital is particularly close to the idea of CSR, as it refers directly to building relations with various groups of stakeholders found both within and outside a company.

What shows the strength of a company's capital, among many other factors such as knowledge, or qualifications, is the personal feeling of

responsibility for the success of an organization, or in other words, people strongly tied to a company and its mission (Rybak, 2003). The management of this process in an organization takes place on two levels:

- the level of norms and values regulating the actions of stakeholders (in this case it concerns a group of employees)
- the level of actions taken by stakeholders themselves.

Personnel marketing and building relations with internal stakeholders

Personnel marketing is now undoubtedly a key element in the process of implementation of the CSR concept and building the value of a contemporary organization. Knowledge, skills, attitudes and values of employees, creativity, or in other words, everything that fits into the term of human capital, are a factor defining the level of competitiveness and innovativeness of a particular entity. Personnel marketing (also called personal marketing) is defined in literature on the subject in many different ways. It is understood as a concept saying that the relation between an organization (employer) and the employee of the organization is a transactional exchange, in which the employee and the employer are internal clients offering each other particular services and value (Zbiegień-Maciąg 1996). However, it also goes beyond the scope of the concept of traditionally understood marketing. It is because it contains ethical orientation, which puts human in the centre of attention (Schwan, Seipel 1997). The system of conduct and behaviour of a company is focused on the interests and expectations of potential and already hired employees and treating them subjectively as clients. What is also significant is the fact that such an approach allows running efficient personnel policy and particular methods of acquiring and keeping employees.

What determines the efficiency of marketing actions taken by an organization is the adoption of a holistic approach based on the fundamental value of covering, without exceptions, all stakeholders playing the role of its current, or potential partners with marketing activity. A comprehensive perspective constitutes a necessary condition to satisfying

the expectations of each of them, generating effects important for a scientific organization, such as the feeling of loyalty, or empathy (Baruk 2013). The goal of an organization operating according to the rules of the CSR concept should be raising the value of human and social capital by, among others, active personnel marketing, as this stimulates greater trust, it is the basis of team work and efficient sharing of values. Organizations with a high level of social capital care more about their employees, as they think that the success of their employees will lead to the success of the whole organization (Sitko-Lutek, Pawłowska 2008).

CSR at the Central Mining Institute

Polish research-scientific sector is facing certain delays in in this area. There are still only few scientific and research institutions which have worked out a CSR strategy and a policy towards their own employees resulting from the CSR strategy. Research units are now facing the challenge of running rational CSR activities based on clear and effective strategy. The qualitative analysis of the internal data of the Central Mining Industry presented in this article can serve the purpose of presenting the basic values regarded by Central Mining Institute as crucial in the context of their significance for the paradigm of social responsibility of the Institute. Such an analysis was carried out on the basis of the experiences of Central Mining Institute in the development of strategic CSR, which takes into consideration the specific character of the Institute, its tradition, working conditions and the prospects for long-term development.

Activities from the area of social responsibility are conducted by Central Mining Institute in a comprehensive and continuous manner. On a regular basis the Institute looks for methods and implements solutions, which constitute a response to social expectations. This activity concerns both the area of external stakeholders (e.g. the environment, clients, business partners), as well as own staff. Central Mining Institute has twice been awarded the title of "Firma Dobrze Widziana" (Company with a Good Image) in contests organized by Business Centre Club, for activities in the area of social responsibility. The Institute has also received the title of "Pracodawca Roku" (Employer of the Year). The Institute has been appreciated for supporting the professional development of the personnel of the Institute,

for care about safe working conditions, respecting the requirements of safety and environment protection, following the rules of honest competition and getting involved in community activities and in creation of innovativeness.

The Strategy of Social Responsibility of Central Mining Institute was created in 2009 and is an important element of the mission of the Institute. It includes such elements as: declaration, Institute's system of values, key activities in particular areas of CSR. The system of primary values of the Institute adopted in the strategy includes: responsibility, openness, innovativeness. It is based on three pillars:

1. human — social responsibility (creating common values, programme of personnel development),
2. industry — innovativeness (innovativeness, research and development),
3. environment — environmental responsibility (investments, implementing the targets of the Integrated Management System, monitoring environmental activity) (GIG, 2009).

Social responsibility strategy of GIG is adapted to the characteristics and scale of GIG's operations and relations with employees are the key element in the structure of this strategy. The Social Report of GIG prepared in 2011 was the first report of this kind among scientific units. One of the introduced new elements of the forms of internal communication was working out the corporate foresight of GIG. Thanks to the gathered opinions of our internal experts participating in analyses based on the method of foresight, it is possible to identify future challenges in the area of the Institute's activity. The basis of foresight works was the analysis of both external strategic documents concerning key areas of research conducted at the Institute, as well as the internal strategies and the opinions of experts-scientific employees of Central Mining Institute.

Personnel data

As of January 1, 2015 central Mining Institute had 564 employees, including 346 men (61,35% of all employees) and 218 women (38,65%). At the Institute there are 12 professors, as well as 126 doctors and habilitated doctors. All of them constitute 24,46 % of all employees (GIG, 2015).

Table 1. Structure of education of the employees of Central Mining Institute, GIG 2015

Education level of GIG employees	Number of women	Number of men	Total	
			Number	% of all GIG employees
University	173	267	440	78.02
High school	42	58	100	17.73
Vocational school	3	18	21	3.72
Primary school	—	3	3	0.53
	218	346	564	100.0

Table 2. Structure of academic titles of the employees of Central Mining Institute, GIG 2015

Employees holding academic titles	Number of women	Number of men	Total	
			Number	% of all GIG employees
Professors	2	10	12	2.12
Habilitated doctors	4	15	19	3.37
Doctors	26	81	107	18.97
	32	106	138	24.46

The average age of the employees of Central Mining Institute was 46.71 as of January 1, 2015. Over the past 5 years the Institute has hired 139 new employees reducing the employees' average age substantially. Complex programme of personnel development makes it possible for employees to expand the scope of their competences and using them in an optimum way, participating in grants and projects.

Table 3. Structure of age groups of the employees of Central Mining Institute, GIG 2015

Grupa wiekowa	Number of women	Number of men	Total number age group	% of all GIG employees
do 29 lat	29	20	49	8.69
od 30 do 39 lat	66	84	150	26.60
od 40 do 49 lat	27	69	96	17.02
od 50 do 59 lat	80	98	178	31.56
od 60 do 69 lat	16	69	85	15.07
od 70 lat	—	6	6	1.06
	218	346	564	100

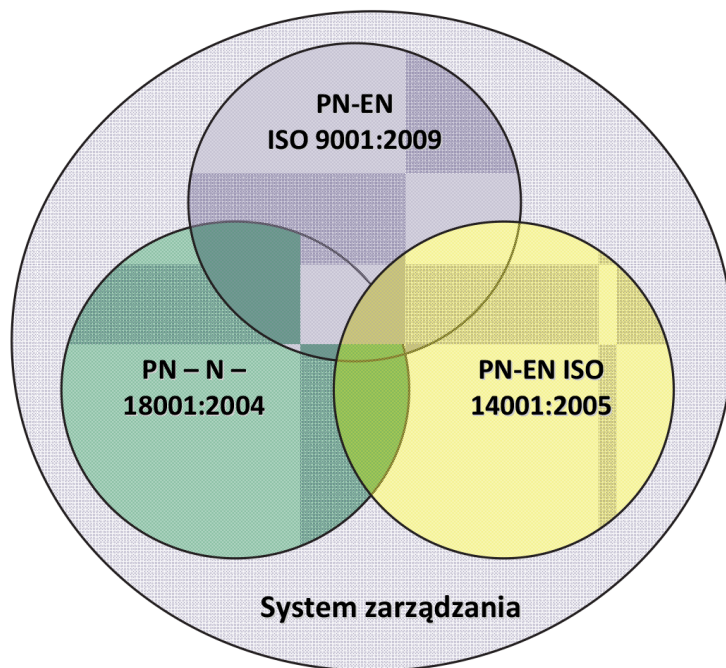
Management system and the development of scientific personnel

Central Mining Institute has implemented an Integrated Management System. Compliance with the requirements of norms PN-EN ISO 9001:2009, PN-N-18001:2004 and PN-EN ISO 14001:2005 has been confirmed by certificate number JBS-54/7/2015, issued by Polskie Centrum Badań i Certyfikacji S.A. on 05.06.2015, valid till 04.06.2018.

Care about systematic scientific development of employees and optimum allocation of employees' skills is regarded as they key to the development of the Institute. For this reason, the strategy of development of scientific personnel adopted at the Institute includes, among others:

- close correlation of scientific works (doctoral and habilitation theses) with the research programme of the Institute,
- development and effective utilization of modern research facilities, including unique equipment and research stations,
- making it possible for employees to closely cooperate with scientific units in Poland and abroad, including the possibility of participating in apprenticeships abroad,
- assigning publishing priority to habilitation theses and the so-called "professors' books",
- awarding prizes for obtaining the academic titles of doctor and habilitated doctor, as well as fixed bonuses for holding such titles.

Picture 1. Management system at Central Mining Institute, own materials



Since the moment of its establishment GIG has educated: 55 professors, 72 habilitated doctors, 296 doctors in the area of "mining and engineering geology" (since 1961) and "environment engineering" (since 1998). The results achieved in the area of development of the scientific personnel of the Institute prove the adopted direction of the strategy is right. The adopted system of management provides opportunities for the promotion of particular employees, who are employed at GIG in various positions, according to their qualifications, as defined by relevant regulations and an internal scale. Promotion is the result of an individual development of an employee and raising his professional qualifications. Taking into consideration the character of the Institute, scientific promotion associated with obtaining academic titles is most important. Generally, scientific promotion has an impact on vertical promotion in a group of scientific employees (assistant, assistant professor, professor) and research-technical (specialist, senior specialist, chief specialist) and involves assigning

employees to management positions in general. It is also associated with moving to a higher rank in the hierarchy of scientific and research-technical positions.

An opportunity for changing working conditions and promoting employees at the Institute, especially research-technical employees are assessments carried out in periods defined by relevant legal regulations. On the basis of these assessments the paths of development for younger research employees are defined and possibly the path of development is revised in case of employees with longer work experience. The assessments of remaining employees are also carried out regularly.

There is a lot of focus on raising the qualifications of employees in form of:

- scientific promotions (obtaining scientific titles)
- postgraduate studies (co-financing amounting to at least 60%),
- external trainings,
- internal trainings,
- scientific and professional apprenticeships abroad,
- participation in congresses, conferences and symposia.

In 2014 the cost of training the employees of GIG amounted to PLN241,000. 194 people participated in trainings. Every year a schedule of trainings is drawn up at the Institute. It is prepared on the basis of proposals of trainings submitted by the heads of divisions and organizational units. The proposals are formulated on the basis of proposals submitted by employees interested in trainings and on the basis of current needs for raising qualifications and based on the assessment of the competences of employees. Acquiring new competences and skills determines the allocation of additional duties to engineering-technical and administrative-economic employees, as well as expanding the scope of their responsibility. The training schedule is always open in character. This means it is updated regularly during the whole year, to take into consideration new training needs voiced by the employees. The employer usually accepts the trainings proposed by employees, which have received positive assessment from their superiors. An employee is referred to a training in case when raising his qualifications is necessary, or desired by

the employer, due to the employee's position and duties. The usefulness of a training course from the point of view of the Institute's needs is identified by the head of an organizational unit of an employee. The development of skills and raising the decision-making rights at the same position is naturally associated with higher remuneration and serves as an incentive.

Motivational system

Remuneration is a way to achieve the understanding, acceptance and engagement of employees and showing them what they can do to contribute to the success of the company (Motyka, 2010). Achieving the goal of profitable growth and making the institution able to rapidly adapt to changes in market economy depend on acquiring and keeping the most talented and skilled people. The Institute cares about the skills and competences of employees. The motivational system of remuneration applied at the Institute is focused on rewarding the professional activity of employees and achieved results. The system of remuneration complies with the adopted strategy and the assumed targets. It is also acceptable for employees and is based on:

1. gradation of targets, starting from the strategic goals of a company, you formulate functional and operational goals, which are comprehensible and transparent, thanks to this the Institute can achieve the appropriate scale of added value,
2. structure of remuneration, remuneration consists of a fixed component including an averaged value of an employee based on the results achieved thus far, skills, at the same time variable elements of remuneration take into consideration the current effects of work, as well as an employee's engagement in obtaining projects, market orders, etc.
3. trust of employees, the conviction that the system is fair encourages employees to work hard,
4. efficient communication, managing work results requires constantly monitoring them, assessing them diligently, open communication and fairness with regard to the expected remuneration.

The remuneration system is integrated and contains the following elements:

- basic remuneration — rules of classification, taking into consideration the requirements with regard to professional education and requirements with regard to professional experience defined in qualification scales concerning positions,
- additional monthly remuneration for work experience — taking into consideration the experience gained during work for the Institute,
- additional remuneration for holding a scientific title — for employees holding scientific titles,
- qualification bonus — for research-technical employees,
- functional bonus for functional employees,
- additional remuneration for work in conditions harmful, or burdensome for health.

Moreover, employees are entitled to awards for obtaining a scientific title, serving as a doctoral advisor in a PhD programme, to anniversary awards, Miner's Day award, annual award from the Company Bonus Fund — paid once a year after the founding body approves the financial report. Apart from the above-mentioned fixed elements of remuneration and awards, the system includes variable elements of remuneration in form of bonuses. Bonus varies depending on the kind of activity, it is focused on the engagement of employees and creating appropriate conditions for releasing the creativity of employees. Commission-based bonus system is subordinate to the implementation of the strategic goals of the institution. In course of construction of the bonus system at the Institute criteria for the measurement of the results of work were clearly defined.

At the Institute there is a Corporate Collective Labour Agreement registered at the District Labour Inspectorate in Katowice which is an effect of internal arrangements made with the trade unions. Corporate Social Benefit Fund is funded with money transfers made every year at GIG. The Fund is used to co-finance employees' holidays and to provide them with material support, including housing. Moreover, the Institute offers additional benefits:

- Employees' Pension Programme registered at the Financial Supervision Authority, run by an insurance company,
- an additional day off for celebration of Miner's Day,
- medical care at the labour medicine centre located on the premises of the Institute,
- additional specialist medical care.

GIG attracts many students willing to participate in apprenticeships. Every year a few dozen students participate in professional and diploma apprenticeships at the Institute. Graduates of universities, who have participated in an apprenticeship programme at GIG constitute a major group of new hires.

Picture 2. Children's Day at Central Mining Institute, own materials



The Institute also takes care of team building — the Institute holds annual Miner's Day meetings (also for retired employees), as well as Children's Day parties attended also by the pupils of GIG from St. Charles Borromeo Congregation of the Sisters of Mercy in Katowice; the Institute also holds meetings integrating both the personnel and the personnel

together with the Institute's partners. Moreover, the Association of Mining Engineers and Technicians operating at the Institute organizes conferences, scientific and technical meetings with support of the Institute, as well as excursions, special occasion meetings and team-building events.

Representatives of the Institute participate in various kinds of opinion-making groups such as: commissions formed by the president of the State Mining Authority, Committees formed by the Voivode of Silesia and the Marshall of the Silesian Voivodeship, as well as in teams and councils in ministries and other state administration bodies and in steering committees of the European Union, e.g. Coal and Steel Committee (COSCO) — programme body of the Research Fund for Coal and Steel (RFCS), or Coal Advisory Group of the European Commission.

Work security in a scientific unit

A lot of attention is paid to the safety and hygiene of work. Modern techniques and methodology of conducting research works, as well as systematic repair and modernization works have substantially improved the conditions and comfort of work and have substantially reduced the risks associated with the work process. The integrated management system implemented at the Institute obliges the employees to work in compliance with the developed procedures. GIG as an employer is obliged to identify threats and risk at all work places and to inform employees about the risks and instruct them how to minimize the risk. For this reason, the Institute conducts initial, periodical and basic health and safety trainings on a regular basis. During these courses employees are informed about the assessment of professional risk and current health and safety regulations. Also the participants of apprenticeships sent to GIG by labour offices and students participating in apprenticeship programmes at GIG take part in such courses. Employees regularly visiting underground parts of mines are subject to special training programmes and medical exams.

All employees of the Institute participate in preventive medical care programmes and employees working in laboratories who may be

exposed to ionizing radiation are subject to specialist monitoring and exams. Employees conducting research on the premises of technological halls, in chemical and physical workshops, as well as blue collar workers receive clothes, protective and work shoes, as well as means of individual protection (protection of hands, eyes, respiratory tract, hearing, equipment protecting against dropping from a high elevation etc.). People coming in touch with chemical and physical agents and people employed at blue collar positions receive every six months personal hygiene goods, namely, soap, hand paste and towels. Employees receiving work and protective clothes receive a compensation for washing and repair of clothes at their own expense. The Institute's spending on safety and hygiene of work amounts to more than PLN200,000 a year.

Conclusions

Polish organizations change as a result of changes in ownership and economic environment. This often requires a reformulation of management strategy, including human resource management, change of directions and manners of functioning. For a scientific unit such as Central Mining Institute the basic group of stakeholders are its employees. They should on the one hand be the subject of activities from the area of CSR, participate in them, implement the defined targets, but also provide inspiration. On the other hand employees are the beneficiaries of a company's social activities.

Socially responsible organization is the one which makes it possible for its employees to achieve a balance between professional and private life, builds friendly social environment, cares about interpersonal relations, on top of securing such fundamental things as work safety and respect for employees' rights. The presented analysis of the basic element influencing the value and competitiveness of an organization, that is, human capital, makes it possible to understand its significance as the basis for the construction of own strategy of social responsibility. Looking from the perspective of time and specific character of GIG, the most efficient and the best results came from the implementation of a complex programme of

personnel development. Personnel marketing as a concept exposing the necessity to build a relational character of work relationship in a scientific unit plays a major role in the creation of a CSR strategy.

Bibliography

1. Own materials of GIG 2009–2015. Katowice: GIG.
2. *Strategia Społecznej Odpowiedzialności GIG*. 2009.
3. Baruk, A. (2013). Zewnętrzny marketing personalny jako element holistycznej orientacji organizacji. *Marketing Instytucji Naukowych i Badawczych*, No. 3(9), DOI: 10.14611/minib. 09.03.2013.03.
4. Bernatt, M., Bogdanienko, J., Skoczny, T. (2011). *Społeczna odpowiedzialność biznesu. Krytyczna analiza*. Warszawa: WN WZ UW.
5. Edvinsson, L., Sullivan, P. (1996). Developing a model for managing intellectual capital. *European Management Journal*, Vol. 14, No. 4, 356–364.
6. Kurowska, A., Derlatka, T., (2009). Kapitał relacyjny jako źródło przewagi konkurencyjnej przedsiębiorstwa. IN: Cisek, M. (ed.) *Kapitał relacyjny w nowoczesnej gospodarce*. Warszawa: Wydawnictwo Emka.
7. Motyka, J. (2010). *Vademecum Zarządzania Zasobami Ludzkimi*. Warszawa: PARP.
8. Listwan, T. (ed.) (2005). *Słownik zarządzania kadrami*. Warszawa: Wydawnictwo C.H. Beck.
9. Perechuda, K., Chomiak-Orsa, I. (2013). Znaczenie kapitału relacyjnego we współczesnych koncepcjach zarządzania. *Zarządzanie i finanse* No. 11/4 cz. 2/2013.
10. Rybak, M. (2003). *Kapitał ludzki a konkurencyjność przedsiębiorstw*. Warszawa: Poltext.
11. Schwan, K., Seipel, K.G. (1997). *Marketing kadrowy*. Warszawa: Wydawnictwo C.H. Beck.
12. Sitko-Lutek, A., Pawłowska, E. (2008). Kapitał społeczny a doskonalenie kompetencji menedżerów. *Organizacja i Zarządzanie*, kwartalnik Politechniki Śląskiej, No. 3.
13. Zbiegień-Maciąg, L. (1996). *Marketing personalny*. Warszawa: Business Press.

Sylvia Jarosławska-Sobór, Ph.D., Central Mining Institute, Poland — spokesperson of the Central Mining Institute, specialist with many years of practical experience in the area of communication, PR, CSR. In her research work she focuses on the sociology of management and organization, social aspects of the functioning of companies. The author of books concerning social responsibility of companies.