Abstract: The aim of the paper is to analyze the Corporate Social Responsibility’s (CSR) influence on employees considering the fact that employees are primary stakeholders who directly contribute to the success of the company. CSR relates to employees helps to motivate the employees themselves. Job quality should be a key objective of any employer because the happy employees can create happy customers, which produce good business results. Research clearly indicates, with the help of statistical data and with the case study methodology, that committing to CSR boosts the morale and commitment of workers in a positive way. Employees who are satisfied with the organization’s commitment to social and environmental responsibilities demonstrate more commitment, engagement and productivity. A conceptual framework is proposed based on literature. The author predominantly uses methods of qualitative research. In the research the case study methodology, which has been developed within the social sciences, is used. The paper starts with a concise introduction of CSR. In the first part the potential impact of CSR on employees is explained, considering why CSR may represent a special opportunity to positively influence employees’ and prospective employees’ perceptions of companies. In the second part the research considers three Italian companies that have distinguished themselves for their CSR strategy for employees: Luxottica, Brunello Cucinelli and Ferrero. A growing number of studies have been done regarding the benefits of CSR. However, most are concerned with the external view of shareholders and customer perspective. CSR research on the employee level is not well developed now. In order to better understand its effect on the employees, this study explore the impact of employees’ perception of CSR on subsequent work attitudes and behaviors. CSR has a significant effect and it could improve employees’ attitudes and behaviors, contribute to corporations’ success, and achieve a win-win situation. The main contribution of the research is to explore the impact of an organization’s CSR activities internally on employee engagement.

Key words: Corporate Social Responsibility; employees; work; reputation

JEL classification: M14; M54

1. Introduction

In the past companies often thought to business and society in opposition (Friedman, 1970), but in these days external pressures for CSR continue to grow and numerous organizations monitor, rank, and report social performance (Gazzola, 2012). Sometimes the legal, business and reputation risks are great for companies engaging in practices deemed unacceptable.

The social responsibility of the firm defines a transparent corporate behavior based on ethical values and on the respect of coworkers, of society and of the environment (Waddock and McIntosh, 2009). Companies should recognize the importance of CSR and need to consider concepts like: moral and ethical programs, ethical behavior, social responsibility, equity and also try to implement these concepts in their organizational culture (Nunes and Simescu, 2010).
Now companies understand the enormous potential of business to contribute to social progress (Vlad, 2012) and they understand they depend on healthy and well-functioning societies to thrive (Ditlev-Simonsen and Gottschalk, 2011).

The institutional goals of businesses has to consider the following elements (Masini, 1978):

1. Satisfaction of economic (salaries, etc.) and non-economic (conditions of individual development) needs of the workers involved in the development of the company with their overall personality;
2. Meeting the expectations, especially economic, of the shareholders (in family businesses non-economic expectations are also important).
3. Active participation in the economic and social development of the country or countries in which the company operates.

This interconnection between private purposes and social role reflects the convergence in the company of multiple interests referring to external subjects: they are economic non-institutional interests and non-economic institutional interests. The common goal for the company is the production of remuneration for participating in the community which is the company (shareholders and employees). External interests that are identified as priorities, affect directly the sustainability of the entrepreneurial project. Other external interests, not priority, are those to which the business must make socially responsible behaviors. It's possible to identify three levels of interest: the institutional interests, the interests of stakeholders and the general interests of social communities in which the company refers to.

Employees are primary stakeholders who directly contribute to the success of the company and company behaves responsibly depends on the aggregate of individual employees’ day-to-day commitment, decisions and actions. Employees are motivated by CSR. The integration of social, environmental, and economic improvement through CSR makes workplaces enjoyable (Nanderam, 2013). That's why the companies need much more emphasis and training focused on employee social responsibility and on employee engagement.

Employee engagement is one of the toughest and often most important elements of CSR efforts. The level of employee involvement and ownership is critical to the success of CSR in the company. Employees bridge the gap between the company's CSR goals and the realization of those goals. Companies are increasingly relying on employee engagement as a means of competitive advantage. Desirable behavioral outcomes associated with employee engagement are strongly correlated with affective commitment.

Studies show that when companies implement CSR successfully, the result is positive employee relations with respect to recruitment, morale, retention, and productivity. The paper shows which link CSR initiatives, and employee commitment. These alliances promote an affective employee-employer connection as they reinforce a work culture that values social responsibility as well as provide opportunities for skills development.

2. Literature review
In 1985 Tajfel and Turner presented a framework which explained individuals’ need to classify oneself and others into social groups. They reveal that the relationship between CSR and employee engagement could be explained through the Social Identity Theory. According to this theory, individuals derive part of the identity from the group(s) to which they belong (Tajfel and Turner 1985).

The relationships between companies and stakeholders and the conditions under which this relationship can evolve are studied by Collier and Esteban (2007). They stated that unless companies manage to gain employees’ willingness to collaborate towards a social responsible business profile, they will be unable to achieve their goals.
According to Greenwood (2007) the companies to achieve their goals require the development and maintenance of stable relationships between the company and the employees via the routes of communication, identification, dialogue and exchange processes, or even a combination of them. Donaldson and Preston (1995) and Freeman (1984) consider that CSR relates to employees, one of a corporation's main stakeholder groups, helps to motivate the employees themselves. As Lindgreen and Swaen (2010) stated, when companies invest strong relationships with their stakeholders, both parties are more likely to work towards the achievement of common goals. The theory also proposes that a membership can describe employee behaviors, perceptions or even thoughts and feelings. An employee may feel attached to the organizational membership and experience organizational success or failure as part of their personal achievement.

Bryman and Bell, 2007 define the relationship between CSR and employee engagement like a set of techniques which takes people's experiences and their verbal expression seriously, while checking their value, meaningfulness and applicability. Hence, qualitative research focuses on individuals' perceptions regarding social phenomena. According to Buckingham and Coffman (1999) and Gibbons (2006) companies increase relying on employee engagement as a means of competitive success. Greenwood (2007) and Jamali (2008) underline the employee engagement imperative and they also recognize the strategic value of relationships with external stakeholders, such as local nonprofit community organizations, as a means of securing competitive success. CSR initiatives, cross-sector alliances in particular, may provide an innovate approach for supporting business success as they can be used to simultaneously address employee engagement challenges as well as address the collective voice of varied external stakeholders.

The stakeholder engagement between managerial action and communication is analyzed in Gazzola (2013) where the dialogue and the communication with stakeholder become the key tool for strategic change and the opportunities for an economic development and growth that respects society.

3. Methodology
This study is focused on the CSR and it’s influence on employees. This study has three research objectives:

4. To understand how CSR contribute to the success of the company;
5. To identify the motivations which lie behind the development of CSR initiatives;
6. To examine the impact of the CSR practices adopted by companies, on employee companies’ engagement.

The research design predominantly employs the qualitative methods. The authors describe and synthesize, with the use of statistical data, the dynamics and the evolution of employee motivation.

In the research the case study methodology which has developed within the social sciences is used. Such methodology is applied not only in the social sciences, such as psychology, sociology, anthropology, and economics, but also in practice-oriented fields such as environmental studies, social work, education, and business studies. Case study research excels at bringing to an understanding of a complex issue or object and can extend experience and add strength to what is already known through previous research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. The research adopts the view of the
business case illustrated by the syncretic model (Berger et al., 2007) because it recognizes direct and indirect relationships between CSR and firm performance (Gazzola and Mella, 2006). This view allows the firm to value and appreciate the complex relationship between CSR and employees. Such appreciation may enable the firm to identify and exploit new opportunities (Carroll and Shabana, 2010).

The main contribution of this line of research is to explain the important relation between the CSR and employees engagement.

4. CSR and work

Job quality should be a key objective of any employer. “Happy employees create happy customers which produce business results”. (Government of Canada, 2012)

The first step in understanding the potential impact of CSR on employees is to consider why CSR may represent a special opportunity to positively influence employees’ and prospective employees’ perceptions of firms (Bauman and Skitka, 2012).

The survey conducted by Rutgers, the State University of New Jersey, prepared for the nonprofit Net Impact, provides a revealing picture of what students and professionals most value in a job, and demonstrates how opportunities to make a positive impact at work are linked to job satisfaction (Net impact, 2012).

Most people, of statistically-significant sample of 1,726 individuals divided in students and professionals, say that having a job that makes a social impact on the world is an important life goal (Fig. 1). Students say it is more important than having children, a prestigious career, being wealthy, or being a community leader—ranking only below financial security and marriage. Professionals show similar prioritization, with having children rising higher on their list of goals.

In the Figure 1, 53 percent of workers said that “a job where I can make an impact” was important to their happiness, and 72 percent of students about to enter the workforce agreed. Most would even take a pay cut to achieve that goal (Anderson, 2012). In the survey also they ask what is very important or essential in the ideal job and 38% of the workers and 50% of the students answer: employer prioritizes the CSR (Fig. 2)
Another research, conducted by the Kenexa Research Institute (KRI), evaluated UK workers’ perceptions of their organizations with regard to corporate social responsibility. The research shows that a strategic corporate initiative of CSR that has been receiving an increased amount of attention, provides more benefits to an organization than simply reducing costs by recycling and giving back to the community. Results in the United Kingdom indicate that an organization’s CSR efforts also positively affect an employee’s personal outlook of the future, satisfaction with their job and confidence in the company’s future (KRI, 2007). A socially and environmentally ethical approach ensures a company’s ability to thrive in the long-term by protecting its reputation, its license to operate, its supply chain, its relationships with partners and its ability to recruit talent (Colombo and Gazzola, 2012). In order to satisfy, attract, and engage top talent, employers would be well advised to place a greater emphasis on connecting jobs to social and environmental impact. The role that CSR plays in enhancing a company’s reputation among its own employees, subsequently boosting their motivation and engagement, is perhaps underrated, which is particularly problematic for companies that are inconsistent in their approach to implementing CSR initiatives.

In a study of workplaces, in more than 140 countries, from 2011 through 2012, Gallup
(2013a) estimated that only 13% of employees worldwide are classified as “engaged”. It is apparent from these findings that employees with a low morale can make a significantly negative impact on the profitability of a business. Employees who are engaged contribute to a reduction in staff turnover, and ultimately, a boost in profitability. It is possible to compare the date with the study of the American workplace from 2010 through 2012. In 2012 in USA 30% of workers was engaged, 52% of workers are not engaged, and worse, another 18% are actively disengaged in their work. Gallup (2013b) estimates that these actively disengaged employees cost the U.S. between $450 billion to $550 billion each year in lost productivity. They are more likely to steal from their companies, negatively influence their coworkers, miss workdays, and drive customers away.

To better understand how CSR influence the employees in the next sections 5, 6, and 7, we analyzed three Italian companies where CSR is particularly consequential for employees.

5. Luxottica: everyone feels part of the organization

Luxottica produces and distributes sun glasses and prescription eyewear of high technical and stylistic quality to improve the well-being and satisfaction of its customers and at the same time create value for employees and the communities in which the Group operates.

The Social responsibility is the main lever with which Luxottica Group is committed to sustainable development of their business. It has shown a great interest in people and this interest has declined in a vast corporate welfare program, characterized by a strong attachment to the land and the desire for involvement of workers and union representatives.

Luxottica has created a new system of industrial relations that seeks the reinforcement of the productive system, the improvement of all workers actual wages and foresees the promotion of services in favor of the workers themselves.

Luxottica gives primary importance to the human aspects of organizational life, the quality of the relationships between people, the satisfaction of their needs and the fulfillment of their aspirations. The basic idea is that all these aspects affect the daily operation of the company performance and therefore on the market performance.

The company has focused primarily on "involvement" with the conviction that the organization has to make everyone feel part of it like belonging to a large family in which the contribution of the individual is precious for the good of all. All these concepts revolves around an idea which is the sense of identification, the will of commitment and personal adherence of the employees to the activities and the objectives of the firm constitute, more so in the uncertainty of today's market scenario. They are vital resources for business competitiveness.

On this front the efforts of the group are certainly important, as confirmed on the occasion of 50th anniversary, the allocation of bonus shares of the company to the employees of Italian factories in recognition of their contribution to business success.

Luxottica listened to the needs of its staff and distributed goods and services not only to the most deserving but to everyone in the company. Agreements have been reached with the retail chains to purchase primary goods; with preventive diagnostic medical centers, dental care, pediatric and specialists; support for the means of transport; interventions for school education; scholarships and career guidance. All this was carried out by Luxottica in constant agreement and cooperation with trade unions and the territory (www.luxottica.com).
The belief of the firm is that each one could help retrieve this value that had been lost, by paying attention to "how" one works meaning one's daily habit, respecting the rules that guide the process, the caring of the workplace and the tools that are used by everybody, an example that can be given to others. If all pursue this behavior it then becomes a habits and therefore it is possible to measure the recovery in value, monitor and activate the circle that creates value and convey it to the people. The project, therefore, can be self-financing with the resources that are saved by the reduction of waste. (Salomoni, 2011)

The concept of "quality" is joined to "welfare" with the desire to create a virtuous cycle: quality of life (if you feel part of a family, you work better and you are more stimulated), the quality of process (because process is made by the people), product quality, reducing of waste. At the base there is a strong emphasis on meritocracy and fairness to all employees. To give substance to the project there are four principles: work organization, prevention, communication and collegiality.

Consequently the invisible assets represented by the sense of belonging and loyalty of human resources should be appropriately encouraged, but that they are also able to create a virtuous link between employee involvement and a series of indicators related to the provision organization such as the reduction of absenteeism and the increase of the orientation to quality work.

6. Brunello Cucinelli: the humanistic factory

Brunello Cucinelli is the President and Managing Director of Brunello Cucinelli SpA, a company famous the world over for its production of cashmere apparel, which are exported throughout Europe and to the United States, Japan, Russia, and the Far East. Brunello Cucinelli SpA carries on operations in the world’s principal cities with 1,000 points of sale in multibrand stores and around 80 monobrand boutiques, over 750 employees, and a turnover of which three quarters come from international markets. His entrepreneurial story began in 1978, at the age of 25, when he opened a small 40m² workshop. Throughout the 1980s the business grew and developed.

Now the Brunello Cucinelli brand is at the top of the luxury pyramid for the cashmere of Italian quality. It is internationally recognized as one of the prime examples of "absolute luxury". It combines superb Italian manufacturing with an ability to be innovative and to set trends while preserving distinctive taste and style focusing on a luxurious casual-chic total look.

The ethical, humanist-inspired entrepreneurial model places people at the center of the production process. It encourages the creativity of each worker and simultaneously develops within them a sense of profound participation in the group’s success and goals. This commitment is shared on all levels of the company and with outside contractors and clients around the globe who are extremely loyal and who trust the company (www.brunellocucinelli.com).

Brunello Cucinelli has created a strategic competitive advantage through nurturing a human advantage.

Brunello places paramount importance on the essence of humanity stating; "Quality of life is essential. Work becomes more humane if man is placed at its center." To deliver on this he didn’t just set up favorable human resource policies and practices but invested in this philosophy in a major way by buying and restoring an entire town to provide his employees with an aspiring and inspiring lifestyle.

In the late 1980’s he bought a medieval hamlet Solomeo in Umbria and restored the town into an artisan factory village where employees live and work including Brunello himself. The town includes a thirteenth-century castle, church, medieval houses, farmhouse and villa. Old buildings have been transformed into artisan workshops,
warehouses, dining areas, town squares and an outdoor theater, each with a plaque containing a philosophical maxim. Brunello built what he calls a “humanistic factory” where “employees are treated as preciously as the clothes they create”. With an emphasis on craftsmanship, creativity, pride in one’s work and perfection, there is no traditional hierarchy and no distinction between management and non-management. Employees earn higher than average wages, do not punch time cards and each employee has a key to the workplace. His notion of “the humanistic firm” is based on the following business model: a third of the profits go to employees (who are paid wages and salaries higher than the industry average), a third to the community, and a third is retained as entrepreneurial profit on the investment made. This approach has paid off handsomely in market terms, since the company has managed to grow during the crisis. Earnings have grown in parallel with reputation. (Corbellini and Marafioti, 2011).

Cucinelli is an enterprise in which the orientation to CSR is part of the genetic heritage of the company from the beginning for the presence of a strongly leadership sensitive to social and environmental issues. (Cross, 2013).

7. Ferrero: “sharing value to creating value”
The Italian chocolate and confectionery manufacturer Ferrero, founded and managed by the Ferrero family has acknowledged social responsibility and put it into real practice since the business started. Having inherited the vision and culture of the ancestors, they have progressively formed the CSR value system (Mella, 2012) during the course of company development. They believe that good business is built on good values. Ferrero’s CSR vision Sharing Values to Create Value has been deeply embedded in their mindset, and is also implemented into every aspect of the entire business operation.

From the very beginning, Ferrero’s corporate spirit has been built on strong values, reflecting the Company’s origins and history. According to these values, man is naturally at the heart of the Company. In this context, Ferrero pursues an ambitious social policy aimed at the well-being of its employees. Two key principles guide this process: the constant objective of company growth, and the desire to further the development of its employees.

In recent years this social project has become effective in Ferrero France with the creation of a social organization at the service of the employees, and with the opening of a company nursery and a mini club on the premises to help with child-care issues (www.ferrero.it). In Mexico, for example, Ferrero is setting up a college scholarship program, in Ecuador and in Argentina the employees are entitled to discounts in supermarkets, Ferrero Luxembourg has made five-a-side football and tennis courts available for the sportier people!

Reputation Institute (2013) recently released its 2013 CSR RepTrak® 100 study, ranking 100 global companies by their CSR reputation, based on a survey of 55,000 consumers worldwide. Ferrero is in the 30th place.

Conclusion
In the paper we consider how CSR relates to employees and how corporate social responsibility may represent a special opportunity to influence employees’ general impression of the company. Italy, in the CSR practices, follows the initiatives of the European Union. The European Commission, after proposing a new definition of CSR as "the responsibility of enterprises for their impacts on society" (EU, 2011), calls on companies to put in place a process for integrating social, environmental, ethical, human rights and consumers’
interests in their business operations and in their basic strategy, in close cooperation
with their stakeholders. When all of these principles were present, they formed the basis
of a focused, forward-thinking, corporate environment that clearly understands and
realizes the business case for CSR: attracting and retaining talent; reducing
environmental footprint and costs; innovating products and services; and enhancing
reputation and goodwill with all stakeholders.
By addressing their social responsibility, enterprises can build long-term employee,
consumer and citizen trust as a basis for sustainable business models. Higher levels of
trust in turn help to create an environment in which enterprises can innovate and grow.
CSR is very important for the overall growth and employee motivation of any
organization. From this paper it becomes clear that companies must engage in CSR
activities if they want to satisfy employees and keep them motivated towards
organizational commitment (Chenoy, 2012).
By satisfying their need for a meaningful existence, employees should enjoy greater life-
satisfaction and increase emotional well-being. In addition, when employees participate
in programs that matter to them, it may strengthen their relationship with the company
and help them rededicate themselves to their own work roles (Grant, 2008).
As public expectations are increasingly adding social and environmental values to the
mix of how companies should behave, employee engagement in CSR plays a critical
role in company competitiveness, reputation, innovation and execution. When
employees are engaged in sustainability and CSR, it shapes their thinking and their
behavior, enabling their companies to come up with new ways to solve current business
problems and create new opportunities.
The three case studies show how these successful businesses base on CSR towards
employees the key of their success. The integration of social, environmental, and
economic improvement through CSR makes workplaces more attractive. The cases
show that when companies implement CSR successfully, the result is positive employee
relations with respect to recruitment, morale, retention, and productivity.

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