

# Symbiosis of CSR and PR: The impact of CSR on employee loyalty enhanced by internal marketing communication tools

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This article tackles corporate social responsibility and the relevant internal PR support. A method based on technical practice can assist in providing evidence that employees' consideration of various CSR actions would depend on their demographic features, lifestyle, qualification and, furthermore, that properly chosen PR activities may improve the reputation of certain CSR actions. Employees might have different reactions to PR support. Acceptance and the impact would also depend on employees' demographic features, lifestyle, and qualification. The method used during the investigation may be made suitable for the qualitative research of management concerns if modifications are based on practical findings.

**Keywords:** corporate responsibility, internal PR, employee opinions, increasing loyalty.

**JEL codes:** A13, C46, M14.

## Introduction

This study talks about internal PR activities and social responsibilities of companies. The aim of internal PR activities is to create and increase employees' loyalty, while external Public Relations workflow is aimed at building the company's reputation. Both of them should improve the credibility of CSR actions (Gill 2015). Figure 1 illustrates this connection and even points out the target of this investigation, namely the analysis of the reinforcing effects produced by internal PR. Table 1 has been compiled in addition to this figure, outlining the importance of responsible behaviour towards employees and forming their opinions. The chart primarily draws attention to the necessity of adequate working relations. With regard to PR, it is stated that it must be initiated inside the gates and that also applies to corporate social responsibility.

We are experiencing a period of recession, with many enterprises having to face difficult circumstances due to first the Covid-19 pandemic and then to the military conflict. It is worth drawing conclusions from the previous similar

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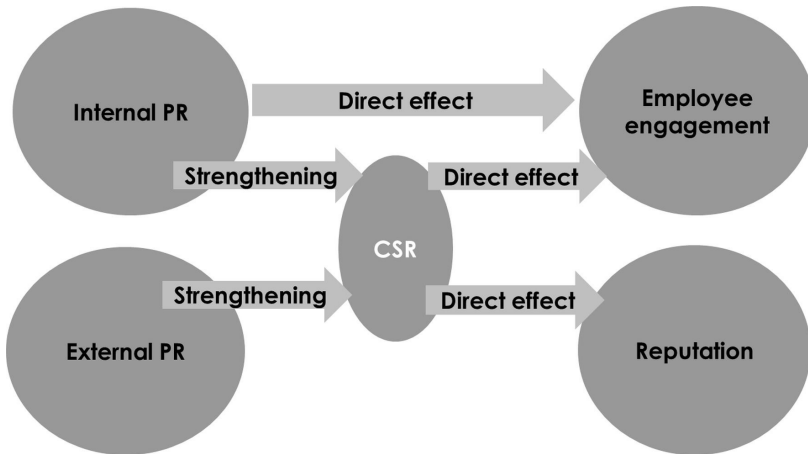
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situations. After the 2007 crisis, it was stated that if the economy failed to prosper then the corporate CSR activity would fade (Braun 2016). Although the intensity of CSR activities has decreased, the economic crisis has forced measures to improve corporate image or affect employee loyalty.

**Table 1. Importance of internal activity and their impact**

Category	CSR	PR
Statement	It was historically a business-oriented idea that companies should voluntarily improve their social and environmental practices (Salvioni–Gennari 2017).	Influence the behaviour of groups of people in relation to each other (Tench–Yeomans 2009).
Separation	Internal and external impacts can be separated.	It can split into internal and external activities.
Consequence	<b>CSR starts inside the gates</b>	<b>PR starts inside the gates</b> (Tench–Yeomans 2009).
Question	How could the company show responsible behaviour towards its environment when it cannot display such behaviour towards its employees?	How could the company’s PR department or expert influence the external stakeholders if they can’t even influence their own employees?

Source: Own editing



Source: Own editing

**Figure 1. Connection between PR and CSR**

The economy has many sectors where employees' activities have not been standardised, i.e. the magnitude of value creation depends on the behaviour and attitude of the employees. Catering is such a sector which was faced with a critical situation during the pandemic period; in this sector, the employees are the engines of progress and their individual attitude is strongly dependent on internal communication (Verčič 2021). Neglecting the CSR activity will entail a risk for ventures, diminishing their positive image among customers and if there is a lack of media presence, competitors become the focus of public interest. It would therefore be worth proving a responsible way of thinking through practical activities if they can afford it and if financial and labour resources are available. By using internal PR actions, the cohesion among employees increases, thereby creating many more benefits. The advantage is not only for the external stakeholders, but also leads to an increase in the company's productivity.

It is reasonable to make another reference to decreasing CSR activities during the crisis of 2007. A post-analysis study has shown that people started to regard social responsibility with scepticism at that time. Companies – which may not have helped the ones in need in those crucial times or may not have reconsidered their portfolio of supportive actions – were thought to be insincere. After the financial crisis, PR experts started to work out ways to reset the reputation of CSR (Lewen–Nahyun 2021). During the pandemic period, CSR activities should only be avoided if the critical situation makes survival override all ethical considerations. However, we should not ignore that image and fame are important elements of corporate resources (Józsa 2016). Fame can be created by responsible behaviour and properly chosen actions.

### **Portfolio of actions**

Two types of corporate CSR actions are distinguished. If the actions are related to the company's main activities, they can be extremely successful using existing expertise. In our current analysis, only those actions are included that do not depend on the company's main activities, therefore they are suitable for generalization. It's worth mentioning two actions that utilize professional experience. Two examples are worth mentioning. One of them is a positive outcome of responsibility even in our virally affected life. It is about free transportation for health care workers.

The Ministry of Innovation and Technology adopted a new measure (Hungarian Government 2020) which improved the image of public transport

companies. The initiative also became accepted by the employees. The measure ceased to apply 14 days after the end of the epidemiological emergency.

The other example comes from the energy sector which was said in 2013 to have fewer really responsible energetic companies than companies which were using CSR only as a communication tool (Putzer et al. 2013). It must be added that, in recognition of EON's activities and its sustainability efforts, it received the CSR Hungary 2018 Award. Their sustainability programmes are related to household energy saving solutions; they inspire consumers to cut back on consumption, thereby diminishing short-term utility (EON 2018).

Sector-neutral CSR actions needed to be chosen for this analysis. The specialised literature splits responsible corporate activities into several categories. According to Casado-Díaz et al. (2014), these include environmental protection actions, social charity activities, philanthropic sponsorship and responsible working groups. Thus, the six CSR actions shown in Table 2 were planned based on the viral situation.

Social charity can be categorized into, on one hand, supporting health insurance, and on the other hand, improving individual fortunes. It is the duty of all of us to protect our environment as waste is one of the greatest encumbrances and that is why waste reduction was included in the list of actions. Updated action regarding company pensioners and family workers could be listed out in the category of responsible working relations (see Table 2). The Table couples each sector-neutral action with an idea that helps the employees to better identify with CSR activities. It is worth paying attention to PR ideas like solutions for reducing costs and minimising expenses as they don't require a significant financial sacrifice from the company management.

### **Research purpose and questions**

The goal of our research was to explore employees' opinions regarding the CSR activity in general and PR-supported CSR in particular. The following research questions were formulated for the analysis:

- Does the consideration of various CSR actions depend on employees' demographic features, lifestyle, and qualification?
  - Can properly chosen PR activities improve the reputation of certain CSR actions?
  - Can the method used be made suitable for qualitative research regarding management concerns through practical modifications?
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**Table 2. CSR actions with and without PR support**

Category	CSR without PR support (idea)	CSR with PR support (idea)
<b>Philanthropic sponsorship</b>	The company subsidises the local theatre with a certain amount. It intends to help the institution survive after the pandemic period.	The company provides its workers with virtual tickets (named tickets or moderate amounts) for the next chosen performance at the local theatre (musical, comedy, royal drama).
<b>Social charity</b>	The company collects small gifts from its employees for hospitalised children during the festive season (Christmas, Easter).	Donors will be asked to attach any kinds of personal messages or inspirational letters to the gifts.
<b>Social charity</b>	Management provides the hospital with an adequate sum for purchasing important equipment.	The equipment will be handed over by an employee who was treated in the hospital and is now healthy and thankful for being able to work again.
<b>Environmental protection actions</b>	It would be difficult to set up groups and collect waste together. Workers will be asked to carry out individual and family actions.	Participants will upload pictures taken on the field before and after the cleaning actions. The pictures will compete for a prize.
<b>Responsible working relations</b>	Gifting computer devices in order to enhance the digital education of workers in need and with large families.	Company workers who are familiar with computer technology undertake to teach gifted children for the educational use of the devices.
<b>Responsible working relations</b>	Providing durable food parcels to company pensioners.	Active workers visit elderly colleagues and undertake to do their shopping. The company will add some gifts to the purchased goods.

*Source:* Own editing

## Methodology

Social charity can be divided into two parts: support for institutions and assistance to individuals (Thompson 2018; Alfes et al. 2016). The mathematical background of the process and the method of calculation are contained in scientific works (Pokárdi 2018; Földesi–Monori 2014).

Traditional methods of public opinion research include creating questionnaires and conducting professional interviews. The usual method of collecting employee opinions is through quantitative procedures, however, two aspects call into question the effectiveness of this method:

- The employees are afraid that their opinions will not remain anonymous, therefore - they are hesitant to express their true thoughts in writing.

- They may not pay proper attention to responses even if the questions asked in the questionnaires do not include embarrassing aspects.

We employed the method of paired comparison, which is also applicable in the field of social science and provides a good research foundation. The method of paired comparison consistently forms all conceivable pairs among which a choice needs to be made (Pokárdi 2018).

The first step in collecting information similarly to the questionnaire would be asking for information about the responders. They were notified that their personal identities would be known to us over the entire analysis, but they would remain unidentifiable in the study that would be carried out. The actions worked out with regard to the current CSR situation must be coupled in any possible ways, then the preferences of responders must be questioned. The possibilities were later expanded, thereby enabling the formation of more pairings. Some elements represented CSR actions implemented with PR support, while other elements covered CSR actions executed without PR support. Data collection was partly computer assisted, but personal involvement was sometimes necessary. The purpose of personal presence was not to influence the respondent, but to inspire the completion of the seemingly repetitive and lengthy questionnaire.

Over the special analysis of different cases, we found the demonstration of the entire sequence of mathematical processes to be the most appropriate further to interpreting the data of first responders, while in all the other cases, we focused on the presentation and evaluation of the results.

Techniques were introduced over the first analysis before presenting the situation of the interviewee and her consequent root causes based on data calculations. Table 3 includes the interviewee's responses in relation to charity without PR subsidisation.

**Table 3. Opinion of a lady employed in healthcare, CSR actions without PR support, first section**

Preferred actions	1	2	3	4	5	6	a	a <sup>2</sup>	p	n
Theatre sponsorship							0	0	8%	-1.41
Sick children	1			1			2	4	42%	-0.67
Healthcare	1	1		1	1	1	5	25	92%	0.67
Waste	1				1		2	4	42%	-0.2
Education	1	1					2	4	42%	0.67
Aiding elderly people	1	1		1	1		4	16	75%	0.67
Summary	5	3	0	3	3	1	15	53		-

Source: Own editing

When filling in this chart, a value of “1” is recorded in the case of a preference for altering the activities in the horizontal rows. The sum of “1” values added from the rows appears in column “a”, while the squares are found in the next column. The value “p” can be calculated with the following formula (1), where “N” will be the sum of available options, i.e. 6 in this case.

$$p = (a + 0.5)/N \tag{1}$$

The value “N” is taken from the standard chart of ordinary distribution, where “p” will be the probability of another action which is preferred to the current one. Furthermore, the sum of inconsistent triple numbers (d) will need to be checked by formula (2). A defected circle is found right away.

$$d = \frac{n(n-1)(2n-1)}{12} - \frac{\sum a^2}{2} = \frac{6(6-1)(2*6-1)}{12} - \frac{53}{2} = 1 \tag{2}$$

The next step will be the calculation of the consistency indicator, and supposedly we can accept that the responder has seriously considered the questions asked if consistency exceeds 0.5 in the case of six options. This indicator can be calculated by formula (3) in the case of an even number of elements.

$$K = 1 - \frac{24d}{n^3 - 4n} = 1 - \frac{24*1}{6^3 - 4 - 6} = 0.875 \tag{3}$$

Another chart will be compiled then. Instead of the “n” values in it, we will calculate the acceptance percentage – which can be better interpreted in our opinion – in each row with the help of the following relation (4).

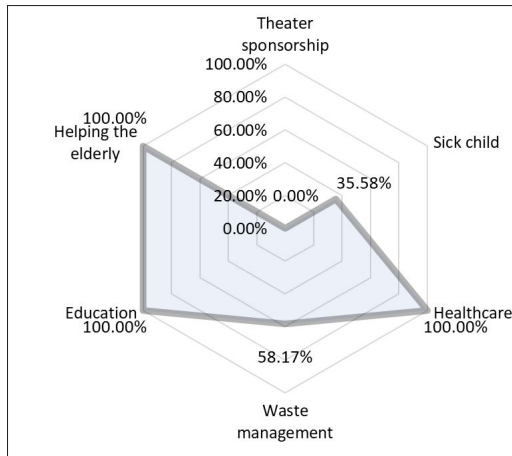
$$Y = \frac{n_i - n_{min}}{n_{max} - n_{min}} \tag{4}$$

The sequence of preferences will appear in Table 4. Providing aid to healthcare facilities will be in the first place, followed by assistance to elderly people, then a triple tie (offering gifts to sick children, waste reduction and aiding the education of employees’ children) and, finally, sponsoring theatres will come in last. The values of this chart can be seen in Figure 2. In the case of other respondents, the results will be demonstrated exclusively with numerical data. We have found the net diagram to be the most insightful one for comparing the six cases (Figure 2). However, this ranking can only be correctly interpreted if the demographic data and personality of the respondents are well known.

**Table 4. Opinion of a lady employed in healthcare, CSR actions without PR support, second section**

Calculation of sequence				
	n	Calculation	Description	Ranking
Theatre sponsorship	-1.41	0.00%	Sponsoring theatre	4
Sick children	-0.67	35.58%	Sick children	3
Healthcare	0.67	100.00%	Healthcare	1
Waste	-0.2	58.17%	Waste	2
Education	0.67	100.00%	Education	1
Aiding elderly people	0.67	100.00%	Aiding elderly people	1

Source: Own editing



Source: Own editing

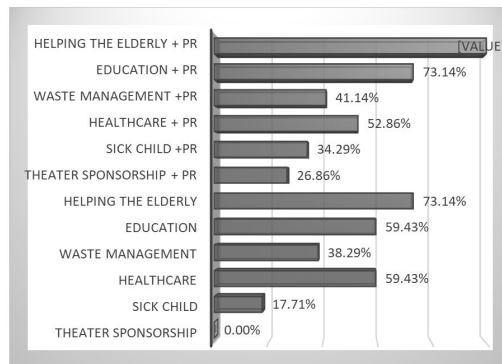
**Figure 2. Opinion of a lady employed in healthcare, CSR actions without PR support**

The first individual included in our investigation is employed in healthcare, but not in the healing sector. She is a blue-collar worker and works as a warehouse employee, being engaged in inventory reception, storage and commissions as required. She is in a cohabiting relationship and has no children. She has a high school degree and a post-secondary professional qualification. She is currently attending advanced technical education. They are renovating their detached house purchased in the countryside and live in the village until the house is finished. She would be ready to commute, however she has little time available due to the renovation and her studies. Plus, their finances are limited.

This lady's preferences indicate that she is committed to the healthcare sector and that she would like the healthcare to receive potential assistance. She took into consideration changing her employment due to financial reasons and the technical degree she will obtain soon will also be taken into account. As per her statement, she would expect her future employer to subsidize healthcare. This example is tremendous but may be irrelevant to her loyalty to the current employer. She prefers helping elderly people as she can see the problems of poorer and lonelier senior citizens in her village. The relegation of support for theaters implies that the respondent has little time for rest and cultural activities.

Overall, 47 inconsistent triple numbers appeared in PR actions and the consistency indicator was 0.33. The option will be more complicated in the case of a twelve-element chart. We will use this value of 0.33 as a limit, we will still analyse it, however we have already had some doubts with regard to its accuracy and to the remark. In the future, we will only explain the assessment of the first and last elements of the ranking. The options will be presented in detail in Table 5. The calculated percentages will be shown in Table 6, and these percentages will be highlighted as a bar chart in Figure 3.

The lady's commitment to healthcare was also evident during the evaluation of the expanded PR activity list. Her most preferred action is the equipment handover by the healed, grateful patient. She did not always favour PR support for CSR activities. She did not favour the idea of supporting the company's pensioners with the active involvement of current employees; however, this opinion might stem from her lifestyle and lack of time.



Source: Own editing

**Figure 3. Opinion of a lady employed in healthcare, CSR actions with PR support**

**Table 5. Opinion of a lady employed in healthcare, CSR actions with PR support, second section**

	n	Calculation	Ranking
Theatre sponsorship	-1.75	0.0%	10
Sick children	-1.13	17.7%	9
Healthcare	0.33	59.4%	3
Waste	-0.41	38.3%	6
Education	0.33	59.4%	3
Aiding elderly people	0.81	73.1%	2
Theatre sponsorship +PR	-0.81	26.9%	8
Sick children +PR	-0.55	34.3%	7
Healthcare +PR	0.1	52.9%	4
Waste +PR	-0.31	41.1%	5
Education +PR	0.81	73.1%	2
Aiding elderly people +PR	1.75	100.0%	1

Source: Own editing

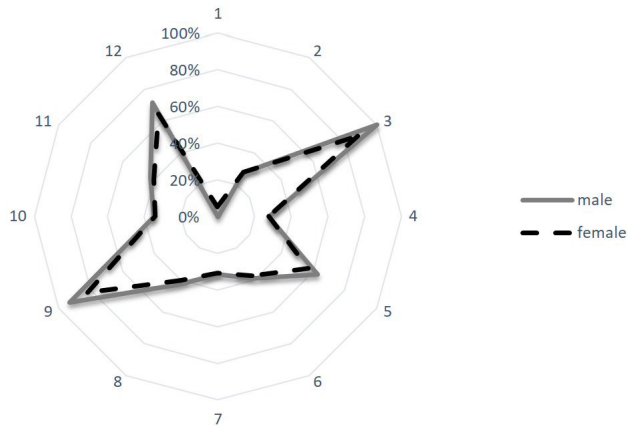
### Integrated results

Figure 4 and Table 6 indicate the integration by gender. Healthcare occupies the worthiest position as regards subsidisation for both genders. A noticeable difference is that if theatre performances as traditional elements of culture were subsidised with the involvement of employees, women would find that employer action attractive. Men would prefer doing the shopping for the company's retirees and then would gladly participate in donating. In this case, the PR action is important, reflecting personal attention, reinforcing the sense of community; the men did not find simple food donations to be useful.

**Table 6. Integrated opinions by gender**

Activity	Male	Female
Theatre sponsorship	0%	5%
Sick children	28%	28%
Healthcare	100%	88%
Waste	28%	28%
Education	63%	57%
Aiding elderly people	39%	37%
Theatre sponsorship +PR	31%	31%
Sick children +PR	43%	40%
Healthcare +PR	93%	82%
Waste +PR	35%	34%
Education +PR	43%	40%
Aiding elderly people +PR	72%	64%

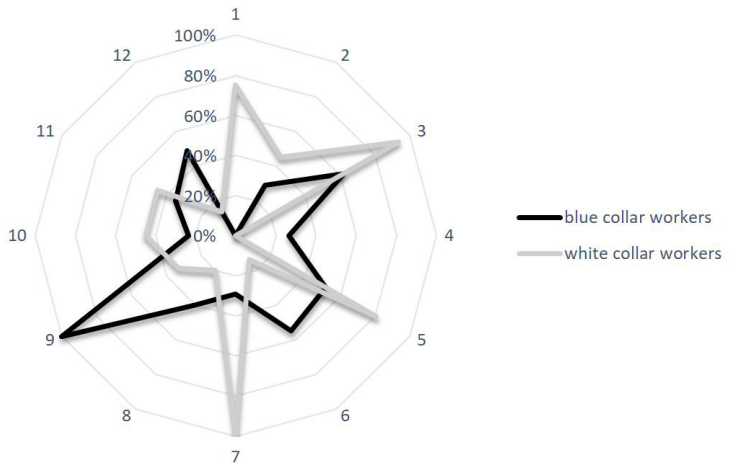
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**Figure 4. Integrated opinions by gender**

Figure 5 and Table 7 indicate the integration by job position. It is most noticeable that white-collar employees consider donations to the cultural sector important even in times of recession. Physical workers would prefer helping people with their shopping and believe that providing food parcels would not be degrading. Waste collection combined with inter-team competition has become increasingly popular among physical workers.



Source: Own editing

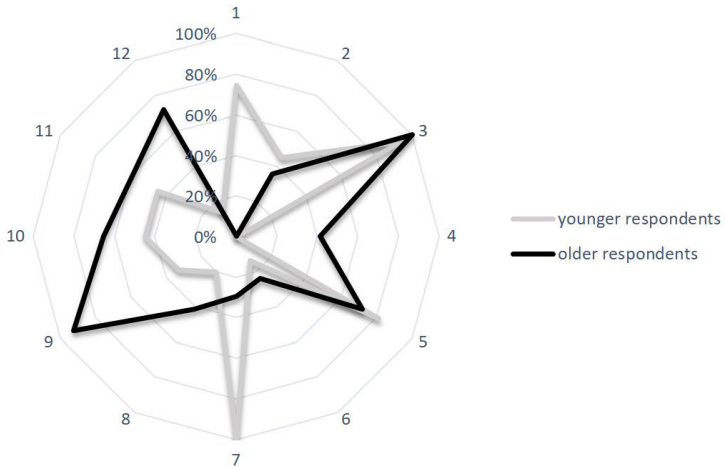
**Figure 5. Integrated opinions by job position**

**Table 7. Integrated opinions by job position**

Activity	Blue-collar workers	White-collar workers
Theatre sponsorship	0%	75%
Sick children	29%	45%
Healthcare	62%	93%
Waste	26%	0%
Education	52%	81%
Aiding elderly people	55%	14%
Theatre sponsorship +PR	29%	100%
Sick children +PR	40%	20%
Healthcare +PR	100%	33%
Waste +PR	24%	45%
Education +PR	34%	45%
Aiding elderly people +PR	49%	14%

Source: Own editing

The mindsets of two different age groups were represented in Figure 6 and Table 8. The ones aged between 28 and 38 have proved to support culture. Aiding the healthcare sector is important to them; however, they find equipment handover by healed patients a bit pathetic. The leading actions are those that robustly mirror the company’s commitment to responsibility, without necessitating extensive personal participation. This might be due to the fact that this age group suffers from constant lack of time. Creating a home and family life take up much of their time. It would be worth measuring the values for the younger and more independent individuals.



Source: Own editing

**Figure 6. Integrated opinion about CSR actions by age group**

**Table 8. Integrated opinions of different age groups regarding CSR actions**

Activity	Younger	Older
Theatre sponsorship	75%	0%
Sick children	45%	36%
Healthcare	93%	100%
Waste	0%	41%
Education	81%	72%
Aiding elderly people	14%	24%
Theatre sponsorship +PR	100%	30%
Sick children +PR	20%	41%
Healthcare +PR	33%	92%
Waste +PR	45%	66%
Education +PR	45%	59%
Aiding elderly people +PR	14%	72%

*Source:* Own editing

## Conclusions

Our first research question looked at whether the consideration of different CSR actions would depend on the demographic features, lifestyle and qualification of employees. As per the integrated spider web diagrams, the gender-based effect cannot be seen as a trend; instead, the job position and age do have effects.

The second research question was intended to investigate whether the properly selected PR activity can improve the reputation of different CSR actions. The elaborate individual analysis will indicate how the ranking would be modified by employees' acceptance of additional, promotional action.

Arguments and counterarguments can be read in the chapter on limitations and opportunities with regard to our third research question concerning the method. It is worthwhile to study the groups formed from the eight respondents, as this could be the basis for generalization. Sampling did not go to plan at first, but as the results started coming in, we found a way of grouping the respondents:

- Four female responders
- Four male responders
- Four white-collar employees
- Four blue-collar employees
- Four persons aged between 28 and 38
- Four persons over 50

The opinions and attitudes of the different age groups regarding CSR and PR topics would deserve an extra analysis. It can be presumed that novice employees and individuals from rural backgrounds have distinct value systems. This phenomenon has the potential to alleviate skepticism and the relentless pursuit of self-interest, while concurrently fostering a sense of loyalty among the workforce.

### **Limitations and future opportunities**

We will first list out the limitations with regard to the analytical method used. This statistical method requires more time compared to SPSS analysis. A computer expert can identify techniques to expedite the process. If this was the case, then the sample size could be extended.

Nevertheless, the production of a greater number of interviews prompts the question of whether the presence of the interviewer is unequivocally indispensable. While such a presence facilitates respondent clarity, it does require a considerable time investment. Depending on the sum of factors to be evaluated and on the commitment of responders, it is worth choosing between in-person interviews and computer-assisted interviews.

If this method was intended to be used by a company for similar goals, then one fact would need to be emphasised. CSR and PR experts would not be advised to initiate planning the actions based on their own etiquette; they would rather need to consider the thinking system of the target group. The investigation must be carried out with the proper research mentality, i.e. by destroying gender and age self-identification (Yeomans 2016).

According to the fourth research question, the method is suitable for addressing particular management concerns. The exploratory research has highlighted the fact that the employees qualify company measures differently. Fewer conflicts occur when employees prioritise measures as opposed to evaluating their accuracy.

Even the opinions of some target group members may help in making decisions that would build trust between the employer and its employees. The employer might sometimes have other interests than its employees, however a correct description of employment contracts and mutual compliance could ease opposite aims. The workplace is a community where common etiquette, goals and effective activities must be secured in different ways.

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