

Employees as key stakeholders in 21st-century enterprise: good practices

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Abstract

This article presents topics related to the main stakeholders of enterprises in the 21st century – employees operating in a market dominated by globalization and technological progress. To a large extent, they determine the competitive position of their organizations. To this end, the author describes the expectations of Polish employees as key stakeholders of the organization in which they are employed. Moreover, the author defines and describes the conditions that must be met to optimize the use of their potential. Good relations with this group of stakeholders is the basis for creating business strategies in the 21st century. The author also presents a description of his own research, which concerns the analysis of actions taken by companies aimed at creating optimal working conditions for their employees; this is also the main goal of this article. The analysis of source materials and research results indicated that employees played a large role in organizations and the need to implement dedicated tools and management methods. It should be obvious that the new economic realities force companies to invest in intangible resources, as it is thanks to them that it is possible to achieve market success. The main feature of companies that seek to achieve success is social sensitivity, which is manifested by a series of actions aimed at meeting the expectations of employees.

Introduction

Economies in the 21st century are becoming increasingly dynamic, which creates new challenges for enterprises. Their management, in the face of globalization, or the age of knowledge, requires decision-makers to seek new development strategies. It has become clear that the new economic realities are forcing companies to invest in intangible resources necessary to achieve market success. Therefore, enterprises that are focused on success are concerned with social sensitivity, which manifests as a series of actions aimed at meeting the expectations of employees.

Therefore, the aim of this article is to analyze the actions taken by companies that aim to create optimal working conditions for their main stakeholders – employees. Of course, the article will verify and

describe the criteria and methods of effective cooperation with employees. Examples of good practices from Polish companies will also be provided. Common interactions occurring between an enterprise and its employees require knowledge about their expectations and the conscious shaping of relations between them. An important element in the process of learning about their expectations is the fact that this group of stakeholders, unlike clients, often has different expectations of their employer.

The research objectives will be achieved based on an analysis of theoretical materials and empirical research conducted by the author in 2019 (10 large enterprise companies from the Pomeranian Voivodeship). The first stage of research was designed as a standardized questionnaire that described the subject. The second stage was an individual interview with managers at various

levels (32 persons) and employees (300 persons) from the surveyed entities.

The basic result of the analysis conducted in the article, including the results of the research, is the characteristics of the expectations of Polish employees as key stakeholders of the organizations in which they are employed. Moreover, the article defines and describes the conditions that must be met in order to attempt to make optimal use of employee potential. This is all the more important because the analyses performed in this article clearly indicated how important they are in the final market success of an enterprise. The proper arrangement of relations with this group of stakeholders became the basis for the creation of business strategies in the 21st century.

Stakeholder theory

Different entities, groups of persons, or even individuals who may be interested in the functioning of a given organization in the market, fit perfectly into the concepts of interest groups – otherwise known as stakeholders. This concept was developed in the 1980s, and it emphasizes all entities that can influence economic entities. It was created by R.E. Freeman (Freeman, 1984), who used it to refer to individuals or groups that can influence the activities of an organization or who are influenced by the activities of an organization.

In the literature, on the subject, there are now many definitions of stakeholders. K. Obłój (Obłój, 2007) defines stakeholders as institutions and organizations that meet two conditions: they have their own stake in the organization's activity (in decisions and effects) and are able to exert effective pressure on the organization. It proposes to include the following issues in the analysis of stakeholders: the pressure of stakeholders (power), legitimacy of stakeholders, and urgency of stakeholder demands. Ch.W.L. Hill and G.R. Jones (Hill & Jones, 1995, p. 45) have a different view of stakeholders and claim that these are diverse groups of individuals or individuals with claims against the enterprise. Laszlo (Laszlo, 2005, p. 17) defines stakeholders as individuals and groups of individuals who contribute to an enterprise's ability to generate wealth. They are potential beneficiaries with an interest in the tasks that the company carries out and/or the risks of its actions.

However, according to T. Donaldson and L. Preston (Donaldson & Preston, 1995), stakeholders are individuals or groups that have direct or indirect contact with an organization. Using this definition to broadly define a contract as a certain informal and

formal agreement binding both parties (analyzed by us, the organization, and the stakeholder), we can conclude that a stakeholder can be practically any element of the environment closer to, as well as further from, an organization. However, a specific situation context is of great importance in the interpretation of the stakeholder's influence on an organization. We must also mention that an organization as a whole is not always the subject of the stakeholders' influence – very often it is a specific process, system, or project (Smolska, 2016, pp. 311–312).

The situation is similar in the case of stakeholder classification – there are many types of classifications in the literature. For example, there are internal stakeholders who are members of the organization who can participate in the implementation of company projects (Grzeszczyk, 2006). There are also external stakeholders who are not members of the organization, and their impact on the company is more representative than direct (Grucza, 2012). On the other hand, according to a more extensive classification, taking into account the types of relations between stakeholders and the company, the following stakeholder groups can be distinguished (Paliwoda-Matiolańska, 2005):

1. Substitute stakeholders who co-create a company by engaging their own capital or labor (e.g., shareholders, owners, and employees).
2. Contract stakeholders who are bound to the enterprise by formal relationships based on contracts (e.g. customers, suppliers, competitors, and allies).
3. Context stakeholders who expect the company to engage in social and environmental projects.

When taking into account all the theories and others available in the literature, we should pay attention to very important and frequently repeated conditions (Frączkiewicz-Wronka 2012):

- the organization is part of a network of relationships with many stakeholders who influence its decisions and who are in turn influenced by it;
- the nature of these relations is very important, taking into account both processes and effects of activities for the organization and its stakeholders;
- the interests of all mandated groups are of significant value;
- the key theoretical aspect of the practice is to determine the conditions for making managerial decisions in terms of stakeholder influence.

Based on the literature analysis, we can state that the stakeholders of a given enterprise may be individuals, groups of individuals, as well as various other organizations that operate inside or outside an

entity. Their interests are to varying degrees related to the functioning and management of the enterprise, and they are connected with the management of the company and may influence its operation directly or indirectly. Of course, they are also subject to the company's influence. In relation to these definitions, we can see that it is the workers who have become the main stakeholders in all companies in the 21st century. The reason for this is simple: they are the ones who operate within the company, and their interests are directly linked to the management of the company. After all, it is the employees who influence the operation of the company and are directly influenced by it – and at the same time bear quite a high risk. They determine whether the enterprise will be successful on the market or whether it will suffer a spectacular defeat, which is nowadays the most important capital of enterprises. Therefore, according to the author of the article, one of the most important challenges for company management is to learn to expect that employees should be fulfilled in an optimal way so that their satisfaction is involved as much as possible in the work.

Employee expectations as stakeholders

It is no secret that every employee has different expectations for his or her employer. This is usually the result of various needs that each employee wants to satisfy at work. Of course, as time goes by and conditions change, the expectations of employees are often referred to – individual values for different employees are usually important to different degrees. There are people for whom the most important is a sense of security (own comfort) and stability at work, and these are able to accept lower salaries. On the other hand, there are employees for whom the highest possible salaries are the most important, and they are ready to accept even large inconveniences at work. The most important thing, however, is that the needs and expectations of the employee are at least in part consistent with the conditions that can be offered by the employer. If this happens, an employee should be satisfied with his or her work, which usually translates into expected effectiveness.

On the labor market, there are currently members of four generations: baby-boomers, and generations X, Y, and Z. In the literature, it is assumed that workers of different generations have different expectations towards work. For example, members of generation Y are in favor of work-life balance. For Generation X, the motto is “I live to work”, and for Generation Y, “I work to live”. Large organizations

are usually managed by representatives of generation X and baby boomers, who influence the results of the enterprise, not only of an economic but also a social nature. The representatives of generation Y are social activists who want to introduce social changes together with the company. This generation has been described as “the Re-generation” from the words: responsibility, renewable energy, recycling, reducing carbon emissions, and resource limitations. Its members pay attention to responsibility, renewable energy, CO₂ emission reduction, and resource reduction (Zaleśna, 2018).

However, analyzing the research conducted by Sedlak & Sedlak (Sedlak & Sedlak, 2017) reveals a slightly different picture of the expectations of Polish employees than the one related to the characteristics of particular generations:

1. The basic expectation of working Poles towards their employers is attractive remuneration.
2. Slightly less important, is the atmosphere in the workplace.
3. The competences of superiors are also very important for many respondents.
4. An interesting job, sense of the tasks performed, access to courses and training, balance between professional and family life.
5. The least important expectations were caring for the environment and society and diversity management.

According to the author, employees in Poland expect above all that their salaries will guarantee a good quality of life. This is probably a result of the economic situation in a country whose economy is constantly developing and trying to catch up with developed countries. Of course, this situation is dynamic and constantly changing, which is clearly shown by the data from the briefly described survey; increasingly often, employees expect a good workplace atmosphere that is conducive to achieving the desired results.

Since employees are key stakeholders in a company and have varying expectations, it is important to maintain a constant dialogue with them in order to better identify their expectations and take them into account in the company's activities. Such behavior will result in the employees being more involved in the company's activities (Wachowiak, 2014, p. 293.)

Job satisfaction

Satisfaction is most often associated with pleasure or just a sense of happiness. It is certainly a subjective feeling and is fully dependent on the

person, what expectations we have, or a system of values. There are different theories in the literature about how to determine the criteria for a level of happiness. Two general approaches are considered. The first one assumes that one should take some sort of determined, external absolute value, not related to the subjective feeling of the individual and compare the life of a given person to it (it is assumed that the closer it is to a certain value, the more it is considered happy). In the second approach, the concept of happiness is identified by a subjective sense of satisfaction and a subjective opinion of the individual. It should be stressed that most quality of life research focuses on subjective assessments of satisfaction levels, including job satisfaction (Sak-Skowron & Skowron, 2017).

Of course, whether an employee will be satisfied with his or her job also depends on the subject (personality, knowledge, skills of the individual) and environmental variables (working conditions, relations with co-workers and superiors, cultural factors, conditions of functioning on the labor market) (Springer, 2011).

There are many definitions of job satisfaction in the literature. These may be feelings related to an employee's professional duties (Schulz & Schulz, 2002, p. 296) or a set of feelings and attitudes of an employee towards work (Wexley & Youkl, 1984). D. Lewicka (Lewicka, 2010) believes that this term means a positive attitude of employees towards their duties, co-workers, and their working environment – accompanied by a feeling of satisfaction. In turn, A. Springer (Springer, 2011) suggested warning about job satisfaction from the perspective of attitude towards this job (and not feelings), assuming that this attitude was the result of many partial attitudes towards the profession, co-workers, or an organization.

To sum up, job satisfaction is simply the satisfaction of an individual/employee, a positive attitude, or a sense of fulfilment. It is a belief that the professional work performed in a given organization makes sense and brings us closer to achieving the assumed goal, even in the case of barriers and complications, which can be overcome.

On the other hand, the level of job satisfaction is affected by many factors, which may include (Gros, 2003):

- organizational factors – directly related to the work performed, i.e. the type of tasks performed, remuneration (its adequacy to the employee's duties and involvement), promotion prospects, work safety, the organization's functioning policy

(the level of care for employees and their needs) and the company's development policy;

- social factors: organizational climate, respect at work, relations with superiors and co-workers, relations with customers;
- personal factors concerning individual employee characteristics, i.e. age, gender, race, cognitive abilities, professional experience, personality traits, work status;
- factors directly shaping satisfaction: at the employee level – employees' needs and their individual features; at the organizational level – organizational features of the organization, i.e. mission, objectives, development strategy, organization resources, organization size (Bartkowiak, 2009);
- factors indirectly shaping satisfaction: at the employee level – qualifications, skills, competencies acquired by the employee; at the organizational level – organizational features, i.e. the organization's requirements, relations with customers, the environment, public opinion, etc. (Bartkowiak, 2009).

Analysis of research results

This research is a continuation of a 2017 research process dedicated to identifying key employees in companies. This time, the main objective is to analyze the actions taken by enterprises, which aim to create optimal working conditions for their main stakeholders – employees. Of course, the author will verify and describe the criteria and methods of effective cooperation with employees, and also give examples of good practices of Polish companies. Such defined goals determined the whole research process, and the following research methods were used:

1. Literature analysis – systematization of the language of terms used in the concept.
2. Comparison to indicate characteristic features and ways to understand defined terms.
3. Interview – including, in particular, a structured interview with senior managers and employees in the surveyed entities.

The research was conducted in 2019 in 10 randomly selected large enterprises based in Pomorskie Voivodeship, and a total of 332 people took part in the survey. At the research planning stage, the author intended to apply a purposefully random sample selection based on the information on enterprises in this sector contained in Polish statistical data. Due to limited resources, the author adopted

a selection principle based on his own declaration of participation (questions were sent to 35 entities interested in participating in such an undertaking). Unfortunately, the research sample did not reflect the assumed characteristics of the whole group for this region. Therefore, the presented results can only be a complete set – they are the basis for extending the research process in the future to the whole country's region. For the time being, we can only consider this as a pilot study.

The first stage of the research was designed as a standardized questionnaire, which described the surveyed entity. In the second stage, it was an individual interview with managers (32 persons) and employees (300) from the surveyed entities. Sample selection was based on the following criteria: the status of a large company with a registered office in the Pomeranian Voivodeship and an HR department (this was to make it easier to obtain information about the actions taken). Calculations and statistical analyses of empirical material collected during the course of the research were performed by the author using Statistica statistical program and Microsoft Excel.

As a research method, the author chose individual interviews – other techniques provided partial data which was less reliable and fragmented. This method will allow only the most suitable information to be obtained.

At the beginning of the analysis of the research results, the author wants to draw attention to the first positive phenomenon, which occurred in all the companies participating in the research, i.e. the permanent activity of conducting a dialogue with employees, which was usually aimed at:

- providing information on the company's activity – in 9 surveyed entities;
- getting to know employees' opinions on the functioning of the company – in 8 surveyed entities;
- determination of employees' expectations – in 8 surveyed entities;
- determination of the degree of fulfilment of employees' expectations – in 7 surveyed entities.

Below, the author describes examples of good practices to ensure the effectiveness of dialogue with employees, which are used in the surveyed entities:

- system of complaints, which gives employees the opportunity to express their opinions at any time;
- ambassadorial movement, where employees actively participate in solving key challenges faced by their companies;
- employee satisfaction management program, consisting of an employee satisfaction survey, workshops defining employee initiatives, and

monitoring actions taken to improve employee satisfaction;

- cyclical meetings of employees with the board of directors;
- internal Internet portals for employees, which enable the creation of a community of a given company.

We need to know that dialogue with employees cannot be conducted ad hoc – it is a long-term investment in building lasting relations and a chance to optimize the effectiveness of company decisions. It is very important, which results from the above data that companies use available IT tools for communication during this process. On the other hand, companies must not forget about direct contacts, including regular meetings with the most important people in the company because this builds team morale. Of course, there can be no lack of continuous monitoring of employee satisfaction from work in this process – results and conclusions should be discussed with employees, and based on them jointly draw conclusions to implement corrective actions.

Another important element of the survey was a question concerning the opinion of managers from the surveyed enterprises on the conditions that were created for employees. The respondents had at their disposal a scale from 1 to 5 – where 1 represents a very poor condition, and 5 is a very good condition. Bearing in mind the previous material, the answers provided make up a rather positive picture of the surveyed entities – detailed information on the distribution of answers is presented in Figure 1.



Figure 1. Evaluation of the conditions created for employees

It is difficult to talk about building relations with employees in the case of poor evaluation of working conditions, which are created for employees who are

supposed to work optimally. An equally important issue in the process of building relations with the main stakeholders of enterprises is to broaden their qualifications and diversify their work. In Figure 2, the author presents the actions listed by the respondents with a percentage of responses, influencing the development of employee potential.

The main activities applied by enterprises in the above areas were teamwork (30 indications), participation in management (29 indications), and very flexible working time (27 indications). Another quite important activity is the extension of the scope of tasks of employees and management by objectives and results. The situation looks a bit worse when it comes to creating a career path, coaching, and mentoring – it is a confirmation of dysfunctions in the Polish conditions of human capital management. This fact also confirms the inadequacy of organizational structures to the requirements of the modern market – there were only 2 indications for work in project teams.

Another important factor influencing effective cooperation with employees is the use of various

motivators, which are not always related to cash. However, in Polish economic practice, it turned out that bonuses are still the most frequently used – 232 indications (Figure 3).

Based on the analysis of the conducted research, it can be stated that the main activities used to build positive relations with the main stakeholders, i.e. employees, include dialogue and enable the professional development of the staff. The second level supporting this process, within organizational solutions, is the possibility of working in a team, participation in management, and flexible working time. Of course, financial support could not be lacking, but most often in the form of bonuses, and not participation in financial results. It is unclear whether this is enough or if it builds optimal relations with the most important capital in the 21st century. We must remember to apply systemic solutions, starting with changes in organizational structures and cultures. This undoubtedly constitutes a starting point for analyzing the distance in the issue of human capital management, which separates Polish enterprises from enterprises in developed countries.

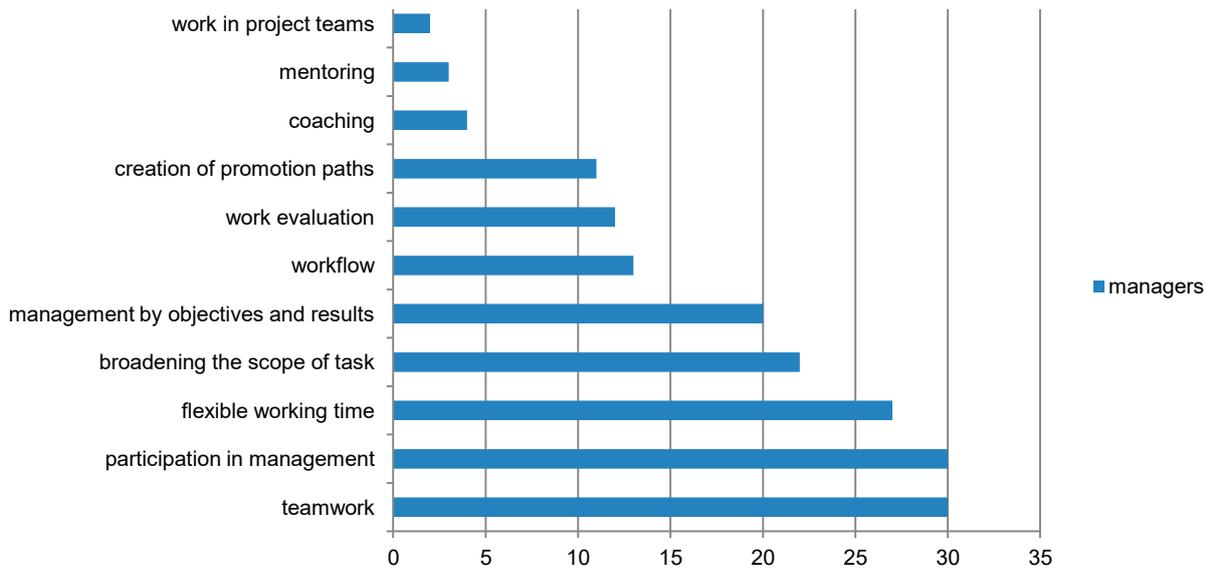


Figure 2. Activities aimed at improving the qualifications of employees in the surveyed entities

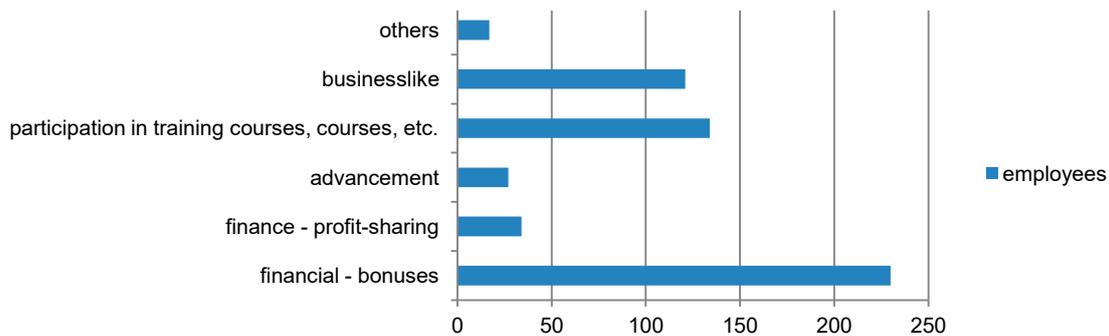


Figure 3. Methods of employee motivation

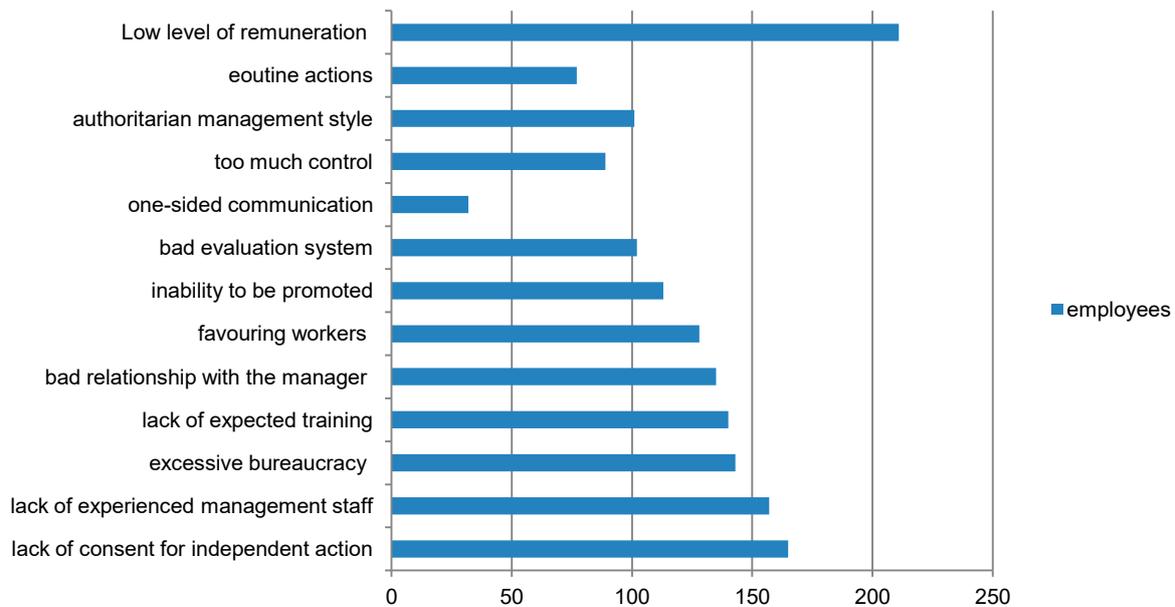


Figure 4. Errors committed by undertakings

When analyzing the collected data, it was apparent that many mistakes were made by enterprises, including a lack of consent for independent operation, lack of experienced management staff (this causes a lack of recognition among employees), excessive bureaucracy, or lack of expected training – the detailed scope of the answers is presented in Figure 4.

There are various reasons for these errors; the first is the “Polish reality”. Of course, it should be stressed that the contemporary employee has changed. Currently, he is already more educated, has better competences and is certainly much more informed than those of previous generations. Therefore, he cannot be poorly motivated, limited to the implementation of simple, routine actions. It builds a sense of lack of recognition and limits faith in the sense of the tasks performed, and ultimately their usefulness for the organization.

Conclusions

The activities of modern enterprises, which function in changing and turbulent economic conditions, where the only constant is change, is determined by building relationships with different groups of stakeholders and actions aimed at social utility. Entrepreneurs who plan to achieve a lasting competitive advantage must build their strategies based on social connections – internal and external. In order to achieve this, they need to identify the key stakeholders who have an impact on the operation of a given economic entity in the market.

In the 21st century, these groups undoubtedly include employees. Therefore, an important feature of a company that wants to achieve market success is social sensitivity, which is manifested primarily by voluntary and long-term building of positive relations with its employees and creating optimal working conditions for them. Entrepreneurs should respond to the expectations of employees and provide them with job satisfaction and development opportunities. All this occurs because it is the employees who contribute to building and implementing a company’s business strategy.

As the research and analysis of the results have shown, building proper relations with employees depends on many factors. The most important is the recognition and reaction to the expectations of employees by using a systematic dialogue. Any form of communication is the simplest tool for greater involvement of this group of stakeholders. It is also important to conduct consultations, which help to get to know the opinion of the employees in every important matter for the company. Of course, this process cannot lack the form of a partnership, which requires the greatest amount of work, but it will certainly result in the formation of a common development strategy, in which each of the parties – employer and employee – will be equally satisfied.

Overall, entrepreneurs strive to generate profits, and employees – their key stakeholders – want their interests and expectations to be taken into account. Good practices and exemplary actions described in this article should be used to increase the effectiveness of employee work.

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