Toxic Working Conditions and Social Policy within Companies

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ABSTRACT

Monitoring of the current changes in labor relations between employers and employees reveals negative trends of growing precarious employment and toxic management practices in personnel management which leads to expanding social toxicity of the labor sphere. In search of the management techniques to lower labor sphere toxicity level the authors came to a conclusion that management decisions to solve the above mentioned problems are all among the social policy practices complying with the principles of social responsibility of the companies. The research presented in the paper is aimed at social toxicity problems and the possibilities of the companies’ social policy practices to solve them.

Key words: Employer; Employee; Toxic Working Condition.

INTRODUCTION

In our previous papers, we substantiated our understanding of the toxicity of working environment for hired workers as a cause and effect of social pollution from economic activities of companies [1]. The scientific and analytical literature has a large number of publications devoted to the issues of the social aftermath of the global economic crisis [2], but the terminology of social pollution is virtually not utilised. The classification system of social pollution factors is based on the works of researchers who have previously studied this issue. Colligan and Higgins state that organizational stress is affected by such factors as toxic work environment, negative workload, isolation, types of hours worked, role conflict, role ambiguity, lack of autonomy, career development barriers, difficult relationships with administrators and/or co-workers, managerial bullying, harassment, and organizational climate [3]. Macklem points out one of the reasons of the decline in employees’ wellbeing emphasizing that toxic workplaces are characterized by “relentless demands, extreme pressure, and brutal ruthlessness” [4]. Along with his opinion, Claybourn stresses the importance of employees’ job satisfaction to keep up their spiritual comfort and high work efficiency. The researcher believes that the satisfaction level is highly dependent on the organizational climate and job characteristics dealing with others [5]. Kalleberg believes that one of the factors that decreases the level of wellbeing is the growth of inequality in job rewards, polarization, growth of precarious work and uncertainty, which are partly responsible for the increase in economic inequality [6].

It is generally known, that companies and their management practices profoundly affect the human and social environment as well. Pfeffer reviewed the direct and indirect effects of organizations and their decisions about people on human health and mortality, as well as identified the phenomenon of social pollution [7]. We contributed to the dearth of scholarship examining the aggregated elements of the workplace, which create toxicity at work that has harmful impact on psychosocial and physical well-being of workers [8].

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management practices appear during the whole life cycle of the worker in the enterprise: recruitment, assessment, promotion and termination of employment [9].

**RESEARCH ISSUES AND HYPOTHESES**

We consider that social pollution factors triggered by economic activities of the companies to be the reasons for a decrease in the levels of psychophysical wellbeing of the employees and other members of the social community thereby the consequence of some economic activities and malpractices existing in the organizational environment of companies. The classification of social pollution factors developed on the basis of previous studies and secondary data, inherent in the Russian business environment:

1) Labor Law breaches: breaches of the Labor Code, disrespect of the Labor Code;
2) management strategy aimed at cutting personnel cost: massive layoffs and downsizing, precarious work, flexibilization of personnel;
3) toxicity level in the company: toxic HR technologies, toxic workplaces, toxic leadership, toxic employees.

Based on previous studies on the negative practices within the enterprise, one of the integral social pollution factors we have defined as the toxic level of working environment.

Thus, it is necessary to establish the fact that the pursuit of business owners to reduce the cost of staff leads to expand the use of toxic management practices and reduce the level of employees' well-being in the company. On the other hand, employers realize that the toxic working conditions lead to a decrease in the efficiency of the human capital of the company. Therefore, companies' management is forced to look for ways to improve the welfare of workers at the work by implementing various activities within the company's social policy based on the principles of corporate social responsibility (SCR). Consequently, one of the most important managerial tools for reduction of social pollution and working environment toxicity level should be considered a social policy of the company.

The list of the hypotheses of the given study includes following statements:

H1: the overall economic crisis pushes the employers to conduct of the strategies for costs cuttings for personnel thus setting forward precarious employment and further personnel flexibilization;

H2: precarious employment relations between employers and employees are social pollution increasing level factor of the company's labor sphere;

H3: working environment toxicity of companies is characterized by the personnel crisis and is caused by the toxic HRM practices and presence of a toxic type of managers, and toxic workplaces, as well as toxic personnel;

H4: social pollution of the labor relations leads to decline of the physical and psychosocial well-being of workers, as well as the deterioration of the quality of working life;

H5: monitoring of the changes in the modern labor relations contributes identifying of the social pollution factors and elaborating managerial tools for reduction of the toxins in working environment of companies;

H6: one of the most important managerial tools for reduction of the social pollution level and toxic working conditions within companies is a social policy based on the use of SCR principals;

H7: managerial tasks of regulation of the working environment toxicity by social policy requires the implementation in management practice of monitoring and evaluation of social pollution level and the effectiveness of social policy within companies.
RESEARCH GOALS IN CSR FIELD

One of the main goal of our study is development of methodological recommendations concerning on reporting and monitoring of SCR system aimed to reduction of social pollution level within companies. This goal can be achieved by the following steps: 1) further development of concepts and categories of SCR reporting and monitoring system, 2) substantiation of a well balanced system of indicators (scorecard) for reporting and monitoring of SCR, 3) development a system of CSR policy efficiency evaluation, 4) issuing methodological recommendations on the use of reporting and monitoring system of SCR in the enterprise management process, 5) study the feasibility of establishing SCR reporting and monitoring indicative system.

The method of the analysis of corporate social policies and research of methodological approaches to evaluate the efficiency of social policy practices allows us to form the basis for the development of a single structural and information center for the collection and specially organized research, assessment and analysis of information on CSR [10]. Analysis methods for social policy efficiency indicators implies a classification of the latter, configured in relative terms, into the following groups:

1) personnel development: proportion of managers and specialists who received training and retraining, share of costs for personnel training and retraining, proportion of manual workers who received training and retraining, etc.;
2) health promotion and safe working conditions support: percentage of general disease incidence of employees, proportion of employees with occupational diseases, proportion of resigned employees due to occupational diseases, proportion of resigned employees due to unsatisfactory housing and social conditions, etc.;
3) social policies management: share of costs for social policy activities, share of costs for housing conditions improvement programs, share of costs for employees finance support and assistance programs, etc.;
4) socially responsible restructuring of company: proportion of trained employees among the number of redundant employees, share of costs for lay-off pay, share of costs for retraining of redundant employees, etc.;
5) location community development: Share of costs for charity actions , Share of costs for programs and actions to support socially vulnerable people, Share of costs for sponsoring local cultural, educational and sports facilities and activities, Share of costs for childhood and youth support activities, etc.;
6) conscientious business practices: share of costs for programs of public relations and cooperation with state authorities, consumers' societies, trade unions and other professional and public organizations of the local community, share of costs for social policy activities, etc.

CONCLUSION

Monitoring and evaluation of the social pollution level and responsible social policy practices of business can be organically integrated into the company strategy, directing the mission affecting the ultimate financial goals, production programs, the magnitude of the economic potential and human resource capital. It forms the analytical basis of management decisions, reflecting the level of management efficiency in non-monetary terms, it brings the relations of social partnership up to a new quality level and serves as an effective feedback mechanism.
At the same time responsible social practices to a certain extent limit some freedoms of entrepreneurship causing loss profit. But it makes it necessary to control the socially responsible behavior of companies, which according to international standards should be evaluated by CSR monitoring system. Authors specify this system as a structural information complex of specially organized process of data observation, collection, evaluation and analysis.

REFERENCES


