

Abstract of the Thesis

"The Impact of ESG on Human Resources in Corporations in Romania: The Relationship Between Organizational Civic Behavior, Employee Satisfaction, and Well-being"

Context

In today's global context, characterized by geopolitical, economic, and social challenges, the interest in responsibility is increasing, not only from governments but also from corporations, particularly regarding climate change and social issues. Stakeholders, including investors, employees, and customers, demand greater and continuous commitment, measurable results, full transparency, and strong governance from the businesses with which they interact. ESG (Environmental, Social, and Governance) is now considered crucial for understanding corporate purpose, strategy, and management quality. As a result, both academic and business communities have shown increasing interest in researching this topic.

Despite a growing body of literature on ESG, there is still limited research focusing on its direct impact on human resources within large companies. Much of the existing literature primarily addresses how ESG principles influence financial performance, sustainable investments, and financial and non-financial reporting. However, discussions around the human resource aspect and the impact of ESG on employees are still in their infancy. In contrast, Corporate Social Responsibility (CSR) has been the subject of more studies exploring how it influences various human resource management dimensions. Given this gap, this research aims to analyze the impact of environmental, social, and governance factors on human resources in Romanian corporations. Specifically, it explores the relationship between organizational civic behavior, employee satisfaction, and well-being (well-being). The study contributes to the growing body of research focused on how ESG, as an emerging field, impacts human resources, offering new insights into how sustainability efforts shape workplace dynamics.

Research Aims and Objectives

The main goal of this research is to explore the relationship between the implementation of ESG practices and human resources, focusing on how these practices

influence employee satisfaction, organizational civic behaviour, and loyalty to the employer. The research pursued three key objectives: one of them was to analyse perceptions of ESG practices in Romanian companies, particularly the degree of awareness of the term ESG (Environmental, Social, Governance) and the understanding of the distinction between ESG and CSR among professionals within companies. The second objective was to examine ESG practices within Romanian companies, identifying the factors influencing the adoption and prioritization of these practices across various sectors and exploring the relationships between ESG and CSR practices. Last but not least, the third objective was to assess the impact of ESG on human resources by examining how ESG frameworks influence organizational civic behaviour, employee satisfaction, and overall well-being. The research addresses these objectives by bridging the gap between ESG and human resources, providing a more nuanced understanding of how sustainability efforts impact employee behaviour and attitudes. It aims to contribute to both the academic discussion and practical implications by offering a clear analysis of the drivers and barriers to adopting ESG initiatives in the workplace.

Methodology

The research employed an exploratory approach to examine how ESG factors influence human resources, using both qualitative (interviews) and quantitative (surveys) methods. The study was developed progressively, starting with a bibliometric analysis and a review of the existing literature. The research strategy guided the investigation of the dynamics and links between organizational civic behavior, employee satisfaction, and well-being within the context of the application or non-application of environmental, social, and governance criteria.

A mixed-method approach was utilized, involving both qualitative and quantitative data collection. A detailed questionnaire was distributed to a sample of 500 employees from various industries to assess their perceptions and attitudes toward ESG practices implemented in their companies. The data were statistically analysed to evaluate the impact of ESG on organizational civic behaviour, employee satisfaction, and well-being. Additionally, semi-structured interviews with human resource managers were conducted to gain deeper insights into the implementation of ESG practices and the challenges companies face in this area.

This combination of methods allowed for a comprehensive analysis of how ESG practices are perceived and how they influence employee engagement and well-being. The mixed-method approach also helped to capture both the subjective experiences of employees and more measurable outcomes related to job satisfaction and organizational commitment.

Key Findings

The research revealed several significant findings regarding the relationship between ESG and human resources:

There is a significant relationship between the level of awareness of the ESG concept and the clarity of the perception of its differences from CSR. The higher the awareness of the ESG framework, the clearer the understanding of its distinction from CSR. Moreover, companies that organized ESG-related training programs reported a higher level of knowledge and clearer understanding of ESG and CSR distinctions among their employees.

Employees who do not engage in community or volunteering projects demonstrated a lower understanding of the importance of the ESG framework. This suggests that direct involvement in socially responsible activities contributes to a deeper comprehension of ESG's broader significance.

The research did not find significant differences between industrial and service sectors regarding ESG actions. Companies in both sectors appear to adopt and prioritize ESG initiatives at similar levels, which challenges the assumption that certain industries may be more proactive in adopting sustainability measures.

Interestingly, employees who viewed ESG primarily as a tool for improving corporate image still exhibited a better understanding of its practical importance. This finding suggests that even if ESG is perceived as a marketing strategy, employees recognize its value in driving meaningful organizational change.

The study revealed that managers tend to be more involved in community projects and have a clearer understanding of ESG compared to non-managerial staff. This finding highlights the role of leadership in fostering a deeper commitment to sustainability within the organization.

A positive correlation was identified between organizational civic behavior and job satisfaction. Employees who engaged in prosocial behaviors, such as volunteering or

community involvement, reported higher job satisfaction due to social recognition and a stronger sense of belonging to the organization.

The research confirmed a link between ESG engagement and higher employee well-being. Employees who perceived ESG as well-implemented within their organization experienced greater satisfaction and an enhanced sense of well-being. These findings reinforce the importance of integrating ESG into the workplace to foster a positive and supportive work environment.

The research hypotheses linking ESG to increased organizational civic behavior, job satisfaction, and employee well-being were confirmed. The findings demonstrate that well-implemented ESG strategies have a substantial and positive impact on employee satisfaction, civic behavior, and overall well-being.

The research underscores the substantial business impact of ESG, demonstrating how sustainability initiatives can transform organizations from within. By integrating ESG principles into their operations, companies not only enhance their competitiveness and innovation but also improve their ability to manage risks, attract top talent, and strengthen corporate governance. The findings emphasize that ESG is no longer an optional strategy for companies looking to succeed in today's complex business environment. Rather, it is a fundamental aspect of long-term organizational success. Furthermore, the study revealed that effective ESG implementation is closely associated with increased employee loyalty and reduced voluntary turnover. Employees are more likely to remain committed to organizations that prioritize not only profit but also the well-being of the environment, society, and their workforce. This loyalty, in turn, contributes to better organizational performance and employee retention.

Limitations

Despite its valuable insights, the research has several limitations. One of the main limitations of the research was the sample diversity. Although the analysis provided valuable insights, a more diverse sample would have allowed for a better representation of the general population and would have increased the robustness of the conclusions. The vast majority of respondents had university and postgraduate education, with those having only high school education being underrepresented. Additionally, a large portion of the respondents were women. The responses to the questionnaires and interviews may have been influenced by

biases, the tendency to provide socially acceptable answers, or subjective interpretations of the questions. These aspects could introduce variability in the data and limit the precision of the conclusions drawn. Since employee responses can be influenced by the specific organizational culture, this might lead to results that reflect the particularities of the respective company rather than a generalizable trend.

ESG is a complex phenomenon, and the research attempted to measure its impact on human resources using operationalized variables. Although this allowed for quantitative analysis, simplifying complex phenomena into measurable variables might omit certain nuances and subtle relationships.

Conclusions and future research

Based on the results obtained, it can be concluded that ESG has a significant positive impact on human resources, contributing to increased employee satisfaction and engagement. Companies that prioritize sustainability through transparent policies and practices are able to build better relationships with their employees and improve overall workforce performance. It is recommended that firms invest more in employee training on ESG principles and implement programs that value individual contributions to sustainability goals.

An important direction for future research is examining how ESG influences the long-term financial performance of companies. Future studies could investigate whether investments in ESG practices lead to sustainable profit growth and how companies can balance the initial costs of ESG implementation with long-term financial benefits. In the context of on going digital transformation, future research could explore how ESG intersects with new technologies, such as artificial intelligence, block chain, or the Internet of Things (IoT). Investigating these synergies could reveal innovative ways in which ESG can be integrated into digital processes, optimizing both the efficiency and the sustainable impact of companies.

Another promising direction is exploring how ESG contributes to diversity and inclusion within organizations. Future research could examine how ESG supports diversity and inclusion initiatives and what the outcomes of these initiatives are on organizational culture and team performance.

Since most existing research focuses on large corporations, a detailed analysis is needed to explore how small and medium-sized enterprises (SMEs) can implement and benefit from ESG. Future studies should investigate the specific challenges SMEs face in adopting ESG and identify tailored solutions for this important segment of the economy. Future research could also explore the link between ESG and organizational innovation capacity. Specifically, it would be useful to investigate how ESG can support the development of an organizational culture that encourages experimentation, creativity, and the adoption of innovative solutions to contemporary challenges. Given that ESG can play a crucial role in risk management, future research could investigate how companies that adopt ESG practices are more resilient to crises, such as economic, health, or environmental crises. Studies could analyze how ESG contributes to organizations' ability to adapt and survive in turbulent environments.

These future research directions highlight the vast potential of ESG to transform not only organizations but also society as a whole. Exploring these areas can provide new perspectives and solutions for contemporary challenges, contributing to a deeper understanding of how ESG can be effectively integrated into business strategies and human resource management. As ESG continues to evolve and become a critical element of organizational practices, future research will play a crucial role in shaping the sustainable future of businesses.