

The Impact of Corporate Social Responsibility (CSR) on Job Attitude & Performance of Internal Stakeholders Measuring Corporate Social Responsibility towards Employees

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Abstract: Corporate Social Responsibility (CSR) has grown rapidly during last decade. The enforcement of the New Companies Act, 2013 has made it mandatory for the organization to contribute 2% of their net income towards CSR. This research study aims to bring out the impact of CSR towards employees. This study analyzes the multifaceted influences of CSR on employees' organizational commitment & organizational performance. The result of this study shows that CSR has a significant effect on employees work attitude & behavior. CSR may possibly improve employees' attitude & behavior & contribute to corporation's achievement. Thus corporations should attach importance to CSR practice so as to benefit employees.

Key Words: Corporate Social Responsibility, Job Satisfaction & Organizational Commitment.

Introduction

CSR is a form of corporate self regulation integrated in to a business model. CSR policy functions as a built in self regulating mechanism whereby business monitors & ensures its active compliance with the spirit of the law & ethical standards. The goal of CSR is to embrace responsibility for the company's actions & encourages a positive impact through its activities on the environment, employees, consumers, communities, stakeholders & all other members of the public sphere.

The World Business Council for sustainable development in its publication "Making good business sense" by Lord Holme & Richard Walts used the following definition "Corporate Social Responsibility is the continuing commitment by business to behave ethically & contribute to economic development while improving the quality of life of the work force & their families as well as of the local community & society at large".

Literature Review

Satish Kumar & Ritesh Tiwari , (2011) In their study they discussed about the reasons for the success & failure of CSR, the relationship between CSR & the firm's financial performance. The study also stressed on the role of communication & reporting CSR that is Transparency & Disclosures in discharging CSR.

The Economic Times (2012), Dr. Kalam said that companies should devote some part of its goal to corporate services. It should make mandatory for all the companies to spend a percentage of its profit on corporate social responsibility. He also discussed about the proposed bill on corporate spending on CSR. They assumed greater importance of CSR in building the lives of the country's citizens.

Srilagna Saha (2013), In his study, he stressed on the organizations to take measures towards improving employee retention, companies are finding newer & innovative ways of engaging their employees, one such way is engaging them with corporate social responsibility. It is a great way to make employees realize that the company cares about the workers' general interest & social commitment as well.

Anber Abraheem Shlash Md, Shadi Mahmd Mosbah Altarifi & et al.,(2014). Their study stressed on the impact of CSR on the overall development of the organization by ensuring good psychological working place within the company, improve employees overall salary packages based on productivity, rewards & creating clear career paths to employees.

Tushman and Romanelli (1985) suggest that an organization has to change when are certain developments that make existing strategies obsolete in organization. Restructuring the relationship and learning organization are the ways for long run survival (Haveman,1992). Organizational learning is necessary its efforts are directed toward organizational effectiveness (Sahin & Simsek ,1996)

According to Bauman and Skitka (2012) the presence of CSR can lead to positive employees responc. In other words, they belive that the enactment of CSR can promote employee satisfaction.

Onkila(2015) agrees asserting that companies with CSR practices are more likely to evoke positive emotions More than one form of commitment may be exhibited by the employees in the work place simultaneously. For example, an employee wanting to develop commitment may end up building attachment towards the organization or the member of his or her work group (Meyer & Allen, 1997). It would be better on the part of employees if they are committed to more than one aspect of work, like, the work group or job or organization (Saha & Kumar , 2015). Hence it is necessary to study multiple commitments so have a clear knowledge of commitment (Cohe, 1993, 2003), including pride, higher identification with the company, and agreement with the goals and value of their organization (Lamm et al,2013, Temminck et al 2015).

In a broader CSR context, kemper et at (2013) suggest that especially for organizational in highly competitive industries good CSR practices can be used to boost the overall impact of marketing on organizational performance. Given this consideration about what they call “Competition – Motivated corporate social responsibility” it comes to mind how employees evaluate the respective motivation of their organizational when engaging in internal social responsible behavior.

In this case, for the factor CSR Motivation, the subject of interest is the possible congruence between organization and their employees understanding of what is an appropriate motivation for conducting CSR in general, and in this study specific context internal CSR.

Objectives of the Study

1. To know the impact on the performance of the employees.
2. To know the various practices adopted by the organization towards employees as CSR.
3. To know the impact of CSR policy on the employees Performance & behaviour.

Statement of the Problem

Employees an important internal stake holder of an organization towards whom the organization has certain social responsibilities which has a bearing impact on the employee’s performance & behavior. In this regard, the researcher is interested to know the impact of CSR policy on employees’ performance in order to achieve the goals of the organization.

Research Methodology: This is a descriptive study based on primary & secondary data.

Sources of Data:

- Primary Data: It is collected through questionnaire.
- Secondary Data: Information related to CSR is collected through various websites, Journals & Books.

Sample Size: Information is gathered from 60 respondents.

Sampling Technique: Random sampling technique is used to select the sample.

Data Analysis

After data was collected a thorough check was made to include only those questions that were complete in all the aspects. The data was interpreted by using simple percentage, tables & graphs.

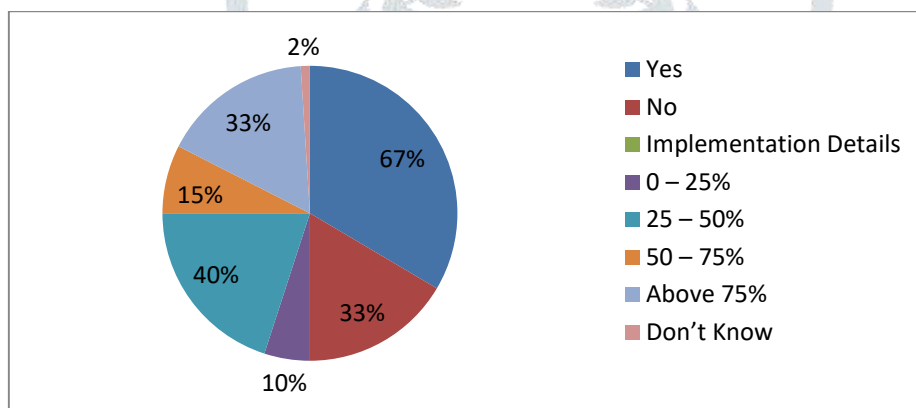
Limitations of the Study

1. The study is restricted only to Bangalore.
2. Limited information due to shortage of time.
3. Some of the employees were hesitant to reveal information for the study.
4. Most of the employees were merely aware of existence of the CSR policy, but were not having knowledge about its implementation in the organization

Analysis & Interpretations

1. Table & Chart showing existence of CSR policy & its implementation in the organization.

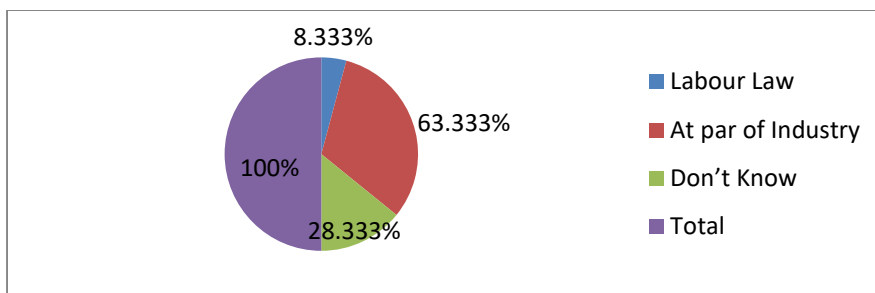
Base	No. of Respondents	Percentage
Yes	40	67
No	20	33
Total	60	100
Implementation Details		
0 – 25%	4	10
25 – 50%	16	40
50 – 75%	6	15
Above 75%	13	33
Don't Know	1	2
Total	40	100



Interpretation: From the above information it can be analyzed that 67% of the employees agree that CSR policy exists in their organization to an extent of 40% of the employees agree that it is implemented effectively between 25 – 50%.

2. Table & Chart showing employees are paid as per labour law or at par of industry or underpaid.

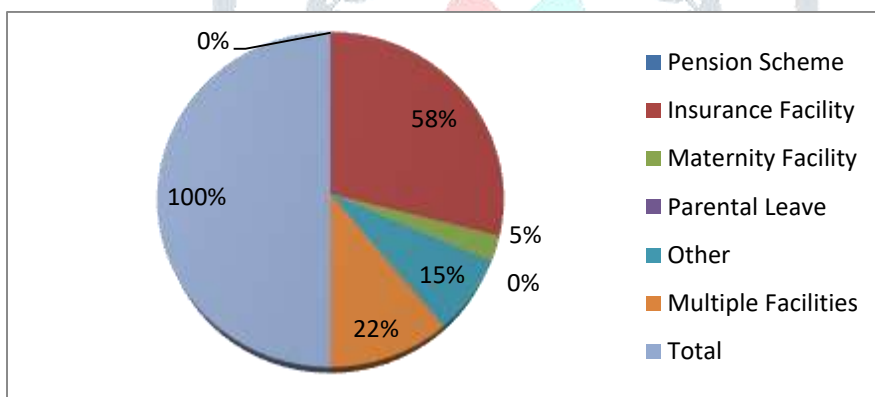
Base	No. of Respondents	Percentage
Labour Law	5	8.333
At par of Industry	38	63.333
Don't Know	17	28.333
Total	60	100



Interpretation: From the above chart it can be analyzed that 63.33% of the employees are paid at par of the industry.

3. Table & Chart showing the Employee Welfare Programmes adopted by the organizations.

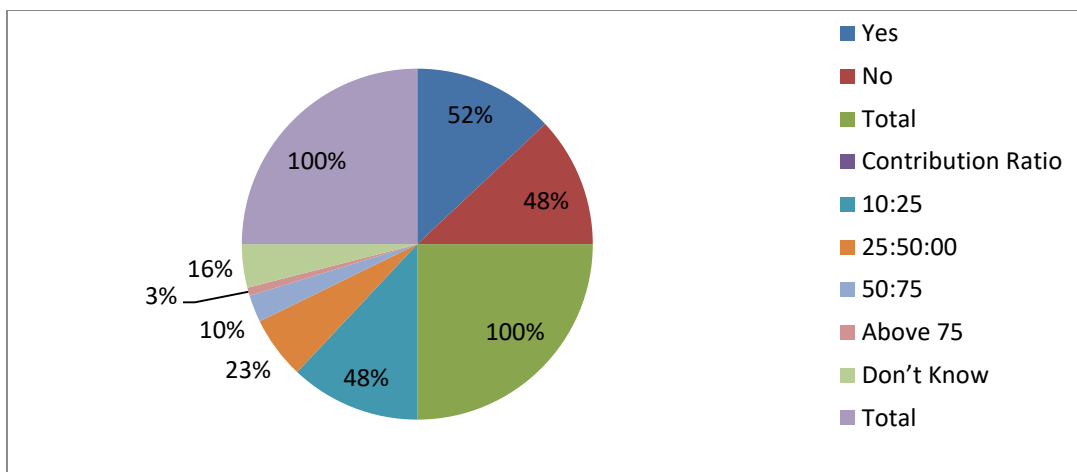
Base	No. of Respondents	Percentage
Pension Scheme	----	----
Insurance Facility	35	58
Maternity Facility	03	5
Parental Leave	----	-----
Other	09	15
Multiple Facilities	13	22
Total	60	100



Interpretation: From the above it can be analyzed that Insurance facility is the only welfare program which is being provided by most of the companies. It is also observed that some companies are providing more than one facility such as Insurance facility, Maternity facility to name a few. But no company is concentrating on pension scheme.

4. Table & Chart showing employers contribution towards employees higher education.

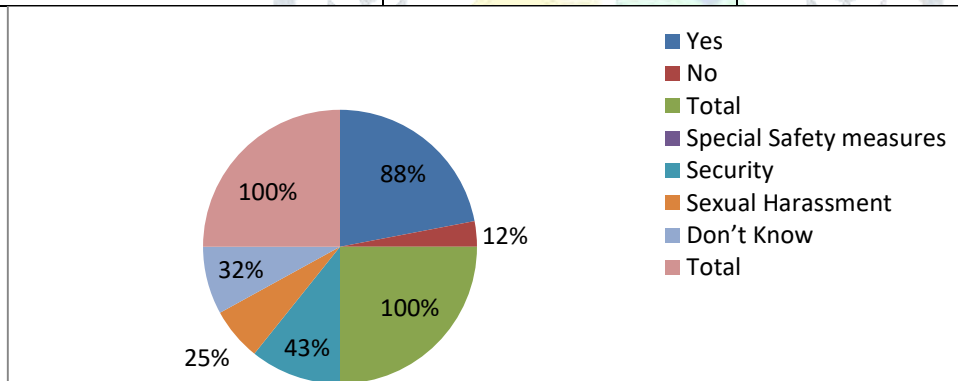
Base	No. of Respondents	Percentage
Yes	31	52
No	29	48
Total	60	100
Contribution Ratio		
10:25	15	48
25:50	7	23
50:75	3	10
Above 75	1	03
Don't Know	5	16
Total	31	100



Interpretation: It can be analyzed from the above chart that 52% of the respondents agrees that their employers encourage them to take up higher education & they also sponsor to an extent of 48% i.e. 10:25 ratio.

5. Table & chart showing special safety measures for women employees.

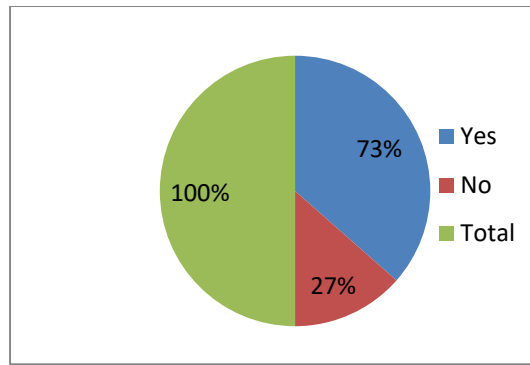
Base	No. of Respondents	Percentage
Yes	53	88
No	7	12
Total	60	100
Special Safety measures		
Security	23	43
Sexual Harassment	13	25
Don't Know	17	32
Total	53	100



Interpretation: From the above chart it can be interpreted that 88% of the respondents agree that women employees are recipients of special safety measures. It is also specified that they are specially getting safety in the form of security i.e. transportation & the next is against sexual harassment.

6. Table & chart showing Involvement of employees in decision making process.

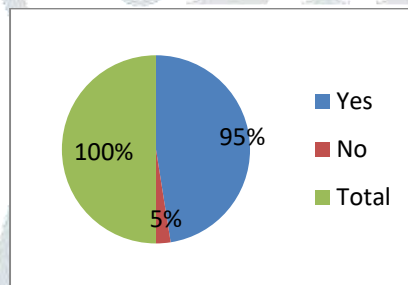
Base	No. of Respondents	Percentage
Yes	44	73
No	16	27
Total	60	100



Interpretation: It can be interpreted from the above chart that 73% of the employees responded that they are involved in the decision making process by their employers.

7. Table & chart showing the benefit of CSR policy to employees.

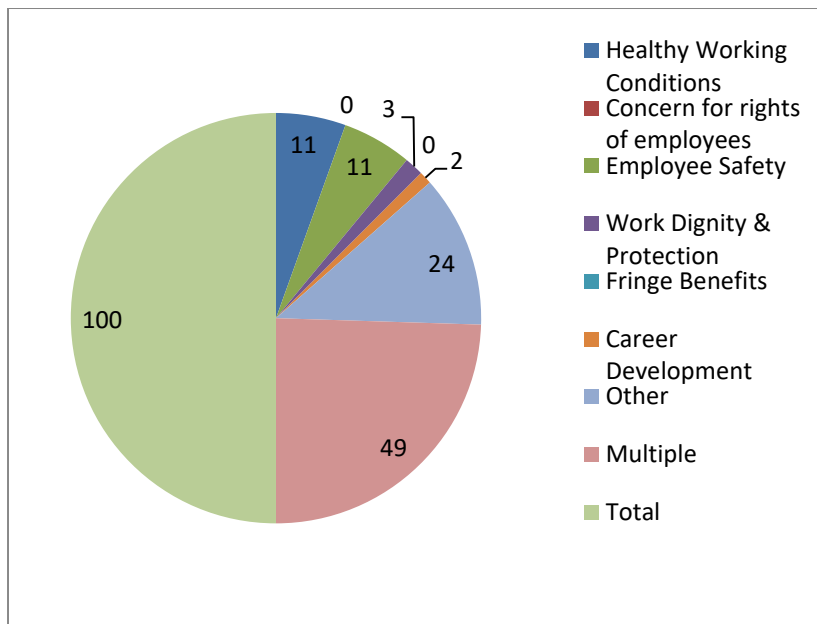
Base	No. of Respondents	Percentage
+		
Yes	57	95
No	3	5
Total	60	100



Interpretation: It is interpreted that 95% of the employee accept that CSR has benefitted them.

8. Table & chart showing the areas of benefit reaped by the employee through CSR.

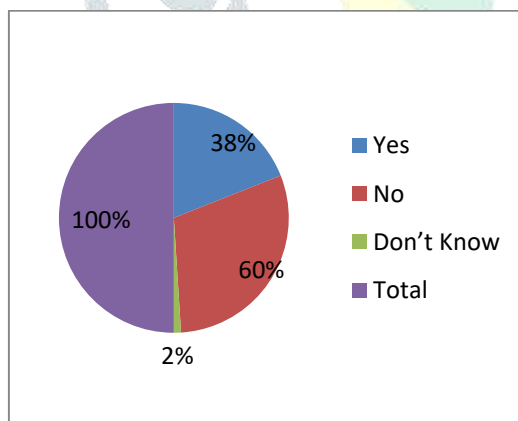
Base	No. of Respondents	Percentage
Healthy Working Conditions	6	11
Concern for rights of employees	----	----
Employee Safety	6	11
Work Dignity & Protection	2	3
Fringe Benefits	---	----
Career Development	1	2
Other	14	24
Multiple	28	49
Total	57	100



Interpretation: From the above chart it can be analyzed that the employees are reaping the benefits not one in particular but more than one constituting 49%, least importance is given to fringe benefits & career development.

9. Table & chart showing the impact of CSR on employees motivation & productivity.

Base	No. of Respondents	Percentage
Yes	23	38
No	36	60
Don't Know	1	2
Total	60	100



Interpretation: From the above chart it can be analyzed that 60% of the employees agreed that existence of CSR policy has not improved employees' performance.

Findings:

1. The study was carried on in Bangalore, 60 respondents were targeted.
2. 38 respondents were Male & 22 respondents were Females.
3. About 28% of the respondents have reported that they are underpaid.
4. The study showed that insurance facility is the common welfare program provided by most of the organization. It also revealed that pension scheme is not at all taken in to consideration.
5. It also revealed that women employees are offered transport facility as a common measure of security other than sexual harassment.
6. It was also found out that the employees are not in favour of modifying their existing CSR policy.
7. The existence of CSR policy has improved the employees' motivation & performance.

Suggestions:

1. It is essential to provide in depth knowledge of CSR policy to the employees.
2. The organization should ensure that CSR policy should be implemented more effectively.
3. There are no suggestions given by the employees for any modification in the existing CSR policy even though it is not motivating the employees.
4. It was also revealed that the contribution by the organization towards employee's higher education has to be improved.
5. The study also revealed that the employer should take measures to introduce some pension scheme.

Conclusion:

From the above suggestions we can conclude that the organizations should discharge their Corporate Social Responsibility more effectively, so as to attain the organizational goal by having an positive impact on the employees performances. Mere having a policy will not serve the purpose without effective implementation of the same.

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