

# Effect of Corporate Social Responsibility Strategies on Employee Engagement

Dibin Sekharan

Research Scholar, Department of Commerce,  
Annamalai University, Tamil Nadu, India.

**Abstract:** Corporate Social Responsibility (CSR) and Employee Engagement are two of the most talked-about topics in the corporate world today. There are evident arguments over how to comprehend and apply CSR, but there is no denying that all firms are under great pressure from a variety of stakeholders to work in a more socially and environment friendly manner. In today's competitive business world, determining the business value of a corporation's CSR efforts is critical. The minimal study on corporate social responsibility in emerging economies has mostly focused on corporate citizenship and potential motives for CSR. The author of this paper hopes to bridge this gap by doing research on the strategic significance of CSR. The current study identifies the primary stakeholder as the key stakeholder, describes CSR from its standpoint, and aims to fill up that hole in the previous research by investigating the influence of CSR on employee engagement in Indian companies. This research also tries to show how CSR affects employee engagement, which in turn affects corporate performance.

**IndexTerms - Corporate Social Responsibility, Employee Engagement, Corporate, Stakeholder, Performance.**

## I. INTRODUCTION

Although there are evident arguments on how to comprehend and apply CSR, there is no denying that all firms are under enormous pressure from many stakeholders to work in a more socially and environmentally friendly environment. It's critical to comprehend the evolution of CSR in order to assess the influence of CSR on employee attitudes toward their jobs and organizations. In addition, during the course of this research, the researcher explains the theoretical voyage of CSR with the goal of expanding understanding on the subject [1]. In Indian literature, there are numerous instances where business people have lent a listening ear to the royalties and society to aid them out of difficult situations. In terms of employee and societal issues, Indian corporations have a reputation for staying ahead of the government. Organizations were exclusively economic until the twentieth century. As people became more aware of their rights, there was a noticeable shift in society's expectations of corporations. This was mostly due to changes in the form of a power shift from capital to knowledge, increased literacy, and shrinking geographical boundaries. The progression of CSR in India is depicted in Fig.1.

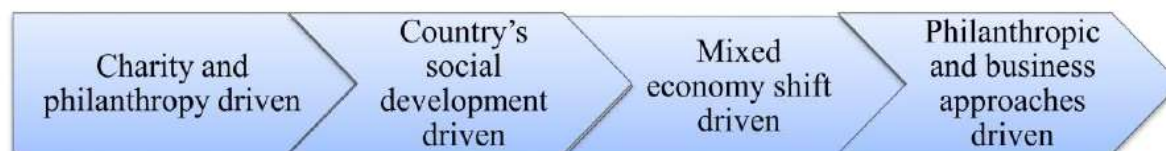


Fig.1.Progression of CSR in India

In today's competitive business world, determining the business value of a corporation's CSR efforts is critical. Similarly, corporate corporations must maximize their CSR investments to preserve their long-term viability [2]. In 2013, India became the first government to impose a direction that firms must spend a particular amount of money on CSR, amidst a flurry of legislative action centered on ideas of replacing the majority of the Companies Act. However, most CSR professionals dismiss this duty as CSR and instead refer to as corporate philanthropy.

Employee engagement strategies seem to be a very popular notion, and their use in organizations appears to be increasing all the time. It's like wildfire in the forest, which is both necessary and dangerous to the trees. As a result, companies must have solid policies and administration in place to guarantee that the fireworks in their favor rather than against them. Growth is an organization's principal purpose; nevertheless, if left uncontrolled, the engagement activity necessary for growth can be perplexing and cause issues. Employee engagement is defined as a willing effort at work that leads to results and creativity. Person engagement is defined as a profound mental and emotional connection that an employee has with his or her job and organization, which inspires him to put up willing efforts in his or her job [3]. Employees who are involved are much more customer-focused, goal-oriented, revenue-generating, and have a higher chance of being kept by the company.

According to an online study done by IPSOS, 51 percent of employees in India, out of a total of 18,150 participants, perceive their employees' behavior towards society to be significant [4]. Similarly, a poll conducted by Hewitt emphasizes that CSR is amongst the most important factors in promoting employee engagement. According to the report, when employees are engaged in CSR, they are more likely to reciprocate. An engaged employee, on the other hand, will remain positive, loyal, and exceed expectations. It was also discovered that cutting back on CSR initiatives has an impact on employee motivation and willingness to stay with the company [5]. Another survey on Employee Perceptions of CSR found that employees higher up the organizational ladder are most positively affected by their company's CSR actions. Top-level workers are in charge of making the organization's most significant decisions, including CSR policy. As a result, they feel a stronger sense of responsibility for the policies they helped develop. Employees at the highest levels of the business are also more loyal to the organization, according to the study [6].

Employee engagement, according to Gallup, is a critical job predictor. In comparison to western countries, little thought has been paid to the need of employee engagement studies in Asian countries, where there appears to be a higher demand. Employee

engagement has been linked to a variety of corporate success factors, including work performance, punctuality, continuity, customer care and loyalty and profitability [7]. People are an asset that competitors cannot reproduce or imitate, and they are believed to be the most valuable if they are managed and engaged effectively [8]. Employee involvement has been investigated in different ways in different nations. There is a shortage of impact assessment of independent micro CSR variables such as safety and health, work-life balance, skills development on the predictor variables of employee engagement against their job and the organization, and how to use this information for effective human resource management.

**II. METHODOLOGY**

The study population or universe refers to all survey items that may be considered for inclusion in the research study. The research questions define the scope of the study. Working professionals from chosen telecom firms were included in the research's study population, which comprised junior, lower middle, medium, upper middle, and top level profiles. The sample unit refers to the units that are considered to be part of the research. Employees working in the telecom business who are employed at the junior, lower middle or medium levels qualify as sample units in this study. The study seeks to examine workers working at the middle or lower levels who are not involved in the actual CSR policy design and execution, as well as the lack of consciousness and perception of CSR among this group of telecom employees. The study's ultimate goal is to examine the influence of CSR on this population's employment and organizational engagement [9]. Based on the representation foundation and selection process, there are many types of sample designs. On the basis of representations, sampling is classified as either probability or non-probability [10]. Random sampling is used in sampling technique, whereas non-random sampling is used in non-probability sampling.

Following data collection, the data must be processed and evaluated according to the study strategy. For a scientific investigation, this analysis is necessary to guarantee that we provided appropriate data for comparisons and analysis. When we talk about data processing, we're talking about editing, coding, categorization, and eventually tabulation to guarantee that the data is suitable for analysis. Factor analysis is a statistical technique for determining the primary link between dependent variable. It is generally used by researchers to condense data into a smaller number of variables. Consistency of the items was established by doing a scale reliability test using Cronbach's alpha.

Analysis of Variance (ANOVA) is used to determine the impact of demographic characteristics such as gender and job title on the main components. When there are more than two groups, an ANOVA is used to determine the attitude tendency and to see whether there are any differences between them. Correlation is used to determine how strong the linear relationship between two variables is. It also influences the degree of variation among the variables. The purpose of regression analysis is to determine the connection between dependent and independent variables. The process flow of proposed methodology is illustrated in Fig.2.

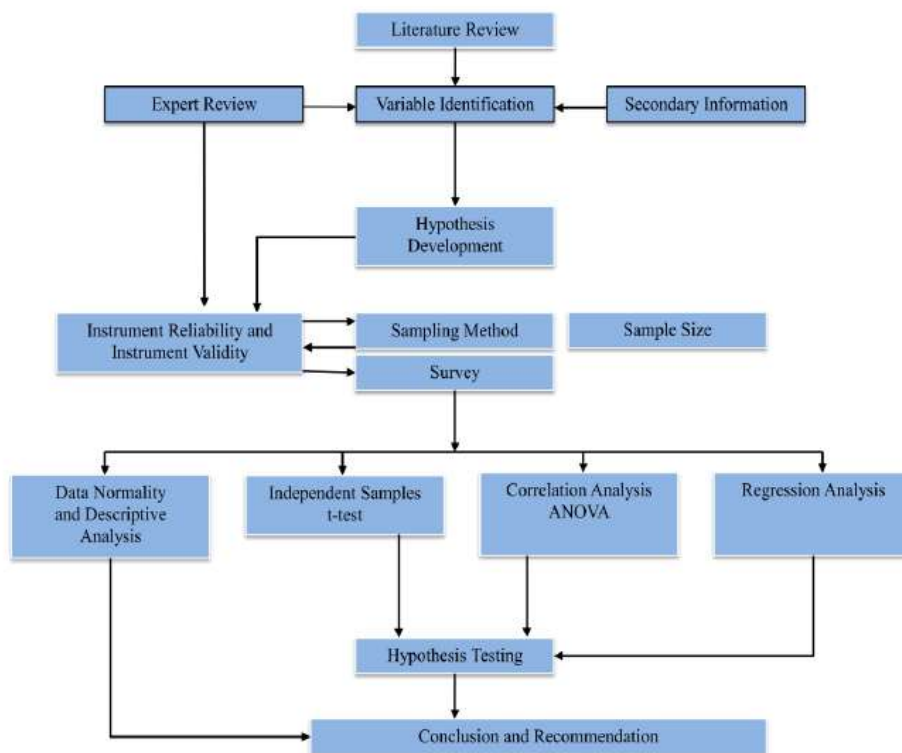


Fig.2. Process flow of proposed methodology

III. RESULTS AND DISCUSSIONS

The Cronbach's reliability coefficient ( $\alpha$ ) for the scales used in the study is more than 0.7, indicating that removing any item would not improve the value any further, therefore all of the items were kept. Table 1 shows the reliability coefficients for several measurements.

Table 1. Reliability Coefficients

Sl. No	Measurement	Item Count	Cronbach's ( $\alpha$ )
1	CSR Awareness	7	0.914
2	Internal CSR	29	0.812
3	External CSR	18	0.883
4	Organizational Engagement	10	0.835
5	Job Engagement	11	0.859
6	Overall	75	0.873

ANOVA was used to determine the differences in CSR practices among firms in one industry. One-way ANOVAs are used to see if the dependent variable's means are substantially different for distinct groups. As a result, a one-way ANOVA was conducted to see if the means of CSR practices differed substantially amongst the firms. Table 2 shows that there was a statistically significant difference among the groups as assessed by one-way ANOVA.

Table 2. ANOVA Analysis

Job Level	N	Mean	SD	F Value	P Value
Junior	114	4.03	0.155	1.645	0.195
Lower Middle	158	4.05	0.163		
Middle	232	4.06	0.147		

The graph shows that more workers are aware with the idea of CSR, with a mean value of 4.28. Almost 43.4 percent of those polled were undecided about whether CSR had an influence on employees. Furthermore, almost 31% of respondents were favorable and partially agreed that the organization's CSR efforts have an influence on workers. Fig. 3 depicts the results of the survey that collected the impact of CSR on employees.

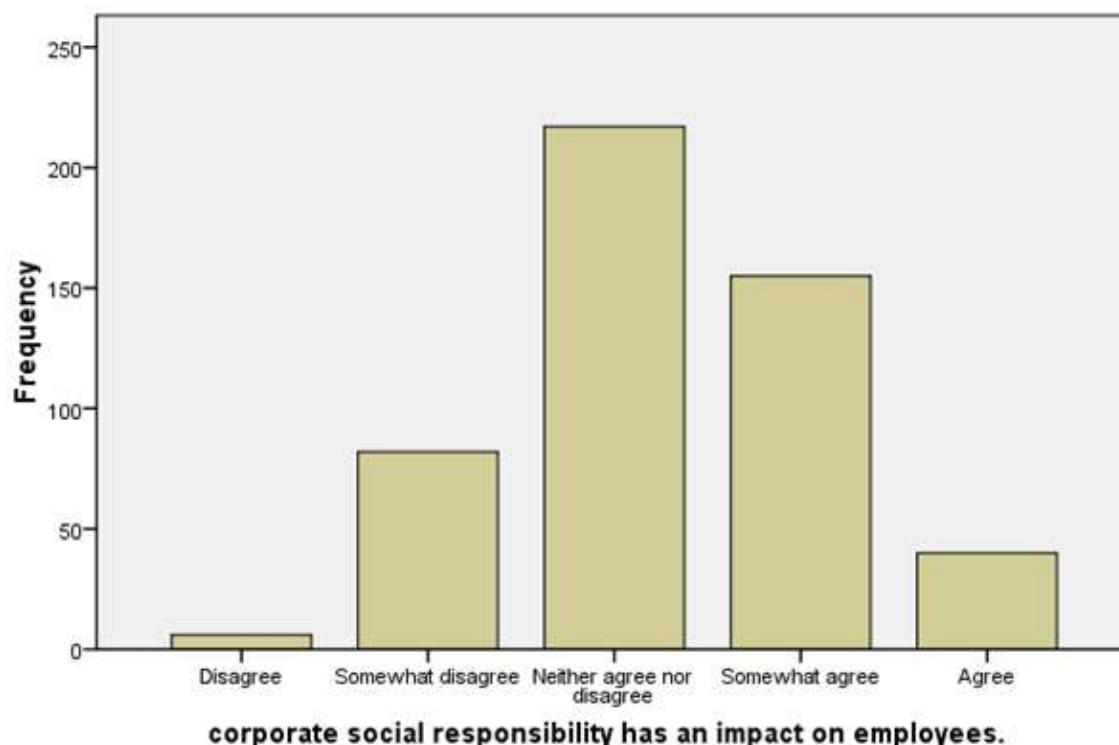


Fig.3. Survey Result for the impact of CSR on Employees

The majority of respondents (41.6%) said that their organization's positive acts motivated them. Only 11.8 percent of respondents agreed or strongly disagreed that their organization's good acts drive them. The findings of the study that gathered employees' motivation through CSR are depicted in Fig 4.

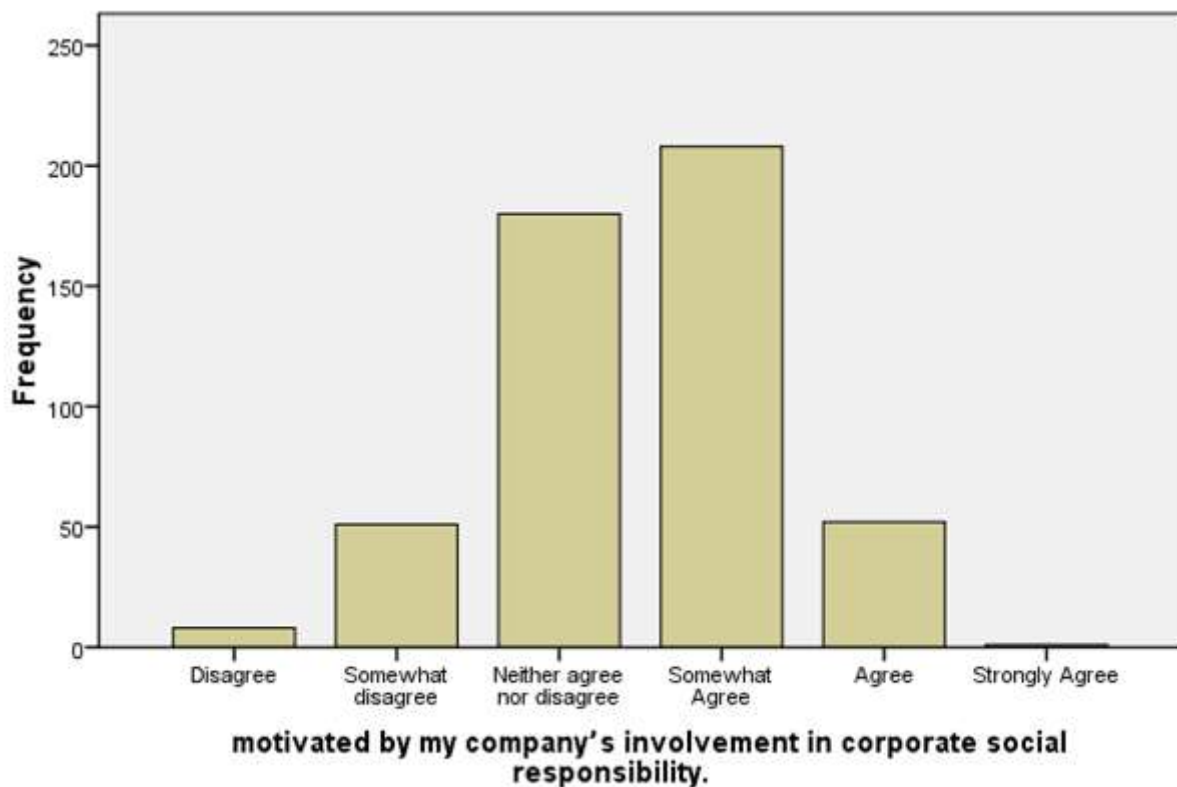


Fig.4. Survey Result for the motivation of Employees through CSR

#### IV. CONCLUSIONS

Almost every company in today's business world operates in a highly dynamic environment shaped by rapid technology advancements, shifting client preferences, and fierce competition. CSR is an organization's obligation to its stakeholders across the world, as well as a strategy for attracting and retaining talent. Employees are one of the most essential stakeholders in every business, and organizations can only achieve lucrative outcomes if they have a pool of engaged workers. This research has shown both factors and attempted to link the two variables by a literature evaluation of prior knowledge base, which was backed by an empirical investigation. The study found convincing evidence that CSR may be employed as an effective driver of employee engagement, resulting in a profitable conclusion with an engaged workforce. This research may assist businesses understand how workers feel about various aspects of CSR and what adjustments they need to make to improve their performance. Overall, CSR is a complicated undertaking that needs a great deal of attention and meticulous planning before it can be implemented. However, if done effectively, it has the ability to provide the company with long-term advantages as an effective internal marketing tool.

#### REFERENCES

- [1] Lee, M. D. P. (2008). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International journal of management reviews*, 10(1): 53-73.
- [2] Aguinis, H. and Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of management*, 38(4): 932-968.
- [3] Chen, J. C., Patten, D. M., and Roberts, R. W. (2008). Corporate charitable contributions: a corporate social performance or legitimacy strategy. *Journal of Business Ethics*, 82(1): 131-144.
- [4] El Akremi, A., Gond, J. P and Swaen, V. (2018) How Do Employees Perceive Corporate Responsibility? Development and Validation of a Multidimensional Corporate Stakeholder Responsibility Scale. *Journal of Management*. 44: 619-657.
- [5] Korschun, D and Du, S. (2013). How virtual corporate social responsibility dialogs generate value: A framework and propositions. *Journal of Business Research*, 66(9): 1494-1504.
- [6] Klein, Jill and Niraj Dawar. (2004). Corporate Social Responsibility and Consumers' Attributions and Brand Evaluations in a Product-Harm Crisis. *International Journal of Research in Marketing* 21 (3): 203- 217.
- [7] Manonmani, P., Mark, J., Karthikeyan, R and Uma, V. (2013). A study on employee engagement with special reference to steel casting manufacturing company, Coimbatore, Tamil Nadu. *International Journal of Business and Management Invention*, 2(1): 59-61.
- [8] Anitha, J. (2014). Determinants of employee engagement and their impact on employee performance. *International journal of productivity and performance management*.33(3): 663-682.
- [9] Bailey, C., Madden, A., Alfes, K and Fletcher, L. (2017). The meaning, antecedents and outcomes of employee engagement: A narrative synthesis. *International Journal of Management Reviews*, 19(1): 31-53.
- [10] Balasubramanian, N. K., Kimber, D and Siemensma, F. (2005). Emerging opportunities or traditions reinforced? An analysis of the attitudes towards CSR, and trends of thinking about CSR, in India. *Journal of Corporate Citizenship*. (17): 79-92.