

CSR and its impact on Employee Engagement

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Abstract - An important factor influencing employee engagement is corporate social responsibility, or CSR. Studies reveal that CSR programs allow workers to contribute more of their entire self to the workplace, which strengthens their sense of loyalty and belonging to the company. The connection between CSR and employee engagement in firms is further examined, showing how the two are positively correlated. To further illuminate the relationship between CSR and engagement levels, studies of executive and management level personnel are conducted to determine the influence of CSR on various organizational levels. Insights into the practical aspects of CSR and its effects on engagement are also provided by examining the ramifications of CSR activities on employee engagement in a sample of Indian enterprises. Lastly, a direct relationship has been shown in large-scale companies between CSR and employee engagement, highlighting the significance of CSR in encouraging employee commitment.

Keywords - CSR, employee's engagement, employee's satisfaction, employee's perception

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INTRODUCTION

Any employer must prioritize employee engagement, much as employees must prioritize job satisfaction. And one of the major obstacles to productivity is employee disengagement. Additionally, because of the dynamic character of the workplace, the causes of disengagement also frequently alter, necessitating ongoing brainstorming on the part of the HR department. Additionally, it is not just the workplace that affects employee engagement; external variables also play a role. The degrees of engagement are affected equally by trends, culture, socioeconomic factors, disruptive events, attitudes, and beliefs. Since approximately US\$280 billion is lost each year as a result of employee disengagement, the HR department must constantly adapt or improvise. However, one thing that stands out about the millennial age is that societal concerns are given priority. Whether it be increased understanding of the current environmental disaster or acceptance of the socio-economic issues. It is an aspect of self-actualization, according to Maslow's hierarchy of needs, and the millennial wants to be a part of something significant.

By virtue of Section 135 of the Indian Companies Act of 2013, India is the first country in the world to have legislated CSR for enterprises whose net value is INR 5 billion or more (about US\$ 68 million or above) or whose net profit is INR 50 million or above (US

\$679983.50 or above). There are 16 000–17 000 of these groups, according to a 2016 estimate, and the nation has been generous with its CSR investment. Over INR 1 trillion, or roughly \$13.8 billion, was spent on CSR in the period 2014–19. According to the CSR research (Thacker, H, CSR Policies throughout the World, 2019), India, the United States, and Denmark are three of the top contributors to CSR. Business like Tata, Infosys, Wipro, NTPC, BPCL, Jindal Group, Vedanta, etc. have created communities around their operational regions and given generously. CSR initiatives may be those that are outlined in a company's act or those that are chosen during board meetings. These initiatives typically have an impact on customers, suppliers, the environment, communities, and workers. Another country with a high spirituality index is India. According to a study, India comes in second place for spirituality, behind Canada. In addition, India has been a part of Indian culture from ancient times (Sudhir, R, 2009). It goes beyond the traditional definition of charity and is more closely related to proactive strategies for equity and sustainability.

Corporate social responsibility, or CSR, is becoming one of the key elements that draw in and keep millennial employees. The employees seek employment in which they may make a positive impact on society in some way. In other words,

employees want to play a role that is meaningful and significant outside of the workplace and seek to be pro-social. Additionally, organisations that make a significant contribution to prosocial goals typically have superior retention rates than those that don't. The morale of improving performance at work is also high due to underlying motivation. The core premise, however, is that by getting disengaged employees involved in CSR activities and giving them the freedom to conduct self-driven initiatives, motivation can be increased.

REVIEW OF LITERATURE

It is unclear how millennial employee engagement and CSR initiatives relate to one another. One of the key elements in ensuring good staff productivity is employee engagement. Employers take proactive measures to ensure employee work satisfaction, which is anticipated to increase employee engagement. However, millennials have different standards for job happiness than baby boomers do. The idea of contributing in any manner they can to society drives them. Compared to their senior peers, they are more aware. Consequently, a socially responsible company guarantees more employee engagement.

EMPLOYEE ENGAGEMENT

Person engagement is the degree to which an employee actively participates in their work. It incorporates the involvement's physical aspect (i.e., number of hours OR minutes, as well as psychological aspects i.e. attitude, behavior towards work, emotional quotient, motivation, etc.) (2010) Markos and Sridevi From the standpoint of the employer, employee engagement serves to maximize the results based on the resources spent in employees, which is related to employee job happiness. Employee engagement, according to Kahn, is the most effective use of an employee's skills for the benefit of the workplace, demonstrating a utilitarian mindset. Schaufeli claims that it is an upbeat mentality with zest for organizational operations. It must be persistent and really efficient, and it is not only necessary at certain times (Alan M Saks, 2006). In general, numerous characteristics are used to quantify employee engagement; each parameter has a different weighting, and the overall score for each employee indicates the level of engagement. The process is dependent on the circumstances, and neither the weighting nor the criteria used to measure employee engagement are uniform.

Additionally, the manager's or the evaluator's wisdom is what counts most.

CORPORATE SOCIAL RESPONSIBILITY

Generally speaking, CSR refers to actions that are undertaken by corporations that go beyond Friedman's definition of responsibility, or beyond maximizing profits for shareholders. Carroll's CSR pyramid, which is comparable to Abraham Maslow's pyramid and

places philanthropy at the top, suggests that corporate philanthropy is equivalent to or is based on the "Self-actualization" part of Maslow's pyramid (Guiling Wei, 2013). When corporations feel they have something to contribute to society, it is the state that follows the money and uses the law to defend the money. It is then ensured that businesses adopt moral and environmentally friendly business practices, after which they engage in philanthropy by doing what they can to improve society. Examples from India include Jindal

Stainless, where neighborhood development occurs as a result of various initiatives.

It is debatable whether CSR is always non-profit, like in the case of Ben & Jerry's (Karen L. Pellegrin, 2016), where it was acknowledged that there is ongoing discussion among scholars about whether CSR is truly inclusive. Academicians and practitioners agree, however, that the fundamental goal of CSR is a corporate activity that has a forward-moving impact on the organization.

Howard R. Bowen asserts that organizations have an effect on people's lives, even if they are not direct or indirect stakeholders. As a result, it is clear that every individual involved in any organization's operations is a stakeholder. All organizations currently in existence realize the value of society and will continue to do so in the future, thus CSR is significant (Bowen, H, as cited by Archie B Carroll, 2016). This demonstrates the importance of CSR in enhancing employee engagement, which is one of the main topics. This is because CSR initiatives integrate the goals and values of such employees into actions and acknowledge employees in an organization as stakeholders (Philip Mirvis, 2012). Due to the organizational citizenship aspect, employees also have an impact on organizational behavior and public relations. They want to play more active roles that have an impact on society.

RESEARCH METHODOLOGY

RESEARCH Design

Exploratory research design is used. We want to investigate how closely CSR and employee engagement are related. The premise that CSR increases employee engagement is supported by literature and theories, but there is still much room for research and room to explore new angles. By using this approach, we aimed to guarantee the research's open-endedness. The majority of the study's data will be qualitative. New parameters can now develop thanks to open-ended research. This can further guarantee a thorough analysis.

Population & Sample

Employees working for a formally established business in the CSR and HR sectors make up the population sample. Both HR managers' and CSR

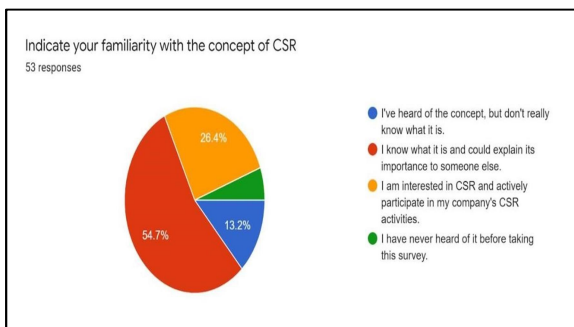
managers' experiences will be used to our advantage. Their observations of the workers who participated in CSR would be very helpful to the study. They have the potential to inspire workers and increase their productivity through CSR. The best practises that firms use to adopt CSR are yet another crucial bit of knowledge we can gather. Additionally, we also want to interview the staff. This will guarantee that we also understand the viewpoint of the employees regarding whether or not CSR contributes to achieving high levels of professional motivation.

Instrumentation

The descriptive approach has been employed by the researchers in an effort to present and collect as much data as they can. Interviews and questionnaires are used in this strategy. A list of responders received the questionnaire by email, and they were instructed to mail their answers within the allotted time frame. The questionnaire will be the main tool used in this study to collect data. There are unbiased questions on the survey. Convenient sampling was another approach considered for data collection at first, but due to time constraints, only the questionnaire and interview method was applied.

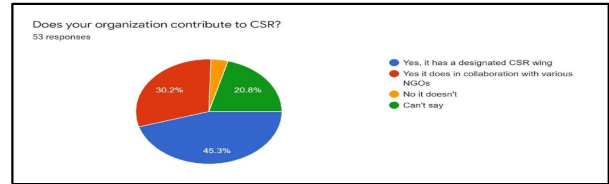
ANALYSIS

The analysis is based on the employee's perspective and familiarity with CSR. The data clearly shows that 54.7% of the respondents were familiar with the idea of CSR and could describe it to a stranger. 26% of the respondents expressed interest in CSR and were actively participating in the CSR efforts of their employers.



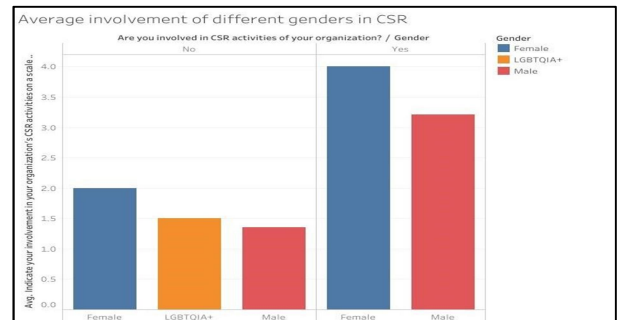
Individuals' awareness of the CSR efforts of the company

Respondents were questioned about whether their company participated in CSR. The question had the response option "Can't say," which was included on purpose to gauge respondents' familiarity with their businesses. According to the data we gathered, almost 21% of the respondents were unable to respond positively to the question, indicating that the problem is not only with the employee's lack of knowledge about his or her organisation but also with the failure of the latter to make the employee aware of every facet of its operations.



Participation of individuals in the company's CSR

In order to investigate this, we separated the data by gender. Only 22 of the total 52 respondents participated in CSR initiatives run by their company. Female employees were found to be marginally more engaged in CSR than male employees among the 22 respondents that participated in CSR.



What do employees seek in a job at a company?

The idea was to analyze what attracts people to work in a particular organization. Evidently, for most of the people work culture and pay package emerged to be the most sought-after attributes while working in an organization followed by the brand image of the organization. What is surprising to note that more than half of the respondents think CSR to be the last attribute they look for while working in an organization.



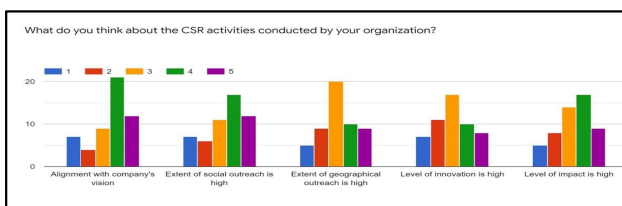
Employee perceptions of their companies' CSR

More than 20 of the 52 respondents who were asked to agree or disagree about the CSR activities carried out by their firms agreed that these efforts were consistent with the company's goal. If a company produces electronic waste, such as used lithium-ion batteries, then what is the company doing to make up for the level of environmental degradation caused by these batteries? That would be aligning with the company's vision. According to Kramer and Porter, corporate philanthropy when in line with a company's mission can improve the business climate, which further serves the company's strategic goals (The

Competitive Advantage of Corporate Philanthropy, n.d.)

When asked about the breath of the company's CSR operations, more than 15 employees agreed that the level of social outreach of the CSR activities carried out by their firm is high when questioned about the scope of social outreach. Regarding the scope of the geographical reach of the CSR initiatives carried out by their organisation, over 20 respondents expressed neutrality.

Although it is uncommon, bringing innovation to CSR is not unheard of. Most of them responded indifferently when asked how much innovation their organization's CSR requires. The majority of respondents thought that their organization's CSR had a very high level of influence, even though innovations may not be prevalent.



CSR and how it affects employees' attitudes toward work

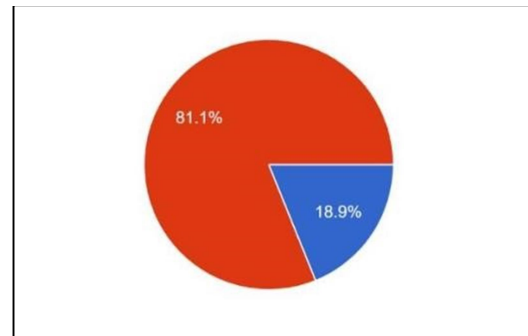
90% of the respondents to the study worked for companies with 500 or more employees, with 1000 or more employees making up the majority. When asked what matters most to them, the majority of employees ranked work culture higher than CSR initiatives, the organization's brand image, pay packages, and person-job fit. The majority of individuals who gave the pay package less importance than the other options said that the work culture and brand image were their second and third priorities, respectively. For those employees who were directly involved in CSR as their primary career, CSR initiatives were a top priority. For the majority of those polled, the brand image came in either second or third.

The majority of those who valued work culture and company image weren't actively engaged in CSR efforts. However, the majority of employees who placed work culture first and second thought that their firms' CSR goals were in line with their overall organisational vision. The majority of employees (58.6%) believe that CSR improves their attitudes toward their work. The next step is to improve how the employee views the company and to motivate them to take part in CSR activities.

Once more, the bulk of those who hold these views are not directly associated with CSR. 25.9% believe that CSR enhances employee engagement generally inside the company.

HR perspective

The survey's response rate from HR and CSR department staff was incredibly low. Only 19% of respondents worked for the combined HR and CSR departments.



A responder who answered "Yes" to the question about his or her affiliation with the HR/CSR department would then be routed to a separate set of questions in the survey. These inquiries would aid in our comprehension of how HR and CSR personnel view employee engagement from the perspective of CSR.

According to the data, 70% of respondents said that the organization involved its employees in CSR-related decision-making. When asked if the organization took into account employee input and suggestions regarding CSR, 60% of respondents responded in the affirmative, while 10% were unsure.

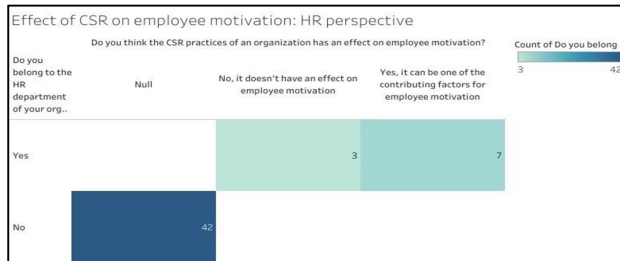
When asked about the direct effects of CSR on the employees that participated in it, the data showed that leadership skills, empathy, proactiveness at work, increased cognitive capacities, interpersonal skills, and an individual's capacity to work in a team all saw significant improvements.

An independent study of the poll of human resources specialists revealed that CSR does, in fact, boost people's interpersonal skills and employee engagement. Additionally, the majority of HR experts concur that CSR's benefits for employee engagement are long-lasting. When workers participated directly in CSR initiatives, the qualities of interpersonal skills, leadership, empathy, proactiveness in the workplace, and cooperation were improved. Additionally, the majority of HR experts belonged to the group that ranked work culture as their top priority. According to the literature already in existence, employee engagement is influenced by the five characteristics of interpersonal skills, leadership, empathy, proactivity in the workplace, and teamwork (Macey, W & Schneider, B, 2008).

CONCLUSION

It is true that corporate social responsibility is crucial for fostering employee engagement. Our research suggests that the organization's CSR initiatives have

a behavioural component that is at play. In terms of boosting employee engagement and motivation, CSR can provide better returns on investment. Based on the aforementioned data, 70% of HR professionals believed that employees who participate in CSR are more engaged at work; nevertheless, 20% of HR professionals believe that this engagement through CSR is not a long-lasting phenomena. Only 10% of HR professionals believe that CSR has no bearing on employee engagement. When asked whether CSR has an impact on employee motivation, only 70% of HR respondents believed that it might, but not necessarily would.



Even non-participating employees believe that CSR improves their perception of the company. When employees participated directly in CSR initiatives, their interpersonal skills significantly improved. According to the results, it can be concluded that include CSR activities in training can significantly improve interpersonal skills, which can result in a wonderful workplace culture and guarantee a greater level of employee engagement. From this point forward, adequate engagement in CSR must be ensured and involvement should ideally be broadened to include all employees.

Contrary to earlier polls' findings, which were based on data from a population sample from Western nations, CSR had a less direct effect on employee engagement.

The fact that just 29% of the total population polled participated in CSR and that more than 50% of those surveyed were neither directly or indirectly involved in CSR further supports the notion that the impact of CSR is modest. Therefore, figuring out the causes of such poor involvement is equally crucial. This shows that more research has to be done, particularly in the case of India, considering the scope and efficacy of communication regarding CSR projects. Additionally, more research needs to be done on the relationship between CSR and its perception and acceptable remuneration schemes. In addition, it is indisputable that the majority of well-known research is conducted in developed nations, which have societal structures distinct from those of India. Consequently, it becomes equally crucial to research how Indian society affects how the average employee views an organization's commitment to social responsibility.

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