

A STUDY OF EMPLOYEE INVOLVEMENT IN CSR ACTIVITIES IN INDIA

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Abstract: Corporate Social Responsibility (CSR) is the fair amalgamation of social and environmental concerns into business decisions and operations. It is a multi-disciplinary focus and its definition varies with regard to the professed scope or margins of the organization's dependability. Many authors claim that CSR influences the performance of employees it contributes to attract and retain employees, and to increase the labor productivity. In this paper, corporate motives for CSR are explored, along with the view of a humane ethical impulse among employees, possibly aggravated by beliefs. Employees want job safety and pay protection, healthy working environment, on the other hand they want to feel proud of the organization they work for. Examining the opinions about CSR of this category of employees is motivated by the fact that they are the most dynamic component of the labor force, those who are supposed to be the most passionate to fit into place willingly in CSR activities. This paper is a foundation to an empirical study with the purpose to address how CSR activities are interpreted and institutionalized by Indian organizations. It also explores the expectations and attitudes of the employees of Indian organizations towards corporate social responsibility (CSR) activities developed by the companies they work for. It is suggested that the proper execution of CSR activities by the organizations could be associated with the changing individual values of the work force and their commitment towards CSR.

Key words: Corporate Social Responsibility (CSR), Employee involvement, Employee retention

INTRODUCTION

Corporate Social Responsibility (CSR) as defined by the World Business Council for Sustainable Development is "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." On the other hand the European Commission identifies CSR as "being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders."

In terms of both the nature of marketing warfare and the wave of internationalization that has been extensive across markets, the business environment has undergone enormous changes. Companies are escalating their boundaries from the country of their origin to the sprouting markets in the developing countries which have been also referred to as emerging markets. The present inclination of liberalization, privatization and globalization has brought awareness among the companies that in order to contend successfully in a competitive business environment like India; they must have clearly defined business practices with a genuine focus on the public interest in the markets. By establishing goodwill relationships with both the state and the civil society the multinational companies are trying

to expand initial mover advantage in different developing countries. There has been an enormous transformation in the nature of the relationship between companies, the nation and the society. No longer can firms maintain to act as independent profit making entity in spite of the interest of the general public. The progression of the liaison among companies and society has been one of slow conversion from a benevolent coexistence to one where the reciprocated interest of all the stakeholders is gaining overriding importance. In India both multinational and indigenous companies are beginning to apprehend the fact to establish business initiative and to guarantee sustained existence, business practices have to be transformed from the usual practice of solely concentrating on profitability to issues related to public goodwill and responsible business formats. An investigation of some of the factors that have focused to the progress of the concept of corporate social responsibility (CSR) would be perfect starting position for the theoretical growth of appropriate corporate business practices for promising markets. Archie Carroll, in 1979, added the four dimensions to the corporate social responsibility (CSR) definition namely economic, legal, ethical, and charitable responsibilities.

In fact the stakeholders' theory identifies that; companies not only should deal with the needs of their shareholders, but for several parties like the employees, the community and above all the society. In developing country like India,

the development of the CSR activity commences few elements like priorities in CSR performance and dimensions of the CSR. It continued to evolve, adding to its interest fixation about the interests of other issues that are related to the company's activities and surroundings. The contribution of CSR to the sustainable development represents a change in the CSR approaches, under the socialization and globalization drives.

Moon (2002) made a distinction of three types of corporate social responsibility coverage 'community involvement', 'socially responsible production processes' and 'socially responsible employee relations'. At the initial stages of development of corporate social responsibility in emerging markets, the community attachment was more on the line of a humanitarian involvement with company involvement limited to developing enormously indispensable amount of collective benevolence necessary to drive in the corporate world. CSR in developing countries is considered as part of commercial charity where corporations boost the social development to support the initiatives of the government. However in the developed countries CSR is respected as a strategic tool that helps the companies to have a justifiable continuation in the society. CSR is measured integral in the business survival of the long-established organizations in the emerging economies (Mohan, 2001).

The Green Paper (2001) by the Commission of the European Communities identifies two main dimensions of CSR, an internal dimension relating to practices internal to the company and an external dimension involving the external stakeholders. Employees of the organization have a vital responsibility to help their company to accomplish its CSR objectives. Optimization of resource deployment that the stakeholders approach explains the importance of CSR in increasing the company's efficiency. This paper intends to concentrate on a particular group of stakeholders, namely employees who are included in CSR program directly by the organizations. The meticulous concentration of this group derives not only from the significance of employees for any company, but generally from the importance that those dedicated group of personnel has on the performance of any company.

METHODOLOGY

This exploratory study was carried on a sample of 200 employees who had a place of work in multinational companies operating in India and attended a CSR activity under the banner of their organization. It was followed by a survey based on auto administrated questionnaire about CSR and the awareness of the concept. The employees

were between 21 to 50 years of age and there were 62 female respondents and 138 male respondents. The survey was necessary in order to identify the awareness of the concept of CSR and what do professionals understand through CSR. Open ended questions have identified elements regarding factors that motivate busy target oriented professionals in choosing employers and if CSR activities are among the criteria pursuit in choosing an employer.

FINDINGS AND DISCUSSIONS

Out of 200 filled up questionnaires, 197 were considered as valid as rest 3 responses were biased towards employee benefits only instead of interest in involvement in CSR activity along with existing job assignments. The questionnaire had 5 multiple choice questions. The first one was about the concept CSR activity awareness. Most of the respondents were aware about CSR, and 99% consider that CSR is an important aspect for any company which is financially sound.

In response to the question "which is the most important group of stakeholders", customers (96% from valid answers) came on the first place followed by investors (86%), employees (83%) and business partners (73%). In the form of Lickert Scale a question was related to the importance of CSR activities.

The respondents were asked to rank from 1 (not important at all) to 5 (very important) different CSR actions: ethical practices for human resources management, actions oriented toward environment protection, employees' donations for different social causes, training programs for employees, possibility of using for free different companies' facilities, lifelong education of employees, involvement in community health programme. The most important were considered the training programs for employees (3.79/5) and ethical practices for human resources management (3.56/5). With high scores were considered actions lifelong education for employees (3.08/5), involvement in community health programme (2.79/5) and actions oriented toward environment protection (2.14/5). On the last place were the possibility of using for free different companies' facilities (2.04/5) and employees' donations for different causes (1.77/5). It seems that among the socially established employees, civic spirit gets less importance in comparison to personal gain.

Respondents i.e. employees were asked to mention what they know about CSR campaigns and what kind of companies do they consider that should be involved in CSR. And it was found that most of the participants were aware about CSR. Almost all of them acquired knowledge about CSR through campaigns advertised on television, and others have been involved in quality circle actions of

their organizations. In response to the open ended question “which companies should be engaged in CSR activities”, majority of the respondents suggested that all companies should build up CSR activities, but mostly multinational companies (due to their financial supremacy). The respondents suggested that CSR is applicable in SMEs too, only if they can afford to uphold CSR activities without hampering the basic interests of their employees.

Maximum employees valued that paying taxes and fulfillment to the law is as much as necessary to judge

SMEs social responsibility. Other than this what kind of CSR activities they consider that are important, the participants mentioned CSR actions oriented to the community issues, health issues of susceptible groups and rural citizens of India, education for all, installation of environment friendly machines, awareness campaign for endangered species of wild animals (e.g. Save Tiger Project of Aircel) etc. The answers were significant different when they were asked to select from a variety of CSR orientation.

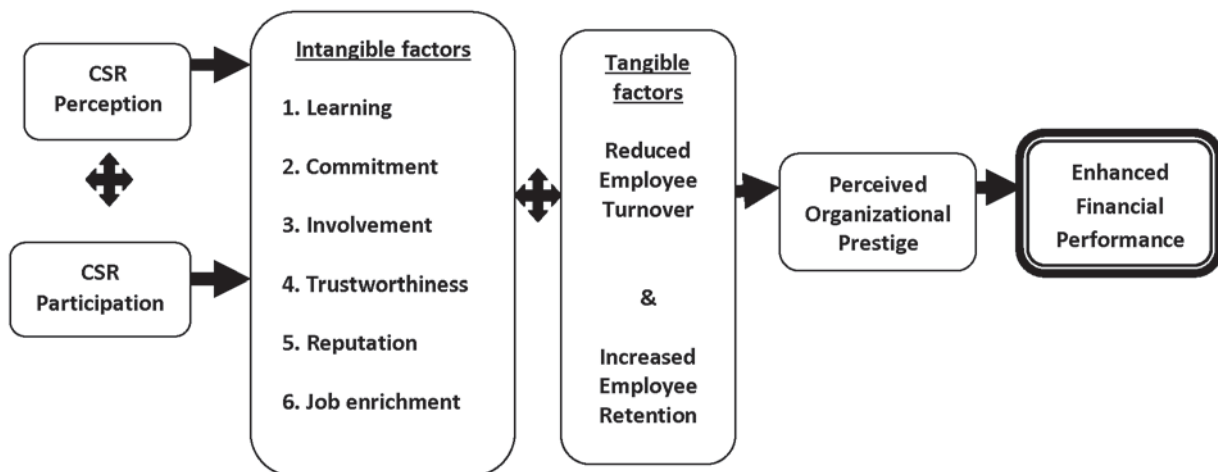


Fig : Conceptual Framework of Corporate Social Responsibility & Employee Involvement

In this case, CSR actions oriented to employees become very important. They all argued that in difficult periods, companies usually acquaint themselves with the CSR activities to those causes that are more severe to the society. When a company extends their helping hand towards a noble cause of the community the employees working in this organizations perceive the CSR activity as an integral part of their regular job. Intangible factors like trustworthiness, commitment and voluntary involvement play a major role among the employees which ultimately help the organization to build the reputation in emerging markets. In response to the question asked “if they considered that employees should be involved in voluntary actions”, everybody agreed that the involvement in voluntary action is important and increases the responsible behavior for any company. In some cases employees even consider involvement in CSR activity on behalf of their company as job enrichment for themselves. However, all of them suggested that involvement in CSR should not be considering an element of discrimination among employees, in terms of compensation package or promotion opportunities as it is voluntary engagement for them and it should remain voluntary and should not be related to job evaluation.

The employee involvement is a critical success factor for successful CSR execution in the society. Human resource managers have to develop the tools and the prospect to influence employee commitment to, and rendezvous in, the firm’s CSR objectives. High performing CSR organizations foster a culture of CSR and fully integrate CSR throughout their operations, rewarding and incentivizing CSR decisions and initiatives. Employees prefer to work for organizations associated with their values; thus, integrating CSR activities into the employee job description can augment recruitment and retention, predominantly in stretched labour markets. CSR can be a functional to the human resource toolkit, resulting in a passageway for human resource practitioners to follow who wish to contribute to the achievement of their organization’s sustainability and vision of the company, in that way humanizing social and environmental conditions locally and globally. CSR can be productively implemented in an organization through accurate deployment of its work force. Active follow up and management of employees who are off work due to disabilities or injuries have also been shown to result in cost savings for the companies in CSR activity execution.

CSR is a known concept and employees realize as a positive aspect the CSR activity in the firms’ concern. Employees

consider that CSR is more appropriate for large companies than for SMEs, inducing the idea that CSR is a costly performance and not all companies can manage to pay for such efforts. CSR is significant, but for SMEs' more important are factors that have a direct connection with job security, personal development and pay packages. This conclusion is sustained, also, by the hierarchy of CSR activities from employees' perspective. Even CSR is considered, in general, an important criterion in evaluating an employer; actions oriented to employees are the determinant component of the CSR that employees are looking for. Reconstructing of recruitment policies to include employees from older workers and/or the long-term unemployed would be a noteworthy step forward in installation of CSR practices in Human Resources Management. CSR can be justified by providing an environment for lifelong learning for employees, employee empowerment, and improvement in work life balance, diversified work force, shared ownership schemes, and overall concern for employability as well as job security.

Future Scope of Study

The results may be significant for companies when they design CSR actions that are pursuing to boost employee loyalty or attractiveness for workers. The study can be used as a start point for future research on a comparative base in order to identify similarities or differences among countries or categories of employees.

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