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RESEARCH ARTICLE

THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON EMPLOYEE ENGAGEMENT, ATTITUDE AND BEHAVIOUR: A STUDY WITH REFERENCE TO V-GUARD INDUSTRIES LIMITED KERALA

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ABSTRACT

Employee engagement can be defined as the extent to which employees are motivated to contribute for the achievement of organizational goals. CSR is an inexorable factor that can act as a technique to promote Employee engagement and to influence the attitude and behavior of employee's. The objective of the study is to identify the influence of CSR on employee engagement, attitude and behavior. The study was conducted at V-Guard Industries Limited at Vennala, Kerala. The tool used for data collection was questionnaire and data was collected from 60 respondents and analyzed through Statistical Package for Social Science. The study seeks to assess the extent of influence of CSR activities of the employer company on the employee's motivation, job satisfaction, organizational commitment and eventually employee engagement. From the study it has been concluded that CSR activities are acting as an important drive for stimulating employee engagement and in influencing attitude and behavior of employees in an organization.

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INTRODUCTION

The European Commission's Green Paper of July 2001 defined CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." The aim of social responsibility is to create higher standard of living, while preserving the profitability of the corporation, for its stakeholders (Michael Hopkins, 2007). Lee, Park and Lee (2013) investigated perception of employees about the CSR performance of their firm and its impacts. The employees' awareness about CSR performance and their involvement has an impact on corporate performance as it has positive external effects on the image in terms of communication and reputation as well as it influence attitude and behaviour of employees internally by producing employee satisfaction and attachment to the company (Lee, Park and Lee, 2013). This paper aims to assess how CSR can act as a tool for bringing a positive outcome to the organizations by improving employee engagement, attitude and behaviour.

REVIEW OF LITERATURE

Corporate social responsibility is high on the agenda for every organization in today's world.

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Irrespective of the size and volume of operation every company wants to contribute towards the upliftment of the community and the society as a whole. Large volume of research has available on effects of CSR activities on employee performance level at organization. Many studies including Moskowitz (1972); Turban and Greening (1996); stated that corporate social contribution attracts motivated potential employees and improves commitment level of existing employees. Brammer et al. (2007) noted that CSR activities increased employee's organizational commitment. Abraham et al., 2017 mentioned that there is an inconsistent relationship between CSR and financial Performance of firms could stem from the mediating role of stakeholder engagement. The findings indicate that firms embark on CSR initiatives tend to engage their stakeholders more than those who do not. Moreover, firms that engage their stakeholders tend to perform better financially. José Milton et al., 2010 conducted a study to analyze how social responsibility strategies can create competitive advantage. He identified that Social responsibility has become a strong and irreversible part of corporate actions. CSR programs and projects can create significant benefits in terms of reputation and returns as well as the motivation and loyalty of employees. Husted and Allen (2001) state that CSR strategies can create competitive advantages if used properly, pointing out that there is a positive association between strategic social responsibility actions and competitive advantage. Imran et al., 2010 described that there is highly significant positive relationship between CSR and employee organizational commitment, CSR and

organizational performance, and Organizational commitment and organizational performance. Towers et al., 2007 studied that companies with the highest levels of employee engagement achieve better financial results and are more successful in retaining their most valued employees than companies with lower levels of engagement.

Research Gap: The review of literature revealed that the studies which examined the influence of CSR on employee engagement, attitude and behavior are scanty in literature. The purpose of the study is to find answers to the following research questions. (a) Whether CSR can influence employee engagement in an organization? (b) Whether CSR can positively influence attitude and behavior of employees in an organization? (c) Is there any association between work experience and employee engagement? The problem is stated as “The Influence of Corporate Social Responsibility on Employee Engagement, Attitude and Behaviour”. This study aims to fill the gap in the literature and is quite relevant from the point of view of both academic and corporate perspective.

Hypotheses: Based on the objective, the following hypotheses were formulated and tested. H01: CSR has no positive influence on employee engagement.

H02: CSR has no positive influence on the attitude and behaviour of employees.

H03: There is no association between the work experience of employees and employee engagement.

MATERIALS AND METHODS

The study is empirical in nature and based on primary data which is collected by using a structured questionnaire from a sample size of 60. The population comprises employees of V-Guard Industries Ltd. Simple Random sampling technique was used to identify the respondents. A 5-point Likert scale is used to measure the respondent’s agreement or disagreement with anchors ranging from strongly agree (5) to strongly disagree (1) The collected data was analyzed using mathematical and statistical tools like Arithmetic Mean, Standard Deviation, Chi-square test and t-test.

SAMPLE PROFILE: Out of 60 respondents, 66 percent are males and 34 percent are females. 60 percent of the employees have more than seven years of working experience in the industry while twenty-three percent ranges between 5-7, five percent ranges from 1-3 and five percent ranges from between 3- 5 and less than one year.

DATA ANALYSIS

FINDINGS AND INTERPRETATIONS

Tables 2, 4, describe the extent to which CSR activities of the firm will influence employee engagement, attitude and behavior. Table 2 contains 4 variables that results in employee engagement and table 3 contains one sample t-test. Table 4 contains four variables that influence attitude and behaviour and table 5 shows one sample t-test along with their mean and standard deviations.

Table 1. Standards for Comparison of Mean Values

Mean Values	Interpretation of Precautions
Below 2.0	Very low
2.1 to 3.0	Low
3.1 to 4.0	High
Above 4.1	Very High

Source: Authors’ own

Table 2. Extent to which CSR activities influence on employee engagement

	Item Acronym	Mean	Std. Deviation
Important drive in employee engagement.	P1	3.95	1.241
motivational factor accomplishing organizational objectives	P2	4.15	1.055
CSR image of the company will stimulate employees to work for the organization for long time	P3	3.90	1.261
social commitment of firm will boost organizational commitment and belongings	P4	4.03	1.314

Source: Primary data

Table 3. One-Sample t- test

	Test Value = 3		
	t	P value	Mean Difference
Important drive in employee engagement.	5.930	.000	.950
CSR as motivational factor accomplishing organizational objectives.	8.445	.000	1.150
CSR image of the company will stimulate employees to work for the organization for long time	5.584	.000	.902
social commitment of firm will boost organizational commitment and belongings	6.090	.000	1.033

Source: Primary data

Table 4. Extent to which CSR activities influence on employee engagement

	Item Acronym	Mean	Std. Deviation
social concern of firm will increase employee’s job satisfaction	P5	3.08	.846
employees interest in working at socially committed firm	P6	3.62	1.404
proud about being a part of socially committed firm	P7	4.12	1.180
CSR improve organizational citizenship behavior	P8	4.00	1.235

Source: Primary data

Table 5. One-Sample t Test

	t	Test Value = 3	
		P value	Mean Difference
social concern of firm will increase employee's job satisfaction	-8.092	.000	-.883
employees interest in working at socially committed firm	3.465	.001	.623
proud about being a part of socially committed firm	7.329	.000	1.117
CSR improve organizational citizenship behavior	6.272	.000	1.000

Source: Primary data

Table 6. Cross Tabulation of Work Experience * CSR Is an Important Drive in Employee Engagement/ Result of Chi-Square Test

Work Experience	Employee Engagement				Total	Chi-Square Value
	Strongly agree	Agree	Disagree	Strongly Disagree		
Less than 1	0	1	0	2	3	.000
1-3	3	1	0	0	4	
3-5	0	2	1	0	3	
5-7	5	9	0	1	14	
Above 7	14	19	2	3	36	
Total	22	32	3	3	60	

Source: Primary data

Table 6 shows the cross tabulation result of association between work experience and employee engagement. The standards used for comparing mean values of each variable and their interpretation are given below:

In the case of P2, P4 measures, the mean values are above 4.1 which indicate that CSR activities will very highly influence employee engagement. In the case of P1, P3 and P5 measures, the mean values are in between 3.01 and 4.0 and hence CSR activities will highly influence employee engagement. From the above table, since the P-value is less than the level of significance 0.05, therefore the H₀ is rejected and accepted the alternative hypothesis that CSR has positive influence on Employee Engagement. In the case of P7, measures the mean values are above 4.1 which indicate that CSR activities will very highly influence attitude and behaviour of employees. In the case of P5, P6 and P8 measures, the mean values are in between 3.01 and 4.0 and hence CSR activities will highly influence attitude and behaviour of employees. From the above table, since the P-value is less than the level of significance 0.05, therefore the H₀ is rejected and accepted the alternative hypothesis that CSR has positive influence on attitude and behaviour of employees. From the above table, since the P-value is less than the level of significance 0.05, therefore the H₀ is rejected and accepted the alternative hypothesis that there is association between work experience and employee engagement.

Managerial Implication

When companies are involved in CSR activities, on the one hand it helps in improving their public image and on the other hand it helps in keeping employees happy and engaged by giving them a sense of accomplishment. In order to engage their employees and to influence their attitude and behaviour an organization should ensure that their CSR activities do not occur in vacuum. The best, most symbiotic CSR relationship are created by harnessing employee potential, channeling it, and make a valuable contribution to society. Management can use CSR activities as a technique to attract, retain and engage their employees to achieve Organisational goals.

Limitations and scope for future research: The study has limitations as most questionnaire method suffers from. The findings are based on a small sample of 60 respondents and therefore future studies could consider a large sample of employees working in an organization. Gender based study is not carried out in this study so that future studies can consider influence of CSR activities on employee engagement, attitude and behaviour on gender basis.

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