Corporate Social Responsibility Its Impact On Engagement Of Employee - With Respect To BPO Industry In Bangalore

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Abstract
The HR function has become very vast in recent years. The Indian Institute of Personnel Management has specified the scope of HRM as follows:
Personnel report: This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff, retrenchment, remuneration, incentives, productivity etc.,
Welfare Aspect: It deals with working conditions and amenities such a canteen, crèches, rest and lunch rooms, housing, transport, medical assistance education etc.
Industrial aspect: This covers union management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes etc.

Keywords: Engagement, Corporate Social Responsibility

Introduction
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Human Resource Development (HRD) in Indian Industry
There were days when HRD was interpreted as a highly redundant department. The costs involved in setting up a HRD unit were said to be relatively high with no tangible benefits insight immediately. Employers were not very sure whether the HR (Human Resources) philosophy would yield any concrete gains. In early 1970’s the situation was sought to be remedied through the establishment of HRD units in large organization. Larsen Toubro was the first company to design and implement an integrated HRD system. The first workshop on HRD was held way back in 1979. The Xavier Labor Relations Institute (XLRI) was the first academic institution to setup a full fledged centre for HRD. A national HRD network was setup in 1985. With increasing competition, companies nowadays have realized the importance of introducing systematic HR practices in a big way. Companies now talk about the New People Management (NPM) with the following objectives in mind:

a) Corporate goals – must factor in individual career growth.
b) Company profits must be linked to personal rewards.
c) Organizational learning must involve employee training.
d) Job responsibilities must facilities personal development.
e) Business strategies must consider human resource issues.

In order to meet these objectives, companies must have people with requisite knowledge and skills. They must create a corporate culture for individual excellence and prepare people for future challenges, role and responsibilities through continuous learning efforts. There must be proper rewards for only those who achieve pre-set targets. Those who add no value to corporate growth may be shown the door. Effective corporate social policies are a requirement of today’s companies. Policies have not only to be formulated; they also have to be delivered by corporate employees.

Concept of Employee Engagement
Employee engagement is the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is a person who is fully involved in, and is enthusiastic about his or her work. Such employees are attracted to and inspired, committed and fascinated by their work. The age old business dictum goes that ‘satisfied employees create satisfied customers by constantly striving for the best contributing to the bottom line of the company success by their motivation and enhanced performance. It is be-
lieved that an engaged employee always acts positively in the interest of the company and takes concealed pride in the success and prosperity of his employer. Also employee’s perceptions and behavior also gets affected because of corporate social responsibility. “A theoretical model is presented whereby employees perceptions of CSR impact their subsequent emotions, attitude, behaviors mediated by instrumental, relational and deontic motives/needs as well as moderated by organizations social accounts.”

Not engaged employees: Not engaged employees tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so that they can do it and say they have finished. They focus on accomplishing tasks vs achieving an outcome. Employees who are not-engaged tend to feel their contributions are being overlooked, and their potential is not begun tapped. They often feel this way because they don’t have productive relationships with their managers or with their coworkers.

Actively disengaged: The “actively disengaged” employees are the “cave dwellers”. They are not just unhappy at work; they’re busy acting out their unhappiness. They sow seeds of negativity at every opportunity. Every day, actively disengaged workers undermine what their engaged co-workers accomplish. As workers increasingly rely on each other to generate products and services, the problems and tensions that are fostered by actively disengaged workers can cause great damage to an organization’s functioning.

Benefits of Employee Engagement
Employee engagement builds passion, commitment and alignment with the organization’s strategies and goals.

a) Increases employees trust in the organization.
b) Creates a sense of loyalty in a competitive environment.
c) Increases productivity and improves morale.
d) Increasing employee retention.
e) Reduces absenteeism.
f) Attracts more people like existing employees.
g) Provides a high energy working environment.
h) Improves overall organizational effectiveness.
i) Boosts business growth.
j) Makes the employees effective brand ambassadors for the company.
k) Improve customer satisfaction.
l) Enhance business growth.

Need Of The Study
Global research conducted by Hewitt revealed that organizations with high engagement generated total shareholder returns that were 29% above average. Those with moderate engagement produce returns that were only 1% above average. Organizations with low engagement had total share holder returns that were 60% below average. Low employee engagement is pervasive – nearly half of the world’s employees are not engaged. This means that for every employee who is contributing to the success of your organization, there is another employee not putting forth maximum effort. Hewitt’s research across more than 7,000 organizations indicates that each disengaged employee can cost an organization an average of 10,000$ in profit annually. Therefore, it is advantageous to the business to improve employee engagement.

The purpose of this study is to verify that CSR is one of the top drivers of employee engagement. To achieve this aim an examination of CSR’s effects on employee engagement was performed through quantitative research method with the help of a questionnaire. The review of literature indicated that there is indeed connection between CSR and Employee Engagement. But it wasn’t apparent whether CSR can actually impact Employee Engagement in a significant manner. Apart from employees interest organization should also show its effort in increasing CSR activities. “The more important the business experience to the organization, the more effort the organization must expend in formalizing their socialization programmes to ensure employee engagement”.

Categories of Employee Engagement
According to Gallup, the Consulting Organization, there are different types of people:

Engaged – “Engaged” employees are builders. They want to know the desired expectations for their role so they can meet and exceed them. They are naturally curious about their company and their place in it. They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward.

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Research Methodology

Statement of the problem
Employee engagement is at an all time low, as per current studies. Companies are now realizing the importance of employee engagement in order to attract and retain talent in an organization. Corporate Social Responsibility (CSR) is considered as one of the top three drivers of employee engagement based on the review of literature conducted as a part of this study. Previous research findings indicate whether CSR is able to impact employee engagement significantly. Thus this study attempts to understand the degree to which CSR can influence the employee engagement of an organization.

Variables
The study mainly attempts to investigate whether CSR’s influence exceeds the importance of other well recognized drivers of employee engagement, such as senior management’s concern for employees well being and opportunities to improve employees skills and capabilities.

Objectives
a) To analyze the influence CSR activities have on Employee Engagement.
b) To ascertain the importance and benefits of CSR activities.
c) To find out if CSR activities impact increased employee engagement.
d) To find out if an organization which is socially conscious motivates employees to perform better.
e) To find out if communicating information about CSR initiatives can influence employee engagement.
f) To identify influencing factors on employee engagement.

Hypotheses
a) There is no significant relationship between CSR and employee engagement.
b) Communicating CSR activities does not benefit employee engagement.

Reliability Of The Instrument
Cronbach’s Alpha was found to be 0.934 and hence the instrument can be considered as highly reliable.

Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>Cronbach’s Alpha Based on Standardized Items</th>
<th>N of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.934</td>
<td>0.928</td>
<td>26</td>
</tr>
</tbody>
</table>

Statistical Techniques
Data was analyzed using SPSS and Excel. Different descriptive statistics and non parametric tests were also used to better decipher the information obtained from the survey.

Limitations Of The Study
Every effort was made to make the study complete and exhaustive but the following problems were encountered during the study.
a. The study was confined to the companies in Bangalore only and all the employees of the chosen companies were not considered.
b. All the companies in the IT-BPO industry present in Bangalore could not be included.
c. The study was limited to 150 employees only and so it cannot be generalized.
d. The time factor also is a limitation for the effectiveness of the study.

Hypotheses Testing
Hₐ₆. There is no significant relationship between CSR and employee engagement,

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Total employee engagement score</th>
<th>Influence of CSR on employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.658</td>
</tr>
<tr>
<td>Sig. (2 – tailed)</td>
<td>0.000</td>
<td>150</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
<td>150</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
Mode3l Summary and Parameter Estimates
Dependent variable: Total employee engagement score
The independent variable is influence of CSR on employees.

**Analysis And Interpretation**

In order to test Hypothesis I, correlation and regression tests were conducted. Pearson correlation indicated that CSR can influence employee engagement to a level of 65.8%. The Pearson correlation coefficient is a measure of the linear relationship between employee engagement and Corporate Social Responsibility which is one of the top drivers of employee engagement. The correlation coefficient is also known as the Pearson product-moment correlation coefficient. The value of Pearson correlation coefficient can range from -1 to +1 and is independent of the units of measurement. A value of Pearson correlation coefficient near '0' indicates little correlation between attributes; a value near +1 or -1 indicates a high level of correlation. When two attributes have a positive correlation coefficient, an increase in the value of one attribute indicates a likely increase in the value of the second attribute. A correlation coefficient of less than ‘0’ indicates a negative correlation. That is, when one attribute shows an increase in value, the other attribute tends to show a decrease.

From the above table calculated Pearson correlation coefficient is 0.658 showing a positive and high level of correlation between the variables CSR and employee engagement. The table also shows significance value is 0.000 which indicates that there is a significant relationship between CSR and employee engagement. Hence the above hypothesis has been rejected.

\[ H_0: \text{Communicating CSR activities does not benefit employee engagement.} \]

**Correlations**

<table>
<thead>
<tr>
<th>Total employee engagement score</th>
<th>Interest in CSR information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson correlation</td>
<td>0.623**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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**Model Summary and Parameter Estimates**

<table>
<thead>
<tr>
<th>Equation</th>
<th>Model Summary</th>
<th>Parameter Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R Square</td>
<td>F</td>
</tr>
<tr>
<td>Linear</td>
<td>0.368</td>
<td>93.706</td>
</tr>
</tbody>
</table>

The above table calculates the Pearson correlation. The Pearson correlation coefficient is a measure of the linear relationship between employee engagement and communicating information about CSR to the employees.

**Analysis and Interpretation**

The above table calculates Parsons Correlation. The Pearson correlation coefficient is a measure of the linear relationship between employee engagement and communicating information about CSR to the employees. From the above table calculated Pearson correlation coefficient is 0.623, showing a positive and high level of correlation between the variables interest in CSR information and employee engagement. If the significant value is less than 0.01 the null hypothesis will be rejected. As can be seen from the table the significant value is less than 0.000 which indicates that there is a significant relationship between communicating information regarding CSR initiatives to employee’s engagement. Also in the above table 5.28 R square is 0.388 which indicates that the amount of variation is 38.8%. This brought to notice that employees with a high employee engagement score were very keen on knowing more about their organizations CSR initiatives. Even employees who are not highly engaged or who may have not participated in CSR activities previously were still
interested in the information on CSR activities. This indicates that communicating CSR information to employees also helps to improve employee engagement. Hence null hypothesis has been rejected.

**Findings**

a. Employees who participate in corporate volunteer programs benefit from strengthening self esteem, meeting new groups and making friends, feeling satisfied about making positive changes, and health benefits generated by assisting others or having social interaction with different groups of people.

b. While comparing CSR’s effects to the other top drivers of employee engagement, the research showed that CSR is not one of the drivers that can affect the level employee engagement significantly. The survey portrayed that 60% of the respondents disagreed with the idea that they would be still engaged at work if their employers had a strong CSR reputation, but at least one of the other top drivers of employee engagement were unfulfilled. Thus we can understand that a strong CSR reputation cannot make up for the loss of any of the other top drivers.

c. CSR can have a positive impact when all the other top drivers of employee engagement are satisfied and remain unchanged.

d. When other top drivers of employee engagement remain satisfied and unchanged, good CSR can invigorate an organization's level of employee engagement.

**Conclusion**

As a result of the study it was found that CSR does influence employee engagement in an organization since it is one of the drivers of engagement. Also, a positive relationship was observed towards CSR activities by the employees.

**References**

