A review of studies on impact of employee’s perception on corporate social responsibility

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Abstract
The purpose of the paper is to understand the employee’s perception on CSR and the importance of CSR in motivating the employees towards organizational commitment. The author uses the previous literature and findings to highlight CSR as a major source in enhancing employee satisfaction. The author has used literature reviews from the perspective of CSR activities pertaining to Human Resource dimension to study the impact of CSR on employees. The previous literature shows that CSR has a major impact on employees but the effect of CSR needs to be explored to understand whether CSR could enhance the employees to work more productive. The author in this study identifies the internal impact of the CSR on the employees of the organization and its positive effect on the commitment of employees towards the organization. The author has found that organizations that involve themselves in CSR activities reshape the level of motivation, performance and moreover retain the employees to stay longer in the organization. The study also evaluates the importance of internal stakeholders and consumers as a part of CSR policies and programs.

Keywords: Corporate Social Responsibility, Employee perception, Organizational commitment.

1. Introduction
Employees in an organization are an important resource that needs to be taken care of. The employees are valuable assets of an organization and they are the key to success. These days though serving customers has become the priority of most organization, without the employees this cannot be fulfilled. Employers of the organizations need to understand that the motivation level of the employees is crucial for them to perform up to the expected level. Organizations have started giving importance to bring in CSR as a major tool to motivate and inspire the employees to perform better.

In the present scenario, the attrition rate is increasing and there are employees who leave the organization because of lack of policies and programs that enable them to grow professionally. The current trend of administration is stringent when it comes to employee satisfaction and many organizations do not take CSR seriously which are centered on the human resources. The time has come that every organization has to realize that the human resources are important assets and CSR could be a good platform to increase their commitment towards the organization.

Organizations slowly understand that CSR programs for human resources could bring about a great change in the attitude and commitment of the employees. Many organizations are now giving importance for welfare measures and they believe that if better environment and adequate welfare measure are provided, there is a chance for the employee to stay in the organization. The organization should ensure that the employees are provided comfort, required wages, and good working conditions so that the morale and the motivation of the employees are high. This paper studies the various research works on perception of employees towards corporate social responsibility.

2. Review of Literature
2.1 CSR Activities
Khan and Atkinson (1987) [23] made on a comparative study the professional attitudes towards social responsibility in India and Britain show that most of the Indians agreed CSR as important to business and felt that business has responsibility not only for the shareholders and employees but also to customers, suppliers and society.
Chamhuri Siwar and Siti Haslina Md. Harizan (2004) intended to analyse the extent of CSR practices among various types of organizations and industries in Malaysia in terms of environmental and social dimensions. The study exposed the multinational companies bringing benefits to the society through width, creation, service, ability development and transfer and community initiatives. It was also found that small and medium sized enterprises also play a pivotal role and supports the practices of CSR.

Arora and Puranik (2004) reviewed current CSR trends in India. According to them CSR plays an important role in the corporate sector. The author concluded that the corporate sector in India has benefitted greatly from suppression and privatization process, its evolution from philanthropic mindsets to CSR has been lagging behind its impressive financial growth.

Andy Lockell, Jereney Moon and Wayne Visser (2006) tried to examine the status of CSR research within the management literature. The study especially examines the focus and nature of understanding, the changing importance of this knowledge. The study present experimental evidence based on publication and citation analysis of research published from 1992-2002. The conclusion showed that the most accepted issues investigated have been environment and ethics.

Sanjay Pradhan and Akhilesh Ranjan (2010) conclude that social responsibility is regarded as an important activity of Indian companies irrespective of sector and business aim. The study indicates that all surveyed companies present themselves having CSR policy and practice. Most of the companies which intend and apply CSR initiatives in the area of their works cover entire society. A large range of CSR initiatives from income generation activities for employment, health assessment camps, education, adult literacy, agricultural improvement, provision of drinking water, management and development of natural resources, infrastructure facilities are being carried out by these companies.

Monika Hartman (2011) has analyzed the significance of CSR in food sector. The study concentrates on those companies which have good brand image. This study found that SME’s are less proficient of discharging their responsibility towards society. It was also found that consumers show preference for those brands of food sector that gives importance to CSR activities.

Bibhu Prasad and Mohanty(2012) has found out through their study that companies today invests in a lot of areas like child labour, ground water, food, education, etc but they are not conscious of the essential need of the needy people. This study recommended that though profit earning is a natural goal of companies, CSR is beyond the natural and statutory obligation of the companies. The study concluded that sustainable development is the development of the society as well as the company in a balanced way.

Uvais and Cholasseri (2013) feel that the view of business is an important part of society and plays an essential role in nourishment and development of sustainable improvement. CSR is not a simple philanthropy but comprises deliberate involvement into the field of welfare approach. In doing so, CSR aims to attract socially answerable solutions in the form of giving public good by combined with business strategies. CSR strategies may thus be used to create sustainable reasonable advantage to the firm.

2.2 Impact of Employees Perception on CSR

Fombrun & Shanley (1990) feel that the goal of CSR is to hold the responsibility for the company’s activities and encourage a positive impact through its action on environment and communities. It is a mass of public interest with confidential profit. The Canadian Centre for Philanthropy indicates that CSR is a set of administrative practices, which ensures that the company reduces the negative impact of its operations on society while increasing its positive impact.

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Past CSR and HRM research has mostly focused on relationships between leadership and corporate social behavior (Swanson, 2008; Waldman, Siegel & Javidan, 2006) [43, 40], have defined socially responsible leadership. Although some theoretical models of Corporate Social Performance clearly included employees as a level of testing (e.g., Wood, 1991) [47], few studies have investigated CSR’s influence on employees’ attitudes and behavior.

Jean- Pascal Gond, et al., (2010) [21] have studied how perception of employees on CSR activities will trigger their attitude and behaviour. The organizational goal of CSR is focused on the employee’s performance and this is how the CSR activities take place in the organizations. CSR activities which is organized by the organisation should fulfil the employees need to perform better to achieve the goals. The researcher says that very few studies have been done on the internal impact of CSR on employees. (Brammer et al., 2007; Maignan& Ferrell, 2001a; Peterson, 2004) [12, 25, 33] because CSR has many dimensions. Aguilera et al. (2007) [3] and Rupp et al. (2006) [37] state that CSR can encompass employees perception of organizational fairness. Swaen and Maignan (2003) [41] and Swanson and Niehoff (2001) [42] say that CSR can influence Organizational Behavior. There is lack of studies on how and why the CSR impact on employees is limited.

Chau Kah Mung, Koay S Ming, Leng See Mum & et al. (2011) [13] explored the perception of the employees on their organisation commitment and practices of internal CSR towards the employees. It focuses on five dimensions which include health and safety, work life balance policy for employees, training and development, compensation and benefits that are provided by the organization for their employees to satisfy them and to encourage them to engage in their works.

Rizwana Bashir, Atif Hassan & Farooq-E-Azam Chemo (2012) [36] state that identifying the internal impact of CSR activities over the employees of the organization is the source for engaging the employees to work more efficiently. It explores how the organizations are engaged in these activities which positively affect the employee’s feelings towards the organization leading and shaping their performance and motivating them to work effectively and remain their organization for a long period of time.

Eun Mi Lee, Seong –Yeong Park & Hyung Jung Lee (2013) [17] feel that perception of employees view on CSR is still not explored. Employee’s perception of CSR activities plays a vital role for employers. It increases the employee’s attachment towards the organization as well as corporate performance. The study examines the CSR activities and capability which influence employee’s attachment and performance through their perception on CSR activities in their organization.

Imran Ali & Georgiana (2012) [20] analyzed the employee’s perception and participation in corporate social responsibility activities. It found a significant evidence of a relationship between two dimension of CSR and the satisfaction of the employees. The final result of the study concluded that a higher level of employee’s perception on CSR activities leads to a positive attitude. The organizations can improve the employee’s satisfaction by implementing the CSR activities.

Natta Changchtoe (2012) [31] has focused on the employee’s perception and expectation towards their organisation CSR activities. The study has also differentiated between employee’s perception and expectations towards CSR. Finally it has been concluded that the level of employee’s perception is high. The expectation level varies by the Age, gender and the period of employment of the employee’s in the organization.

Ante Glavasa& Ken Kelleya (2014) [6] explain that the employees perception is positive related to all CSR activities of the organizations. CSR activities have an effect on employee’s attitude and the behaviour in the organisation. The employee’s perception measures all the aspects of the organisation. The literature supports the idea that CSR influence employees. (Aguilera et al., 2007; Aguinis, 2011; Lee, 2008; Peloza, 2009) [3, 2, 24, 32].

Annabel Pereira, Elmir Duarte & Grace Tirade (2015) [7] focused on possible relationship between the employee’s perception of CSR, the work engagement and human values. The main aim of the study suggested that work engagement dimension explains how the employee’s perception of CSR activities is determined. The author has concentrate on the internal CSR activities of the organization.

Ali Asad, Hafiz Muhammad Ali, Muhammad Ali Raza & Muhammad Abdullah Shah (2015) [4] feel that the CSR activity is at the beginning stage in many sectors like service sectors. The author of this study states that the need and awareness of CSR activities should spread in all the sectors. The perception of CSR activities of employees should enhance their understanding by information more activities regarding CSR activities. CSR activities and the perception should bring more awareness among both the gender of employees in the organisations.

2.3 Organizational Commitment

Schwepker (2001) [38] has outlined that organizational commitment is a process that engage employees. It makes them believe in the organizational values and goals, and undertaken activities to attain the goal, they are not willing to leave the organization, and are ready to provide considerable effort. An organization uses the organizational commitment as an emotional bonding (Meyer, Allen, and Smith, 1993; Schwepker, 2001) [26, 38] to affect its employees to perform in ways that are consistent with its interests (Schwepker, 2001) [38].

If an organization succeeds in achieving high levels of its employees organizational commitment it will gain positive effects (Schwepker, 2001; Steyer et al., 2008; Demir et al., 2009) [38, 40, 16] such as high performance, greater satisfaction, and lower turnover. This assumption has been at least partly confirmed by empirical findings (Steyer et al., 2008) [40].

Tilleman, Hartman, Fok and Zee (2012) [44] indicates that when employees believe that their organization supports the green movement, an amount of positive feelings will be the energy for the organization they also said that affective organizational commitment is completely related to employee perceptions of green management practices and the level of organizational commitment is partial by employee’s perceptions of their organizational environmental and sustainable practices.

Turban and Cable, (2003) [45] states that relatively limited number of research have tried to relate between corporate status and employees behavior such as job satisfaction, organizational commitment and employment.

Mowday et al., (1982) [39] has identified Organizational commitment, job satisfaction and turnover intentions are the
most important employee behavior which is essential to reach a better business performance. These constructs have been crucial subjects of numerous researches within the field of organizational behavior. The concept of organizational commitment is both theoretically and practically central to organizational behavior research. Meyer and Allen (1997) \cite{27} implies that impact of CSR on existing employees is studied from various different perspectives. The authors stated that committed employees give more possibilities of remaining in the organization than uninterested employee.

According to the author, employees are affectively committed to their organization when they are involved in, recognized with, and emotionally attached to the organization, and these types of employees stay with the organization by their own desire. Brammer et al., (2007) \cite{12} states that how organizational commitment is influenced by three different aspects of CSR. The study concentrated employee perceptions of CSR in the community, practical justice in the organization, and the terms of employee training. The observed results suggested that employee perception of CSR influences organizational commitment significantly. Practical justice and training terms contribute positively to organizational commitment with women showing stronger preferences for the former and men for the latter.

Peterson (2004) \cite{33} indicated that organizational commitment of employees who perceive CSR as important factor in business were influenced most by corporate citizenship. The study also suggested that the ethical aspect of corporate citizenship impacts Employee organizational commitment more than the other aspects like economic, legal, and discretionary.

Booth et al, (2009) \cite{11} has highlighted that positive perceptions formed by an employee can boost organizational attractiveness. The organizations are attract high quality potential employees, lead to employee organizational commitment, job satisfaction and improved employee performance.

Aguinis (2010) \cite{1} advocates that the organization should tighten the bond between the employees and employers which will lead to overall organizational success. Third-party honesty can be viewed from the moral perspective whereby organizations are usually doing the right things to their external stakeholders. When employees notice anything to be different they are clear to react negatively hence affect the organization’s performance in one way or another.

3. Conclusion
The above study has given deep insight on the importance of CSR within the organization and that CSR starts at the workplace. The paper analysed the employee’s perception towards CSR and how CSR plays a vital role in motivating the employees. The companies have become proactive in implementing CSR programs within the organization to increase the profit, to achieve a good marketing position, and enhance the employee satisfaction. A committed and happy team is what drives the organization towards success and profit.

This study is a beginning to understand that CSR encourage employee development and a good CSR program is essential to take employee values into consideration as well as strengthening the relationship between the employees and the employers. Work place issues are more prevalent these days and it is known that employees wouldn’t prefer to work in an organization where proper governance towards employees are not provided hence a sustainable workplace is an important part of CSR.

The organization should consider adopting workplace policies and practices that involve both employee and societal perspectives. The nature of work is changing dramatically and the employee engagement has become a great tool to enhance the competitive spirit among the employees hence organizations should encourage employee participation in important areas of business. Future research could concentrate on the CSR strategies that organizations adopt towards employee satisfaction and use facts to prove that CSR is an important part of human resources.

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