



## EMPLOYEES' PSYCHOLOGY TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES: A LIVE STUDY

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### ABSTRACT

*The purpose of the study is to understand the employee's psychology towards Corporate Social Responsibility activities and ethical business. The sample size of the study is 200 comprising of the respondents from four companies. Non-probability sampling technique has been used. Industry associations and business magazines are coming up with various criteria for judging, listing and ranking companies. Perhaps, as business ethics will increasingly emerge as an important factor, determining the performance of an enterprise, especially, in the listing of the most admired countries, this factor will become very significant. The more a company is admired because of its business ethics, the more it is likely to attract the right type of people and retain them.*

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**Keywords:** Ethical business, Morality, Values, Psychology, Responsibility.

### Contribution/ Originality

The paper's primary contribution is finding that there is perfect relation between the amount of CSR activities performed and building the goodwill of the company and building strong relationship with Stakeholders. This means any positive increase in CSR activities will also increase the goodwill of the companies. There are mix of opinion about what should be there in CSR activities and what should not be there. Each company performs the CSR activities according to their own Mission and Vision. That means there is no set meaning and activities included in CSR.

### 1. INTRODUCTION

Corporate Social Responsibility (CSR) strategy can be used as a powerful tool for survival in the situations where customers' preferences have become extremely unpredictable. CSR seems to be a vital tool in order to survive in the ruthless market environment. Companies have started seeing the advantages of practicing CSR activities. Majority of the European countries are engaged

in CSR concept on different levels. They also interpret at different stages that how this concept works.

Due to globalization, many companies have been forced directly or indirectly to adopt CSR so as to remain competitive in both local and international markets. These companies include both small and medium scale enterprises. In many countries, the standards and the laws are often set at a supranational level safeguarding the social and environmental issues. An example of this case is European Union, where the standards and the regulations are applicable to all the member countries. Buyers from these countries want to be ensured that the products which they buy did not come from any company which has a manufacturing process that poses any kind of threat to the society or environment.

CSR has many advantages in today's scenario. Firstly, it generates a pool of satisfied employees. An employee, who has a positive attitude for the company he is working for, would not look for the job outside the firm. Company has a chance to receive an increased number of job applications. More choice of the candidates means a better workforce. Secondly, CSR helps in making the customers satisfied. If the customers are satisfied from the products, they would buy more products of that company. Thirdly, CSR can help in reducing the costs if conducted properly. This is possible due to more efficient hiring and retention, reduced investment in advertisement, effectively managing potential risks and liabilities and implementing energy saving programs. Fourthly, CSR helps in making positive PR. Companies get a free publicity from the words of mouth marketing. Thus the companies need not spend on the expensive promotional activities. Lastly, CSR helps in achieving the long term goals of the business. This is helpful in creating an increased number of job opportunities.

## 2. REVIEW OF LITERATURE

[Yamaji \(2009\)](#) stated that business ethics should not just be a corporate code, but should be implemented in the line of business as a corporate philosophy and he attempted to show that these activities were ahead of their time, resulting in greater prosperity for the corporation that used them.

[McDonald and Zepp \(1989\)](#) wrote that evolutionary corporate strategies can influence the ethical behavior of employees, in respect to such areas as code of ethics, ethical policy statements, leadership, ethical ombudsperson, ethics committees, realistic performance and reward plans, and an ethical culture. Companies are trying to move themselves towards an ethical business philosophy in the expectation that ethical behavior by their employees will result and that this behavior will lead to benefits for their business.

## 3. RESEARCH METHODOLOGY

### 3.1. Objectives

1. To study the Relevance of CSR activities in growth of any Company.
2. To understand the Employees psychology towards Ethical Business and CSR activities.

### 3.2. Methodology

Both primary and secondary sources have been used to collect the information. The sample size was 200 respondents of 4 companies; their selection will be totally based on the non-probability sampling. The sample list contains 4 companies (Company A, B, C and D).

- Primary data research: Primary data was collected through schedules filled up by questioning the respondents and also through shadowing some prospect readers to understand the real insight of the employees.
- Secondary data research: Sources include websites, old journals, and old research papers.

## 4. DATA ANALYSIS & INTERPRETATIONS

Sample Status

**Table-4.1.** Gender wise classification of the responding sample:

Gender	No. of Respondents
MALES	117
FEMALES	83
Total	200

**Table-4.2.** Age wise classification of the responding sample:

Age	No. of Respondents
18-24	24
25-34	54
35-44	36
45-54	29
55 or more	17
Total	200

**Table-4.3.** Income wise classification of the responding sample:

Income	No. of Respondents
Rs 10,000-19,999	14
Rs 19,999-29,999	37
Rs 30,000-39,999	45
Rs 40,000-49,999	39
Rs 50,000 or More	65

### FINDINGS FROM THE SURVEY: *(From Managers of Companies)*

#### Marketplace Policies

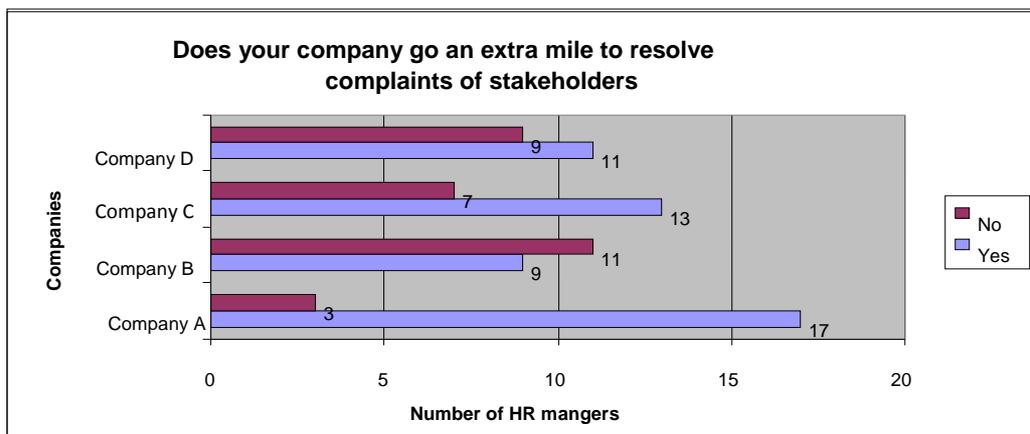
To understand the dynamics of the social ethics followed by the companies, the following information is obtained from the managers of various companies

*Q-1. Does your company go that extra mile to resolve complaints from suppliers, customers and business partners?*

Table-4.4.

	Company A	Company B	Company C	Company D
Yes	17	9	13	11
No	3	11	7	9

Figure-1. Interpretations: According to the respondents Company A followed by Company C are more into CSR activities and go an extra mile to solve problems of Stakeholders.



Q2. Can you standby and say that honesty, quality and integrity are practiced in all your organizations contract dealings?

Table-4.5.

	Company A	Company B	Company C	Company D
Yes	19	11	15	14
No	1	9	5	6

Figure-2. Interpretations: The result is mainly skewed towards Company A followed by Company C. That means that HR managers of Company A follow honesty and integrity more into their work.

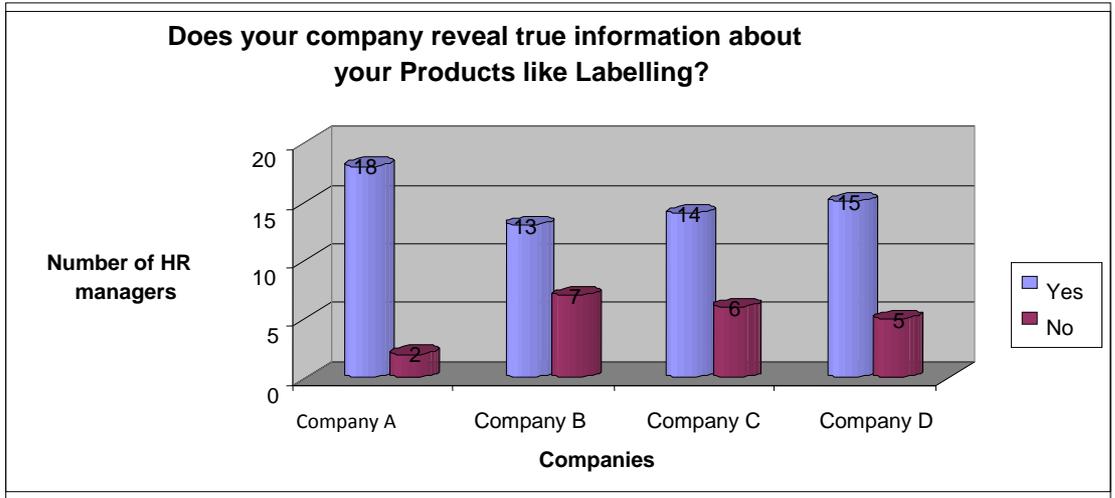


Q3. Does your organization disperse transparent information and labeling about various products and services, including its after-sales obligations?

**Table-4.6.**

	Company A	Company B	Company C	Company D
<b>Yes</b>	18	13	14	15
<b>No</b>	2	7	6	5

**Figure-3.** Interpretations: According to the survey mainly all companies follow the system of Transparency in its Products and Services, with Company A on the top.

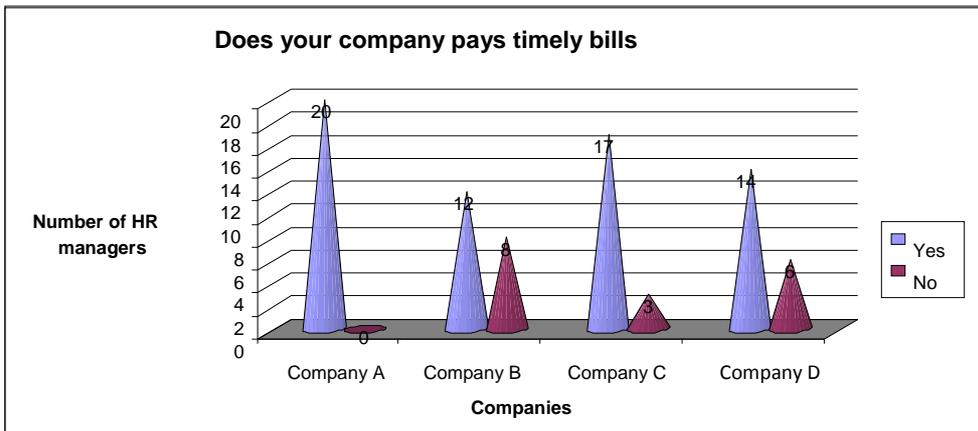


*Q4. Does your organization ensure timely and accurate payment of all its suppliers' invoices(BILLS)?*

**Table-4.7.**

	Company A	Company B	Company C	Company D
<b>Yes</b>	20	12	17	14
<b>No</b>	0	8	3	6

**Figure-4.** Interpretations: Stakeholders are most important for any company; this is proved from the following survey. Company A is most caring in terms of interest of Stakeholders like timely payment of the bills.

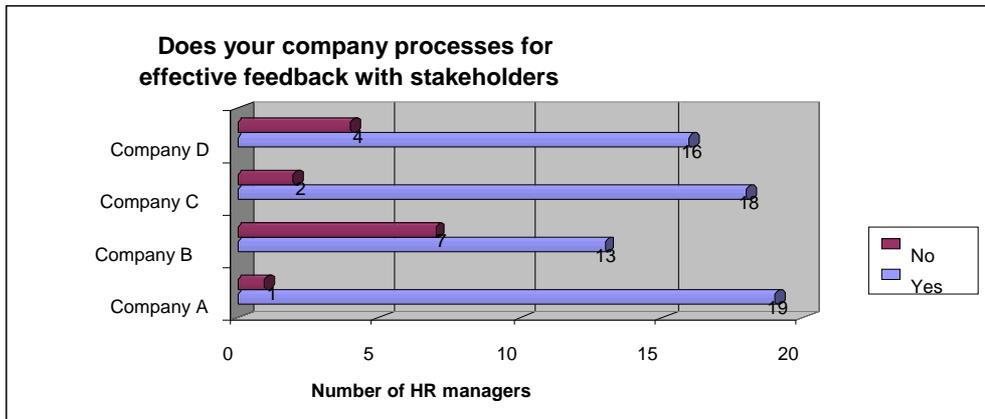


Q5. Does your company promote processes for effective feedback with customers, suppliers and other business partners?

Table-4.8.

	Company A	Company B	Company C	Company D
Yes	19	13	18	16
No	1	7	2	4

Figure-5. Interpretations: From the above Bar graph we can see that now days companies are customer focused and they adopt each valuable feedback of customer.



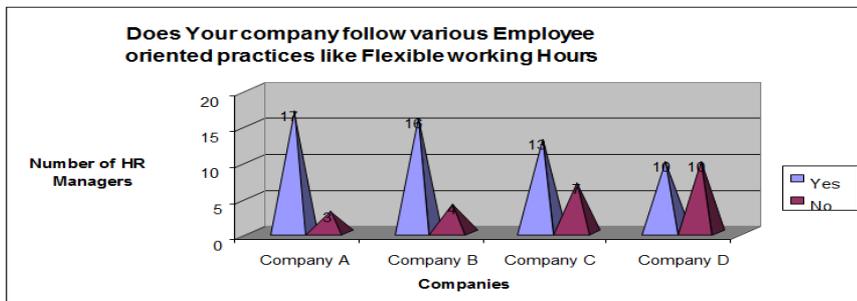
**Workplace Policies**

Q6. Do various practices like flexible working hours that ensures a good work-life balance for its employees offered by your organization?

Table-4.9.

	Company A	Company B	Company C	Company D
Yes	17	16	13	10
No	3	4	7	10

Figure-6. Interpretations: In opinion of HR managers every company tries to attract the employees in its on ways. According to respondents Company A take care of its employees most followed by Company B.

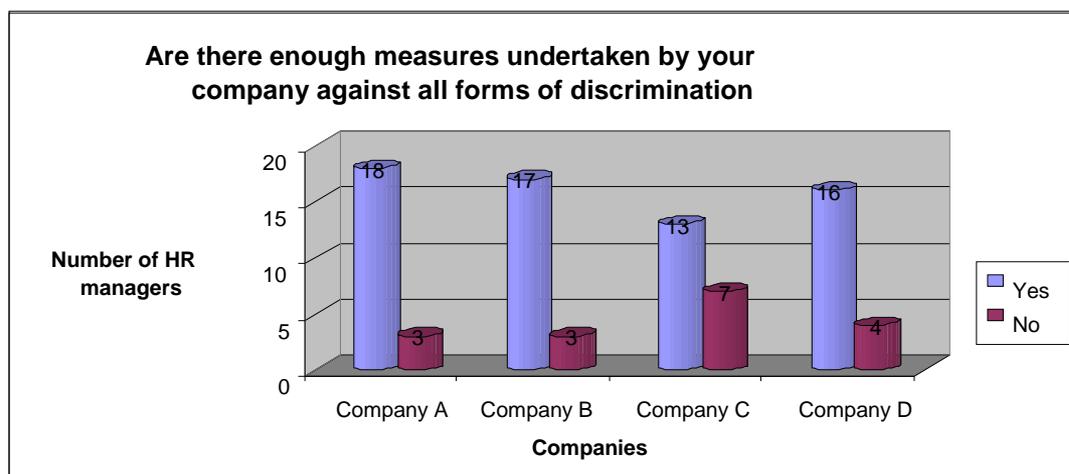


Q7.Are there enough measures undertaken by your company against all forms of Discrimination, both in the workplace and at the time of recruitment?

Table-4.10.

	Company A	Company B	Company C	Company D
Yes	18	17	13	16
No	3	3	7	4

Figure-7. Interpretations: From the above graph it is clear that nowadays companies are more talent focused rather than Gender focused. 18 out of 20 HR managers of Company A agree that their company do care of real talent hunt above personal biases.

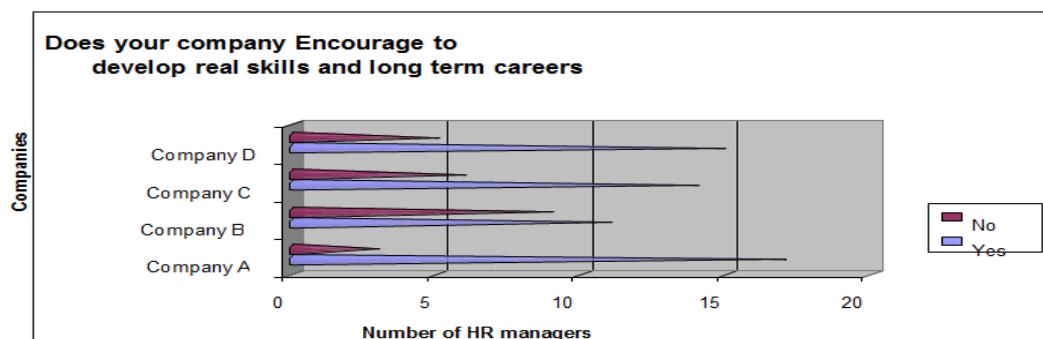


Q8.Are employees encouraged to develop real skills and long-term careers?

Table-4.11.

	Company A	Company B	Company C	Company D
Yes	17	11	14	15
No	3	9	6	5

Figure-8. Interpretations: According to the survey Company A followed by Company D encourage its employees most for their career development.



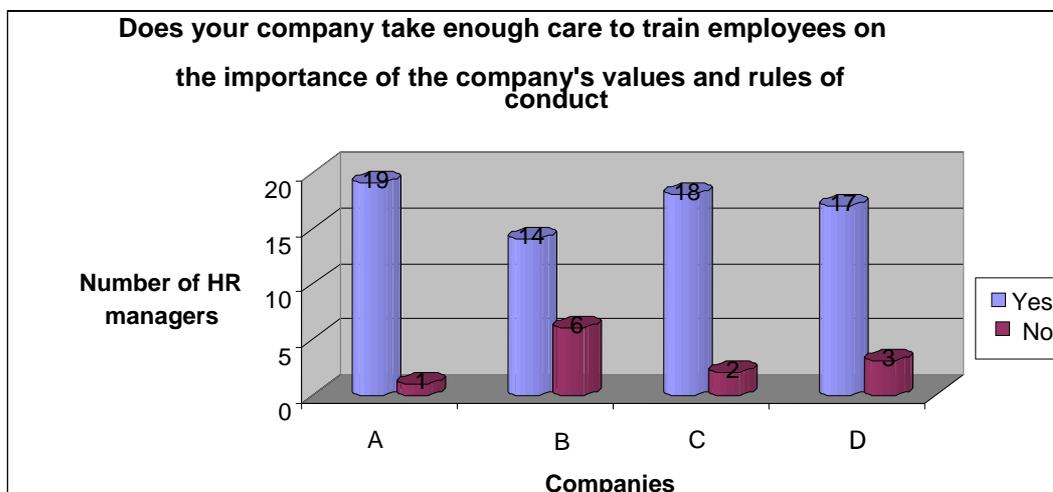
**Company Values**

*Q9. Does the organization take enough care to train employees on the importance of the company's values and rules of conduct?*

**Table-4.12.**

	Company A	Company B	Company C	Company D
<b>Yes</b>	19	14	18	17
<b>No</b>	1	6	2	3

**Figure-9.** Interpretations: From the bar graph it is clear that all the companies seems to be interested in teaching employees about social and corporate ethics.

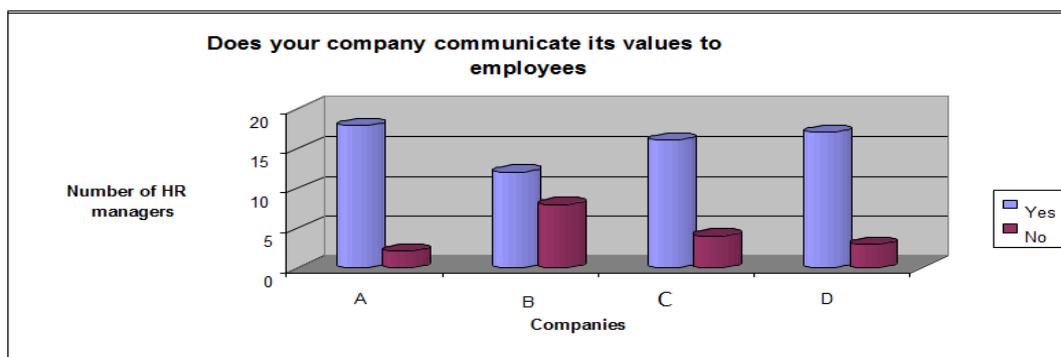


*Q10. Does your company communicate its values to all others through sales presentations, marketing material or other informal communication means?*

**Table-4.13.**

	Company A	Company B	Company C	Company D
<b>Yes</b>	18	12	16	17
<b>No</b>	2	8	4	3

**Figure-10.** Interpretations: According to the survey Company A followed by Company D encourage its employees most for their career development.



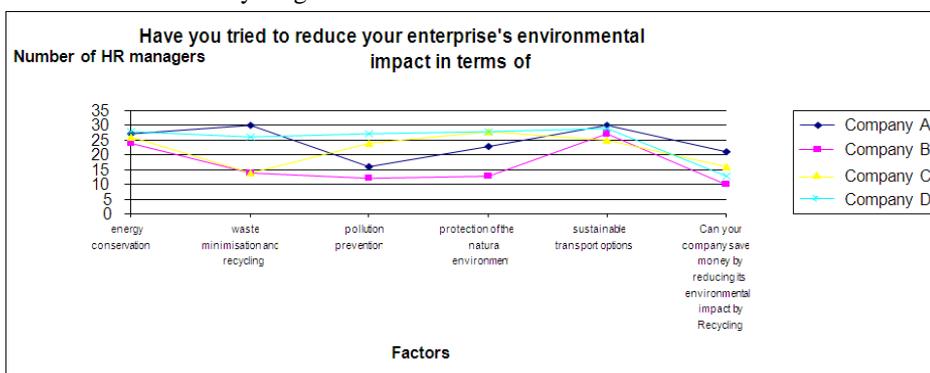
**Environmental Policies**

Q11. Have you tried to reduce your enterprise's environmental impact in terms of:

**Table-4.14.**

	Comp. A	Comp. B	Comp. C	Comp. D
Energy conservation	27	24	26	28
Waste minimization and recycling	30	14	14	26
Pollution prevention	16	12	24	27
Protection of the natural environment	23	13	28	28
Sustainable transport options	30	27	25	29
Can your company save money by reducing its environmental impact by Recycling	21	10	16	13

**Figure-11.** Interpretations: All the managers of the picked companies seem to be agreed on the To CSR initiatives one Car Pooling and other energy conversation. Whereas they are most diverted on Waste minimization and recycling.

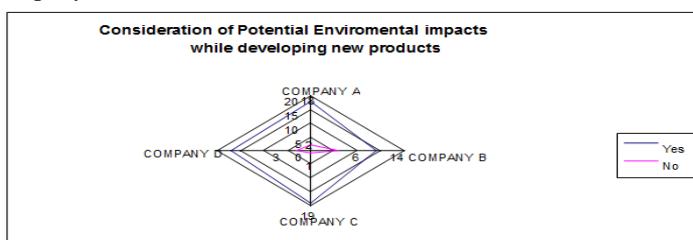


Q12. Does your company consider the potential environmental impacts like assessing energy usage, recyclables or pollution generation when developing new products and services?

**Table-4.15.**

	Company A	Company B	Company C	Company D
Yes	18	14	19	17
No	2	6	1	3

**Figure-12.** Interpretations: All HR managers of various companies have a unanimous decision of having a product which can be most environmental friendly, on the top of the list being Company A followed by Company C.



## 5. FINDINGS

- Stakeholders are most important for any company; this is proved from the following survey. Company A is most caring in terms of interest of Stakeholders like timely payment of the bills and taking care of Stakeholders in every perspective.
- All the managers of the picked companies seem to be agreed on the two CSR initiatives one Car Pooling and other energy conversation. Whereas they are most diverted on waste minimization and recycling.
- From the Survey it is clear that nowadays companies are more talent focused rather than Gender focused. 18 out of 20 HR managers of Company A agree that their company do care of real talent hunt above personal biases on various points like Recruitment and Performance Appraisal.
- In opinion of HR managers every company tries to attract the employees in its on ways like Work from Home and Flexible Working Hours etc. According to respondents Company A take care of its employees most.
- Corporate people believe in promoting responsible parenthood as its Corporate Social Responsibility to enrich quality of life for lower end pyramid of the society.
- Now a day's companies are customer focused and they adopt each valuable feedback of customer.
- All HR managers of various companies have a unanimous decision of having a product which can be most environmental friendly and disclose every information about the product whether it is benefits or the Side effects of the product.
- According to the Survey the most general meaning of CSR is paying back to the society followed by ways to enhance the goodwill of company.

## 6. CONCLUSIONS

There are various parameters by which companies are being constantly judged in different ways. Industry associations and business magazines are coming up with various criteria for judging, listing and ranking companies. Perhaps, as business ethics will increasingly emerge as an important factor, determining the performance of an enterprise, especially, in the listing of the most admired countries, this factor will become very significant. The more a company is admired because of its business ethics, the more it is likely to attract the right type of people and retain them.

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