



Corporate Social Responsibility is A way to Employee Motivation

KEYWORDS

Corporate Social Responsibility, Employee Motivation, Rewards, Organizational Commitment

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ABSTRACT

This paper attempts to study the relationship between the employee motivation and Corporate Social Responsibility. Employees are the primary stakeholders who directly contribute to the success of the company, understanding employee reactions to corporate social responsibility may help to answer the questions about the potential effects of corporate social responsibility on firms as well as illuminate some of the processes responsible for them. This paper specifically examines the relationship between intrinsic rewards, extrinsic rewards, internal CSR, external CSR (customer related), external CSR (local communities related), external CSR (business partner related) and employee motivation. It also examines relationship between employee motivation and organizational commitment. We are coming out with top ten ways to use CSR to motivate employees.

INTRODUCTION:

Corporate social responsibility has received an increasing amount of attention from practitioners and scholars alike in recent years. However, very little is known about whether or how corporate social responsibility affects employees. Now we need to identify how these two are related. The first step in understanding the potential impact of CSR on employees is to consider why CSR may represent a special opportunity to positively influence employees' and prospective employees' perceptions of firms. In the next section, we explain how people form impressions of others and discuss why the moral implications of CSR should make it particularly consequential for employee relations.

DEFINITIONS

CSR is defined it as "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance".

Latham and Pinder defined employee motivation as: "a set of active services that derive both inside as well as outside of an individual's being, to begin professional attitude and to check out its form, track, strength, and extent"

Internal CSR:

Employees are in-house stakeholder group and a variety of CSR activities fulfills employees' expectations and requirements. CSR employee-related activities are divided into four categories, named "value classes" which generate the worth for the firm's stakeholders and resultantly, satisfy their variety of hopes. Employee "value classes" relate to improvement of employees skills, societal justice, health and security at job, and contentment of the workers, and excellence of job.

External CSR:

External CSR would mean donating a fraction of profits towards stakeholder concerns in areas where the company is indirectly concerned in terms of operations. External CSR promotes the mission of positive impacts on society (including economic) and the natural atmosphere from business actions and operations. External CSR engage prac-

tices related to external stakeholders like customers, local communities and business partners.

External CSR (customer related). European Commission, (2001) states that companies caring social responsibilities are likely to deliver products and services in a well-organized, principled and environmentally friendly style. Customers not only want quality products and services but also quality process of complaint, suggestion and proposals that builds relationships with organizations.

External CSR (local communities related). The literature examination depicts that CSR activities toward local communities include humanitarian steps such as funding activities, for sports, societal events. In the words of Aguilera et al., (2007) companies making developmental funding in transportation, water purification plants, education or health are considered as socially responsible. Different persons defined it differently while according to Papsolomou-Doukakis et al., (2005) start community aid projects to inspire their employees to contribute for community relief practices, European Commission, (2001); Ligeti and Oravecz, (2009) states that help brood, ailing or the handicapped or the racial minorities, for example recruit socially excluded people and according to Graafland and van de Van, (2006) offer financial support to social and other non-commercial community projects. All these CSR initiatives lead to formation of additional value not only to the community but to the company as well.

External CSR (business partners related). Being socially accountable organization it is compulsory to extent affinity towards its dealing partners. According to Longo et al., company should facilitate trade allies to enhance quality of their output according to terms adopted and agreed on quality control procedures by extending quality goals (2005). In the words of Graafland and van de Van, (2006) adaptation of the labor standards of suppliers and other trade allies in according to lawful procedure and rectification of complaints for them is part of CSR. In other words, companies rely mainly on true business dealings with their suppliers and other business partners that are involved in CSR activities.

Rewards: Many researchers work on estimating the linkage between rewards and employee motivation and there exist a huge number of studies found in the literature demonstrating the impact of reward on employee motivation. In order to exploit the concert of the employees' organization must make such policies and measures and put together in such reward system under those policies and measures which increase employee satisfaction and motivation. There should be an effectual reward system to preserve the high performers in the organization and reward should be related to their yield (Carragher et al, 2006).

Intrinsic rewards: Intrinsic rewards are insubstantial rewards or psychological rewards like appreciation, expectation for better placement and accommodative attitude at par for employees irrespective of their status. Intrinsic factors are stronger motivators, and staff motivation requires intrinsic rewards such as satisfaction at doing a good job and a sense of doing something valuable (Frey, 1997). According to study of Asad and Dainty (2005) employees are mostly motivated by intrinsic factors and these factors contribute to their preservation. The link between intrinsic rewards and motivation is well recognized in the literature.

External rewards: Extrinsic rewards are material rewards and these rewards exist external to the job or actions performed by the employee such as pay, fringe benefits, job security, promotions, private office space, and the social climate. Mottaz (1985: 366), Mahaney and Lederer (2006: 43) states that external rewards include competitive salaries, pay raises, merit bonuses. According to Prendergast, (1999); Bonner and Sprinkle, (2002) external rewards encourage employees to carry out valuable tasks for the organization. Efficient reward system can be a good motivator but an inefficient reward system can lead to de motivation of the employees. Both intrinsic and extrinsic rewards motivates the employee resulted in higher productivity (Reio and Callahan, 2004)

Organizational commitment: According to Pool and Pool Organizational commitment is defined as "comparative strength of detection and attachment in a particular organization" (2007, p. 353). Organizational commitment is defined, in words of Mowday et al (1982) as an individual's attitude towards an organization that consists of (a) A strong confidence in, and acceptance of, the organization's goals and values; (b) A interest to put forth wide effort on behalf of the organization; and (c) A strong aspiration to maintain membership in the organization.

Ways to use CSR to motivate employees

Employees are motivated by corporate social responsibility (CSR). The integration of social, environmental, and economic improvement through CSR make work places more sound. Studies show that when companies implement CSR successfully, the result is positive employee relations with respect to recruitment, morale, retention, and productivity.

1. Let your employees participate. While it is important that the company demonstrates its commitment by sponsoring events and writing big checks, letting employees experience the commitment firsthand is critical—like when Conifer employees were invited to join the company's partnership with Habitat for Humanity International and help build homes across the U.S.

2. Let your employees lead. Conifer established an internal, employee-led ambassador program that helped steer volunteer and charity efforts in the local areas in which the

company operates. This gave the entire company a feeling of pride and meaning to employees and their roles at the company.

3. Recognize attitude. One key potential benefit from CSR initiatives is establishing an environment that contributes to raising the commitment and motivation of employees to be more innovative and productive. When ideas start flowing and initiative takes hold, recognize the effort with individuals and teams.

4. Encourage employee referrals. Loyalty goes up when CSR-related programs go up. The positive culture and environment that is generated can help retain and recruit talent. Develop an employee referral program for your managers and employees. It can generate feelings of commitment toward your company and its mission and growth.

5. Bring CSR inside the company. Look for ways to help your employees grow inside and not just in the community. Invest in training, tuition, and any costs associated with their skill development. Goldman reminds us that corporate responsibility on the inside is just as important as on the outside.

6. Convert sick days to rewards. Since CSR generates more engaged employees, and we know they are likely to perform better and even take 3.5 fewer sick days per year on average, then why not create a rewards program with unused sick days? A strong CSR program can be significant in motivating employees to not only keep going to work but also showing up with real purpose.

7. Make your executive team visible. When your employees have gone above and beyond internally on a project or externally in the community, make sure it is recognized. Organize a town hall or a walk-through that shows utmost care and respect. Every employee that the executive team acknowledges should get a handshake and a personal thanks.

8. Encourage initiative. According to Goldman, a well-implemented CSR initiative leads to more satisfied employees. Studies show fully engaged employees are 2.5 times more likely to exceed their performance expectations than their disengaged counterparts. Make sure that you encourage initiative and big-thinking to grow the satisfaction your CSR programs have already started.

9. Create a competitive advantage. A real commitment to a CSR program can lead to a true and defining differentiation from competitors. Your employees will feel it, and so will your suppliers, partners, and customers.

10. Be loud. When you have done a great job with CSR, share it with everyone through social media, newsletters, media coverage, and face-to-face interactions. When your employees see the pride of the company, they will feel greater pride and the energy, excitement, and enthusiasm becomes contagious.

Conclusion

practical problems can be resolved by giving the importance to the areas of CSR, mainly local communities related and business partner related by executives. Companies could be engaged in CSR activities to improve own image and reputation in the society; bring positive effects related to its stakeholders and attain maximum advantage. CSR activities undertaken by the company that would let the employees to feel like a part of their company and more

emotionally engaged into CSR initiatives and feel stronger association with the company. Organization should focus on CSR activities that bring several benefits consistent with organizational goals. No doubt strong ties exist between motivation and job satisfaction and motivation with employees' affinity to organization.

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