

“Importance of corporate social responsibility in employer branding”

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ABSTRACT:

The mission and culture of an organization create the public’s ethical perception of a brand and its reputation. The adage that actions speak louder than words plays out on a daily basis for brands in a market. Talented employees are looking for more than a good pay packet – they want meaning from their work. To exert a pull on today’s talent, business success is no longer enough. Organization now needs to focus on ethics and spotlight your Corporate Social Responsibility. Reputation is continuously recognized as one of the foundations on which to build organizational success. Developing CSR projects helps an organization build a better reputation among internal and external stakeholders and through attracting talent, motivating employees, recruiting employees and retaining employees CSR can help build employer brands.

The objectives of the research study are to know conducted health, social and environmental CSR practices in various organizations. Researcher has collected 115 responses through online survey. Researcher has used of Cranach alpha tool for data analysis. Researcher found almost all the companies do social, environmental and health CSR activities by own CSR Projects instead of direct support to NGO’s.

Keywords: CSR, Employer branding, Health, Social, and Environment practices etc.

INTRODUCTION:

Section 135(1) of the Companies Act prescribes the companies having Net worth of INR 500 crore or more; or Turnover of INR 1000 crore or more; or Net Profit of INR 5 crore or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee"

CSR is an evolving business practice that incorporates sustainable development into a company's business model. It has a positive impact on social, economic and environmental factors.

Research intends to understand the role of CSR in employer branding strategy. Company’s CSR initiatives and good human resources practices can retain highly-qualified employees through positive reputation and legitimacy. The stronger internal legitimacy and higher reputation would lead to stronger organizational identification; the stronger organizational identification would conduct to the higher organizational commitment. Organizational commitment is one measurement of employees’

loyalty; which is one goal of employer branding strategy.

Katie Schmidt, the founder and lead designer of Passion Lillie, said CSR can positively impact your business by improving your company image, building your brand and motivating you as a business owner. Corporate responsibility expands; it is becoming extremely important to have a socially conscious image. Consumers, employees and stakeholders are beginning to prioritize CSR when choosing a brand or company. They are holding corporations accountable for effecting social change with their business beliefs, practices and profit

Now a day’s business following few more practices in CSR:

- **Environmental efforts:** Any businesses, regardless of size, have large carbon footprints. Companies take steps to reduce those footprints are considered good for both the company and society.
- **Philanthropy:** Most of organization consults with these organizations about their specific needs before donating. Accordingly they donates

money, products or services to social causes and nonprofits

- **Ethical labor practices:** Particular nations protect employees by various laws, also by providing fairly and ethically treatment, companies can demonstrate their social responsibility.
- **Volunteering:** Through attending volunteer events as per society requirement natural calamities like- Flood, earthquake etc.

LITERATURE REVIEW:

Dr. Sanjeeb Kumar Dey, and Ashutosh Prayas Dash in(May 2018) entitled research paper on CSR Practices By Indian Companies: A Review Of Literature. This paper is a collection of research on corporate social responsibility with reference to Indian companies. It is observed that CSR has great importance for an entity but it is highly significant for Indian companies as they are the backbone of our economy. Most of the studies reviewed in this paper are focused on the conceptual framework. But it has been observed that none of the studies have taken into consideration all facets of corporate social responsibility to study their impact on financial performance and on stakeholders

Sai P.V.S A research paper entitled on comparative study of CSR practices in India before and after 2013, It is observed that during the “before 2013” period, many of the studies mentioned that Companies have not paid required attention for CSR Projects. However, the situation is not thoroughly improved even after the amendment of Companies Act 2013. It is disheartening to note that the companies are not able to completely spend 2% of their net profits for CSR. It is observed that Indian Corporate still needs some time to understand the legal implications and tune their practices accordingly. Every-one has to understand that spending money on CSR is not a wasteful expenditure. In fact it is a wise investment and also ethically one feels satisfied because he is giving something back to the society for he took many things from society. If CSR is seen with this spirit, day is not too far that India stands number one in the world ranking of CSR implementation.

Richa Gautam and Anju Singh research paper entitled on Corporate Social Responsibility Practices in India: A Study of Top 500 Companies,. This paper examines how India’s top 500 companies view, and conduct their CSR, identifies key CSR practices and maps these against Global Reporting Initiative standards. Design/methodology/approach -It is a cross sectional study which is exploratory in nature. It involved secondary data collection and use of content analysis technique to assess CSR practices of companies operating in India. Findings -The main findings of the study are that CSR is now presented as a comprehensive business strategy, arising mainly from performance considerations and stakeholder pressure. Companies consider their interaction with stakeholders and impact of its business on society as significant issues. CSR policies vary with turnover and profit. The study suggests that business and CSR strategy appear to be on a convergent path, towards business and CSR integration across the company. Out of the top 500 companies, 229 did not report on CSR activities and were therefore filtered. 49% of the remaining 271 companies were reporting on CSR. Many companies are making token gestures towards CSR and only a few companies have a structured and planned approach. Several companies spread their CSR funds very thinly across many activities. Every company defines CSR in their own ways as per their needs. CSR is on an upward learning curve and is primarily driven by philanthropy. Practical implications -The study clearly maps the CSR performance of 500 top Indian companies against GRI standards. This paper will be useful to any Indian company in understanding more about its shortcomings and opportunities.

Savita Mendes(2018) Ph.D thesis entitled on A study of CSR practices in India A critical evaluation. Objectives were to appraise policies of CSR and implication in India. For pre and post effect of company’s act 2013, the CSR of 75 companies considered for the study. Purposive random sampling method was used for data collection. CSR annual reports, company’s direct report, CSR disclosure were used for data collection. Researcher found North eastern zone has neglected its CSR initiatives; Maharashtra has given highest presence to Csr initiatives followed by Tamilnadu, Karnataka.

OBJECTIVES:

- To know the practices of corporate social responsibility used for employer branding.
- Determine the perceived importance level of identified practices of corporate social responsibility.

RESEARCH METHODOLOGY:

This study aims to identify the CSR practices in employer branding and its importance levels with implementation in organization. The following hypothesis is tested in order to examine the relative importance levels of practices of corporate social responsibility.

H1:- Distinct practices of corporate social responsibility have different levels of perceived importance.

In order to perform hypothesis test a survey was conducted. The survey instrument was a questionnaire which includes some questions related with CSR activity performed in the organization. A convenience sample of 130 employees of industry participated in the study, from which 115 usable responses were obtained. CSR activity follows four practices – Social, Environment, Economic and Health practices which include factors associated with it. Respondents were asked the questions based on CSR activity followed by organization in different practices.

Responses were obtained on a 4 –point Likert scale.

DATA ANALYSIS:

In data analysis 115 usable responses has been taken through questionnaire survey.

Different practices are mentioned in the table -mean, standard deviation and Cronbach’s alpha.

Social CSR dimension: This dimension includes factors like organization supports NGO through funds, organization promotes charity events and supports child education.

Health CSR dimension: This dimension includes factors like organization promotes blood donation

camp; support rehab centers and create awareness on HIV /AIDS.

Environment CSR dimension: This dimension includes factors like organization supports agriculture, plantation and waste management.

Economic CSR dimension: this dimension include factor like funding of micro finance through organization.

Table 1

Dimension	Component	Mean	SD	Eigen-Value	Cronbach’s Alpha
Dimension 1: Social CSR dimension	Organization supports the NGO by providing fund	3	0.889	2.6483	0.91
	Organization promotes charity event	3.391	0.876		
	Organization supports child education	3.739	0.531		
Dimension 2: Health CSR dimension	Organization promotes blood donation camp	3.3478	0.9647	2.82	0.96
	Organization support rehabilitation and resettlement	3.3478	0.817		
	Organization support HIV/AIDS awareness	3.087	1.0643		
Dimension 3: Environment CSR dimension	Organization do plantation with employees	3.478	0.882	2.78	0.96
	Organization support	3.087	0.978		

ion	agriculture				
	Organization support cleaning and waste management	3.347	0.869		

Implementation of CSR activity in organization is mentioned in the table 2.

Table 2

Dimension	Component	Mean	SD
CSR Implementation	By Organizing charity events	3.174	1.134
	By offering financial support directly to community	2.652	0.918
	Through own CSR project	3.304	1.002
	Funding to NGO	2.304	1.002
	Through voluntary organization	3.13	1.039

Result and Analysis:

Before research hypothesis test, factor analysis was calculated. In principal component analysis, items should be exact linear combination of factors, and in varimax rotation axes should have two vertices perpendicular to each other. In principal component analysis suggested 3 practices of CSR and its factor for the analysis. All three practices are showing similar contribution in CSR activity and Economic dimension was not considered for factor analysis due to weak responses and less items. In CSR implementation own CSR projects, charity events and voluntary organization factors shows high contribution and direct community support shows moderate contribution and funding to NGO shows the less contribution as a CSR activity of organization. Figure 1 and figure 2 are the graphical representation of the same.

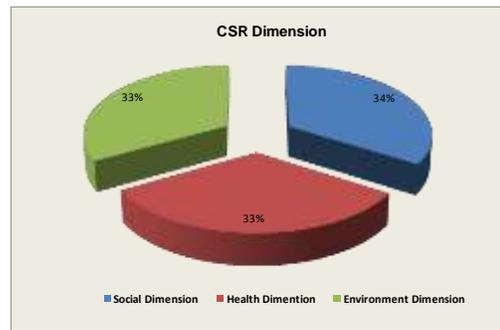


Figure 1

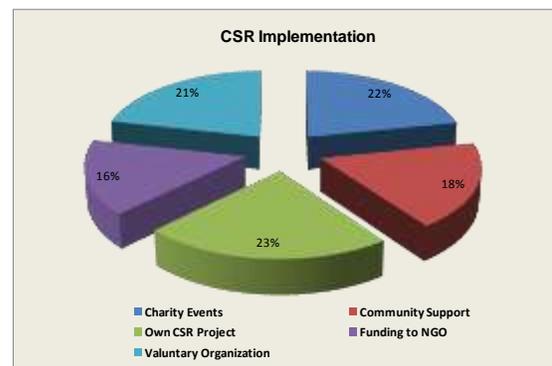


Figure 2

Conclusion:

In this study, we examine the different practices of CSR activities in an organization and its importance and implementation. CSR activity practices were analyzed by principal component analysis in factor analysis. Factor analysis described three factors representing the practices of CSR activities, it includes –Social, Health and environment practices. This study shows that organization works on CSR through all three practices with similar importance, however economic dimension considered being least important due to weak response.

Organization implements CSR activities highest through own CSR projects which includes social, health and environment practices. The implementation of CSR activities through funding to NGOs shows least importance. This analysis also reveals the importance of different ways to implementation CSR activities by an organization.

Limitations and Scope for future research:

In this study we used convenient sampling with limited sample size and The economic dimension in this study is not considered in detailed. It is recommended to perform detailed study on economic dimension to identify its importance level in CSR.

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