

CORPORATE SOCIAL RESPONSIBILITY AND ITS EFFECT ON EMPLOYEE PERFORMANCE: A REVIEW OF THE LITERATURE

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Abstract

This systematic review will provide the research question. How does CSR affect employees' job satisfaction and organisational performance? This research provides a clear perspective on how CSR programs affect employees' morale and organizational performance by examining various articles from the academic literature. A significant impact of CSR brings positive impacts in terms of engaging the employees and improving organizational performance. The review notes the 'county involvement and ethical business, pointing out that they affect the organizational citizens' level of job satisfaction, level of organizational commitment, and perceived value of the organization. These improvements lead to the better indicators, for example, performance, creativity, customer satisfaction, and financial effectiveness. Lastly, the implications of such findings are also discussed throughout the review with recommendations that organisations can exert in order to enhance CSR as a tool to rallying the employees. Because the improved impact of CSR concept on the incentive and performance of employees has been acknowledged by more organizations, this review synthesizes literature to demonstrate the analyses of CSR, employee commitment, and organizational performance. This paper uses both empirical and theoretical studies in conducting the survey. Research findings have depicted CSR as positively related to employee engagement, and increases in CSR programmes have displayed a significant increase in the levels of organisational commitment, perceived job satisfaction, and motivation. Furthermore, the paper describes how CSR can positively impact organisational performance since organisations with high levels of CSR reporting display better financial returns, brand equity, and customer satisfaction. CSR initiatives lead to positive stakeholder relations, attracting and retaining talented employees and future business development. This review also reviews the process and mediator variables, moderating CSR-engagement-performance connection, such as organisational culture, leadership and job characteristics. The implications of the study contribute to enhancing literature concerning CSR and its effects on engagement and organisational performance. They also, therefore, focus on the utilitarian aspects of CSR, which include creating customer values, managing stakeholder relations, employee attraction and loyalty, and organizational sustainability.

Keywords: CSR, Employee involvement, Business outcomes, job satisfaction, organizational commitment, sense of purpose, organisational performance, creativity..

Introduction

Corporate Social Responsibility, CSR, has recently received an encouraging market discipline as companies work hard to cause more good to society besides enhancing their goals. As a vital organizational concept, employee engagement is the subject of this systematic review investigating the link between CSR, EE and OP. The purpose of the current research study is described in the introduction section which includes the aim, objectives and reasons for undertaking the research to assess the connection between CSR and employee engagement to organisational results.

However, in recent business operations, CSR has become a core concept since most businesses appreciate social and ecological obligations besides profit-making agendas. CSR refers to an organization's well-planned efforts as a deliberate part of its managerial strategy to foster positive effects for the stakeholder and broader community through its activities. While there is a large literature on the positive effects of implementing CSR, research on how it leads to improved employee engagement, and organizational performance is still emerging.

For this reason, employee engagement is precious for business. Engagement is the extent of an individual's voluntary commitment to a dual interest between self and organization. Committed employees are those who are devoted to their occupation, career, and organisation, endorse the objectives and agenda of the organisation, and do more than expected to support the business and get heavily involved in their work. This engagement is critical to creating efficient customer relationships, innovation, and company performance.

The relationship between CSR and employees stems from their need to do more than optimize self-gain; workers contemplate doing socially responsible, valid, valuable, and worthy work. CSR activities benefit all stakeholders by building an effective corporate culture while employing sense in the employees. They feel proud to be with a socially responsible company focused on the well-being of society. Engagement in CSR programs helps to develop positive attitudes from employees and commitment towards their organization.

Big firms that address CSR issues might benefit from better talent acquisition and retention, brand development, and incremental relations with customers, investors, or residents. Through CSR programs, employee commitment is likely to be boosted, including job satisfaction, low turnover intention, better performance, and better customer service. Also, the studies indicate that engagement has a positive relationship with organizational outcomes of work performance, financial performance, and organizational effectiveness.

From prior literature, research has examined CSR, employee engagement and performance but no systematic review has been conducted to synthesis existing literature. To fill this research gap, this study conducts a literature review that identifies the CSR literature link with employee engagement and the company's performance. The emerged objective is to analyze international research to learn about the link between CSR and its impact on increasing employee engagement and its further impact on organizational performance.

The conclusions of the systematic review will highlight the importance of CSR as an innovative practice of organizational communication that is focused on increasing the level of commitment among organizational members and improving organizational performance. Thus, the work contributes to the understanding of CSR effects, employee engagement, and

organization results in order to offer insights for developing efficacious CSR approaches that match the company's goals and objectives with employees' ethical values. These stated relationships enhance higher morale, productivity, and consequently better organizational performance. This review will further describe the method used for the study, the theoretical frame that has been used, and a critique on the literature in order to build a clear understanding of CSR, its relation to EE and organizational success.

Methodology:

A systematic review serves as the approach used to establish the compiled database and assess studies that focus on the effect of CSR on employee engagement and organisational performance. In the current study, the search strategy encompasses searching for peer-reviewed articles from various databases before subjecting the potential articles to inclusion and exclusion criteria before selection for data analysis. Subsequently, data synthesis and extraction methodologies are used to systematically review the literature for relevant patterns for identifying the relationship between CSR, employee engagement, and corporate success without bias.

Research Objectives and Questions:

That is why the current systematic review is based on transparent research objectives and questions to clarify the link between CSR, EE, and OP. These questions define how data extraction and synthesis will be done. However, the classification of findings within the literature informs the analysis.

Literature Search:

A structured approach to search is applied to identify the required studies. Business databases are accessed with keywords on CSR, employee engagement and organizational performance to locate articles, papers and presentations in journals, conferences, databases, and digital repositories. Relatively few articles are retrieved by a literature search, and sample study characteristics are employed to reduce bias by defining article inclusion and exclusion criteria.

Study Selection:

Some steps are involved in the study selection. First, the title and abstract of the articles are screened to select those articles that might have the potential to be included in the study. Then, the full-text articles are assessed based on inclusion and exclusion criteria. Concerning review disagreements or uncertainty about giving a particular patient a score, the reviewers discuss and reach a consensus.

Data Extraction:

To facilitate systematic data extraction, a structured template is established, where different fields include authorship, year of publication, research methodology, sample size, CSR elements under investigation, and indices of employee engagement and organizational performance. A uniform data extraction form is employed to avoid bias and inter-study variability and improve reliability.

Quality Assessment:

To minimize bias and enhance the internal credibility of the selected studies, quality assessment criteria are used. Specificity differs across the research type and commonly includes research

approach, sample selection, data collection practices, and data analysis procedures. Weak studies are excluded based on previous measures, and only high-quality marginal studies were used for further analysis.

Data Synthesis and Analysis:

A thematic analysis of data from the reviewed studies is performed to reveal trends, patterns, and the connection between variables. In the analysis, the author reviews the influence of CSR on employees and organizational outcomes and presents emergent themes. The empirical results are analyzed through narrative descriptions, frequencies, charts, and tables.

Limitations and Bias:

Some of the limitations and possible biases incorporated in the assessed papers are recognized, including, but not limited to, publication bias, methodological restrictions, and the transferability of the reported results to other settings and sectors.

Reliability and Validity:

Adopting a systematic review creates validity and reliability by executing the general method and specifications, including the PRISMA guidelines. The assessment procedure is made noticeable to enable criticism of the findings and outcomes and confirmation of results.

Impact of CSR on employee engagement

This section discusses prior research studies on the topic in relation to the effects of CSR activities on employee relation; employee job satisfaction, employee commitment, motivation and OCB. The above findings show that CSR has a central mediating role of improving employee communication and, in so doing, produces beneficial results to the employee and the firm.

Increased Job Satisfaction:

They provide a favourable working environment where people feel they are associated with an organisation involved in social and environmental corporate responsibilities. Employees' personal attributes are also at par with the company's CSR values, rendering increased satisfaction among the employees due to the effectiveness of the company's mission and vision.

Stronger Organizational Commitment:

CSR creates organisational commitment among its employees and makes them feel valued. Whenever the workers have a social responsibility for their organization, they show more positive emotional attachment, pride, and ownership of the job, thus increasing their loyalty to the company's goals and objectives.

Enhanced Worker Motivation:

The authors believe that CSR programs are effective in encouraging people. CSR increases business performance and the motivation of employees, who get to do a purposeful job. Due to this motivation, they drive performance and productivity rates to the next level.

Increased Worker Well-Being:

The interesting findings suggest that CSR efforts involving wellness programmes, work-family interface, and career enhancement by employers benefit employees. The lack of programs also

means that the company is actually interested in the employees' needs, hence increasing engagement levels.

Fostered Pride and Sense of Identity:

CSR operation not only has the function of strengthening pride and identity but also the target staff engaging in CSR activities such as volunteer activities or community activities. This creates engagement since the users feel they are part of an organization through such activities.

Strengthened Employee-Organization Relationship:

CSR actions can enhance the employee-organization relationship because they exert influence over employees' hearts. I believe that any company seen as socially responsible and concerned about employees will create a positive relationship that generates loyalty in most workers.

Increased Employee Participation and Voice:

CSR projects involve employees in various project decisions, hence promoting the employee voice culture. When employees are involved in CSR activity planning, they are likely to take responsibility for their companies' success.

The Impact Of CSR On Organizational Performance

Corporate social responsibility (CSR) is a part of global management that significantly impacts engagement and results. It is currently involved in shaping business policies. CSR integrates economic, social, environmental, and ethical business concerns into a broad framework of political agendas. However, CSR has also been established to improve internal and external organisational success factors, including brand image, employees' job satisfaction, organisational productivity, innovation, customer commitment and overall financial performance. This article focuses on the relationship between CSR and organisational performance. It points out that it implies the sustainable development of a firm, management of stakeholders and establishment of competitive advantage.

Financial Performance and CSR

Perhaps the efficiency factor is the most tangible of the effects of CSR on organisational performance. The various sustainable activities that may earn credit points to the CSR-oriented firms may also help the firms ensure that they use resources efficiently and, in the process, achieve reduced wastage. By adopting the sustainable purchasing process, careful energy management and waste conservation, the business entities will experience improved returns on investment and, hence, profitability. Moreover, CSR strategies help brands strengthen people's trust more and more as present customers prefer buying products from companies that look after the social and natural environment. Such improved customer loyalty and preference will mean higher sales volumes and market share over time, producing better business performance. Furthermore, various studies have found that there is a total level of CSR which, in some ways, has a positive connection to the return of assets and stock appreciation, which proves the thought that ethical practices create sustainable financial results. Business organizations that adhere to ethical and sustainable behaviour are likely to receive investors' trust and, hence, gain capital more easily than high-risk companies.

The Role Of Brand Image And Reputation Improvement

CSR has been found to shape a firm's overall image by benefitting its reputation in the market. With a sound CSR program in place, a company can take advantage of an opportunity to communicate to stakeholders that the company is socially responsible and concerned with other interests besides the bottom line. This brand positioning becomes critical now that consumers are well-informed and selective about the products they buy. Workplace CSR schemes touching on issues relating to the environment, community or employee treatment have brought out positive attitudes from people. Therefore, customers are more likely to endorse and be loyal to such brands. Two of the most important parts of brand data protection, trust and credibility, are enhanced by the fact that consumers are aware that the company's ethical values correspond to their own. Consequently, customers appear to be willing to buy products from 'responsible' brands and this not only enhances customer loyalty but also increases a company's profitability.

Employee engagement is another of the key success facets in which CSR has a deep influence on organizational performance. Today's employees do not need only money to provide for themselves and their families but also the desire to work for a company that shares its employees' values and contributes something to the benefit of the world around us. When the CSR programs are extended for social causes or environmental concerns, the employees feel a sense of belonging, creating a little spirit of job fulfilment. Employee work engagement is positively related to OCB, which involves behavioural investment on the employees' part in the organisation's interests. In addition, the development of a socially responsible workplace prompts a feeling of pride in employees. The Employee Relation Private Limited, I think, is one good example. Research shows that employees with high levels of job involvement are productive, creative and effective because they will always perform activities beyond their contractual remit in an organisation. Employee engagement in a workplace enhances the relationship between the employer and its workers, and this tends to reduce turnover rates, meaning that the employer organization will hire and train few employees, hence fewer expenses to be incurred.

Employment Selection and Staff Maintenance

Besides the workforce's engagement, CSR is considered an essential factor in job attraction and employee loyalty. Indeed, today's employees, especially the Millennials and Gen Z, are more likely to work for organizations to advance values. They prefer ethical employers and those who play active roles towards the welfare of society. CSR programs cause companies to become preferred places of work, turning employers of choice for the right and talented people since the results speak volumes of a noble cause. Those organizations that invest in comprehensive CSR initiatives can attract and select candidates from a large talent pool; this way, they can be assured that the individuals hired share ideals with those of the organization. While this alignment promotes workforce integration, it fosters its employees' continuity. CSR reputation can. Therefore, it lowers recruitment costs, increases the quality of committed and devoted human capital, and consequently improves general competitiveness in the organization.

Improving on Relationships With Key Stakeholders

CSR is also responsible for maintaining and enhancing relations with customers, employees, investors, suppliers and the community. Socially responsible companies are faithful to their stakeholders and loyal to society's values because the priorities dictate that the concerns of each

member should be considered. These positive relationships make it possible for the organization to achieve better cooperation and support related to its operational and strategic success. For instance, a business aligning its goals to environmental conservation will draw investors looking at firms with environmental, social, and governance factors. To such investors, socially responsible companies are less risky and more secure, improving the company's capital acquisition. Similarly, business-driven CSR programs, like carrying out awareness programs or providing employment to the local people, develop a favourable perception among the populace as the community accepts the organisation and the social purpose it's serving, through its operations. This support is especially useful for competitiveness or where regulatory environments may severely challenge the firm.

Innovation and Adaptability

Organizations incorporating CSR into their business strategies are more likely to innovate and adapt to changing market demands. CSR-driven companies often invest in research and development to find innovative solutions to social or environmental challenges, which leads to creating sustainable products or practices that appeal to conscious consumers. For instance, companies focusing on reducing their carbon footprint might develop energy-efficient products or adopt renewable energy sources, attracting environmentally conscious customers. Furthermore, by proactively addressing societal and environmental issues, CSR-driven organizations are better prepared to comply with emerging regulations and adapt to market trends. This innovative culture allows organizations to remain agile, explore new business opportunities, and respond effectively to dynamic market conditions, enhancing their long-term competitive position.

Risk Reduction and Long-Term Sustainability

It is clear that CSR has an important function of managing risk associated with non-compliance, legal issues, and reputational damage. If organisations act responsibly towards society and the environment, they decrease the likelihood of negative consequences, for example, fines or public rejection owing to dishonest actions. For instance, the washing companies that respect labor laws and display appropriate conditions of workplace will undergo litigations and /or tarnurança reputation. In addition, CSR fosters efficient resource utilization, which enables organizations to avoid the risks associated with reliance on raw materials that are hard to renew, besides ensuring efficiency in practice that enhances the management of impacts that may be occasioned by environmental changes. An effective CSR strategy allows for a sound risk management concerning potential problems and helps to provide for stable and sustainable development of businesses regardless of a complex-encompassing contemporary context.

Discussion and Implications

The conclusion drawn in this systematic review underscores the role of CSR as an effective managerial asset in organisation building, employee commitment and long-term organisational performance. Summarizing the findings of this study, this section provides a clear roadmap for organisations interested in CSR trying to achieve the best results possible. It also presents the implications of the theoretical, practical, and managerial aspects of the study as well as the limitations of the study, together with the recommendations for future research.

1. Integration of Results

The discussion synthesises the major issues identified in the study and links CSR, employees engagement and organizational performance. The review demonstrates how CSR programmes have organisational effects on employee involvement, commitment, job satisfaction and motivation, which translates to better organisational performance. These findings support and complement the prior studies and offer a broader perspective on how CSR contributes to engagement and organisational success. In addition to establishing an index of findings that might be reproduced in future studies, this review explores the effect of CSR activities on employee motivation and organisational performance, thus contributing to increased knowledge of the subject.

2. Theoretical Contribution

The research presents theoretical contributions to CSR, HRM, and OB literature and practice. The study contributes further to the theoretical development of the CSR–employee engagement and organizational performance relationship by replicating and building upon theories, including the job characteristics model, psychological contract theory, stakeholder theory, and social identity theory. Take the job characteristics model, for instance. It makes it easier to understand how CSR initiatives, which offer employees challenging assignments, will boost their motivation and job satisfaction, among other benefits. According to the psychological contract theory, this study also found evidence that CSR can help boost employee commitment when the employer is seen as being ethical. Likewise, stakeholder and social identity theories explicate how CSR gains engender commitment among employees by making them feel proud to work for the firms they work for.

3. Relevant Applications

Based on the research insights identified in this study, this section focuses on how managers/ organisations can deploy them in managing CSR. It also refers to the need to merge CSR with organizations' structures to become a strategic focus area that can help increase staff motivation, performance, and satisfaction. They include the use of CSR goals in performance management, engaging employees in CSR activities, and, where possible, linking CSR programs with employee values for commitment. When CSR is applied deliberately, employees' satisfaction should increase, and therefore, their commitment to an organization should improve the company's performance.

4. Managerial Recommendations

Based on this work, strategic recommendations for managers and leaders are offered to enable the proper implementation of CSR programs. Others are developing CSR objectives and measurable targets, courses of action, and structures that will help enhance workforce awareness and involvement in CSR programmes. This confirms that managers should develop a CSR framework to create effective CSR–employee values fit to enhance CSR effects on engagement, satisfaction, and productivity.

5. Limitations and Future Research

Considering some limitations, such as sample size, methodology of research, and the transferability of results in other organisations and different cultures, is a powerful point in the

study. These aspects may have affected the generalization of the findings, particularly in different organizational environments. More suggestions for future research could possibly identify mediating or moderating variables associated with an industry type, size of the organisation, or culture that might moderate the CSR on employee engagement and organisational performance. Furthermore, had they looked at the lasting impact and usefulness of CSR as a strategy years and even decades later they would appreciate and understand CSR even more.

The current paper's findings are synthesized in a final discussion section highlighting study limitations and implications and its contribution to the body of CSR knowledge. This research seeks to amplify the importance of CSR in an organization, especially in improving employees' engagement and organisational performance, regarding theoretical and practical frameworks on CSR as a strategic tool that organizations can develop to achieve their objectives. Having their CSR programme reflect the employees' values in the letter will also help organisations achieve the twin objectives of positively impacting society and boosting the company's performance.

Final Conclusion

This conceptual paper builds on the systematic literature review to highlight the importance of CSR in enhancing employee engagement and organizational performance. It has also established the positive relationship between CSR, motivated employees, and organizational performance through a synthesis of the data collected from previous literature and empirical research. Companies that undertake CSR programs produce a culture within the organization that ensures its workers feel appreciated, responsible, and capable of working for such a company, hence improving performance.

CSR is not only an internal management concern but also acts as a source of competitive advantage that affects more strategic organisational measures such as financial returns, brand equity, and customer retention. CSR, when accorded strategic importance within organizational culture and management, leads to increased organisational commitment and employee satisfaction, improved stakeholder relationships, organisational sustainability, and risk management. The study gives clear guidelines on how firms that want to improve their performance through CSR can do it. These guidelines give recommendations that can help position CSR as consistent with the company and employees.

Hence, there is merit in acknowledging the study limitations, including sample size, the research design that can be suited for specific industries or cultures only, and other features. In the future, research should explore these limitations and study a far more extensive array of the consequences of CSR as well as other possible mediators of the relationship between CSR, the engagement of employees, and organizational results.

In conclusion, this study confirms car's potential benefits for developing competent and motivated human capital and the company's future success. Adopting CSR as one of the key strategic management frameworks creates an opportunity to build a positive organizational culture, attract employees, enhance relations with the stakeholders, and achieve sustainable organisational performance. This research adds to the growing literature of CSR literature and offers advice to organizations that can aid them in becoming more responsible both ethically and in the ways they impact society.

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