AN ANALYTICAL STUDY ON THE IMPACT OF CSR INITIATIVES ON EMPLOYER BRANDING AND EMPLOYEE ENGAGEMENT IN KOLKATA: AN OVERVIEW OF THE IT SECTOR

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Abstract

The concept of Corporate Social Responsibility, also popularly known as CSR seems to have become an indispensable segment of corporate thought and practice all around the world. CSR has long been a part of Indian business. There have been efforts on the side of the business community and government, both in the distant and recent past, to make responsible business methods part of our commercial culture. Employer branding on the other hand, is the branding and marketing of the entire working experience. It distinguishes an employer's image as a good setting to work and their "employee value proposition" from the more basic "corporate brand reputation" and "customer value proposition". The term was first used in the early 20th century and since then it has become a popular trend throughout the global corporate circuit. Employer branding is increasingly incorporating CSR to increase appeal, engage current and potential employees, and assure consistency in employee brand behaviors. Also, Employee engagement refers to a worker's level of open attachment, to his affiliation and zeal for the job. It can be significantly enhanced through fair and equitable treatment in the organization coupled with proper compensation and training opportunities. This study mainly revolves around the notion of Corporate Social Responsibility and how it has emerged in India in the last decade. It attempts to identify the various factors affecting CSR that have an impact on employer image and reputation and subsequently on Employee Engagement of an organization actively endorsing a social cause in the IT sector.

Keywords: Corporate Social Responsibility, Employer Branding, Employee engagement, Exploratory Factor Analysis, Correlation Analysis

1. INTRODUCTION

Corporate social responsibility is a corporate game plan that promotes sustainable growth by looking into the welfare on all partners and collaborators on a monetary, societal, as well as ecological level. Simply put, it can be described in a nutshell to being the sense of duty and commitment to society and the environment (i.e both social and

ecologically sound) in which it thrives and conducts its activities. The objective of corporate social responsibility (CSR) is to accept accountability for an organization's deeds and promote positive benefits by way of their initiatives that impact the ecology, customers, workers, government, and other parties who are recognized as stakeholders. A corporation that promotes CSR operates in a way that benefits society and the environment rather than degrading it.

Since the last one-decade, Corporate Social Responsibility has become a buzzword among managers and corporates who have been steadily implementing it as a strategic tool that builds a positive scenario for both the enterprise and the cause it endorses. CSR is currently one of the world's top challenges of the new millennium, and both business and government must address it. The New Companies Act of 2013 was amended through the efforts of the Government of India to incorporate the CSR law, making it a requirement for businesses to invest 2% of their net profits in CSR initiatives. India became the first country to mandate it and this proposition was a crucial step in restricting commercial activities that have an adverse impact on society.

The IT industries in India have carried out its philanthropic aspirations for social welfare through the corporate social responsibility mechanism. It is a potent method of generating competitive, sustainable profit and establishing long-lasting values for both shareholders and stakeholders. The internationalization movement sparked competition among IT companies to carry out trading procedures that were acceptable around the world. CSR, which came into light in 1960 as an effort to relate business processes with the public fraternity was therefore motivated by this to direct their available resources toward more charitable efforts. According to the Randstad Employer Brand Research (REBR) 2022, Microsoft India got extremely well results in terms of monetary health, good reputation, and alluring compensation. Also, Hewlett Packard was adjudged the fourth most appealing employer brand in India for 2022, followed by Infosys, Wipro and Tata Consultancy Services.

Tim Ambler who was a Senior Fellow from the London Business School, along with Simon Barrow who is the Chairman of the consultancy, People in Business, presented the word **employer brand** for the very first time in front of a management gathering in in December of the year 1996.They explained it as the bundle of effective, monetary, and intellectual well being supplied by the work, and associated with the organization who is hiring. They went on the say that no one spoke about the concept of employer branding when they first started in the industry. However, it has presently become an essential component of business planning reverberating far beyond the HR department's boundaries. Employee engagement is a difficult concept to define. There is no simple answer. Employee engagement isn't just a free size blueprint. It is a formula that must be adapted and reframed to meet the distinct requirements of your organization.

Finally, **Employee engagement** entails far more than simply ensuring that your employees are happy and satisfied. Some organizations may be experiencing rapid growth and require employees to feel motivated and involved in the changes taking place around them. Others may have multiple teams working across the organization that require close coordination and understanding. The phenomena of Employee engagement effectively encapsulate the level of zeal, ardour, passion, and diligence an employee feels towards their role and work. Employee engagement may prove to be a great contributing factor for an organisation's success as it can be associated to job satisfaction and employee spirit and optimism. Such employees who are actively engaged and invested in the organisation, are more likely to exhibit greater productivity. Bosses and supervisors can promote employee engagement through open communication, giving rewards and recognition, and discussing opportunities for career growth. It is also commonly believed that Employee engagement can be best understood by the 3 C's – Career, Competence and Care.

2. LITERATURE REVIEW

Tomar et al (2020), identified the importance of CSR in branding process and how it can be aligned with HRM processes. They suggested that CSR activities help the employees to develop a sense of identification and association in the company. Sabeena & Krishnamoorthi (2015) explained that corporate social responsibility is more than charity. It is the application of ethical ideas towards the society. According to Halbusi & Tehseen, (2017) the workers judge their firm's CSR activities once they know more about it and the most important metric that employees use is to estimate the perceived fit of CSR activities with the organisation's values and strategies. Furthermore, Maradon & Kumar (2019) strongly believe that is that CSR is not a plan for brand building, but it does set up an internal brand image for its employees. The employees' perspective drives both Employer Branding and CSR. So, to attract and to retain the best skilled and talented individual an organization must compare Employer branding along with CSR. Chacko & Zacharias, (2020) opine that employer branding describes the strategies a company takes to attract, engage, and keep employees by putting out internal initiatives that distinguish the company as the greatest place to work. Instead of using conventional corporate techniques and procedures, the goal of these activities is to provide a lasting competitive edge through their human resource. It is crucial that an employer brand's values match those of its employees for it to be successful. The employer brand embodies an organization's essential principles. Organizations with a robust image are regarded as good employers. Employer branding is a relatively new concept for many Indian firms, but it is becoming increasingly vital for today's organizations to ensure market sustainability. Pawar (2018) in his extensive research on Indian IT Companies concluded that Employer branding seems to be the reaction of Human Resources Administration and their promotion in the jobs market. Understanding the issues connected with workplace

branding and having a strongly outlined employer business model are critical. Widyana et al (2021) opine that an employee who has high job satisfaction will engage more to the company.Sen (2006) also opined that employees who associate themselves with the CSR activities of the organisation, voluntarily engage in working towards the society alongside their jobs and a major advantage of these initiatives is that when properly implemented, these can be marketed properly to all interest holders. Moreover, Ferreira & de Oliveira, (2014) explained through their study that internal CSR proves more effective in promoting Employee Engagement than external CSR. Hence, various forms of CSR effect employee engagement in different ways.

3. RESEARCH GAP

As evident from the above Literature review, over the past few years, several research has been conducted on CSR and employer branding discretely, but little academic attention has been paid to study them collectively especially with regards to employee engagement. Also, very few studies suggested the impact of CSR on employer reputation and brand and employee engagement in the IT sector in Kolkata.

4. RESEARCH QUESTIONS

From the above Literature review and identified Research Gap, some pertinent Research questions arise, which are as follows: 1. Is there any impact of CSR initiatives on employee engagement? 2. Are there any significant factors affecting CSR initiatives that lead to employer branding? 3. Is there any impact of CSR initiatives on employee engagement?

5. RESEARCH OBJECTIVES

Every research should contain some objectives on which the framework of the entire proposed method and experimental validation will be performed. The objectives of this research were:

1. To identify the significant factors affecting CSR Initiatives that lead to Employer Branding.
2. To determine the impact of CSR Initiatives on Employee Engagement

6. RESEARCH METHODOLOGY

This proposed research combines descriptive and exploratory research. The research philosophy is based on positivism and interpretivism both with a deductive and inductive approach. The study examined the concept of CSR and its impact on Employer Branding through primary as well as secondary data. The study being an analytical one, primary

data was made extensive use of and was collected through questionnaire survey method which was administered to working professionals in a leading IT company in the city of Kolkata. This study explores the various factors that affect CSR activities which ultimately lead to positive Employer branding and subsequently employee engagement.

A total of 100 filled questionnaires were received out of which 80 were usable for the purpose of research. The questionnaire was roughly segregated into two parts. The initial part included different socioeconomic and demographic details of the customer. The latter part included employee perceptions of different CSR initiatives undertaken by their organization and whether they impact employer branding and level of employee engagement. Major emphasis was given while forming the questionnaire so that new ideas and insights could be gathered. It mainly is consisted of closed ended questions in the 5 Point Likert Scale for the facilitation of further data analysis.

To obtain scale reliability, Cronbach alpha was used. The Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test were also used, respectively, for assessing sampling adequacy. Statistical tools like Exploratory Factor Analysis were used to examine and inspect the collected data and draw meaningful conclusions. The tests were conducted in statistical software SPSS v.25.

The following hypothesis was formulated aligning with research questions and to help analyze the second objective.

H_{0A} = There is no significant impact of CSR initiatives of an organization on Employee Engagement

H_{1A} = There is a significant impact of CSR initiatives of an organization on Employee Engagement
Bivariate correlation analysis was used for finding potential connections between the two variables and the strength of their relationship.

7. DATA ANALYSIS: RESULTS AND DISCUSSION

7.1 Exploratory Factor Analysis to identify factors that affect CSR leading to Employer Branding

Exploratory factor analysis is a method used in Statistics for compressing data into a smaller number of summary variables and exploring the phenomenon's inherent theoretical basis. It's utilized to figure out how the variable's association with the responder is constructed.

Table 7.1: Reliability Statistics

Cronbach's Alpha	No. of Items
0.829	13

To ensure the data's validity and reliability, reliability statistics were calculated, and the Cronbach's Alpha resulted in 0.829, which is greater than 0.7. As a result, it has been demonstrated that the data is valid and reliable enough to proceed with further analysis.

Table 7.2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.712
Bartlett's Test of Sphericity	Approx. Chi-Square	1.1073
	Df	891
	Sig.	000

To ensure that Factor Analysis was appropriate, the KMO and Barlett's test requited for testing adequacy of Sample was used. Chi-square is approximately 1.1073 with degrees of freedom at 9891. It was seen to be significant at a confidence level of 95%. The KMO statistic of.712 also proved to be significant because its value was greater than 0.50. As a result, Factor Analysis proved to be a suitable technique for one to carry out further data analysis.

In this study, EFA was used to understand the various factors that affected CSR leading to enhanced employer branding. Eigen value of 1 was used as cut-off value for extraction. This resulted in a Four-factor structure with the extracted factors.
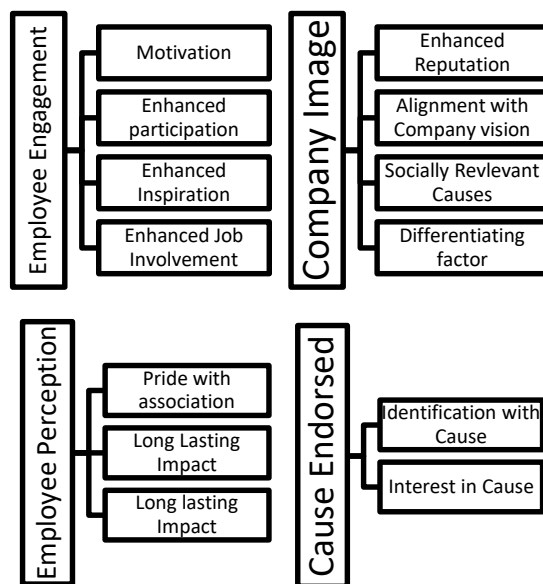

Fig 7.1 Factors Impacting CSR initiatives leading to Employer Branding

The four factors identified were those affecting CSR initiatives leading to positive Employer Brand They can be named as Employee Engagement, Employee Perception, Company image and cause endorsed.

7.2 Correlation Analysis for Testing Hypothesis

Finding potential connections between two or more variables and the strength of their relationship is aided by bivariate correlation analysis. The range from -1 to +1, where -1 denotes perfect negative correlation, +1 denotes perfect positive correlation, and zero denotes no correlation between the variables, can be used to assess the strength of the relationship. When the value is +0.5 or -0.5, the result is moderately positive or negative, however a value between 0 and 0.5 (positive or negative) is considered to have weak relationship.

Correlation between Employee Engagement and CSR			
Employee Engagement Score			
Employee Engagement Score	Pearson Correlation	1	.609**
	Sig. (2-tailed)	.000	
	N	80	80
** Correlation is significant at the 0.01 level (2-tailed)			

No substantial correlation was expected by H_{0A} between organizational corporate social responsibility and employee engagement. The Table's significant association between employee engagement and corporate social responsibility (r = 0.609, 0.01 level of significance) offered evidence against hypothesis H_{0A} and supported its rejection. Hence, we were able to conclude that CSR initiatives of an organization do have a significant impact on CSR initiatives.

7.3 Summary of Findings

- The idea of Corporate Social Responsibility is not alien to the employees.

- The consumers are becoming increasingly aware and informed about the laws and legislations of our county regarding CSR and have consciously tried to show an interest in participating in such initiatives.

- Most respondents agreed that the CSR initiative that their organizations were socially impactful and got them interested in participating in them i.e. they were able to identify with the same.

- By conducting Exploratory Factor Analysis, we were able to deduce some important factors that affected CSR and led to effective employer branding. They were Employee Engagement, Employee Perception, Company image and cause endorsed.

- Employee engagement is a crucial factor that is affected by CSR initiatives especially when employees are interested in the causes endorsed. This comes into light by Correlation Analysis.

8. CONCLUSION

Every company has a standing which generally includes the idea surrounding the products it offers, services it provides, leaders and bosses, employees, past track records, and more. This reputation is known as the organization's brand. However, what is interesting to note is that a company also possesses a supplementary brand image in addition to its original brand which directly relates to how it is viewed as an employer. This is referred to as an Employer brand. It is interesting to note that many organizations engaged in CSR activities seem to be using it as a lucrative mechanism to attract potential recruits and create a positive image for themselves. CSR also provides a sense of belonging to employees. It strengthens employee bonds as well as attachment to the organization. While CSR is a big step for businesses to make a powerful change, one cannot deny that it also means a better overall reputation. It is also a powerful statement for businesses to convey what they stand for. It enables its employees, customers, and the company itself to contribute to something larger than its own needs. Corporate social responsibility helps to spread positive word of mouth about the organization. It is extremely important in generating brand awareness. When people learn about a company's CSR activities, they naturally develop a favorable opinion of it.

9. RECOMMENDATIONS AND FUTURE IMPLICATION

Organisations today must take into consideration the cause of CSR as an effective tool for employee engagement and employer branding. The problem of low levels of employee engagement in most organisations has been a matter of concern since time immemorial. Researchers have recognized several factors that might lead to higher levels of engagement but have never explored CSR to be one of them. Corporate Social Responsibility now made mandatory by the legislation of the country for certain institutions and organisations can prove to be a great contributory factor in enhancing levels of employee engagement. The factors that affect CSR are the reputation, job reputation, level of motivation and branding of the cause. We may be able to explore in future that those initiatives that employees personally identify with might prove even greater in elevating levels of employee engagement. We might also be able to explore that for such employees, the cause endorsed by the organisation might prove to be a yardstick for choice when they are applying for jobs which greatly enhances its employer branding making it a sought-after place to work at. Finally, as of today most organisations undertake CSR initiatives because it is mandated by Law. If it can prove as an effective catalyst in boosting employer branding and subsequently employee engagement, it may

be taken up by organisations voluntarily which might make it and Investment rather than a cost function.

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