

A Comparative Study of Impact of CSR Awareness on Employee Satisfaction with Special Reference to Select Indian Public and Private Sector Banks

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ABSTRACT

The main purpose of the study is to analyze the impact of corporate social responsibility awareness of employees on their satisfaction level. Employee satisfaction simply means how much satisfied the employee is with his or her job. This satisfaction is attributed to a variety of factors like workload, teamwork, compensation, flexibility, recognition etc. It is the social responsibility of the organization towards its employees to keep them satisfied and motivated. A happy and satisfied employee remains loyal towards the organization and keeps his job on his priority. CSR deals with the relationship of any organization with its; stakeholders. These stakeholders are society, government, buyers, suppliers, customers and employees. This study is focused towards the employees only. Only a few researchers have given importance to the concept of CSR in employee satisfaction in retail banking sector and the number of researches on comparative study on retail banking are very less. Linear Regression analysis and independent sample t-test has been used to compute the results on SPSS 20. It has been found that both the banks whether it is public or private, are conducting CSR activities. The employees of both the sectors are pretty much aware about the CSR policies and activities running by their respective banks. No significant difference has been found in the awareness level about CSR of the employees of select public and private sector banks. A significant impact of employee CSR awareness on the employee satisfaction level has been found in the study. Somewhere the employees feel motivated and loyal towards their banks because their banks are indulged into a number of CSR activities.

1. Introduction

CSR is a new approach of helping the weaker sections of the society. CSR has been extended in whole world wonderfully and banking is not exempted from that off course. CSR has become more popular due to the current phase of globalization which insists every organization to invest in CSR for the sake of verally development of the society and improving the environmental performance too (Grewal & Dutt, 2019). According to Johnson (2003) CSR is doing the primary goal of business entity like; profit earning and safeguarding the interest of the stakeholder, also considering the interest of society and the community in which they are operating. According to Hopkins(2003) this is the ethical responsibility of every business firm to behave in a socially responsible manner towards all stakeholders. Moon (2002) defined CSR as the socially responsible relations with employees, production process and other community related things. Lei (2011) went through a lot of studies on CSR issues and summarised that the main area of focus of CSR definitions are sustainability and social obligations for example economic, legal, ethical and discretionary responsibilities. Similarly Dahlsrud (2008) did analysis of 37 definitions used by the researchers on CSR and concluded that there are five dimensions of CSR area i.e. environmental; social, economic, stakeholder and charity dimension. Shafiq (2011) in his study gave a ten dimensional points related to CSR definitions which are ; Obligation to the society, stakeholders involvement, improving the quality of life, economic development, ethical business practice, law abiding,

voluntariness, human rights, environmental protection, transparency and accountability.

2. Literature Review

The concept of employee satisfaction came in to existence in 1920s and after that it gained importance in the interest of the organization, and it is vital because it is related to the overall life satisfaction as this job satisfaction affects the mental and physical health of any person (Suher et al., 2017). Bashir et.al. (2012) investigated in their study the inside impact of CSR i.e. the impact of CSR on employees associated with the programmes. They concluded that involvement in CSR by the organizations positively affects the employees' attitude. They feel motivated and satisfy while working with the socially responsible organizations. Suher et al. (2017) in conducted their study on the relationship between CSR and employee satisfaction & loyalty on Turkish employees and identified that those companies which are implementing CSR activities and making their employees aware about those policies are creating a positive and significant impact on the employees and generating loyalty towards the organization.

Bora (2014) in her study named as "Job Satisfaction of Bank Employees in Jorhat "A Comparative Study of Public & Private Sector Bank" investigated that the employees from public sector banks are more satisfied in comparison to the private sector bank employees when it comes to job security

and salary. Job security is found to be one of the most important elements of job satisfaction. Brammer et al. (2007) highlighted in their study that CSR policies give the organization a constructive approach for the social causes. Such kind of policies helps to improve the employee commitment towards the organization. The employees feel more enthusiastic, more loyal and feel proud to be a part of such organization which is doing well for the society apart from the main business activity. Attia et al.(2018) in their study titled as “ employee satisfaction and CSR practices : aa case study” highlighted that CSR has ben emerged as a very important activity for the copany survival. The researchers inspected the impact of five measurements of Social Accountability Standards practices i.e. work life balance, unions and bargaining right, health & safety and sufficient wage, on employee satisfaction. They concluded that all the CSR dimensions are positively and significantly related to employee satisfaction. In an another study done by Palazzi and Starcher (2006) the employee – centered CSR can be done in many forms such as; providing a good working environment, empowering employees, establishing good communication channel, providing a balanced work life with family, providing education and training to the employees, job security, profit sharing with employees in the form of bonuses. All these activities leads to employee satisfacion and this will ultimately help the organization in lon run. All these activities leads to improved organizational prformance through increase in productivity and high quality of worklife. This will help in retaining the highly skilled andyd capable employees with the organization. And satisfied employees leads to gain high customer satisfaction.

3. Objectives of the Study

1. To know the employee awareness about CSR.
2. To evaluate the impact of employee CSR awareness on their satisfaction level

4. Research Methodology

This study is based both on the primary and secondary data. The survey has been conducted in Moradabad district of Uttar Pradesh. The secondary data has been created the theoretical background of the study which has been collected from existing literature, published books, articles, journals, and annual reports. The primary data has been collected via questionnaire to measure the employee satisfaction and to evaluate the impact of employee CSR awareness on their satisfaction level. The data and response have been coded and analyzed with the help of SPSS 20 software. The population of the study was all the public and private sector banks operating in India. The sample size chosen for the study was four banks i.e. SBI & PNB as the public sector banks and AXIS bank & ICICI as private sector banks. Two hundred questionnaires have been filled by the two hundred employees of four selected banks. Fifty employees from each bank has been contacted and personally interviewed by the researcher.

5. Hypotheses of the study

H1: There is no significant difference in employee CSR awareness of select Indian public and private sector banks.

H2: There is no significant impact of employee CSR awareness on their satisfaction level of select Indian public and private sector banks.

6. Findings and Discussions

Demographic Profile of Respondents

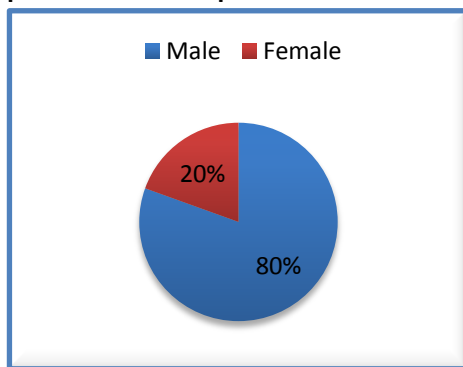


Fig1: Respondents – Gender

It is found from the data that majority of the respondents i.e. 80.5 percent were male while 19.5 percent of the total respondents were female, majority of the respondents i.e. 42.5 percent belong to the age group of 35 to 45 years followed by the respondents from age group 25 to 35 years

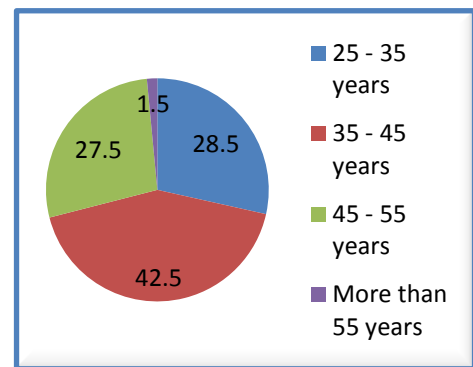


Fig 2 : Percentage of Respondents - Age Group

i.e. 28.5% while 27.5% of the respondents come under the age group of 45 to 55 and the lowest percentages of respondents are from the age group of more than 55 years i.e. 1.5%.

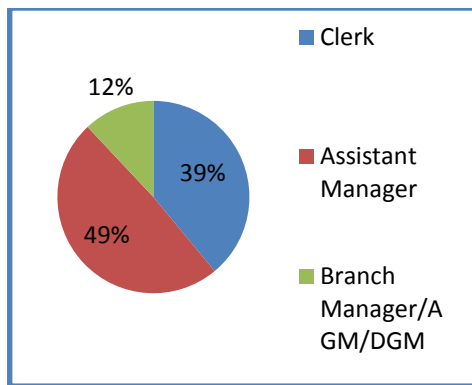


Fig 3: Respondents – Designation

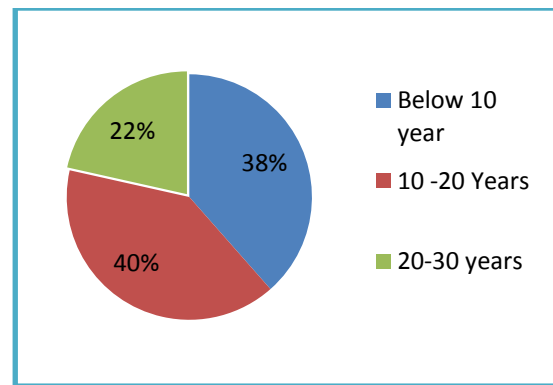


Fig 4: Respondents – Experience

It is also found from the data that majority of the respondents i.e. 49.0 percent belong to Assistant Manager group followed by the respondents from Clerk background i.e. 39.0 percent while 12.0 percent respondents belongs to Branch manager category. Majority of the respondents i.e. 40.0 percent belong to those having 10 to 20 years of experience group followed by the respondents from below 10 years of experience i.e. 38.5 percent while 21.5 percent

respondents belongs to those having 20 to 30 years of experience.

Analysis of Employee CSR awareness and its Impact on their Satisfaction Level

• Analysis of Employee awareness about CSR

Descriptive Analysis of employee CSR awareness - Do bank conduct CSR activities or not.

Table – 1, Summary of Public & Private Sector Banks

Group Statistics				
	BANK TYPE	N	Mean	Std. Deviation
CSR Awareness	Public	100	19.96	2.4409
	Private	100	19.41	3.32452

It is cleared from the table-1, that the mean value of employee awareness about CSR for public sector banks is 19.96 and for private sector banks it is 19.41 and the value of standard deviation for public sector banks is 2.44 & for private sector banks is 3.32. This shows that the overall response of public sector bank employees is good. This is

indicating that the employees think positively about bank's involvement in CSR activities. But because these two mean values are quite close to each other it is very hard to say that they differ significantly. To test this statistically we have used independent sample t-test.

Table-2, Summary of Independent Sample t-test

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
CSR Awareness	Equal variances assumed	12.388	.001	1.334	198	.184	.55000	.41244	-.26333	1.36333
	Equal variances not assumed			1.334	181.702	.184	.55000	.41244	-.26378	1.36378

From the above output it is cleared that the two groups' means are not statistically significantly different because the p-value is 0.184, which is higher than .05. So we can conclude that there is no significant difference in employee CSR awareness of select Indian public and private sector banks. (t = 1.334, df = 181.702, p-value = 0.184)

• Analysis of the impact of employee CSR awareness on Employee Satisfaction

This hypothesis has been tested by using linear regression analysis. The first step in regression analysis is to check the correlation between dependent and the independent variable. Here employee CSR awareness is independent variable and employee satisfaction is dependent variable and this has been presented by using correlation plot between Employee CSR awareness and Employee Satisfaction.

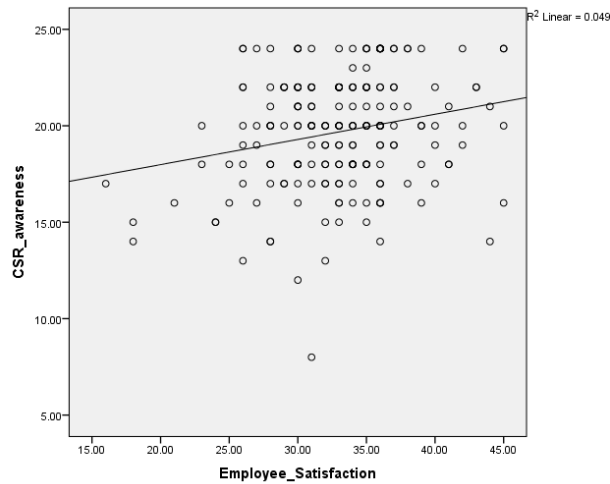


Fig 5: Correlation Plot between Employee Awareness on CSR and Employee Satisfaction

As visible from the plot, a weak positive linear correlation is visible between the dependent and the independent variable. Using Pearson correlation analysis, we found the

correlation value i.e. $r = 0.222$ and the correlation is significant at $p\text{-value} = 0.002$ as discussed below;

Table-3: Pearson Correlation Analysis

Correlations			
		Employee Satisfaction	CSR Awareness
Employee Satisfaction	Pearson Correlation	1	.222**
	Sig. (2-tailed)		.002
	N	200	200
CSR Awareness	Pearson Correlation	.222**	1
	Sig. (2-tailed)	.002	
	N	200	200

** . Correlation is significant at the 0.01 level (2-tailed).

Very low correlation between Employee awareness on CSR and Employee Satisfaction level has been shown in the above table no 3 (only 22%). However, the correlation value is significant at $p\text{-value}=0.002$. This shows that the regression analysis can still be applied. Linear regression analysis has

been used to test the relationship between employee CSR awareness and employee satisfaction level. Here employee CSR awareness is independent variable and employee satisfaction is dependent variable. Following table shows the results of regression model.

Table 4: Regression Results

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.222	.049	.045	4.86493

From table it is cleared that the value of R is 0.222 which indicates a low degree of correlation exists between employee awareness about CSR and their satisfaction level. But at the

same time it is also evident from the above table that there is an impact of employee awareness about CSR on their satisfaction because a significant model has been emerged.

Table 5: Regression Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	25.553	2.349		10.880	.000	20.922	30.185
	CSR Awareness	.379	.118	.222	3.210	.002	.146	.612

Table 6: ANOVA Results

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	243.803	1	243.803	10.301	0.002
	Residual	4686.18	198	23.668		
	Total	4929.98	199			

The ANOVA results in above table no 6, depict that a significant model has been emerged as the value of $F(1, 198) = 10.301$, at p -value: 0.002 at 1 percent level of significance. The regression results indicate that the overall employee satisfaction is attributed to a little bit of their awareness about CSR. Regression coefficients are also statistically significant at 1 percent level of significance. The value of R-square is 0.049, which shows that only 4.9% variation in employee satisfaction can be attributed to employee awareness about CSR activities of banks. The regression result table explains that employee awareness on CSR is positively related with the employee satisfaction however the measured impact is low but significant. Hence we have rejected the null hypothesis and it can be concluded that there is a significant impact of employee awareness about CSR on employee satisfaction level of select Indian public and private sector banks. (F -statistic: 10.301 on 1 and 198 DF, p -value: 0.002)

7. Conclusion

From the above findings it can be concluded that both sector banks whether it is public or private are conducting

CSR activities. The employees of both the sectors are pretty much aware about the CSR policies and activities running by their respective banks. It has been proved by testing the hypothesis that the awareness level among employees about CSR activities of the banks from both the sectors is almost equal to each other. It has also been proved that a weak but positive correlation exists between the employee awareness on CSR and their satisfaction of select public and private sector banks. It has also been proved by testing the hypothesis that there is a significant impact of CSR awareness of employees on their satisfaction level. Somewhere the employees feel motivated and loyal towards their banks because their banks are indulged into a number of CSR activities. Their banks are working with the approach of giving back to the society and this is somehow helping the weaker section of the society and helping in the overall social development. Employees belonging to these kinds of socially responsible banks remain satisfied and loyal towards their organization.

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