

## **EMPLOYEE VOLUNTEERING UNDER CORPORATE SOCIAL RESPONSIBILITY IN INDIAN PRIVATE ORGANIZATIONS**

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### **Abstract**

*The article explores employee volunteering practice under Corporate Social Responsibility (CSR) as an emerging phenomenon in Indian organizations. The involvement of employees in community initiatives under CSR may help the organizations to have meaningful engagement with the community as well as an opportunity for optimum utilization of its resources for the intangible benefits. This study is engineering industry specific. Engineering industry which lacks visibility in terms of its product and its operations has harmful effects. The article analyse the growing contour of employee volunteering in the gamut of CSR affairs and further weighs the benefits of employee volunteering from the views of managers. The study found that the organization is comparatively benefitting more in terms of facilitating community initiatives under CSR, and further enhancing employee involvement in terms of contribution for the organizational benefits but showed less importance pertaining to employee attraction or retention and public/customer loyalty.*

**Key words** – Corporate social responsibility, employee volunteering, internal CSR, external CSR.

### **Introduction**

Corporates would be responsible if they are profitable as well as ethical in achieving their goals. The social responsibility of a business is very wide and would include starting from giving fair price and quality for customers, to maintaining good standards with regard to their employees, giving good returns to shareholders, to improving the standard of community life where they are operating, entering into ethical trade agreements, in preserving environment and all natural resources for

future generations and doing all this, not one at the cost of the other.

The onus of responsible behaviour heavily lay on the owners or managers. Nevertheless it can be ingrained into other stakeholders by involving them directly or indirectly. Amongst all the internal and external stakeholders such as shareholders, employees, customers, investors, community, vendors, government, media etc. the employees could be an object of CSR beneficiary (Fox, Ward and Howard, 2002), which constitute internal CSR, or can act as an agency to execute external CSR. This twin status of employee in CSR would entail the organizations to look it from two approaches- firstly, as ‘inside in’ approach wherein CSR is carried out for their own employees. This calls for keeping CSR as a voluntary dimension when it comes to involvement of employees. In future it may act as an indicator that the employees are happy to contribute as they are engaged and satisfied with the organizations in which they are working. many CSR implies initiatives that reach out to communities, to the external institutions and does not imply covering their own staff (Sharma, 2011). If CSR is not carried for employees appropriately and satisfactorily, then it is needless to expect from them to contribute for external CSR connoted as ‘inside out’ approach to CSR. Secondly, as an ‘outside in’ approach employee’s perspective are analysed from the ‘outside-in’, that is, how CSR helps attract, retain and motivate employees (sBoltan, 2011). Employee volunteerism is what the ‘best’ companies do and is good for business – inside and out (Cycyota et.al, 2016) and has internal as well as external benefits to organizations.

### **Corporate social responsibility**

There are lot of debates and discussions on CSR and it is rightly referred as a ‘chameleon concept’ (Gond& Moon,2011)as there could be many reasons for interpretation of this term. Firstly, in respect of definition of the corporate social responsibility, yet there is no acceptable standard definition nationally or internationally for the reason that CSR is an evolving concept and is multi-dimensional. Secondly, there are controversies pertaining to its nature as to whether it should be voluntary or it must be compulsory. Thirdly, CSR needs an integrated approach which may be corporates coming together or may have partnership with

the government, like we have CSR hub in TISS for PSUs & oil companies or it may be self-interest of an individual organization. Fourthly, it is also context specific which may include socio-economic, political and cultural dimensions/aspects may be at local level, national level or at international level.

The point here is that whether the organizations would like to get engulfed into all the controversies related to CSR affairs or really have intention of working towards equitable distribution of wealth to prevent lopsided economy. The focus in true sense must be on the intended outcomes rather than the outputs.

### **Corporate social responsibility in India**

There are numerous reasons for organizations engaging in CSR from contextual viewpoint especially at country level since it is a more localized issue. Often driven by their owners' broader interests, Indian businesses has a long tradition of social spending (Mathieu et.al, 2013) and there is a strong cultural heritage to become engaged in CSR (Lee, 2010). CSR is a field in which practice is ahead of theory and research (Reddy, 2004) which is very much true in case of Indian history and is well demonstrated by Indian companies like TATA & BIRLA though in philanthropic form. The Indian government has come out with CSR Guidelines to move beyond a philanthropic model of CSR to a more expansive view of CSR that envisions the integration of social and environmental issues into businesses' decisions, goals, and operations, and in interactions between corporations and their stakeholders (Afsharipur, 2010). All these aspects have culminated into India becoming first country to come up with a regulatory framework for CSR and provisions were introduced under section 135 of The Companies Act, 2013 and Schedule VII prescribes the areas under which CSR activities can be carried out by the companies. The organizations are seen carrying out CSR activities by themselves or through their foundations/ Trusts or in partnership with NGOs, Government, other organizations, and apart from this there is a growing phenomenon of employee volunteering in which the employees are involved in CSR of the organizations.

### **Employee volunteering**

Employee volunteering means the employees of an organization who volunteers

themselves for the CSR activity of an organization directly or indirectly to serve the community or society at large. The direct involvement would include the employee's voluntary participation in the organizations CSR activity and indirect involvement would be contribution of a part of salary or donation given by employees in kind.

As per the survey conducted by Forbes in 2012, volunteering appears to be latest area of focus in CSR (Makkar&Pahuja, 2013). Companies are geared towards incentivizing employees to encourage employee volunteering. There may be instances where employee volunteering is made compulsory participation rather than voluntary. While the organizations need to promote in the outside world about giving back to the society or contributing to the society in the form of CSR but they also need to make the employees aware of the CSR activities. Morsing et.al, (2008) remarked if employees do not experience the company as a socially responsible company then the company becomes totally untrustworthy when it tries to portray itself as trustworthy to other stakeholders. A strong leader might create a vision in alignment with the demands from the environment; this leader also must communicate the vision in an inspiring way so that employees act accordingly (Moan et.al, 2009). All such direct and indirect linkages of the organizations like employees, customers, suppliers, investors, media, government etc. should be made aware of the corporate responsible behaviour and further seek the involvement of all these stakeholders. If employees are to be encouraged in participating this out bound activities of the organizations then they should be very transparent in carrying out the responsibilities with respect to employees as their internal stakeholders and adhere with all the compliances in respect of employee. This could be ingrained into the culture of the organizations.

The concepts and practices of corporate volunteering and formal employee involvement has emerged largely from business behaviour and culture in the West. But there is little evidence of widespread formal employee involvement or volunteering by Indian companies on a sustainable basis (Global Report, 2003).

### **Corporate social responsibility and employee volunteering**

The role of employees could be two fold - as drivers of CSR or as objects of CSR

initiatives (Fox, Ward and Howard, 2002) as the latter is pre-requisite for the former. The companies also agree that when an acceptable level of internal commitment is reached concerning internal CSR issues then the next step is to engage employees in CSR in the local communities. This may include issues on social programs as well as environmental protection and may imply dialogue with politicians as well as local interest groups. Next a more encompassing CSR approach towards the national and international levels may develop (Morsing et.al, 2008).

The earlier studies stress the key roles of employees as ambassadors for and enactors of corporate social responsibility (Collier & Estaban, 2007; Roza, 2016). Employees represent a powerful channel through which to convey positive messages about the company (Dawkins & Lewis, 2003). However, the ability of organizations to benefit from these outcomes, however, depends on their individual employees and their intentions to participate (Collier & Estaban, 2007) in CSR. It was found that identification with organization CSR and creating its impact on customers by frontline officers depends on self-interest of the employees towards affairs of CSR (Korshunetal, 2014). Employee volunteering for community development is taken as one of the variables to assess the community level CSR initiatives (Krishnan, 2012). The UN in partnerships with private sector through United Nations Volunteers (UNV) has promoted volunteerism for development initiatives and many businesses are becoming interested in supporting development through volunteer initiatives rooted in a sense of global solidarity (Read & Murphy, 2003).

### **Objectives of the study**

- 1) To explore the practice of employee volunteering in select private organizations
- 2) To study the extent of employee volunteering in different stages of CSR processes
- 3) To study the benefits of employee volunteering to the individual, to the organizations and to the community

## Research Methodology

This study was an exploratory in nature. It adopted an industry-specific approach towards CSR from the developing country perspective and was carried out in basic private sector engineering organizations in Mumbai (Konkan region). A sample of 30 organizations was selected as per the NIC code 2008 for basic engineering industries obtained from Directorate of Industrial Health & Safety which lists the factories in respect of type of organization and the number of workers employed. Private sector organizations having large number of workers were selected as they are likely to follow the legitimate labour laws and maintain environmental standards. The researcher conducted structured interview of the head or managerial authority responsible for CSR and it was found that 17 organizations are practicing employee volunteering under CSR. The measurement of benefits is expressed as state of agreement to disagreement on a five point Likert-scale having score of 5= strongly agree; 4= Agree; 3=Neutral; 2=Disagree and 1=strongly disagree.

## Results of the study

**Practice of employee volunteering** - This study shows that 59.1% organizations encourage employee volunteering. This means the organizations are building a culture amongst their employees to serve the society at large. In what way the organizations practice employee volunteering under CSR activities was further investigated .

**Decision making for manner of employee volunteering** - The results shows that there is no uniform pattern adopted by the organizations about who will take the decision regarding CSR activities or programs in which employee would voluntarily participate. Nevertheless, amongst the different ways, the decision making by the employee stood high displaying that freedom is given to employee and it is voluntary in true sense.

**Table 1: Distribution of organizations with regard to practice of employee volunteering under CSR**

Sr. No.	Practice of employee volunteering	Frequency	Percent
<b>1.</b>	<b>Organizations practicing employee volunteering under CSR</b>		
	Yes	17	57.6%
	No	13	43.3%
<b>2.</b>	<b>Decision making for the manner of employee volunteering</b>		
	Organization	2	11.8%
	Employee	6	35.3%
	Employee in consultation with the organization	4	23.5%
	Organization in consultation with the employee	5	29.4%
	Total	17	100.0%
<b>3.</b>	<b>Type of employee volunteering</b>		
	Employee works on the organization's community initiatives	16	69.6%
	Employee works on ongoing community initiatives of the other organizations	2	8.7%
	Employee work as per their self-interest	5	21.7%
	Total	23	100.0%
<b>4.</b>	<b>Creating awareness about employee volunteering in CSR</b>		
	Training and awareness programs	11	64.7%
	Internal Communications	17	100.0%
	Management Briefings	10	58.8%
	Through meetings	9	52.9%
	Others	2	11.7%
<b>5.</b>	<b>Ways of employee volunteering</b>		
	Man-hours voluntarily	12	70.6%
	Man-hours as prescribed by the organization	11	64.7%
	Donating part of salary fixed by the organization	13	76.5%

	Donating items like clothes, toys, books	7	41.2%
<b>6.</b>	<b>Ways of employee volunteering</b>		
	Groups	16	57.1%
	Individuals	14	42.9%

**Type of employee volunteering** –In this study in a majority (69.6%) of organizations the employees volunteer to work in the CSR activities undertaken by the organizations, followed by 21.7% organizations wherein the employees volunteer to work for the community as per their interest and in only in two organizations employees volunteer for the community initiatives undertaken by other agencies. This indicates that employees volunteer to work in community projects of their organization and this may increase their morale and satisfaction of serving the society which will benefit the organizations as well.

**Creating awareness about employee volunteering in CSR** - To encourage employee– customer identification, companies must first increase awareness of their CSR activities among both employees and customers. As these stakeholders become more aware of the company’s CSR activities, companies are more likely to achieve additional gains by encouraging communication about CSR between those various stakeholders (Korchutan et.al, 2014). The results reveal that ‘internal communication’ was utilized for creating awareness of CSR among employees and substantial number of organizations do conduct training and awareness programs, management briefings and discuss CSR in general meetings.

**Form of employee volunteering contribution in CSR activities of the organization** - It is seen that the employees contribute to the organizations CSR in the form of monetary as well as in non-monetary form, which is based on` their own felt need to serve the society. Alternatively the organizations may encourage the employees to get voluntarily involved in it. The results indicate that amongst various types of ‘contribution’ donating part of salary fixed by the organization is highest at 76.5%, followed by devoting man-hours voluntarily (70.6%), man-hours as prescribed by the organization (64.7%), and donating items like clothes, toys, books



etc. (41.2%). This nourishes employees self-esteem and work-life balance because through participation, employees are enabled to co-create initiatives so that they maximally fulfil their personal needs. The study discloses that employee volunteering practised in groups stands at 57.1% and at individual level account for 42.9%.

**Involvement of employees at various stages of CSR** - The whole gamut of CSR cannot be considered as the responsibility of CSR/HR department only but can be spread over and across the organization through employee volunteering which may at different stages for say planning of community initiatives, finding out the felt need of community, carrying out CSR activities and monitoring it as to whether its reaching the intended beneficiaries. IAVE's (International Association for Volunteer Efforts) Global Corporate Volunteering Project, supports that 'employee community engagement is being used as a strategic asset to help achieve business goals and the importance of sustained and consistent measurement and evaluation' (United Nations Volunteers Report, 2012). The study found that employee involvement is encouraged and found high at the implementation stage of CSR and is extremely low at planning stage confirming that it is a top-down approach for employee volunteerism. Barker (2012), found little indication of the integration of employee into all of the organisation's prioritised areas of CSR while probing into the role of employees in CSR decision-making.

### **Benefits of employee volunteering in CSR initiatives**

An active volunteering arrangement not only increases the well-being of the communities but also benefits the organization with a better corporate image and visibility (United Nations Volunteers Report, 2012).

The organizational benefits out of employee volunteering could be employee commitment, employee engagement, employee retention or less employee turnover, attracting new employees, improve team building, public/customer loyalty, develops leadership skills in employees, positive attitude towards work, improve business-community relations, helps in image building of organizations as employee acts as brand ambassadors, (Vlachos et.al, 2017; Roza, 2016; Leeventhal et.al.,2015;

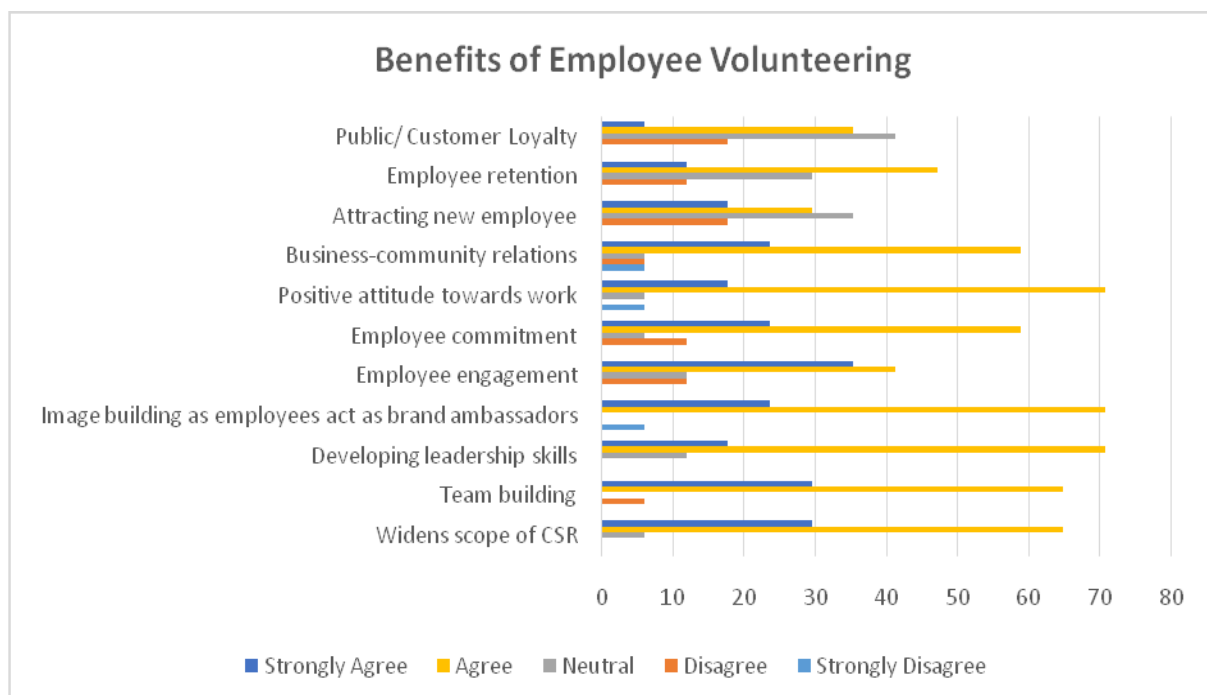
Cycyota, 2015; Ireland Report, 2014; Megha, 2012; Walker & Dharmalingan, 2011 ) ;increases employee satisfaction and productivity, improves employee skills (Mukherjee, Economic Times, July, 2010)and helps to widen scope of CSR.

McNarmaet.al, (2017) in cross countries study revealed that there is positive relationship between organizations CSR activities and employee affective commitment and employee engagement especially to externally focussed CSR. The Deloitte survey 2017, revealed that strategic employee volunteerism program can help satisfy energetic millennial's desire for stimulating and diverse work assignments and leadership opportunities, to make a meaningful difference in society, and have a very beneficial impact on society. Further, it can open up space to develop leadership for responsibility and sustainability through businesses and communities (Global Report, 2003).

The responding organizations were asked about their agreement to the benefits mentioned in above paragraph from employee volunteering using a 5-point Likert scale of *Strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly disagree=1* and the mean score of the responses were derived with standard deviation. The data was interpreted as mean score 1.00 – 2.33 = *low importance*; 2.34 – 3.66 = *medium importance* and 3.67 – 5.00 = *high importance* given by the responding organization. The data in the figure1 demonstrates the high level of agreement to 'widening the scope of CSR' indicates that employee volunteering may substitute the lack of manpower for CSR activity conducted by the organization as the organizations are yet to recognize CSR as a separate and important entity in the organizations by having a full-fledged department which was yet to become operational in many of the organizations. The aspects of 'team building', 'developing leadership skills in employees', 'image building as employees act as brand ambassadors', 'employee engagement', 'employee commitment', and 'developing positive attitude towards work' and 'improving business-community relations' are the attributes which were rated high by the respondents in respect of benefits accrued out of employee volunteering under CSR.

The three areas in which medium agreement is expressed by the responding organizations in practicing employee volunteering for CSR activities is attracting new employee, employee retention and public/customer loyalty. Thus employee volunteering do not contribute to “external focussed CSR” and further do not help the organizations in foreseeing the future benefits but is more aligned with current advantages.

**Figure : Benefits to stakeholders of employee volunteering done under CSR**



The findings in respect of employee volunteering in CSR initiatives have confirmed the intangible benefits organizations can have from a long-term perspective keeping in view larger interests of society as well.

### 1.5.6 Conclusion

Employee volunteering is gaining importance in the CSR activities conducted by the organizations as indicated by the present study. Employers are involving the employees in the community initiatives conducted by the organizations though it is the prerogative of employees to decide if they want to volunteer for organizations CSR activities. There is a mixed response when it comes to the way the employees would like to contribute to CSR initiatives which may take the form of monetary assistance or non-monetary assistance by voluntarily devoting man-hours as prescribed by the

organizations. Employee volunteering happens in groups more than as individuals which is at the implementation stage of CSR activities rather than at the planning (Vohra, 2015) stage. These areas include widening scope of CSR, developing positive attitude towards work, team building, developing leadership skills, employee commitment, improving business- community relations, employee engagement and image building. As against earlier findings the present study reveals that doing CSR does not benefit the organizations in attracting new employees or for employee retention. A very few organizations are seen engaging retired employees in their CSR activities. A substantial number of organizations are also seen involving family members of the employees.

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