

## Employees' participation in CSR, management: special reference to Odisha

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### ABSTRACT

Employees live in periphery and understand the periphery issues well. CSR of large industries as well as MSMEs towards the employees and towards the society are moderate. When the CSR of companies is significant towards the employees, it influences the management decision positively. 50 samples were taken from employees from industries in Odisha. Regression analysis is used to study the theme. The model fits in this study finds that the significant CSR towards employees influence the management decision positively. When the company cares the employees and allows them to act on CSR, definitely the employees will have cordial participation in management decision regarding CSR compliance.

**Keywords:** *Employees, Managers, CSR, Human Resource, Finance, Marketing, Management Decision*

In Odisha, corporate as large industries, medium industries and small industries are performing their CSR activities as per companies' act 2016, Schedule VII. Executive of Management takes responsibilities to act such activities. But the employees, who live in periphery, have original experience about the social challenges in the concern society. The relevance of the study stay with the employees' participation in CSR, Companies CSR response to concern employees and employees' participation in CSR, as the management decision are the baseline of the research. Employees are staying at periphery area and are well acquainted with the local issues. Apart from that they have their own industrial issues of well being, which are coming under the CSR itself. The expectation of employees in CSR is to render the CSR in periphery to address the periphery issues and also their own issues. When their expectations are not welcomed by management, then the conflicts arise in management decision and acceptance of decision by employees. Concluding to the topic the, employees participation in CSR, well allowed by the management impacts overall performance and acceptance of management decision.

### LITERATURE REVIEW

Employees' decision to leave the job is an individual decision that is made in a short time; however, decision to stay in the business is a decision that is planned in long term (Tett and

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Meyer, 1993). Researches show us that employees do not consider leaving the job as soon as companies fulfill their responsibilities that they promise (Cho et al., 2009). Csikzentmihalyi (1975) defines flow as the holistic sensation that people feel, when they act with total involvement. Flow is the state in which, there is little distinction between the self and environment. Wilson (2000) had identified the lack of attention paid to the contextual effects of volunteering, to include the impact of community, organizational, and regional characteristics on the decision that an individual employee makes to volunteer. Monsen (1963) had undertaken a study on the level of hierarchy of business activity. He found out that there are four levels. At the base are managers who feel that society is well-served as long as the firm obeys the law. At the next level, managers who go beyond the legal minimum, accepting the need to cater to public expectation as well and responding to public opinion. According to Friedman (1971) "Corporate Social Responsibility is beyond the basic purpose of business and violates the responsibility of business to its owners, the stockholders". He further stated that if the owner or a manager of a business has independent wealth, he or she is free to contribute his or her own resources to improve society. According to Richard Peet and Elaine Hartwick (2009), development can be understood as a process which aims at making a better life for all. In the present context, this means a better life where people are able to fulfill their basic needs for survival (Peet & Hartwick, 2009). However, works done on a humanitarian ground should not be considered as a part of development, because it is the responsibility of the government to take care of its citizens (Ekka, A. 2015). According to Kotler and Lee (2005), CSR is a commitment to improve community well being through good business practices and bringing in the contribution of resources (Kotler and Lee, 2005). One key benefit of CSR is that it enhances communication with the community and other stakeholders (Anand, 2002; Bernhut, 2002). But managers should understand social responsibility as an obligation; the proactive behavior is needed to active the CSR (Michael Fontaine, 2013). O.C. Ferrell (2004) had proposed a proven theoretical framework which emphasis on the balancing of the social responsibility and sustainability. CSR can serve as the competitive advantage to an organization (Arli and Lasmono, 2010). Gordon Liu et al., (2010) had explained about the legitimacy of employees in a firm as the corporate resources. The strong corporate social performance is enabled with the help of the employees of the firm. Robert McNabb and Keith Whitfield (1998) had explained about the Financial participation is found in larger organizations without recognized unions, with advanced technology, operating in national and international markets and which are UK owned and controlled. It is therefore important for researchers to bear in mind that different. The distribution of employee participation schemes at the workplace. Choudhary Supriya (2016), in a democracy, participation of the people in the political process is an essential ingredient of the system. In the same structure, Workers' participation in management can be considered as an advanced form of labour-management co-operation. An extension to this political process is to perform work place relations. The contents of Sinha, Ratna. (2017) and Daugareilh, I. (2008) appeals the employees' active involvement in CSR ensure positive industrial relationship. However, the corporate leaders tried to bring employees' participation in CSR (Yi-Ru Regina Chen & Chun-Ju Flora Hung-Baesecke, 2014). In China, the same study is done by Alexander Newman, Ingrid Nielsen & Qing Miao (2014) and it is found that employees participation in CSR impacts positively to their job performance.

### ***Research Gap***

There is a less significant role of employees' participation in CSR and management also. Generally, the Executives of top-level management participate in CSR and also Management Decision. But, the same fails in case of participation of employees of shop floor level and

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middle level management. Neither have they taken part in CSR issues nor management decision process. As a result here, the employees support to management decision is deprived. There is a relationship between the “Employees’ Participation in CSR and Management”. The same study is not done by any researcher in context of Odisha, India. Now the Research Gap comprises “Employees’ Participation in CSR, Management: Special Reference to Odisha”

### ***Theoretical Background***

Generally, the executives of corporate act upon CSR. Starting from CEO to lower level managers is participating in CSR activities. There is a separate department for periphery development as CSR. The employees who have direct contact with machine, method in production process, have less participation in CSR. But they have maximum contact with periphery. As they stay in periphery and live with people, they understand the social challenges i.e. health, education, economical and environmental etc. CSR towards employees’ well-being is also one of the issues pertaining to the overall industrial relationship. There is a solid question that why management is not allowing the employees participation in CSR. Why management is not taking feedback of employees about the social issues of periphery? The race is neglected in CSR and also in management decision for CSR strategy. Whereas Sinha, Ratna. (2017) has explained about the impact of employees’ participation in CSR deals positively with the job satisfaction, organization attractiveness and positive performance of the employees, which results the reduction in the gap between the employers and employees. Daugareilh, I. (2008) has also agreed upon the successful relationship between the employees and employers come to fruitful with active participation of employees in CSR implementation. Alexander Newman, Ingrid Nielsen & Qing Miao (2014) have studied the same topic in China and found that employees are allowed to participate in CSR implementation which impacts their job performance positively.

### **RESEARCH METHODOLOGY**

50 numbers of samples were collected from industries from Odisha. Five point Likert scale is used to gather the data through direct interview and mailed distributed questionnaire. Regression analysis is used to test the hypotheses.

### ***Objectives***

1. To study the industries’ CSR towards Employees.
2. To study the employees participation in CSR decision.
3. To analysis the impact of CSR in management decision.

### ***Research Questions***

1. Whether the company takes care of financial, mental and health condition of employees?
2. Whether company management allows the employees to participate in CSR activities?
3. Whether CSR by Employees have any relation with Management decision?

### ***Hypothesis***

- H1: Company takes care of financial, mental and health condition of employees insignificantly.
- H 2: Management does not allow the employees to participate in CSR activities.
- H 3: CSR for Employees have no relation with Management decision.

## DATA ANALYSIS

The responses of respondents are plotted in MS-Excel spreadsheet and transferred to SPSS software for analyzing the data. The regression analysis of thee hypotheses are given as below:

### Analysis 1

H0: Company takes care of financial, mental and health condition of employees insignificantly.

H1: Company takes care of financial, mental and health condition of employees significantly.

**Table 5.1 Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.102	.520		9.807	.000
	CSR towards Employees	-.230	.129	-.248	-1.774	.082

a. Dependent Variable: Employees Participation in CSR

**Result 1:** H0: Company takes care of financial; mental and health condition of employees insignificantly is accepted as calculated Significance value 0.082 is more than *P* value 0.05.

### Analysis 2

H0: Management does not allow the employees to participate in CSR activities.

H1: Management allows the employees to participate in CSR activities.

**Table 5.2 Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.882	.399		9.723	.000
	CSR towards Employees	.051	.099	.075	.518	.607

a. Dependent Variable: CSR and Management

**Result 2:** H0: Management does not allow the employees to participate in CSR activities, is accepted as calculated Significance value 0.607 is much more than *P* value 0.05.

### Analysis 3

H0: CSR to Employees have no relation with Management decision.

H1: CSR to Employees have favorable relation with Management decision.

**Table 5.3 Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.211	.469		8.979	.000
	Employees Participation In CSR	-.031	.108	-.042	-.289	.774

a. Dependent Variable: CSR and Management

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**Result 3:**  $H_0$ : CSR by Employees have no relation with Management decision is accepted as calculated Significance value 0.774 is much more than  $P$  value 0.05.

### **Table 5.4 After analysis**

Again, the Thurstone Scale is used to predict the new dimension of employees' participation in management. Again, the in-depth study has been done to find out a new vision. The questionnaire responses and the F-test result are given in detail in Table 5.4

**After Analysis:** CE contains: safety, fringe benefit, entertainment, health, education, training, workplace, promotion, rewards. MAEC contains CSR in Health, education, poverty eradication, safe drinking water, gender equality, HIV, socially responsible business. CA contains decision in CSR, HR, Finance and Marketing.

CE	MAEC	C-M	F-Test Two-Sample for Variances						
			H1		H2		H3		
40	36	45		CE	MAEC	MAEC	C-M	CE	C-M
50	40	47		45.55	42.28	42.28	47	45.55	47
50	50	46	Mean	52.77	54.90	54.90	4.66	52.77	4.66
50	50	50	Variance	9	7	7	4	9	4
50	35		Observations	8	6	6	3	8	3
30	35		df	0.96		11.76		11.30	
40			F	0.46		0.034		0.03	
			P(F<=f) one-tail						
50			F Critical one-tail	0.27		8.94		8.84	

H1 shows calculated value of F-test is 0.961 is more than table value 0.279. So that  $H_0$  is rejected. It shows the significant level of CSR activities where Management allows the employees to participate in CSR activities.

H2 shows calculated value of F-test is 11.765 is more than table value 8.940. So that  $H_0$  is rejected. It shows the significant level of CSR where Management allows the employees to participate in CSR activities.

H3 shows calculated value of F-test is 11.309 is more than table value 8.845. So that  $H_0$  is rejected. It shows the significant level, CSR to Employees have favorable relation with Management decision.

### **Findings**

Managements' CSR prospective towards employees is neglected. In due course, the employees are not allowed to participate in CSR program. Only the management personnel take part in CSR planning and implementation. Although the employees are self motivated and voluntarily serving to the community, still their CSR participation is missing and has no relation with management decision. If the level of CSR to Employees will increase then, both employees and management will have win win participation in management decision.

## CONCLUSION

Employees' participation in CSR and management is neglected. From the literature review, it is found that there is a favorable employees' participation in marketing management. The management acts according to the field staff feedback and suggestion. But it is reversal in case of human resource management and financial management. When the company cares

the employees and allows them to act on CSR, definitely the employees will have cordial participation in management decision regarding CSR compliance.

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### **Conflict of Interest**

The author declared no conflict of interest.

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