In The Effect of CSR on Internal Employee Motivation

Abhishek Chaudhary *
Mujhaid Ahmad*
Soubhagya Nayak*
Swati Shalini Kujur*
Vikash Bhagat*
Priti Vandana*
Dr.Purba Halady Rao**

- 1. Motivation
- 2. CSR
- 3. Internal employee motivation
- 4. Internal CSR
- 5. External CSR
- 6. Employee retention
- 7. Employee commitment
- 8. Employee engagement
- 9. India

Abstract

The purpose of this paper is to find out the relationship between CSR activities of an organization and Internal Employee motivation. How Corporate Social Responsibility impacts the internal motivation of Employees and to what degree. For the research a survey was administered to around 200 working professionals who were working in organization which were involved in CSR activities. Correlation and Regression analysis using factor analysis was performed on the collected data to test the hypothesis. The responses collected were also analyzed by Gap Analysis, Structural Equation Modelling, and Logistic regression. Research Limitations/Implications: The questionnaire survey was floated to a limited no of working professionals. More research needs to be done to cover organizations in all sectors and around the whole country. This research can also be extended to other countries to increase the scope of the research. Practical Implications: Organizations can use the findings of this study to increase the motivation of the employees by increasing CSR activities and thus increasing the brand image as well as employee motivation.

INTRODUCTION

According to International Organization for Standardization (ISO) strategic advisory group on CSR has defined it as "a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and society." CSR activities have become a major strategy of organizations to achieve competitive edge and also enhance its image. It creates a value chain which benefits both business and society (Michael E Porter and Mark E Kramer: Dec 2006). Lot of research papers are available showing relations between CSR and business especially showing a positive impact on business and financial performance (M Weber 2008; A. Mc. Williams and D. Siegel 2000). But very few people have actually thought about how CSR effects individuals i.e. customers (L.A Mohr, D.J.Webb, K.E.Harris 2001), Employees, investors and legislators.

Recent researches have shown that there is a relationship between CSR activities of the organization and employee perception of the CSR activities which impacts employee organizational commitment. There is positive correlation between external CSR and organizational commitment and

- * PGDM Students at Indian Institute of Management, Ranchi
- **Visiting Profesor at IIM , Ranchi and can be reached at purba.h.rao@gmail.com

that it is equivalent to job satisfaction (S.Brammer, A.Millington, B.Rayton 2007). A Journal on Employee perception of CSR activities (E.M.Lee, S.Y.Park, H.J.Lee 2012) suggests that the employee perception of CSR activities of the organization plays a positive role in influencing employee attachment, which in turn leads to increased performance. Therefore many companies are using CSR as a means to motivate employees.

Company uses incentives to enhance employee motivation. Motivation theories like Cognitive evaluation theory talks about distinction between intrinsic and extrinsic motivation. Extrinsic motivation relates to the objective consequences like rewards, promotion, bonuses, and performance linked salaries etc. whereas intrinsic motivation are behaviors which are perceived to be interesting, satisfying and enjoying and relates to job satisfaction, enjoying work, self-satisfaction, praise or recognition. Intrinsic motivation plays a vital and longer effect on employees. Employees will be intrinsically motivated for those activities, which will generate intrinsic interest (Richard .M. Ryan, E.L.Deci 2000).

In our research we will analyze how CSR activities of companies impact internal employee motivation. How does internal and External CSR influence the internal motivation of employees and to what extent. Cognitive evaluation theory suggests that Social environments can facilitate intrinsic motivation.



Our aim of this research is to analyze whether internal and external CSR activities of the companies are able to create a social environment for their employees and are they able to

generate a perception which acts as an incentive in their internal motivation. CSR as an incentive to motivate them intrinsically.

This Introduction is followed by concepts of Corporate Social Responsibility, Internal and External CSR, and their relationship with internal motivation of Employees. This is followed by an explanation of the methodology and interpretation of the results and implication of the results along with limitations

CONCEPTUAL BACKGROUND AND HYPOTHESIS CSR CONCEPT

Corporate social responsibility is also been referred to as corporate consciousness, community relations, sustainable responsible business/ responsible business and social responsibility. This concept began with the publication of H. R. Bowen's social responsibility of business in 1953.

Since then it has become strategically important tool for businesses in contemporary times to achieve sustainable development. There is no common definition of CSR but there are certain common threads which connects all perspectives of CSR. It talks about the ethical behavior of the companies towards its internal and external stakeholders which are its customers and employees on one hand and on the other hand responsibility of the company towards the society and environment. Kotler, Lee (2005) has defined corporate social responsibility as "corporate social responsibility is a commitment to improve community wellbeing through discretionary business practices and contributions of corporate resources"

It has been argued that CSR is one of the most effective way in increasing customers perception and loyalty, creating a positive attitude towards the company, reducing skepticism in customers and generating interest of purchase if CSR activities are well promoted (J. Pirsh, S. Gupta , S. L.Grau 2007) Research papers on CSR by Robin. W. Roberts 1992, Graafland, Johan and Van De Ven, Bert 2006 , Brendan o' Dwyer 2003 consider CSR as a an organization's moral obligation towards society .

INTERNAL AND EXTERNAL CSR

The concept of CSR has been related to different stake holders of the company. Green paper 2001 by European commission, S.Brammer (2007), have categorizes CSR activities into External CSR and Internal CSR.

INTERNAL CSR

Activities are activities concerned within the company and employees are the main stakeholders. It also relates to other issues such as human capital, health and safety, adaptation to change. This concept of internal dimension of CSR has been elaborately explained in Green paper 2001 of European commission. Audra Jones has also talked about internal CSR in terms of internal corporate behavior, which is the way in which a company conducts its day to day business activities.

EXTERNAL CSR

Relates to the external stakeholders of the company which consists of customers, local communities, supplier's business partners and government authorities. Here we will be discussing the External CSR in terms of Customers, Local Community and business partners.

EXTERNAL CSR(Customer Related)

Company who consider themselves as socially responsible provide such products to their customers which are efficient, of superior quality and reliable. Products which are ethically produced and follow all environmental guidelines. (Green paper 2001 by European commission). Companies try to build a strong and everlasting relations with their customers by keeping in mind customers' needs while designing products.

EXTERNAL CSR (Local Community Related)

This is the most common and widely practiced form of CSR . Where organization communicates CSR efforts by External stakeholders especially community and society to improve its brand image and also promote companies social and ethical practices (Mette Morsing 2006) . This includes investments in hospitals, schools and parks and roads. Companies provide employment and training to local community people and thus make them independent. Socially responsible companies resort to using clean mode of production so that they do not degrade the surrounding environment.

EXTERNAL CSR (Business Partners Related)

This is practiced by choosing business partners in such a



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way which are aligned towards ethical practices. Following in a socially responsible way in the whole supply chain process. Making sure that the supply chain is cohesive towards society's interests. Labor practices should be in accordance to socially and legally excepted norms which benefits the work force.

EMPLOYEE INTERNAL MOTIVATION

The term motivation is derived from the latin word movere, which means to move. According to Mitchell, 1982 motivation represents "those psychological process that cause the arousal, direction and persistence of voluntary actions that are goal oriented". Robbins (1993) defines motivation as the "willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need."

Motivation has been divided into internal and external motivation. External motivation includes an incentive which provides materialistic benefits whereas internal motivation relates to all behavior which leads to satisfaction, enjoyment and pleasure in doing your tasks. We will be restricting ourselves to internal motivation which relates to our research.

Internal motivation is the driving force within us which enable us to perform better than others and do a good job. According to the Motivator-Hygiene theory of Herzberg (1966) suggests that employees describe satisfying experiences as those that involved factors which are intrinsic to the job content. These factors were termed as 'motivators" and included variables like achievement, recognition, enjoyment, gratification, job satisfaction. The literature on motivation suggests that employees high on internal motivation our high performers and take pride in doing their jobs and are always wanted by organization as their work force.

Internally motivated employees feel a closer relationship with the organization they work and hence perform. Rewards are secondary when performing of jobs. Thus company tries to incentivize employee through activities like CSR activities which generate intrinsic motivation among Employees (Richard .M. Ryan, E.L.Deci 2000). And employees also prefer working for companies, which are high on social responsibility parameters as it leads to internal satisfaction.

Link Between CSR And Internal Employee Motivation

Research has shown that prospective employees choose organization which are socially responsible and CSR can strategically help in retaining more committed and engaged

employees.(Peter.A.Heslin and J.D. Ochoa 2008). Instead some are ready to work for lesser pay in favor of organization who are socially responsible. Thus Companies are now using CSR activities to attract, retain and motivate productive employees. It is the trust that the organization develops among its employees due to its social activities because socially committed companies are considered to be more fair and just to all.

In the words of Jim Copeland, Jr, former CEO of Deliotte Touche Tohmatsu "The best professionals in the world want to work in organizations in which they can thrive and they want to work for companies that exhibit good corporate citizenship" (C.B.Bhattacharya, Sankar Sen, Daniel Korschun 2008). Motivation and commitment will be effected if the employees feel that their values are aligned to the companies social value and if employees are also able to align their identities and image with that of the organizations. Employees trust organizations which are socially responsible as they feel organization practicing CSR activities are fair and just. (Jane collier, Rafeal Esteban 2007)Thus literature suggests that there appears to be a positive association between Corporate social responsibility of an organization and the internal employee motivation.

RESEARCH QUESTION

In the current empirical research it was proposed to consider a conceptual framework or research model depicting the interrelations between the different constructs of Corporate Social Responsibility and Internal Employee Motivation. The Resarch Model is included in the Appendix.

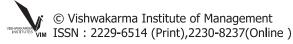
RESEARCH METHOD

Sample And Data Collection

Since our aim was to find out the impact of Corporate Social Responsibility on internal employee motivation, only working professionals were asked to fill the survey. The questionnaire was taken from the research paper "The contribution of corporate social responsibility to internal employee motivation".(Vida Skudiene and Vilte Auruskeviciene.2012)

The questionnaire was administered electronically to all the respondents.

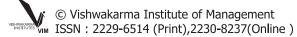
MEASURES AND RELIABILITY OF SCALE



| 1. | S. Brammer ,A.Millington, B. Rayton (2007) | Emperical research suggests that CSR increases the employee increases the employee commitment and employee satisfaction | employee commitment and employee satisfaction |
|----|--|--|--|
| 2. | E.M.Lee, S.Y.Park, H.J.Lee (2012) | Employee perception of CSR activities increases the employee attachment and performance | Employee perception, Employee attachment |
| 3. | Sunil Ramlal | Employee motivation has a direct impact on employee retention in organizations | Employee motivation, Employee retention |
| 4. | J.M. Hays , A.V. Hill (2001) | Higher level of motivation in employees leads to positive effect on service quality | Service quality |
| 5. | C.B.Bhattacharya, Sankar Sen, Daniel Korschun(2008) | Employee retention, motivation and attraction can be improved through increased employee proximity to CSR activities | Employee retention, Employee attraction, CSR proximity |
| 6. | D.de.Glider, Melissa Breedijk, Theo.N.M.Schuyl, (2005) | Encouraging employee volunteering in company CSR activities is good for employee motivation(internal effect) and company reputation (external effect) | Employee volunteering, Employee motivation |
| 7. | Peter.A.Heslin and J.D. Ochoa (2008) | Potential employees are more attracted towards socially responsible organistiona and CSR can be used to motivate, retain committed employees and also productive emp | Employee productivity, Employee commitment |
| 8. | Jane collier , Rafeal Esteban 2007 | Alignment of company and employee values and image leads to perception of fairness and justice | Fairness, Employee trust |

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MEASURES AND RELIABILITY OF SCALE

The questionnaire contains three types of questions: demographic, introductory and main questions.

Demographic questions helped us in gathering information about respondents' characteristics, such as age, gender, industry that a company operates in, number of years worked for a company and department that a respondent is working in.

Thereafter constructs on corporate social responsibility were developed and interrelations between them and Internal Employee Motivation were explored.

The four Corporate Social Responsibility related constructs that were analyzed in the research were as follows:

- a. Internal CSR;
- b. External CSR (customers related);
- c. External CSR (local communities related); &
- d. External CSR (business partners related).

| Internal CSR | Composite Reliability cronbach's alpha |
|---|--|
| 1. Providing equitable wage system and career prospects for all employees. | 0.952 |
| 2. Improving psychological climate at work. | |
| 3. Honest and flexible communication with employees. | |
| 4.Involving employees into decisions making process | |
| 5. Providing equal recruitment opportunities for all employees (i.e. disabled people or ethnic minorities, etc). | |
| 6. Contributing to the personal and career development of the employees. | |
| 7. Taking care of health and safety issues of its employees (i.e. providing health checkups and healthy life style). | |
| 8. Creating of good work -life balance and providing a family-friendly work environment (i.e. flexible time schedule,). | |
| 9.Providing job trainings and career planning | |

| External CSR (Customer) | |
|--|-------|
| Implementing a procedure to handle consumers complaints | 0.836 |
| 2. Providing truthful and honest information to the consumers | |
| Avoiding false and misleading advertising or sales promotions that use deception or manipulation | |
| 4. Avoiding engaging in price fixing and using fair pricing | |
| External CSR (local communities) | |
| Supporting local sport, cultural or other community activities and projects | 0.807 |
| 2. Donating money to local charities | |
| 3. Investing in the community s development (i.e. investments in roads,schools or hospitals) | |
| 4. Involving into partnership with community - based organizations | |
| External CSR (business partners) | |
| Engaging in fair trading transactions with suppliers | 0.820 |
| 2. Implementing complaints procedure for the suppliers | |
| 3. Avoiding business partners that do not behave according to the law | |
| Internal Employee Motivation | |
| 1. What matters most to me is enjoying what I do. | 0.932 |
| 2. It is important for me to have an outlet for self-expression | |
| 3. I enjoy trying to solve complex problems | |
| 4. I enjoy doing work that is so absorbing that I forget about everything else | |

| 5. I want my work to provide me with opportunities for increasing my knowledge and skills. | |
|--|--|
| 6. I'm more comfortable when I can set my own goals. | |
| 7. I prefer to figure things out for myself | |
| 8. It is important for me to be able to do what I most enjoy | |
| 9. Curiosities is the driving force behind much of what I do | |
| 10. The more difficult the problem, the more I enjoy trying to solve it. | |
| 11. No matter what the outcome of a project, I am satisfied if I feel I gained a new experience. | |
| 12. I want to find out how good I really can be at my work | |
| 13. I enjoy tackling problems that are completely new to me | |

The survey was done in a likert scale and measured in seven point scale where 1 represents strongly disagree and 7 represents strongly agree.

The reliability scale was determined by using cronbach's alpha. According to DeVellis and Nunnally

| Cronbach"s alpha value | Status |
|------------------------|--|
| 0.5-0.6 | Not acceptable f or exploratory research |
| 0.6 | Acceptable |
| | |
| 0.7 | Respectable |
| 0.8 | For basic research |
| | |
| 0.9 | Excellent |

ANALYSIS

Data were analyzed with SPSS 19.0.

Data Analysis.

The scales were reduced to single metric measures using the composite scores from the constructs as defined above.

The hypotheses were tested using (a) correlation and multiple linear regression analysis (b) Structuural Equation Modeling (SEM).

TEST OF HYPOTHESIS

Performing correlation analysis we can see the strength of the concerned variables, that are correlations between different CSR types (business partners, customers and to local communities,) done by the company and internal employee motivation of that particular company. Correlation matrix obtained after running correlation analysis showed that there are significant correlations between factors

Correlation Analysis

Correlations

| | b 10 | internal_emp _moti | external_csr_ community | csr_suppliers | csr_customer s | csr_employee s |
|------------------------|---------------------|-----------------------|----------------------------|---------------|-------------------|-------------------|
| internal_emp_moti | Pearson Correlation | 1 | ,660 | ,646 | ,689 | .759 |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 |
| | N | 182 | 182 | 182 | 182 | 182 |
| external_csr_community | Pearson Correlation | .660 | 1 | .765 | .725 | .773 |
| | Sig. (2-tailed) | .000 | 71 | .000 | .000 | .000 |
| | N | 182 | 195 | 195 | 195 | 195 |
| csr_suppliers | Pearson Correlation | .646 | .765 | 1 | .838 | .864 |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 |
| | N | 182 | 195 | 195 | 195 | 195 |
| csr_customers | Pearson Correlation | .689 | .725 | .838 | 1 | .909 |
| | Sig. (2-tailed) | .000 | .000 | .000 | La coll | .000 |
| | N | 182 | 195 | 195 | 195 | 1.95 |
| csr_employees | Pearson Correlation | .759 | .773 | .864 | .909 | 1 |
| | Sig. (2-tailed) | .000 | .000 | ,000 | .000 | |
| | N | 182 | 195 | 195 | 195 | 195 |

^{**.} Correlation is significant at the 0.01 level (2-tailed),

Model Summary

| Model | R | R Square | Adjusted R Std. Erro Square the Estin | | |
|-------|-------|----------|--|---------|--|
| 1 | .766ª | .587 | .578 | 7.21595 | |

 a. Predictors: (Constant), csr_employees, external_csr_community, csr_suppliers, csr_customers

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|-------------------|-----|-------------|--------|-------|
| 1 | Regression | 13112.253 | 4 | 3278.063 | 62.955 | .000b |
| | Residual | 9216.390 | 177 | 52,070 | | |
| | Total | 22328.643 | 181 | | | |

a. Dependent Variable: internal_emp_moti

b. Predictors: (Constant), csr_employees_external_cst_community, csr_suppliers, csr_customers

| | | Unstandardized Coefficients | | Standardized Coefficients | | |
|------|------------------------|-----------------------------|------------|------------------------------|-------|------|
| Mode | el | В | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 13.705 | 3.768 | | 3.637 | .000 |
| | external_csr_community | .518 | .247 | .177 | 2.100 | .037 |
| | csr_suppliers | 180 | .367 | 047 | 490 | ,625 |
| | csr_customers | .189 | .360 | .056 | .523 | .601 |
| | csr_employees | .854 | .170 | .610 | 5.037 | .000 |

a. Dependent Variable: internal_emp_moti

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| Hypothesis | Result |
|------------------------------------|----------------|
| External CSR (towards Communities) | Supported |
| Internal CSR (towards employees) | Supported |
| External (customers) | Not Su pported |
| External (business partners) | Not Supported |

The Hypotheses considered were:

H1; Internal CSR (related to employees) is found to be related positively to internal employee motivation with (r2 0.759).

H2 External (customers-related)CSR is also found to be related positively to internal employee motivation with (r2 0.689).

H3 External (local communities-related) CSR is also correlated positively with internal employee motivation employee motivation with (r20.660).

H4 External (business partners-related) CSR is correlated with internal employee motivation with (r2 0.646).

Thus the correlation analysis supports the hypothesis made.

The ANOVA table tells that the variables are so significant variance to variance of internal employee motivation (p<0.05).

The regression analysis tells that for the two factors External CSR (towards Communities) and Internal CSR (towards employees) only the hypothesis is supported, thus in Indian Scenario External CSR towards communities and Internal CSR towards employees are most important factors affecting employee motivation.

Confirmatory Analysis /Structural Equation Modeling (SEM) framework

SEM estimates a series of separate but interdependent multiple regression equations simultaneously. For this, the researcher draws upon theory and the research objectives to distinguish and identify the different independent variables that predict different dependent variables. The proposed relationships are then translated into a series if structural equations for each dependent variable. The structural model expresses these relationships among independent and dependent variables, even when a dependent variable becomes an independent variable in other relationships or when several independent variables are not independent among one another. In SEM there is a unique feature of being able to include variables that are not measured directly and are thus called unobserved or latent constructs.

[Joreskog, Karl-Gustov and Sorbom, Dog.1993.LISREL: Structural Equation Modeling with SIMPLIS Command Language. Chicago: Scientific Software International]

The observed variables, which the study would gather its field survey, are known as Indicator variables or manifest variables and are used to measure the latent constructs. The list of latent constructs use in this analysis and the associated indicator or manifest variables are given above.

SEM conceptual/theoretical framework

The conceptual model for this research, using constructs as developed above, is as follows:

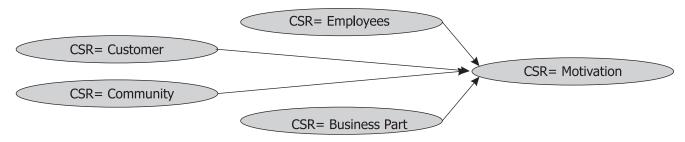


Figure :Theoretical/conceptual Framework for Structural Equation Modeling. Structural Model

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In explore the link between CSR and Employee motivation the above constructs have been used with the following indicator variables defining each construct.

INTERNAL CSR

- 1. Providing equitable wage system and career prospects for all employees.
- 2. Improving psychological climate at work.
- 3. Honest and flexible communication with employees.
- 4. Involving employees into decisions making process
- 5. Providing equal recruitment opportunities for all employees (i.e. disabled people or ethnic minorities, etc).
- 6. Taking care of health and safety issues of its employees (i.e. providing health checkups and healthy life style).
- 7. Creating of good work-life balance and providing a family-friendly work environment (i.e. flexible time schedule,).
- 8. Providing job trainings and career planning

EXTERNAL CSR (Customer)

- 1. Implementing a procedure to handle customer complaints
- 2. Providing truthful and honest information to the consumers
- 3. Avoiding engaging in price fixing and using fair pricing.
- 4. Avoiding false and misleading advertising or sales promotions that use deception or manipulation.

EXTERNAL CSR (Local Communities)

- 1. Supporting local sport, cultural, or other community activities and projects
- 2. Donating money to local charities,
- 3. Invest in communities' development such as investing in roads, schools, hospitals, garbage removal systems etc.
- 4. Involving into partnership with community based organizations.

EXTERNAL CSR (Business Partners)

- 1. Engaging in fair trading transactions with suppliers and waste handlers
- 2. Implementing procedures to help streamline supplier operations.
- 3. Greening the supplier operations, distributors and retailers.

INTERNAL EMPLOYEE MOTIVATION

- 1. What matters most to me is enjoying what I do
- 2. It is important for me to have an outlet for self expression
- 3. I enjoy trying to solve complex organizational problems
- 4. I enjoy doing work that is so absorbing that I forget about everything else
- 5. I find my work providing me with opportunities for increasing my knowledge and skills
- 6. I am more comfortable when I can set my own goals
- 7. I prefer to figure things out for myself
- 8. In my work I enjoy new experiences
- 9. It gives me satisfaction to work for the company
- 10 .My motivation to work for the company is growing every year
- 11.In addition to my regular work I feel I am contributing to society because of company policy.

In this research the model proposed as the theoretical framework above was considered and evaluated. The model was run using AMOS Graphics for Windows Version 3.6 [Arbuckle, 1997] estimating the regression weight of each link (arrow) and the associated significance. This significance was evaluated with the statistic called "critical ratio" associated with the regression weight concerned.

The convergence of the model was given by the Chi square value, the degrees of freedom and the associated probability level, the p-value. The model was considered acceptable at 5% level of significance if the p-value > .05.

Otherwise the null hypothesis: HO: The proposed model is true, would be rejected.

In addition to p - value, chi square /degrees of freedom < 2.

GFI, AGFI were additional indicators to evaluate the validity of the model.

The latent constructs which were used in the model and the associated indicator variables were the same as given in the conceptual framework section. Several sets of analyses were conducted with the input being the descriptive statistics of the indicator variables and the correlation matrix for all of them.

Several sets of structural equation models were also run to test variations of the model with alternate paths deleted to assess the importance of model aspects.

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Results Of Structural Equation Modeling.

Indicators of Goodness of Fit:

Regression Estimates By SEM For Linkages In The Structural Model

| | Estimate | standard error | CR | p-value |
|---|----------|----------------|-------|---------|
| CSR employees → CSR=community | 0.706 | .118 | 5.978 | *** |
| CSR=community | 1.033 | .116 | 8.920 | *** |
| CSR=employee → CSR=customers | 1.187 | .168 | 7.079 | *** |
| CSR=employee → employee motivation | 0.071 | .074 | 0.955 | 0.340 |
| CSR=customers → employee motivation | 0.059 | .049 | 1.221 | 0.222 |
| CSR=community → employee motivation | 0.567 | .133 | 4.246 | *** |
| CSR=business part — → employee motivation | 0.158 | .080 | 1.985 | *** |

CONCLUSION

From our analysis it is now evident that in India the internal motivation of an employee get catalyzed significantly companies invest on external CSR for communities and external CSR for business partners. If the companies promote External CSR on customers and even internal CSR for employees, at the current stage it is not going to lead to employee motivation yet in this country. The Indian managers should surely concentrate on internal CSR for employees which leads to external CSR for customers, which will anyway benefit them in long run, but ultimately CSR for employee and CSR for customers, do not yet lead to employee motivation. The social responsibility of companies is inclined towards external CSR, related to business partners and customers right now. While external CSR such as this is great for strategic reasons and growth & development of the company, at least the customer oriented CSR does not help employee motivation. The significance of independent variables explains their level of importance which contributes to the social responsibility activities of the companies. Thus path to choose business partners are defined and together ethical practice could bring profitability to the partnership. Depending upon the type of organization the company chooses certain components of CSR which will positively influence their business. Although CSR towards employee is the major factors influencing employee motivation but the CSR towards customer, community and business partners creates a perception among the employees that their company is socially responsible towards the society and thus motivating them.

Thus our hypothesis that External CSR towards communities and business partners do lead to Employee Motivation.

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RESEARCH LIMITATIONS

This research has only been done in one country i.e Lithuania and it is repeated in India for the first time. The research in Lithuania was done during recession but in India though there is no recession but economy is not so stable. The research needs to be extended to other countries/economies where there is economic stability. The research needs to be complete in a limited time period. The questionnaire was floated to a limited number of professionals.

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