## Investigating the Impact of Good Corporate Social Responsibility on Employee Engagement at a South African Organisation

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Abstract: The Aim Of The Study Was To Investigate Corporate Social Responsibility (CSR) As A Business Practice And Philosophy And Outline Its Impact On Employee Engagement And Workforce Retention At A Food Manufacturing Company. This Organisation Would Then Be Able To Identify Organisational Gaps In CSR Practices And Outline Improvement Actions Key To Increasing Employee Engagement And Retention, And Potentially Improve Business Performance. Disengaged Employees Are Less Motivated And Productive Than Engaged Employees And Therefore Have A Negative Impact On Business Performance. Through Its Engagement Survey, The Organisation Discovered That Many Employees Were Disengaged And With Its Declining Financial Performance, There Is A Suggested Association Between This Performance And The Lack Of Employee Engagement. Good Corporate Social Responsibility Can Positively Influence Employee Engagement, Which May Lead To Improvements In Productivity And Business Performance. The Chosen Research Philosophy For This Study Was The Positivism Approach And A Quantitative Method Was Used To Conduct The Study. The Results Of The Study Indicate That Certain CSR Factors Influence The Attraction Of Talent To The Organisation And Employee Engagement, Which In Turn Has An Impact On Employee Retention. Of The Three Components Of CSR. Social Factors Such As Fair Compensation. A Safe And Healthy Work Environment, Appreciation And Respect, Development And Career Growth, And Communication Seem To Be The Greatest Determinants Of Employee Engagement.

**Keywords**: Business Performance; Career Growth; Corporate Social Responsibility; Disengaged Employees.

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## I. Introduction

Corporations, Particularly Profit-Making Entities, Contribute Significantly To The Long-Term Sustainability Of The Economy Through Increased Profits And Income, And To Society Through Social Development And Investment. This Recognition That Businesses Not Only Influence Economic Activity, But Also Social And Environmental Issues, Has Made Corporate Social Responsibility (CSR) A Key Component Of Successful Strategic Planning For Many Organisations. The Study Investigates The Impact Of These CSR Initiatives On Employee Engagement And The Resultant Impact On Workforce Attraction And Retention.

## Research Background

The South African Company Has Many Initiatives And Policies Around Environmental Sustainability, Social Advancement, And Responsible Sourcing Of Raw Materials. It Is An Active Member Of The Workplace Wellness Alliance, A Group Of Companies Concerned With Developing And Implementing Initiatives Aimed At Improving Employee Health And Well-Being. Through Its Creating Shared Value (CSV) Initiative, The Company Aims To Enhance Its Business Performance By Fostering Positive Relationships With Suppliers, In Order To Ensure The Sustainability Of Raw Material Supply, And With Society To Improve The Availability Of Skilled Labour And Promotion Of The Sale Of Products. The Company's CSV Initiatives Also Promote Water Preservation To Not Only Minimise The Impact Of Business Operations On Water Resources, But Also Ensure The Availability Of Water For Future Business Operations. Top Management Commitment To And The Organisational Stance On CSR, Have An Impact On How Employees Perceive And Navigate CSR Issues In The Workplace. This May In Turn Influence The Level Of Employee Engagement. Notwithstanding The Many CSR Initiatives Implemented By The Company, Employee Engagement Has Been Identified As A Key Issue In The Organisation Over The Past Few Years, With Several Internal Surveys Indicating That Employees Are Not Fully Committed To Fulfilling Their Job Roles. In This Study, Corporate Social Responsibility (CSR) As A Business Practice And Philosophy And Its Impact On Employee Engagement And Workforce Retention At The Company Were Investigated. The Results Of The Study Will Provide Opportunities For The Company To

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Identify Organisational Gaps In Its CSR Practices And Outline Improvement Actions Key To Increasing Employee Engagement And Retention, And Potentially Improve Business Performance.

#### The Research Problem

Lost Productivity As A Result Of Disengaged Employees Is Costing Businesses Billions Of Rand Each Year. According To Saks And Gruman (2014:156), Disengaged Employees Have An Impact On The Financial Performance Of The Business By Negatively Influencing Customer Satisfaction, Productivity, And Profitability. In 2014, The Company Conducted An Employee Engagement Survey Which Revealed That 27% Of Its Workforce Is Neither Engaged Nor Enabled To Do Their Best In The Workplace. These Employees Indicated That They Would Not Recommend Their Company As A Good Place To Work, Highlighting The Impact Of Employee Disengagement On The Employer Brand. The Survey Also Indicated That 45% Of The Organisation's Highest Performers Are Actively Seeking Employment Opportunities Outside The Company. Of The Employees Who Took Part In The Survey, 40% Mentioned That They Have No Clear Career Paths And Therefore A Poor Knowledge Of What Their Future In The Organisation Looks Like. The Lack Of Employee Engagement At The Company Has Had Several Knock-On Effects On Business Operations, Some Of Which Include High Employee Turnover, And Poor Business Performance. The Average Annual High Performing Employee Turnover Rate (Number Of High Performers Leaving The Organisation During The Year As A Percentage Of Total High Performers In That Year), At The Company Is 16%. This Is Above The Annual Target Of Less Than 10%. The Study Examined The Influence Of CSR Factors, Such As Senior Management Integrity, Organisational Performance, And Employee Wellbeing, On The Level Of Employee Engagement At The Company.

#### **Aim Of The Study**

The Aim Of The Study Was To Explore Whether Or Not Being A Good Corporate Citizen Through Socially Responsible Business Practices Has An Impact On Employee Engagement Levels At The Company.

## **Research Objectives**

- To Identify The Elements Of Good Corporate Social Responsibility (CSR);
- To Identify CSR Initiatives That Have A Positive Impact On Employee Engagement At The Company;
- To Investigate The Impact Of Corporate Social Responsibility Initiatives Adopted By The Company On Employee Engagement;
- To Formulate CSR Recommendations Aimed At Improving The Level Of Employee Engagement At The Company.

## **Research Questions**

- What Elements Have Been Identified With Good Corporate Social Responsibility (CSR)?
- What CSR Initiatives Have A Positive Impact On Employee Engagement At The Company?
- What Is The Impact Of Corporate Social Responsibility Initiatives Adopted By The Company On Employee Engagement?
- What Recommendations Can Be Made To The Company On CSR Practices That May Improve The Level Of Employee Engagement?

#### Significance Of The Study

When Employees Are Engaged In The Work They Do, They Are Not Only Able To Achieve Personal Career Growth And Development, But They Are Also More Productive In The Organisation, Benefiting Both Employer And Employee. Engaged Employees Are Likely To Be More Satisfied In Their Work Environment, Which Has A Significant Influence On Retention, Business Performance, And Sustainability. CSR Has Been Identified As A Key Factor In Not Only Attracting Key Talent To The Business, But Also Enabling Involvement And Engagement With Current Employees. This Study, In Seeking To Identify The Impact Of CSR Efforts On Employee Engagement, Outlined Factors Around CSR Initiatives That Attract Candidates To The Organisation And Keep Them In The Organisation Long After They Join. The Company's Average Annual Turnover Rate Is Currently 16%, The Source Of Which Has Been Cited By Departing Employees As The Absence Of Personal And Career Fulfilment, The Absence Of A Meaningful Impact Of One's Work, The Presence Of Extreme Pressure To Meet Objectives, And The Absence Of Positive Team Experiences. The Results Of This Study Will Significantly Benefit The Company In Identifying And Unpacking The Various Issues Related To Employee Engagement And The High Employee Turnover Rate Currently Experienced. Having Identified The Top Reasons For Employee Disengagement And Resignations, Linkages With CSR Initiatives Can Potentially Positively Influence Workforce Attraction, Retention And Profitability. More Specifically, CSR Can Contribute To The Positive And Meaningful Impact Of One's Work To The Achievement Of Business Objectives And The Furtherance Of Social Development Objectives. Furthermore, The Company Can Use The Tools Identified And Recommended In The Study As A Benchmark To Measure Its Performance Against That Of Other Firms In The Industry. Furthermore, The Company Can Compare The CSR Practices Of Competitor Firms And The Impact They Have On The Level Of Employee Engagement In These Corporations With Its Own. The Benchmark Results Can Then Be Used In Improvement Efforts Towards The Company's Own CSR Practices In Order To Positively Influence Employee Engagement, Attraction, And Retention.

#### **II.** Literature Review

"Corporate Social Responsibility (CSR) And Employee Engagement Are Two Of The Most Discussed Issues In The Business World Today" Gross (2011:1). This Statement By Gross, In The CSR Whitepaper, Highlights The Impact Of CSR On Organisations And The Increasing Importance Of Employee Engagement As A Key Strategic Consideration In Business Operations.

#### **Corporate Social Responsibility**

Simpson And Taylor (2013:202), Define Corporate Social Responsibility (CSR) As "The Continuing Commitment By Business To Contribute To Economic Development While Improving The Quality Of Life Of The Workforce And Their Families As Well As Of The Community And Society At Large". It Is Loosely Defined By Wang, Tong, Takeuchi And George (2016) As The Practice By Businesses, Of Taking Responsibility For Social Welfare Issues And Considering The Interests Of Stakeholders Other Than Shareholders (I.E. Employees, Customers, Suppliers, Government Departments, And Non-Governmental Organisations). CSR Therefore Refers To The Responsible Manner In Which Organisations Interact With The Environment And The Groups Of People In Communities And In Society, Such That It Meets The Needs Of The Various Stakeholder Groups While Also Achieving Its Economic Objectives. It Thus Comprises Three Components, The Economic, Social And Environmental Components.

## **Employee Engagement**

There Is No One Standard Definition For Employee Engagement, But There Is A General Reference To Employees' Willingness To Commit Fully To The Job Role. Bridger (2015:5) Defines Engaged Employees As "...Employees Committed To Their Organisation's Goals And Values, Motivated To Contribute To Organisational Success, And Are Able At The Same Time To Enhance Their Own Sense Of Well-Being". Rothmann (2003:19), Defines Employee Engagement As A Persistent, Positive State Of Mind That Gives An Employee A Sense Of Dedication, Vigour And Absorption. Cook (2008) Identifies Workplace Well-Being, Access To Information, Fairness In The Treatment Of All Workers And Involvement In Meaningful Work And Organisational Decisions As The Main Drivers For Employee Engagement. These Drivers Are Aligned With The Internal Drivers As Outlined By Zafar, Nawaz, Farooqui, Abdullaj And Yousaf (2014). The Safety And Health Of Employees Should Be A Priority For The Organisation In Order For Them To Feel Valued And Engaged. According To Zafar *Et Al.* (2014) Health Benefits Such As Medical And Hospital Care Improve Employee Loyalty And Retention. Additionally, They Mention That The Organisation's Contribution To The Health And Safety Of The Community (Such As A Contribution To Public Healthcare) Further Increases Employee Loyalty. The Workplace Should Be Diverse And Offer Work-Life Balance So As To Encourage Employees To Give Their Best To Their Work.

## **CSR At The Company**

The Company Is Involved In Several CSR Initiatives Which Span From Product To Environmental Responsibility. Through Its Corporate Business Principles The Company Incorporates CSR In All Areas Of Its Business. These Include: Quality Assurance And Product Safety, Human Rights, Environmental Sustainability, Rural Development And Responsible Sourcing.

## Conclusion

CSR Has Been Mentioned By Several Authors As Having A Large Impact On Employee Engagement In Corporations And Positively Influencing Employee Attraction And Retention. The Major Aspects Of CSR That Influence Employee Engagement Have Been Identified In The Literature As, Organisational Performance And Future Business Success, Employee Well-Being, Senior Management Integrity And Trust In Senior Management And Environment And Social Impact Awareness.

## III. Research Design And Methodology

Polonsky And Waller (2011) Identify Four Types Of Research Design, Which Are: Exploratory Research, Causal Research, Descriptive Research And Definitional Research. They Further Describe Research

Design As An Outline Or Map Of The Research That Dictates The Manner In Which The Research Is Conducted. Unlike Exploratory Research, The Researcher Following A Descriptive Research Design Has Some Knowledge Or Information On The Topic Of The Research And Merely Attempts To Describe, And Draw Certain Conclusions On, The Phenomenon (Sekaran And Bougie, 2016). Descriptive Research May Be Conducted Following Exploratory Research, That Is; After Data Has Been Collected And Information Obtained Using The Exploratory Design (Zikmund *Et Al.*, 2010). The Chosen Design For This Study Is The Descriptive Study Design. This Type Of Study Design Allows For The Description And Analysis Of The Facts Underlying The Subject Of The Research. According To Sekaran And Bougie (2016), The Descriptive Study Design Is Particularly Useful At Describing Certain Phenomena In Organisations Relating To A Group Of Employees. It Is Conducted To Gain An Understanding Of Common Organisational Practices. This Is Line With This Research Study, Which Attempted To Describe The CSR Practices At The Company And Their Impact On Employee Engagement, Attraction And Retention. It Thus Makes It Suitable To Employ The Descriptive Design In Conducting The Study.

#### **Research Philosophy**

A Research Philosophy Is Defined By Saunders, Lewis And Thornhill (2012) As The Undertaking Of A Research Study So As To Develop Knowledge In A Certain Area Of Interest, The Source And The Nature Of That Knowledge. It Is The "Belief About The Way In Which Data About A Phenomenon Should Be Gathered, Analysed And Used" (Lehaney And Vinten, 1994). This Study Follows The Positivism Research Philosophy. According To This Philosophy, The Researcher Observes A Social Situation/Phenomenon In Order To Gather Data And Facts So As To Answer The Research Question. With This Philosophy, The Researcher Is Independent Of The Data Collection Method In That He/She Is Not Influenced And Does Not Influence The Data Collected But Merely Observes And Describes The Outcomes.

#### **Research Method**

The Research Methodology Highlights The Manner In Which Data Is Collected To Find Solutions To The Research Problem And Answer The Research Questions. A Research Study Can Be Conducted Using Either Qualitatively Or Quantitatively Methodology. According To Saunders, *Et Al.* (2012), Qualitative Research Involves Drawing Conclusions In The Research Based On A Small Number Of Respondents And Requires Less Interpretation. Quantitative Research On The Other Hand Makes Use Of Numbers And Figures In Addressing Research Objectives. According To Zikmund, Babin, Carr And Griffin (2012) This Methodology Provides Numeric Data Which Can Be Used In Statistical Analyses To Draw Conclusions To The Research. The Research Methodology That Was Employed In This Study Is The Quantitative Research Method. This Method Involves The Collection Of Data From A Significantly Large Number Of Respondents Relative To The Qualitative Research Methodology. Using The Quantitative Method, The Information Obtained From The Respondents Can Be Generalised To The Wider Population Saunders, *Et Al.* (2012). This Research Method Was The Most Appropriate Methodology For This Study Due To The Large Sample Size Employed In The Study. This Methodology Therefore Allowed For The Projection Of Results To The Wider Business Environment And Provided An Overall View Of The Level Of Employee Engagement At The Company As A Direct Result Of CSR Initiatives.

## Research Strategy

An Employee List Was Obtained From The Payroll Department, With The Permission Of The Human Resource Director. From This List, All Employees Who Have Been With The Company For Longer Than Five Years Were Removed. Semi-Skilled Production Workers Were Also Removed From The Employee List. Employees Were Contacted Via Email, In Which The Study Was Introduced. From This Mail Employees Had The Option To Proceed To The Survey By Selecting The "Accept" Option Or Refuse To Participate In The Study By Selecting The "Decline" Option And Therefore Close The Email. The Survey/Questionnaire Was Developed Using Survey Monkey, A Survey Development Internet Programme. Responses Were The Collected Two Weeks After They Were Sent Out To Participants. From Here, The Analysis Of The Results Was Initiated.

## **Target Population**

The Study Population Is The Population From Which Participants In The Study Will Be Drawn. It Represents The Group Of Individuals Who Could Potentially Be Included In The Study. This Population, From Which The Sample Is Chosen, Is Specifically Defined By Cooper And Schindler (2011:364) As "The Total Collection Of Elements About Which We Wish To Make Inferences". The Target Population For This Study Was Employees At The Company. The Company Employs A Total Of 3057 Employees, Who Are A Combination Of Administrative/Office Based Staff (White Collar Workers) And Factory/Manufacturing Staff (Blue Collar Workers). In Order To Define The Sample, The Study Excluded Employees Who Are Semi-Skilled

Operators, Employees Who Were Working Outside The Country During The Period Of The Study And Employees Who Had Been With The Organisation For Longer Than Five Years At The Time The Study Was Initiated.

#### Sampling

Blumberg, Cooper And Schindler (2005) Define Sampling As A Process Of Selecting A Small Group From A Population In Order To Draw Conclusions About The Population Based On The Sample. According To Blumberg *Et Al.* (2005) Sampling Makes It Possible To Study A Population Without Using The Entire Unit, Is Relatively Cost Effective And Makes Data Collection Faster Than Would Be Possible If The Entire Population Was Studies. Blumberg *Et Al.* (2005) Also Mention That In Order For The Sample To Be Good, It Has To Be Representative Of The Population From Which It Is Selected. Non-Probability Judgement Sampling Was Used In This Study. The Five Year Period Was Chosen As The Cut-Off For The Study Population As Five Years Has Been Identified As The Average Employee Turnover Period At The Company. This Also Aided In Eliminating The Bias From Employees That Are Likely To Be Disengaged As A Result Of The Duration Of Employment In The Company. Employees That Have Recently Joined The Company (Less Than 6 Months) Were Also More Likely To Provide Reliable Insight Into The Aspects (Particularly On CSR) That Attracted Them To The Company.

#### Sample Size

The Sample Size For This Study Was 689 Employees. The Study Excluded Employees Classified As Semi-Skilled Operational Workers, Expatriated Employees Who Were Working Outside The Country During The Period Of The Study And Employees That Had Been With The Company For Longer Than Five Years. Therefore Only Employees Who Had Been With The Company For Less The 5 Years, Which For The Purposes Of This Study Includes Employees That Have Been With The Company For 4.9 Years Or Less. This Gave A Sample Size Of 689 Out Of A Possible 3057 Employees. The Entire Population Of 689 Was Used As The Sample For The Study. This Represents 23% Of The Total Population At The Company.

#### **Data Collection Instruments**

A Questionnaire Will Be Used To Collect The Data For This Study. A Questionnaire Is Defined By Saunders, *Et Al.* (2009) As A Group Of Questions Constructed In A Particular Order To Which Individuals Are Requested To Respond. This Study Made Use Of A Self-Administered Internet Mediated Questionnaire. The Questionnaire Was Developed Using The Online Survey Tool, Survey Monkey, And Administered To Participants Via Email. The Human Resource Business Partners (HRBP) In Each Functional Area Were The Point Of Contact Between The Employees And The Researcher And Were Thus Requested To Send Out The Questionnaire By Email Directly To Employees. The Reason Behind This Was Related To The Assumption That Human Resource Business Partners Have Rapport With Employees In Their Respective Functions, And It Was Expected That The Questionnaire Response Rate Would Be Higher As Employees Are More Likely To Respond If They Are Familiar With The Contact Person. Some Of The Advantages Of Using The Electronic Questionnaires, As Mentioned By Sekaran And Bougie (2016), Are That They Are Inexpensive, Non-Intrusive And Highly Targeted. There Are However Some Disadvantages To The Use Of Electronic Questionnaires. Sekaran And Bougie (2016) Identify The Disadvantages Of Using Questionnaires As The Low Response Rate, Inflexibility And Although They Are Highly Targeted, It Is Not Possible To Determine Whether The Targeted Participant Is Indeed The One Completing The Questionnaire.

## **Pilot Study**

A Pilot Study Is A Small Scale Research Project Where Data Is Collected From A Sample Similar To The One Chosen For The Main Study. It Serves As A Guide For The Large Scale Research And Aids In Refining Questions And Identifying Errors Which May Jeopardise The Validity And Reliability Of The Study (Zikmund *Et Al.*, 2010). A Pilot Study Was Done For This Research, Which Served To Test The Validity Of The Study And The Appropriateness Of The Data Collected From The Test Questions. Ten Participants Were Chosen To Take Part In The Pilot. From The Pilot, All Errors Noted Were Rectified, With The Questionnaire Amended As Necessary.

#### **Data Analysis**

## Validity And Reliability

Validity In Research Indicates The Extent To Which A Study Measures What It Purports To Measure. Zikmund *Et Al.* (2010) Identifies Certain Approaches To Establishing Validity In Research As Face Validity, Content Validity, Criterion Or Instrumental Validity, Construct Validity And Convergent Validity. This Study Employed The Content And Construct Methods To Ensure Validity Of The Results. Content Validity Was

Ensured By Designing The Questions In The Questionnaire Using The Objectives And Questions Of The Study. Construct Validity Was Ensured By Addressing The Questions In The Questionnaire In A Sequence That Would Allow The Questions To Be Appropriately Related To One Another And Were Grouped According To Their Subject Matter. This Not Only Ensured Validity But Also Allowed Appropriate Interpretation And Discussion.

#### Reliability

Reliability Indicates The Consistency Of The Results (Zikmund *Et Al.*, 2010). This Means That The Research, If Reliable, Should Produce The Same Results No Matter Who Conducts The Research Or When The Research Is Conducted. Cooper And Schindler (2011) Mention That Although Reliable Data May Be Reproduced Without Any Errors, The Validity As Such May Not Be Present And That Reliability Is Not As Valuable To The Study As Validity. Cooper And Schindler (2011) Further Mention The Instruments Of Reliability As Stability, Equivalence And Internal Consistency.

#### **Limitations Of The Study**

The Limitations Of The Study Were Related To Budgetary Constraints As Well As The Time Available To Conduct The Research. As Participants Were Contacted In The Work Environment During Their Working Hours, Their Busy Schedules Understandably Meant That They Could Not Give Priority To The Study, Hence The Delay In The Responses To The Survey. The Sample Size Of The Study Was Large, Which Also Contributed To The Delay In Receiving Responses And Analysing Data. The Participants In The Study Included Employees Who Work Directly With And Are Responsible For Implementing CSV Projects. This Could Have Introduced Bias In Their Responses. However Employees In The CSV Department Make Up Only 0.6% Of The Sample And Therefore Do Not Introduce A Significant Amount Of Bias To Warrant Intervention.

#### **Ethical Considerations**

Factors Important For The Maintenance Of Integrity Of The Research Project Included Requesting Access To The Facilities Of The Study Organisation, Informing The Participants About The Research Project, And Obtaining Consent, And Informing All Relevant Individuals About The Outcome Of The Study. These Important Points Are Outlined And Discussed In Detail Below.

Informed Consent: Participants Were Made Fully Aware Of What Will Be Requested Of Them During The Study Should They Choose To Take Part. This Was Done Using An Information Sheet That Was Written In A Language That The Participants Understood. The Information Contained In This Information Sheet Outlined The Topic, Background And Rationale Of The Research, How The Participants Were Carefully Chosen And The Details About The Researcher.

Harm To Participants: The Questionnaires Were Administered In A Setting That Was Most Convenient For The Participant (At The Convenience Of Their Day-To-Day Work Environments), In A Manner That Did Not Result In Physical, Emotional And Social Harm.

Confidentiality And Anonymity: The Demographic Information Obtained From The Respondents Was Secured In A Folder In The Researcher's Personal Computer Which Is Protected By A Twelve Digit Password. Therefore No Person Other The Researcher Had Access To The Data Collected From The Questionnaire. The Questionnaire Itself Did Not Ask For Personal Information Such As The Names And Employee Numbers

*Permission*: Before The Participants Were Contacted And The Research Conducted, Permission Was Obtained From The Organisation. The Research Team Obtained Permission To Access The Facilities, Personnel Records And Contact Participants From A Company Representative, The Corporate Communications And Public Affairs Director.

Voluntary Participation: Participants Were Informed On All Relevant Particulars Of The Research So That They Were Fully Aware Of The Facts Of The Study. A Consent Form Accompanied The Information Sheet Provided To The Participants, Which They Acknowledged After Reading The Information Contained In The Information Sheet As An Indication Of Their Willingness To Take Part In The Study. Participants Were Also Be Made Aware That There Would Be No Repercussions Should They Choose To Not Take Part In The Study. This Was Clearly Indicated In The Participant Information Sheet.

#### **Communication Of Results**

The Results Of The Study Were Communicated To All Parties Relevant To The Research, Particularly The Corporate Communications And Public Affairs Director, From Whom Permissions To Conduct The Study Were Obtained, The Talent And Recruitment Manager, The Human Resource Director, And All Other Parties, They Identified As Key Stakeholders To The Study And Recommendations (For The Purposes Of Implementing Key Actions Identified).

## IV. Results, Discussion And Interpretation Of Findings

Quinlan (2011:342) Defines The Response Rate As The Ratio Of Valid Responses To The Total Number Of Questionnaires Issued To Respondents. It Is The Number Of Questionnaires Returned That Will Be Used To Complete The Study. Of The 689 Participants Who Were Contacted, 42 Declined To Participate (Selecting The Decline Option Available On The Email Or By Responding To The Email Advising That They Are Unable To Take Part). Of The 52 Participants Who Did Not Response To The Survey, 12 Had Agreed To Participate But Did Not Complete The Survey And 40 Did Not Response To The Email Requesting Consent And Could Not Be Reached Telephonically. A Total Of 18 Questionnaires Could Not Be Used As The Respondents Were With The Company For Periods Longer Than Five Years And Were Somehow Erroneously Recorded In Company Records As Having Been With The Organisation For Five Years Or Less.

#### **Demographic Information**

There Are 248 Male And 330 Female Respondents. There Are More Female Respondents That There Are Male Respondents. The Inclusion Criteria In The Study Was The Company's Employees Who Have Been With The Company For Less Than Five Years. Based On The Above, It Is Deduced That There Are More Female Employees Than There Are Male Employees Who Have Been With The Company For Less Than Five Years. According To The Company's Turnover Statistics, More Male Employees Have Left The Company Over The Past Five Years Than Female Employees. A Larger Proportion Of Male Employees Has Been With The Company For Longer Than Five Years That Have Been Females. It Has Been Also Been Highlighted Than In The Past, Gender Equality Was An Issue At The Company, Which May Imply That Female Employees Felt Inferior In The Organisation Leading To A High Turnover Rate In This Group. This Is However Presently Not The Case As Can Be Seen In The Recent Movement Of Female Employees Into Management Positions, Previously Occupied By Male Counterparts.

## **Age Distribution Of The Respondents**

According To The Questionnaire Responses, There Are No Employees Under The Age Of 20 Years In The Study Sample. There Are 213 Employees Between The Ages Of 20 And 29 Years, 276 Between The Ages Of 30 And 39 Years, 77 Between The Ages Of 40 And 40 Years And Only 12 Employees Over The Age Of 50 Years. The Largest Proportion Of Employees In The Study Sample Is Employees Between The Ages Of 30 And 39 Years, With 48% Of Employees Falling In This Category. Employees In The 20 To 29 Years Category Made Up 37% Of The Sample, Followed By Employees In The 40 To 49 Years Age Group, Who Make Up 13% Of The Sample. Employees Over 50 Years Make Up Only 2% Of The Study Sample. This Mirrors The Overall Population Statistics At The Company. Younger Employees Tend To Change Jobs More Frequently Than Older Employees And Are Therefore More Likely To Be With Organisations For Shorter Periods Of Time (I.E. Less Than Five Years). As Employees Get Older, They Are More Likely To Settle Into The Workplace Which Sees A Reduction In The Turnover Rate With Increasing Age (Hayes 2015). These Older Employees Are Therefore More Likely To Be In Organisations For Periods Longer Than Five Years And Therefore Fall Outside The Boundaries Of The Study Sample.

## **Education Level Of The Respondents**

61% Of Respondents Reported To Have An Undergraduate Degree, 25% Have A Certificate Or Diploma, 9% Have An Honours Degree Or Postgraduate Diploma And 4% Have Masters' Degrees. Only 1% Of The Respondents Reported That They Only Have High School Certificate. None Of The Respondents Reported To Have Less Than A High School Certificate And None Had A Qualification Higher Than A Master's Degree. The Sample Of The Study Was Employees Who Are Classified As Non-Factory Workers And Occupy Entry Level, Lower Level, Middle And Senior Management Positions At The Company. Due To The Nature Of The Above Job Roles, Skilled And Qualified Individuals Are Sought To Occupy These Positions. The Expectation Is Therefore That Employees In These Positions Will Have Some Formal Qualifications In Order To Fulfil Their Job Roles. It Is Therefore Not Unlikely To Find Employees Occupying Management Level Positions Without Formal Post High School Qualifications, Albeit This Is A Small Percentage.

## **Race Distribution Of The Respondents**

African Employees Make Up The Largest Proportion Of The Study Sample At 74%. Indian, Caucasian And Coloured Employees Make Up 9% And 8% Of The Sample Respectively. There Are Only Two Asian Employees In The Study Sample And Are Therefore Of Negligible Proportion. The Overall Race Distribution Of The Company's Employees Is As Follows: Africans Make Up 68% Of The Workforce, White Employees Make Up 12% Of The Workforce, Indian Employees Make Up 8% And Coloured Employees Make Up 11% Of The Workforce. The Sample Is Therefore More Or Less Representative Of The Total Population Of Employees At The Company.

#### Respondents' Year's Duration At The Company

37% Have Been With The Company For Less Than Two Years. Employees Who Have Been With The Company For 2 To 4.9 Years Make Up 34% Of The Study Sample. The Balance Of The Employees Make Up 28% Of The Study Sample And Have Been With The Company For Less Than A Year. Although The Study Was Aimed At Specifically At Employees Who Have Been With The Company For Less Than 5 Years, 1% Of The Respondents Indicated That They Had Been With The Company For More Than 5 Years. This May Be Due To Some Discrepancies In The Manner In Which Length Of Service Is Calculated By The Company And How It Is Perceived By Employees. For Example, If An Employee Starts Employment At The Company As A Temporary Employee And Is Later Converted To A Permanent Employee, The Duration Of Temporary Employment Does Not Contribute Towards Length Of Service, But May Be Seen By The Employee As Part Of The Total Length Of Service.

#### Employees' Understanding Of Corporate Social Responsibility (CSR)

The Majority Of The Respondents Understood The Concept Of Corporate Social Responsibility, With 43% Strongly Agreeing And 36% Agreeing That They Understood CSR Principles. Of The Respondents, 13% Were Unsure What The CSR Concept Is And 8% (6% Disagree And 2% Strongly Disagree) Had No Understanding Of The CSR Concept. According To Diehl, Karmasin, Mueller, Terlutter And Weder (2016), All CSR Efforts By Organisations Should Be Effectively Integrated With Operations And Communicated With All Stakeholders, Including Employees. The More Frequently The Organisation Practices And Communicates CSR, The More Knowledgeable And Aware Employees Will Be About The Concept.

## **Economic Performance Of The Organisation As A Component Of CSR**

46% Of Respondents Understood The Economic Performance Of The Organisation To Be A Component Of CSR, 28% Were Unsure Whether Economic Performance Is Part Of CSR, 26% Of The Respondents Did Not Agree That Economic Performance Is A Component Of CSR. Uddin, Hassan And Tarique (2008) Mention That The Economic Aspect Of CSR (Also Termed Corporate Economic Responsibility) Is Often Disregarded In Discussions Around CSR. It Is Therefore Not Surprising That Less Than 50% Of Employees Believe Economic Performance To Be A Component Of CSR.

## Social Performance Of The Organisation As A Component Of CSR

Over 92% Of The Respondents Understood The Social Performance Of The Organisation To Be A Major Component Of CSR, With 62% Of The Respondents Strongly Agreeing And 30% Agreeing That Social Performance Is An Element Of CSR. Only 8% Of The Respondents Were Unsure As To Whether Or Not The Organisation's Social Performance Is A Component Of CSR. None Of The Respondents Disagreed That Social Performance Is A Component Of CSR. Social Performance Is The Element Most Recognised As Associated With CSR. This Is Likely Due To Not Only That Social Is In The Title But Also Because The Social Component Forms The Basis Of Many Definitions Of CSR.

## Environmental Performance Of The Organisation As A Component Of CSR

64% (38% Strongly Agree And 26% Agree) Of Respondents Identified Environmental Performance As A Component Of CSR. Of The Respondents, 17% Were Unsure Of This Association And 19% Disagreed That The Environmental Performance Of The Organisation Is Linked To CSR. According To Uddin, *Et Al.* (2008), The Environmental Component Of CSR Is The Oldest Of The Three Components Of CSR, Having Been One Of The Most Discussed CSR Issues In Business For Over Thirty Years. It Is Thus Likely That Employees Are Able To Easily Identify Environmental Performance As A Component Of CSR.

## The Economic Component Of CSR

89% Of The Respondents Understood The Economic Component Of CSR To Be Linked To The Organisation's Financial Performance And 9% Of The Respondents Were Unsure Of This Relationship Between The Economic Aspect Of CSR And Financial Performance. Only 2% Of Respondents Disagreed That There's A Link. Economic And Financial Performance Are Often Used Synonymously, However According To Uddin, *Et Al.* (2008), And As Highlighted Earlier In The Literature, Economic Performance Is Not Only Concerned With Making Economic Profits, But Ensuring That All Who Are Involved In The Wealth Creation Process Are Rewarded Fairly For Their Contribution. This Includes Employees, Community Members And Other Stakeholders. Employees, Although Constituting A Small Proportion Of The Sample, That Were Either Not Sure Or Did Not Agree That Economic Performance Relates To The Financial Performance Of The Organisation May Be Of The View That The Economic Component Of CSR Relates Only To The Social Performance In This Area.

#### The Company's Financial Performance Versus Competitors

A Large Proportion Of The Respondents Did Not Believe That The Company's Financial Performance Surpasses That Of Its Competitors, With 48% Of Respondents Disagreeing That The Company's Financial Performance Is Better Than That Of Its Closest Competitors. Only 38% Of Respondents Believe The Company Outperforms Its Competitors And 14% Are Unsure Of How It Fairs Against Competitors. The Financial Results Of Listed Entities Are Published For The Public As Per The Stock Exchange Listing Requirements (Johannesburg Securities Exchange 2016:36). This Makes It Possible To Compare The Financial Performance Of Public Corporations In The Same Industry. The Company's Financial Performance Can Therefore Easily Be Compared With That Of Its Competitors To Gauge Whether Or Not It Outperforms These Corporations.

## The Social Component Of CSR

This Question In The Research Instrument Measures The Respondents Understanding Of The Various Aspects That Make Up The Social Component Of CSR. 87% Of The Respondents Identified The Social Component Of CSR As Relating To The Organisation's Interaction With Its Employees, Surrounding Communities And Society. Only 7% Of Respondents Were Unsure Of How These Aspects Relate To Social CSR And 6% Disagreed That Social CSR Relates Not Only To The Organisation's Role In Communities And Society, But To Its Employees As Well. The Employee Is An Active Member Of The Community, And From The Information Presented In The Figure Above, Respondents Acknowledge This Role And Can Easily Identify The Employee As Part Of The Community And Wider Society.

## The Company's Ethical Behaviour In Dealing With Customers

78% Of Respondents Believed The Company To Be Ethical In The Manner It Deals With Customers In The Pursuit Of Its Business, 17% Were Unsure Of The Ethics Involved In Customer Relationships And 5% Didn't Believe The Company Acts Ethically When Dealing With The Customer. Businesses Are Deemed To Be Ethical In Dealing With Customers When They Communicate Appropriately And Honestly With The Customer And Provide Quality Products That Meet The Expectations Of The Consumer. This Is Iterated By Uddin, *Et Al.* (2008), Who State That This Is Not Only Important For Maintaining Good Customer Relations But For Positively Influencing Company Profits As Well.

## The Company's Ethical Behaviour In Dealing With Suppliers

79% Of Respondents Believed That The Company Is Ethical In The Manner In Which It Deals With Suppliers, 12% Were Unsure And 9% Disagreed, Implying That They Didn't Believe That The Company Deals Ethically With Suppliers. It Is Also Outlined In The Company's Corporate Business Principles That Only Suppliers Who Adhere To Business Principles Will Be Employed By The Organisation. Further To This And As Outlined In The Corporate Business Principles Framework, The Company Requires Suppliers To Ensure Appropriate Water Preservation Efforts In Their Production Processes And Employ Anti-Corruption Practices In The Business Operations.

## The Company's Ethical Behaviour In Dealing With Creditors

62% Of The Respondents Agreed That The Company Is Ethical In Dealing With Creditors. Dealing Ethically With Creditors Implies That The Organisation Is Paying Its Creditors On Time And The Agreed Amount, Submitting To The Reporting And Contractual Requirements Of The Creditor And Is Honest And Transparent In Communicating With The Creditor (Zhang And Gu 2012). A Majority Of The Respondents Therefore Believed That The Company Adheres To The Requirements Of Good Creditor Relationships.

## The Company's Contribution Towards Social Advancement

62% Of Respondents Believed The Company To Be A Significant Contributor To Social Development, 18% Were Not Sure Of This Contribution And 20% Did Not Believe That The Company Contributes To Social Advancement. Belu And Manescu (2011) Mention That Since Organisations Cannot Solve All The World's Problems, They Should Only Be Involved In Those Social Development Projects That Can Be Tied Back To The Operations Of The Business. A Majority Of Employees Recognise The Company To Be A Significant Contributor To Social Advancement. The Company's Farming Assistance Programmes Ensure That The Organisation Has Ready Access To Good Quality Raw Materials (I.E. Dairy Farmers). There Is Thus An Observable Link Between The Company's Social Development Initiatives And Business Strategy.

## The Company's Contribution In The Community

There Appears To Be An Even Distribution Of Respondents Who Strongly Agreed, Agreed, Were Unsure And Disagreed That The Company's Contribution In The Community Is Beneficially To Both The

Company And The Community At 22%, 29%, 21% And 20% Respectively. Only 8% Of The Respondents Strongly Disagreed That The Company's Community Initiatives Benefit The Company And Community. It Is Likely That The Respondents Who Are Unsure Of The Company's Contribution In The Community And Whether Or Not This Benefits Both The Company And The Community Are Not Being Exposed To The Various Initiatives (I.E. Poor Communication, Poor Engagement And Involvement). Those Respondents Who Disagree That There Is Mutual Benefit To The Company's Community Contribution, May Be Of The View That These Initiatives Either Benefit The Company Or The Community But Not Both.

## The Company's Efforts At Minimising The Environmental Impact Of Its Operations

74% Of Employees Believed That The Company Makes A Good Effort At Minimising The Impact Of Its Business Operations On The Environment. Of All Respondents, 17% Report That They Were Unsure Of The Company's Efforts To Minimise The Environmental Impact Of Its Operations And A Collective 9% Disagreed That The Company Minimises The Impact Of Its Operations On The Environment. Based On The Company's CSV Report, The Company Has Several Initiatives In Place That Are Aimed At Minimising The Impact Of Its Business Operations On The Environment And Based On The Information Outlined Above, A Majority Of Respondents Believe That The Company Is Successful In Its Efforts At Minimising Its Environmental Impact.

## Participants' Understanding Of The Company's Efforts To Minimise Impacts Of Its Operations On The Environment

90% Of Respondents Understood The Efforts By The Company To Reduce The Impact Of Its Operations On The Environment, 8% Were However Unsure And 2% Disagreed. It Is Important To Note That Here The Instrument Measures The Knowledge Of Employees Of The Various Initiatives, Tools And Methodologies The Company Has And Uses To Manage Its Impact On The Environment. Mazurkiewicz (2005) Identifies Waste And Emissions Elimination, Monitoring Energy And Water Usage And The Maximisation Of The Efficiency And Productivity Of Organisational Resources As Some Of The Tools, Methodologies And Initiatives Available To Organisations For Managing The Environmental Impact Of Business Operations. From The Data Presented In The Figure, It Clear That A Majority If Employees Understand The Company's Efforts To Minimise Its Environmental Impact, Which The Company Communicates In Various Platforms Such As Monthly Departmental Meetings And General Staff Assemblies.

## The Company's Performance Versus Competitors With Regards To Environmental Preservation

68% Of Respondents Believed That The Company Outperforms Its Closest Competitors With Regards To Environmental Preservation, 12% Of Respondents Were Not Sure If This Is The Case And 20% Believed That Competitor Firms Are Performing Better Than The Company In Environmental Preservation. In Order For A Proper Comparison To Be Done On Environmental Performance Between The Company And Other Competitor Firms, Information On The Various Aspects Of Environmental Performance Is Needed.

# The Company's Overall CSR Performance (Economic, Social And Environmental) Vs That Of Its Competitors

57% Of Respondents Perceived The Company's CSR Performance To Be Better Than That Of Its Competitors, 32% Were Not Sure And 11% Disagreed, Believing That Competitors Perform Better Than The Company With Regards To Economic, Social And Environmental CSR.

#### **Employee Engagement At The Company**

The Questions In This Section Are Mainly Related To The Level Of Motivation Felt By Employees In Performing Their Duties At The Company, Their Level Of Remuneration And Whether They Perceive This To Be Fair, The Concern For Their Safety, Health And Wellbeing By The Company, The Level Of Appreciation And Respect Towards Employees And The Role Of Employees In Helping The Organisation Achieve Its Objectives.

## Pride Felt By Participants For Working At The Company

A Majority Of Respondents, 80%, Were Proud To Work At The Company, 4% Were Not Sure How Proud They Felt To Work There And 16% Stated That They Were Not Proud To Work For The Company And Are Therefore Not Fulfilled. According To Zafar *Et Al.* (2014), Employees Who Have A Positive View Of Their Organisation's CSR Efforts Feel Proud To Work For Their Organisation, Are More Likely To Remain With The Organisation And Recommend Organisation As A Good Place To Work. The Authors Further Mention That These Employees Are Highly Satisfied In The Workplace.

#### **Fair Remuneration**

45% Of Respondents Believed They Are Being Paid Fairly For The Work They Do For The Company. Perhaps Due To The Poor Knowledge On How Pay And Benefits Are Determined, 6% Of Respondents Were Not Sure Whether They Are Being Paid Fairly For The Work They Do In The Organisation And A Collective 49% Of Respondents Indicated That They Are Not Being Paid Fairly For The Work They Do. The Pay And Benefits Of Similar Jobs In Different Companies Of The Same Industry Is Expected By Employees To Be Consistent. Should This Not Be The Case, Employees May Feel That The Organisation Is Not Competitive In This Regard And May Seek To Remedy The Situation By Looking For Jobs In Companies That Pay Comparatively Better Than Their Current Organisation 45% Of Respondents Believed The Company Is Competitive With Pay And Benefits Across The Industry, 16% Were Not Sure If This Is Case And 39% Disagreed That They Are Receiving Competitive Pay And Benefits From The Company.

#### **Safety Of Working Environment**

79% Of Participants Agreed That The Company Provides A Safe Working Environment, 7% Were Not Sure If This Is The Case And A Collective 8% Did Not Agree That The Company Provides A Safe Working Environment. The Company Is Committed To Safety Regulations And Encourage All Employees To Observe The Internal Safety Rules. These Rules Are In Place To Ensure That All Employees Are Safe In The Areas Of Work, Visitors And Contractors Adhere To The Safety Guidelines And To Prevent Any Serious Injuries Or Fatalities In The Production Areas.

## Respect And Appreciation Felt By Participants For Their Contribution To Company Performance

73% Of Study Participants Agreed That They Are Respected And Appreciated For Their Contribution In The Workplace, 7% Were Not Sure And 20% Disagreed, Implying That They Did Not Feel Respected And Appreciated By Their Manager For Their Contribution In The Organisation. Respect And Appreciation For Work Done Is Perceived Differently By Different Employees. Giving Rewards And Recognition Is The Most Common And Most Understood Way Of Showing Appreciation For Work Well Done Even If It Is Not Necessarily In The Form Of Financial Rewards. The Absence Of This May Lead Employees To Feel That They Are Not Appreciated And Respected In The Organisation Which May Influence Their Level Of Motivation.

## Long-Term Career Development And Growth Offered By The Company

63% Of Respondents Agreed That The Company Provides Them With Opportunities For Career Development And Growth, 8% Were Not Sure And 29% Did Not Believe The Organisation Offered Them Long Term Career Development And Growth. Career Growth And Development At The Company Is Tracked Through A System Called Performance Development Guide (PDG). This System Allows Employees To State Their Desired, Ideal Future Role In The Organisation And Identify The Steps To Be Taken And Job Roles To Be Performed In Order To Reach That Goal.

#### Regular Feedback On Work Performance Received By Participants

Feedback Is Key To Improving Performance, Continued Learning And Motivation. In Order To Be Effective, Feedback Needs To Be Timely So That A Link Between Behaviour And Consequences Can Be Made Quickly While It Is Still Relevant. It Must Be Specific And Linked To Behaviour And Business Objectives. 58% Of Respondents Agreed That They Receive Regular Feedback On Their Work Performance, Which Means They Are Regularly Afforded The Opportunity To Improve Performance And Are Enabled To Continuously Learn. It Is Also Identified That 2% Of Respondents Were Not Sure They Receive Regular Feedback, Perhaps Due To The Manner And Frequency Of This Feedback And 40% Stated That They Do Not Receive Regular Feedback On Their Work Performance.

## Participants' Confidence In The Leadership Of The Company

This Relates To The Confidence Employees Have In The Abilities Of The Leaders In The Organisation To Effectively Lead The Business To Achieving Its Goals. 58% Of Respondents Were Confident That The Leaders Of The Company Are Able To Effectively Lead The Organisation Towards Its Vision. This Is Related To The Credibility Of Leaders In The Organisation As A Result Of The Skills, Training And Education They Possess, As Well As Past Performance And Behaviour. It Is Indicated In The Figure That 18% Of Respondents Were Not Sure Of Their Confidence In The Company's Leadership, Which May Be Influenced By Length Of Employment Service In The Organisation As Newer Employees Are Yet To Fully Experience The Leadership In The Organisation And May Therefore Be Unsure In This Regard. An Aggregate 24% Of Respondents Stated That They Are Not Confident In The Leadership Of The Organisation, Which May Also Stem From Their Experiences With The Leaders' Past Performance And Behaviour.

## Participants' Trust In The Decisions Made By The Senior Leaders Of The Company

52% Of Respondents Trust The Decisions Made By The Leaders At The Company, 20% Were Not Sure And 28% Stated That They Do Not Trust The Decisions Made By Their Senior Leaders. Trust In The Organisation Is A Significant Contributor To The Level Of Appreciation And Respect Felt By Employees. According To Zafar *Et Al.* (2014), This Contributes Significantly To Employee Engagement And Is One Of The Key Drivers For Employee Retention.

## The Company's Current Financial Performance And The Perceived Job Security By Participants

Job Security Is Defined By Lucky, Minai And Rahman (2013) As The Assurance Of Continued Employment For The Duration Of One's Choosing. 52% Of Respondents Believed That They Have Good Job Security Despite The Company's Current Financial Performance Being Below That Of Its Competitors, 9% Were Not Sure How This Current Financial Situation At The Company Impacts Their Job Security And 39% Of Respondents Did Not Believe They Have Good Job Security As Result Of The Organisation's Financial Performance. As The Organisation's Financial Performance Improves, So Does Its Capacity To Expand Operations.

## The Ethical And Fair Treatment Of Customers By The Company And Its Impact On Participants' Job Security

The Treatment Of Customers Has An Impact On Customer Retention And Repeat Business From These Customers In The Longer Term, Which May Indirectly Influence Job Security. 70% Of Respondents Believed That The Ethical And Fair Manner With Which The Company Engages With Its Customers Has A Positive Impact On Their Job Security. This Is Due To The Impact Of Positive Customer Relationships On Sales, And Ultimately The Bottom Line. Job Security Therefore Improves With Increasing Organisational Performance And Profitability. 10% Of Respondents Were Unsure How The Positive Ethical And Fair Treatment Of Customers Impacted Their Job Security And 18% Of Respondents Did Not Believe That The Ethical And Fair Treatment Of Customers By The Company Positively Influenced Their Job Security.

# The Ethical And Fair Treatment Of Suppliers By The Company And Its Impact On Participants' Job Security

58% Of Respondents Believed That The Ethical Treatment Of Suppliers By The Organisation Positively Influenced Their Job Security, 18% Were Not Sure If This Was The Case And 24% Disagreed With The Above Statement Implying That They Did Not Believe That The Manner In Which The Company Engages With Its Suppliers Has A Positive Impact On Their Job Security.

#### Participant Retention As A Result Of The Company's Impact On The Environment

64% Of Respondents Mentioned That The Company's Environmental Performance Was Important To Their Decision To Stay With The Organisation, 12% Were Not Sure How Environmental Responsibility Influenced Their Retention Decision And A Collective 24% Stated That The Organisation's Environmental Performance Did Not Influence Their Decision To Stay At The Company. Although 74% Of Respondents Agree That The Company Has Good Systems In Place To Minimise The Impact Of Its Operations On The 64% State That This Is Important To Their Decision To Stay With The Organisation.

#### V. Conclusions And Recommendations

With Regards To Employee' Understanding Of The Concept Of CSR, A Collective 79% Of Respondents Have A General Understanding Of The Principle Of CSR, However Only 46% Of Respondents Understand Financial Performance To Be A Component Of CSR, 92% Are Able To Identify Social Performance As A Component Of CSR And 64% Of Respondents Relate Environmental Performance To CSR. Based On The Above It Seems That Financial Performance Is The Least Identifiable Component Of CSR, With Social Performance Being Most Easily Identified With CSR. Based On The Information Provided By The Research Instrument, Only 38% Of Employees Believe That The Company's Financial Performance Is Better Than That Of Its Competitors. Although This May Be The Case, A Large Proportion Of Respondents Believe That The Company Outperforms Its Competitors In Other Areas Of CSR, Stating That The Company Is Ethical In Its Business Relationships, Contributes Significantly To Social Development And Takes Great Care To Reduce The Environmental Impact Of Its Operations. Some Of The Factors That Influence Employee Engagement Were Outlined In The Literature As Fair And Competitive Compensation, A Conducive Working Environment, Appreciation And Respect, Development And Career Growth And Communication. Based On The Study Findings, Only 45% Of Employees Believe They Are Paid Fairly For The Work That They Do At The Company. A Collective 49% Believe They Are Not Being Paid Fairly For The Work They Do In The Organisation. Further To This, Only 45% Of Employees At The Company Believe That Their Overall Pay And

Benefits Are Competitive Across The Industry. This Is Likely To Result In Employees Feeling Disengaged And Unappreciated In The Workplace. A Majority Of Employees At The Company Find Their Work Environment Safe And Believe That The Company Cares For Their Health And Well-Being. Employees Believe That The Company Promotes A Positive Work-Life Balance, Affording Them The Opportunity To Work Flexible Hours And Occasionally Work From Home Should The Type Of Job Allow. All The Above Factors Have A Positive Impact On Employee Engagement And Are Likely To Positively Influence Attraction And Retention. A Large Proportion Of Employees Feel Appreciated And Respected For The Work They Do In The Organisation. In Addition To The Above, Employees Have A Clear Understanding Of Their Contribution To The Business With A Majority Agreeing That They Understand What Their Job Roles Entail And How The Work They Do Contributes To The Overall Success Of The Business. Employees At The Company Also Feel That They Have Ample Opportunities To Grow And Develop In The Organisation. Career Development And Growth Are Important Aspects Of Employee Satisfaction And Engagement And Will Have An Impact On Attraction And Retention. Employees Receive Regular Feedback On Work Performance Which Provides A Good Opportunity To Improve Where This Is Deemed Necessary. A Performance Agreement Also Provides A Benchmark Against Which The Employee's Performance Can Be Measured And Which Can Be Agreed Between The Employee And Line Manager. Feedback Provided To The Employee Can Then Be On The Performance Initially Agreed To, This Makes Feedback More Meaningful And Fair As It Is Based On Previously Agreed Targets.

#### Conclusions

Below Is A Summary Of The Conclusions Drawn From The Study Findings, From Both The Literature And The Primary Research:

#### An Overview Of CSR

- Ethical Business Practices, Respect For Human Rights And Good Labour Practices, Community And Workplace Health And Well-Being And Environmental Preservation Are Outlined In The Literature As Key Aspects Of Good CSR Practices.
- Having Reviewed The CSR Practices At The Company Though The Creating Shared Value (CSV)
   Initiatives And The Company's Corporate Business Principles (Ncbps) Which Incorporate The Practices
   Outlined Above, It Is Apparent That The Company Is A Good Corporate Citizen. Employees At The
   Company Share This View, Indicating That There Is An Alignment Between The Literature And The
   Primary Research.
- Employees At The Company Have An Overall Understanding Of The Principle Of CSR And Can Easily Identify Some Aspects (I.E. Social And Environmental Performance) As Components Of CSR But Others Not So Easily (I.E. Economic Performance).
- Employees Believe That The Company Has Solid CSR Initiatives In Place And Outperforms Competitors In All But One Component Of CSR, Which Is The Financial Performance Component.
- It Was However Established From The Literature That Since There Is No Standard Reporting Template Which Specifically Addresses The Social And Environmental Components Of CSR, Comparisons Made By Employees In These Areas Between The Company And Other Organisations In The Industry May Be Based Purely On Experiences And Communication Strategies.

## **CSR And Employee Engagement**

- Fair Compensation, A Safe And Healthy Work Environment, Appreciation And Respect, Development And Career Growth, And Communication Are Some Very Key Determinants Of Employee Engagement.
- The Above Are Important Elements In Good CSR, From Which It Can Be Concluded That Good CSR Has A Positive Impact On Employee Engagement.
- Despite The Company's Poor Financial Performance (Which May Be The Reason For The Perceived Lack
  Of Competitiveness Of Pay And Benefits), Employees Are Engaged And Committed To The Work They
  Do. This May Be Explained By The Company's Positive Contribution To Community And Social
  Development, Safety, Health And Workplace Wellness And Senior Management Integrity, Which Seem To
  Be The Most Influential Aspects Of CSR For Employees And Therefore Have The Greatest Impact On
  Employee Engagement.
- With Regards To The Social (Particularly Customer, Supplier And Creditor Relationships) And Environmental Performance Of The Company, A Majority Of Employees State That Although The Company's Performance In This Regard Does Not Directly Affect Their Commitment To The Work They Do, They Still Believe It Is Key To The Sustainability Of The Business And Is Therefore Likely To Have An Impact On Job Security In The Future.
- Good CSR Has A Positive Impact On Talent Attraction And Retention In The Organisation.

- While It Is Established That The Organisation's Environmental Performance Has An Influence On Employee Retention, The Impact Thereof On Motivation And Engagement Is Lacking And Warrants Further Investigation.
- While The Level Of Employee Engagement May Not Be At The Desired Level As Per The Company's
  Internal Targets (As This Was Outlined As An Area Of Concern After The 2014 Engagement Survey
  Results Were Communicated), The CSR Practices At The Company Seem To Have A Positive Impact On
  Employee Engagement, Attraction And Retention.

#### Recommendations

#### CSR Initiatives At The Company: Communication And Involvement

It Is Clear That The Company Has Many Policies, Initiatives And Procedures Around CSR Particularly Highlighted In Their Corporate Business Principles And Through Their Work On CSV Initiatives Around Water Preservation, Rural Development And Nutrition Education And Farming Assistance. There Is However A Gap In The Practice And Application Of These Principles. For Instance, The Corporate Business Principles Are Outlined In A Document That Employees Are Exposed To Only Once On Joining The Organisation. Employees In The Supply Chain Function Have A Little More Exposure To The Document As It Is Company Policy For New Suppliers To Receive, Read And Return The Signed Document Before They Can Enter Into Supply Relationships With The Company. There Is An Opportunity To Improve The Level Of Exposure To And Application Of These Principles By Incorporating Them Into Job Roles, No Matter The Functions Or Roles Of Individuals In The Organisation. This Will Ensure That The Principles Are Entrenched In Work, In Individuals And In The Organisation At Large. Updates On CSV Projects Are Not Frequently Communicated And When They Are, They Are Communicated On The Intranet Website, On Television Screens Around The Head Office Building And At Some Factories And In The Quarterly Company Magazine, However No Other Medium Of Communication Is Used In This Regard. There Are Some Shortcomings In This Regard As Not All Factories Have Access To Television Screens Or The Computers To Use The Intranet, Which Makes The Quarterly Magazine The Only Real Accessible Source Of Information On CSR Initiatives. Buy-In And Knowledge Can Be Significantly Improved Simply By Engaging Employees On CSR Issues And Communicating More Frequently With Them Around This Area. In Addition To The Communication Media Used Above, Staff Addresses Can Be Used As A Platform To Update Employees On Important Issues Where There Is Also An Opportunity For Employees To Ask Questions, And Where Answers Can Be Shared In A Public Forum For All To Be Informed. There Is Also An Opportunity For The Organisation To Involve Employees In CSR Projects And Not Just Communicate Progress Where Only A Few Group Of People (I.E. CSV Manager And Direct Reports) Were Involved. The Call For Volunteers Or Project Members Should Also Be Widely Communicated To Ensure That As Many Interested People As Possible Have The Opportunity To Get Involved. This Will Not Only Increase Buy-In And Support, But Will Have A Positive Impact On Employee Engagement As Well.

#### **CSR And Employee Engagement**

Fair And Competitive Compensation, A Conducive Work Environment In Terms Of Safety, Health, Work-Life Balance And Diversity, Appreciation And Respect And Development And Career Growth Have Been Identified As Some Of The Important Drivers For Employee Engagement In The Workplace. CSR Influences Engagement In The Workplace Through Organisational Performance, Employee Well-Being, Senior Management Integrity And Trust In Senior Management And Environment And Social Impact Awareness. From The Discussions Above, It Is Clear That Compensation And Organisational Financial Performance Are The Weakest Elements Of Engagement And CSR At The Company's. There Is A Link Between The Financial Performance Of The Organisation And The Level Of Compensation To Employees, It Is Not Surprising To See The Above Occurring Alongside Each Other. This Is Then Perhaps An Area Where The Company Could Shift Its Focus. In Response To The Declining Financial Performance, The Company Has Cut Costs In The Business By Divesting Some Of Its Unprofitable Business Units And Retrenching Some Employees Occupying Deemed To Be Redundant Roles. Although Effective In The Short Term, This Is Unlikely To Have A Positive Impact On Employee Motivation And Engagement. By Leveraging On Its Current CSR Initiatives Through Communication And Involvement And Imbedding CSR Principles In Everyday Work As Outlined Above, The Company Can Make Significant Strides To Improving Its Financial Performance And Its Pay And Benefits To Employees. It Has Also Been Established That Engaged Employees Are Productive Employees And Can Therefore Contribute Significantly To The Success Of The Organisation. There Are Likely To Be Knock On Benefits To This Shift In Focus From A Numbers Based Approach, To The More Holistic Organisation Wide Approach Afforded By CSR. A Thorough Research Into The Gaps In The Components Of Financial Performance And Compensation Is However Needed To Ensure That CSR Initiatives Provide Meaningful Solutions.

#### **CSR And Employee Attraction And Retention**

According To The Literature, Employees Are More Attracted To Organisations That Are Seen To Be Good Corporate Citizens Both Internally And Externally Versus Those That Are Not. The Company Has A Very Powerful Employer Brand, And Is One Of The Most Sought After Employers By Graduates And Experienced Professionals Alike. This Can Be Seen In Its Career Internet Page Which Outlines All The Typical Career Progression Of Employees Once They Join And The Success Stories Of Senior Executives Who Started In The Company As Graduates (I.E. This Focuses On The Growth And Development Aspect Of CSR And Employee Engagement). Prospective Employees Are Also Exposed To The Company's Many CSR Initiatives, Upon Which They Can Base Their Decision To Join The Organisation. The Opportunity Is This Area Comes Once Employees Have Joined The Organisation. The Company Conducts Stay Interviews (Albeit Not Regularly) Where Groups Of Employees Are Brought Together To Gauge Their Experience Now That They Have Joined The Organisation, Their Level Of Engagement And Overall Satisfaction In The Workplace. In The Outcomes Of These Discussions, Employees Indicate That The Job Was Oversold And That What They Expected From The Information They Received Before And Soon After They Joined Was Not Aligned To The Reality In The Organisation. This Has An Impact On The Retention Of Employees In The Organisation. There Is Therefore An Opportunity, Again Through Internal Communication, Involvement And Alignment To External Communication, For The Company To Leverage On Its Existing CSR Initiatives By Improving The Practices And Engagement Therein. In Addition To The Above, The Company Can Improve The Regularity Of Its Engagement Sessions With Not Only New And But Also Old Employees, To Get Their Views On Their Experiences In The Organisation And How These Can Possibly Be Improved. With This There Is Also An Opportunity To Develop Action Plans Which Can Be Implemented And Followed Up During Future Engagement Sessions, Again Providing An Opportunity For Improved Communication And Engagement.

#### **Areas For Further Research**

A Few Key Areas Recommended For Further Research Which Became Apparent During The Course Of The Study Were As Follows:

- It Is Worth Establishing During Exit Interviews Whether Or Not There Were Issues Pertaining To CSR That Are Causing Employees To Leave The Organisation. This May Entail A Review Of The Exit Interview Questionnaire As Well As The Implementation And Post Implementation Audit Of Plans To Address Identified Issues. A Qualitative Study May Be Necessary In This Regard.
- Although It Was Concluded That A Majority Of Employees At The Company Are Engaged In The Workplace, It Is Worth Investigating The Outliners To Determine What Is Causing The Lack Of Engagement In This Group. By Addressing The Needs Of These Outliners, The Organisation Will Find That It Can Also Address The Unexpressed Concerns Of The Larger Group Of Employees.
- Integrated Reporting (IR) Has Been Identified As A Need In Business So As To Standardise The Reporting Of Business Performance Other Than Financial Performance. It Is Worth Investigating The Number Of Firms In The Company's Industry That Are Following This Reporting Procedure, If There Are Any, And Whether Social And Environmental Performance Can Be Compared In These Firms As A Result Of Standardised Reports.

#### VI. Conclusion

From The Above Analyses, A Clear Link Was Established Between The Literature And Primary Research Findings, And Using Both The Information Found In The Literature And The Primary Research, Recommendations Were Made To The Company With Regards To The Most Appropriate CSR Practices And Initiatives That Would Ensure Improved Employee Engagement, Attraction And Retention.

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