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Scale to Measure Attitudes of Employees towards Corporate Social Responsibility

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A B S T R A C T

With this competitive edge, Corporate Social responsibility refers to ensuring the success of the business in terms of social and environmental considerations by satisfying shareholders and customers' demands and also managing the expectation of the other stakeholders such as employees, suppliers and the community at large. So, a number of big companies are practicing in Corporate Social Responsibility (CSR) in a manner that makes a great impact on the society and provides better synergy return to their business. CSR has always been an integral part of vision and core values of every good corporate. In recent years, CSR becomes a most effective business tool in the scenario of steel industries. This article focused on a study of steel industry is related to attitudes of employees towards CSR programme in Rourkela Steel Plant (RSP), SAIL as the frame of reference.

Introduction

CSR activities not only utilize the profit that enables social and environmental development but also consider the way that a company employs to earn profits by inclusion of socially responsible investments and transparency to various stakeholders. CSR attempts a spectrum of values and criteria for measuring the contribution of organization towards social development. Continuously CSR is used in many complementary concepts like corporate citizenship, Business ethics, Sustainability Stewardship etc. According to European Union (EU), CSR is the concept that an organization is accountable for its impact on all relevant stakeholders. It is the

continuing commitment by business to behave fairly and responsibly and contribute to economic development by improving the quality of life of the workforce and their families as well as of the local community and society at large. It is also contributing positively to society and managing organisation's environmental impact. CSR is nothing but a contribution to sustainable development in which a company balances its economic, environmental and social objectives while addressing stakeholder expectations and promoting shareholder value.

Social responsibility comprises of a number of internal and external relationships of the organization, so every organization is conscious about its social responsibility that would seek to comply with the law concerned with employment of women, ecological effects of production, consumers and employee welfare. CSR has become important for globalization, sustainable development etc. There is no 'one-size-fits-all' method suitable for a CSR approach because every organization has unique characteristics and circumstances which will affect its operational context and its definition of social responsibility.

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Critics argue that CSR sidetracks from the fundamental economic role of business; others argue that it is nothing more than superficial window dressing and some argue that it is an attempt to prompt the role of governments as a watchdog over powerful multinational corporations.

In a simple way, we can also say that CSR is the impact of an organizational action on society. So the job of every leader is to start thinking systematically about CSR since business is an integral part of the community in which they perform. Therefore, an organization should know that their long-term success is based on continued good relations with a wide range of individuals, groups and organizations.

CSR is a global issue that should be incorporated into an organization. The concept behind CSR is that, part of the profits of the organization should be diverted to socially responsible activities for the benefit of the society. CSR is not a charity but it is a core business strategy of an organization. It is not a common term; many Indian companies talked about responsible business or triple P (People, Planet and Profit). Some companies prefer to call it sustainable development or sustainable business strategy. CSR looks at regulatory commitments of organizations that drives towards a more inclusive social, environmental and economic decision. Effective CSR activities extend the traditional business accounting practices also.

CSR Programmes in Practice in Rourkela Steel Plant (RSP)

With the realization of importance and the long-term benefits of being socially responsible, RSP have incorporated socially responsible business practices. At RSP, the aim of CSR is to maximize the organization's overall impact on the society and stakeholders with due consideration for environment and overall sustainability. RSP is mainly concerned with socially responsible programmes like health, family welfare, education, protection of environment, providing better sanitation facilities and empowerment of women. It has also sponsored many sporting events and coaching camps for youngsters.

RSP also provides facilities such as community centers, medical facilities, educational support, vocational guidance and training for rural population to make villagers self-reliant and improve their standard of living. At RSP, CSR has gained popularity in the contemporary business world. The objective of this corporation is to improve quality of life of the community and to maintain ecological balance by being environmentally conscience. CSR helps in developing a better healthy environment within the company along with providing fair pricing policies and commitment for quality product. RSP has been continuously striving towards conservation and improvement of the environment by using new technologies. CSR helps executives to develop and implement strategy which produces cost-effective, measurable results in an economic environment.

Objectives of the Study

1. To study the existing Corporate Social Responsibility programme in practice in Rourkela Steel Plant (RSP).
2. To measure the attitudes of employees towards Corporate Social Responsibility programme at RSP.

Literature Review

Some of the studies on the topic concerned are reviewed hereunder.

Soheli Ghose (December 2012), in her study titled "A look into Corporate Social Responsibility in Indian and Emerging Economies" has observed that in recent years, scholars and managers have devoted considerable attention to the strategic implications of corporate social responsibility (CSR). She has quoted McWilliams and Siegel (2001), and defined CSR as situations where the firm goes beyond compliance and acts to further some social good, beyond the interests of the firm and that which is required by law. She has also stated that CSR activities have been posited to include incorporating social characteristics or features into products and manufacturing processes (aerosol products with no fluorocarbons, environmentally-friendly technologies), adopting progressive human resource management practices (promoting employee empowerment), achieving higher levels of environmental performance through recycling and pollution abatement (reducing emissions), and advancing the goals of community organizations. In this context she has studied the theoretical aspect of CSR including the Global Reporting Initiatives and CSR Legislation norms. She has also studied a few specific cases of CSR activity and CSR violation in India. Finally she has studied the possible impact of CSR investment on Sales of a few companies selected at random to see whether there is any significant correlation between the two.

Sharma & Kiran (2012), in their study titled "Corporate Social Responsibility: A passion of large organizations or a commitment to the society", have analyzed the steps/initiatives of business corporate towards the implementation of CSR practices with references to health, education, environment etc. On the basis of CSR experience the organizations have been classified as CSR headers, CSR Adopters and CSR Initiators. The results highlight that there is a significant difference in the strategies adopted by these three categories.

Kapoor (2014) in her study titled "Corporate sustainability Initiatives Reporting with Reference to Corporate Social Responsibility: A Case Study of Selected Companies", has observed that less than 20% of the companies disclose information on sustainability issues and sectoral differences in reporting were also high. The research also revealed that some sectors out performed in sustainability initiation reporting and some were totally negligent about their initiatives on sustainability reporting.

Bhattacharyya (2014) in his research, "A New Paradigm of Corporate Social Responsibility in India: An Evaluative Study", explored the meaning and impression of CSR in today's

corporate World. He did also explain how CSR is the continuous commitment towards the economic and social development of communities in which they operate. He had focused on the findings of the various issues and challenges faced by CSR activities in India.

Rakesh (2014) in his research study titled, “A Study on Indian Perspective of Corporate Social Responsibility” has observed that Corporations must contribute 2% of their net profits towards CSR which made Indian companies to consciously work towards CSR according to company law 2012. He has also tried to analyze various aspects of the new CSR law in the context of modern corporate philosophy with drawing attention of the government authorities towards practical difficulties in the implementation of the new provisions.

Loura (2014), in his research titled, “Corporate Social Responsibility-A Case Study of Select PSU’s Role in Rural Development” identified the CSR practices against global reporting initiative standards. He has observed that social responsibility is regarded as an important business issue of Indian public sector companies irrespective of turnover and goal. And CSR actions have positive impact on the development of rural community as well as on PSU’s business.

Methodology

Data Source and Method of Collection

The study has been conducted mainly through own developed ‘attitude scale’ in the form of questionnaire used as the tool for primary data collection whereas secondary data were collected from the records, circulars, leaflets, magazines and journal of Rourkela Steel Plant.

Sample Size and Sampling

A total of 60 respondents from the sample unit, i.e., Rourkela Steel Plant (RSP) of the Steel Authority of India Limited (SAIL) from different departments have been included in the study.

Tools and Techniques Used

The important statistical tools and techniques used in the study are ‘Item Analysis’ with calculation of t-value, Correlation and Reliability.

Construction of Attitude Scale

The study has been conducted through own developed and validated attitude scale. The scale was initially developed with 50 statements and administered, as a pilot study, on 20 respondents spread across employees of different categories from Technician to Senior Technician and Junior officers to General Managers.

Based on the responses and suggestions received from the pilot study that the total number of statements was reduced to 30(from 50) by dropping and/ or modifying some of the statements. These 30 statements form the final list of attitude scale that was administered again among 60 respondents.

Results and Discussion

Now, test the validity and reliability of the statements used in the attitude scale after receiving the response from respondent. Each of the 30 statements included in the attitude scale has been put to test through ‘Item Analysis’ along with t-test to know if the statement concerned is statistically significant with regard to its quality and validity in explaining the attitude of the respondents towards Corporate social responsibility programme. Based on the ‘Item Analysis’, the procedure of which is explained below, that 2 items (i.e., statements) further got dropped from the list of 30, as not strong in explaining the attitude of the respondents. Finally the remaining 28 items left were put through reliability test by using the Spearman Brown Prophecy formula, the details of which can be discussed as below:

Item Analysis

The ‘Item Analysis’ mainly goes through three important stages:

- a. Scoring of the scale
- b. Calculation of ‘t’ values
- c. Final selection of statements

The following paragraphs explain details of the stages:

a. Scoring of the scale

The responses received from the respondents were assigned weights from 5 to 1 for all the positive statements and 1 to 5 for the negative statements. Then the summated score per respondent was calculated and arranged in an ascending order of total score. Then 27% of the respondents in the upper group (with higher score) and 27% of the respondents in the lower group (with lower score) were separated and picked up to find the t-value in respect of each of the 30 statements. Approximately 27 percent of the total group are used because those in the upper group are superior in the ability measured by the test to those in the lower group as per Kelly (1939).

b. Calculation of t-values

t-Values were calculated for all the 30 statements using the under mentioned formula as given by Edwards:

$$t = \frac{XH - XL}{\sqrt{(XH - XL)^2 + (XH - XL)}} n(n - 1)$$

where,

t= the extent to which a given statement differentiates between the high and low groups

XH= the mean score on a given statement for the high group

XL= the mean score on the same statement for the low group

XH-XL= the variance of the distribution of responses of the high group

XL-XL= the variance of the distribution of responses of the low group

n (n-1) = number of subjects in low or high group

Table-1 shows the list of 30 statements with their corresponding t-values.

Table-1: Statements of Item Analysis of Employees towards Corporate Social Responsibility Programme

Sl. No	Attitude Statement	t-value
01.	Providing services that are safe and contribute to sustainability throughout the life cycle of employees	2.723
02.	Ensuring the professional development of employees	2.638
03.	Taking measures to provide education to adults and empowering women	2.727
04.	Ensuring environmental sustainability, ecological balance, and conservation of natural resources along with the maintenance of soil, air and water quality	3.301
05.	Never promoting preventive health care and sanitation, and making availability of safe drinking water	2.815
06.	Taking various initiatives to promote sports	3.155
07.	Providing value to their customers and consumers in a responsible manner	2.524
08.	Encouraging the use of renewable energy towards achieving a greener environment	2.403
09.	Not providing high quality urban infrastructure services	2.710
10.	Providing skill development programmes to enable youth as well as women to get jobs as well as gain skills to be self-employed	3.989
11.	Anticipating the emerging needs of the employees of today in every sector	4.077
12.	Extending the much needed preventive, curative and primitive healthcare facilities in its areas of operations	2.585
13.	Providing powerful instrument for organizational development	2.747
14.	Acting as a motivational tool for employee development	3.287
15.	Improving the worker's thinking and action in a positive direction	2.403
16.	Satisfying the overall efficacy of organization development	3.585
17.	Providing continuous commitment towards the economic and social development of communities	3.172
18.	Taking various initiatives relating to health for promoting the healthy society	2.448
19.	Ensuring the quality of the environment on a long-term basis	2.659

20.	Providing information to employees about economic, environmental, social and ethical performance	2.336
21.	Providing formal policy in place regarding business conduct and compliance	0.808
22.	Organizing training sessions to enhance the understanding of CSR/Sustainability	3.523
23.	Providing formal environmental policy which includes a commitment to legal compliance, and continuous measurement and improvements in environmental performance	1.302
24.	Not taking more responsibility to their shareholders than to the broader society	3.483
25.	Not taking various initiatives for Fellowship programmes	3.707
26.	Conducting various training programs to educate tribal people for their upliftment	2.698
27.	Not promoting wellbeing of all employees	2.244
28.	Participating in economic development by improving the quality of life of employees as well as society	2.492
29.	Providing help to boost morale of the employees to create a positive corporate culture	2.808
30.	Giving a feeling of satisfaction and meaning lives of the employees	4.156

c. Final selection of the statements

Then calculated the t- values of each of the items (statements) and arranged according to their t- values. Items with t-value less than 1.75 were rejected because of inconsistent in defining the attitude of the respondents. Consequently, t - values equal to or greater than 1.75 were left in the list of items to form the final scale along with their degree as positive or negative has been reflected in Table-2.

Table-2: List of 28 Statements Selected for Inclusion in the Final Scale

Sl. No	Attitude Statement	Degree of Statement
01.	Providing services that are safe and contribute to sustainability throughout the life cycle of employees	+
02.	Ensuring the professional development of employees	+
03.	Taking measures to provide education to adults and empowering women	+
04.	Ensuring environmental sustainability, ecological balance, and conservation of natural resources along with the maintenance of soil, air and water quality	+
05.	Never promoting preventive health care and sanitation, and making availability of safe drinking water	-

06.	Taking various initiatives to promote sports	+
07.	Providing value to their customers and consumers in a responsible manner	+
08.	Encouraging the use of renewable energy towards achieving a greener environment	+
09.	Not providing high quality urban infrastructure services	-
10.	Providing skill development programmes to enable youth as well as women to get jobs as well as gain skills to be self-employed	+
11.	Anticipating the emerging needs of the employees of today in every sector	+
12.	Extending the much needed preventive, curative and primitive healthcare facilities in its areas of operations	+
13.	Providing powerful instrument for organizational development	+
14.	Acting as a motivational tool for employee development	+
15.	Improving the worker's thinking and action in a positive direction	+
16.	Satisfying the overall efficacy of organization development	+
17.	Providing continuous commitment towards the economic and social development of communities	+
18.	Taking various initiatives relating to health for promoting the healthy society	+
19.	Ensuring the quality of the environment on a long-term basis	+
20.	Providing information to employees about economic, environmental, social and ethical performance	+

21.	Organizing training sessions to enhance the understanding of CSR/Sustainability	+
22.	Not taking more responsibility to their shareholders than to the broader society	-
23.	Not taking various initiatives for Fellowship programmes	-
24.	Conducting various training programs to educate tribal people for their upliftment	+
25.	Not promoting wellbeing of all employees	-
26.	Participating in economic development by improving the quality of life of employees as well as society	+
27.	Providing help to boost morale of the employees to create a positive corporate culture	+
28.	Giving a feeling of satisfaction and meaning lives of the employees	+

Test of Reliability

After calculating their t-values further 28 items were put to reliability test to judge the constructed scale. Further, any constructed scale with correlation coefficient ≥ 0.85 is considered as most sound. In this study, the 'split-half' method has been used for testing the reliability which was split into two halves on the basis of odd number(1,3,5,...) and even number(such as 2,4,6,...) of statement. The scores of even and odd items were recorded separately in order to calculate the correlation coefficient(r). Finally, the Spearman Brown Prophecy formula was used to estimate the reliability (r) of the scale, where $r = 2r/1+r$.

The reliability (r) of the present attitude scale has been found to be 0.8571 or **0.85** which is equal to 0.85. Now, the constructed scale may be considered as highly reliable. Table-3 contains details of the calculation of reliability(r).

Table-3: Statement Showing Calculation of Reliability (r)

Odd(x)	X	Square X	Even(y)	Y	Square Y	XY	Result
108	-1.15	1.32	110	5.15	26.52	-5.92	Correlation(r) $=627.53/\sqrt{661.382*1033.384}$ $=627.53/826.71$ $=0.75$ and reliability (r) $=2r/1+r=$ $2*0.75/(1+0.75)$ $=0.8571=+0.85$
121	11.85	140.42	116	11.15	124.32	132.12	
106	-3.15	9.92	107	2.15	4.62	-6.77	
107	-2.15	4.62	98	-6.85	46.92	14.72	
121	11.85	140.42	121	16.15	260.82	191.37	
109	-0.15	0.022	103	-1.85	3.42	0.27	
102	-7.15	51.12	106	1.15	1.322	-8.22	
121	11.85	140.42	114	9.15	83.72	108.42	
104	-5.15	26.52	100	-4.85	23.52	24.97	
108	-1.15	1.32	99	-5.85	34.22	6.72	
121	11.85	140.42	117	12.15	147.62	143.97	
110	0.85	0.72	104	-0.85	0.722	-0.72	
110	0.85	0.72	101	-3.85	14.82	-3.27	
111	1.85	3.42	121	16.15	260.82	29.87	
1559/14=111.35		661.382	1517/14=108.35		1033.384	627.53	

The scale consisting of 28 items were distributed among the respondents and collected back upon filled up by the respondents. An attitude scale with 28 items describing the attitude of employees towards corporate social responsibility programme.

Suggestion and Conclusion

CSR is a commitment to improve community well-being through business activities which are moral or ethical in nature. So, every organization should respect human rights, value its employees, invest in new innovative technologies and provide appropriate solutions for sustainable energy flow and economic growth. At RSP, the CSR initiatives tends to cover various sectors such as sports, health care services, education and environmental aspects. RSP not only emphasize on their area of operation but also links these operations to various employment opportunities such as training, coaching facilities and various community centers that constantly walks for the development of the people. Along with this, also covers various women empowerment program to make aware of their rights and responsibilities towards the community and society as a whole. Thus, it can be concluded that RSP is successful in fulfilling its vision about returning back to the society in which it operates. With the corporate agenda of safety, health and environment protection, RSP committed to conducting business with sustainable development in mind. It is the organization that resolves the problem of people to move beyond business and touches every heart and ignites a billion dreams.

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