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## **HOW CSR PROGRAMS AFFECT EMPLOYEES' HAPPINESS. A LITERATURE SURVEY**

**Alina-Alexandra Gorovei<sup>1</sup>**

*<sup>1)</sup> Alexandru Ioan Cuza University, Iași, Romania*

E-mail: [alina.gorovei@outlook.com](mailto:alina.gorovei@outlook.com)

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### **Abstract**

The scientific literature emphasizes the vital role of the employees' happiness in the working environment, and a corporate job creates new challenges for management in terms of the employees' happiness and satisfaction. Motivating and monitoring employees' satisfaction has become an increasingly discussed topic among the human resource department, as well as at the company management level. Not dealing with these factors could lead to a decrease in the employee's happiness and productivity level. Methodologically, a qualitative research was undertaken, resorting to descriptive and exploratory literature review. In this paper I have analyzed the concepts of happiness and job satisfaction in the working environment in connection with the organizations' CSR initiative. The role of CSR on employees is becoming more present in the business world, one of the reasons being that successful companies should attract and retain the best work force. When employees feel that their organization is socially responsible, they experience a greater sense of identity with the business they work for. In fact, social responsibility can be more important than financial success in determining how much employees identify with their workplace. Companies who maintain a level of CSR keep a more loyal fan base, save money, and the bottom line is that every business may turn to this to see an increase in profits. While many CSR studies focus on its benefits for the environment, another major responsibility is to create a positive office culture for the internal office environment.

### **Keywords**

CSR, happiness, employee, job satisfaction.

### **JEL Classification**

I31, M14, M10

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### **Introduction**

Our path in life starts as follows: we are little and we want to “grow up”, become independent and achieve things that we can be proud of. Inevitably we do grow up, possibly sooner than

we expected, and perfect ourselves daily in order to excel in the field of work. We set off with the idea of happiness which will be lost somewhere along the way and the image of a happy self is mistaken for a well-paid job (Tenney and Gard, 2017).

What does CSR have to do with happy employees? Why do we analyze the happiness felt at the work place? Why do we care about this and why do we continue to study it? And the answer is obvious: because a happy employee can generate performance. Happiness in the workplace involves not only a positive feeling, a state of well-being, but also a determining factor in the success of a project. Academic literature has had a long history in researching for employee job satisfaction: according to Locke (Locke, 1983), job satisfaction is a pleasant or positive emotional state that results from the evaluation of work experiences or jobs. Spector (Locke, 1983) adds that employee satisfaction is now a common concern among companies. Because this emotional state is a key factor in an employee's life, job satisfaction is a stimulating topic for study.

Since we have talked about happiness, it is now necessary to give a definition of happiness in relation to the workplace, but from a psychological point of view: psychologists define the concept of happiness at work as a combination of employee values and company values (Locke, 1983). Some jobs are unpleasant, and others are just great, but most are somewhere in the middle, in that line that separates good from evil. We are looking for happiness at work, and if at the end of a working day we do not leave the office with a smile on our face and we end up leaving sadder than we were when we came, it is normal that after a while we will turn out to be looking for our happiness in another workspace.

It is understandable that we cannot talk about a company without actually talking about the most precious resource: the people who populate it. Employees are the source that actually make the magic happen in any company in terms of achieving results and performance. Obviously, there is a direct relationship between employees satisfaction and company performance. In recent years, corporate social responsibility has become an increasingly central issue in the private sector, the authorities and society. The public appreciates well-done campaigns, they notice those that seem false, just as they notice brands that do not pursue social responsibility campaigns.

### **The relationship between employees' job satisfaction and CSR events**

To find out exactly what makes employees happy at work and how CSR can solve the problems that arise, it is a good idea to focus on the employees' fears and on what motivates them to pursue a career at the expense of others.

The first fear under analysis is job insecurity. Research has shown that the trend of restructuring and reducing activity within companies has led to an increase in the perceived job insecurity. Warrall and Cooper showed in their study that 60% of the national sample of 5,000 British managers have found themselves in restructuring situations in the last 12 months, a restructuring that has had the effect of reducing activity and outsourcing. The consequences of these changes, even at the managerial level, a level which could control events, were the increase of job insecurity, a low morale and the erosion of motivation and loyalty (Worrall and Cooper, 1998). While objective data may suggest that job insecurity should not be a concern for employees, research indicates that this perception has high correlations with the employees' health and well-being, and it has a negative impact on the employment status and well-being of employees (Ferrie et. al., 1998).

The next factor under analysis is the working hours. The increase in the number of hours worked is due, in some countries, to organizational restructuring and a reduction in staff numbers. The reduction in the number of staff has the effect of taking over the activity previously performed by those made redundant by the ones who remained in the organization, which leads to overloading with tasks and the necessity of overtime in order to deal with them (Worrall and Cooper, 1999). Most research in the field indicates that overtime at work is

followed by health problems, such as heart issues, the most common example being myocardial infarction (Sokejima and Kagamimori, 1998). For employees' happiness in relation to working hours, companies should encourage the reduction of overtime and the elimination of the idea that they are an element of organizational commitment.

The degree of control has occupied a central position in the theories of work design and organizational behavior. In the workplace, this concept refers to the degree to which an individual is free to decide how to fulfill the objectives of his/her work. The employees who perceive that they have the opportunity to perform a certain activity as they wish, unlike those who are guided step by step, are intrinsically motivated, and more so, show greater responsibility in performing their tasks and take responsibility for the consequences of their work. High levels of perceived control are associated with increased job satisfaction, organizational commitment, involvement in work, increased professional performance and motivation, while low levels of perceived control are associated with physical symptoms, emotional distress and absenteeism (Spector, 1986).

A last fear that an employee might have has a close connection with his/her satisfaction at work and it is in relation to the managerial style. Increasing pressure on management can have an impact on the well-being of employees. The pressure felt by managers is, intentionally or unintentionally, transmitted to subordinates, managers thus becoming sources of stress for their employees. Managerial support, such as effective communication and feedback, seem to be extremely important factors for the well-being of employees. Reduced or non-existent managerial support is related to increased stress levels (Kirmeyer and Dougherty, 2006).

### **Happiness is the key**

Are we happy at work? This question puzzles some people because they don't really know what to answer and they haven't asked themselves this question yet. The bills are paid, the job is done, do we still have to take anything else into consideration? The literature tells us that low job satisfaction affects the employees' decision to stay in the same company or why not, to leave the job. The decision of employees to leave the job is an individual decision that is usually made in a short time, but if they decide to stay in the company, they might remain loyal to the company for a long time (Tett and Meyer, 1993). For this reason, companies must pay special attention to the employees and increase the job satisfaction. In order to achieve this, in addition to a competitive salary, companies use specialized services to maintain the mood of employees, take care of them, their health, their motivation and their way of looking at the job. The role of CSR campaigns on employees is increasingly present in the business world, one of the many reasons being that for a company to become successful it should attract and retain the best employees (Gazzola, 2014).

In 1985, Tajfel and Turner presented a framework in which they explained the need for individuals to classify themselves and others into social groups. They reveal that the relationship between CSR and employee satisfaction could be explained by the social identity theory. According to this theory, individuals derive a part of their identity from the group or groups they belong to (Tajfel and Turner, 1985). This means that in order to encourage employees to act in a CSR campaign, it is necessary to find those topics of interest for as many people as possible, but also activities or passions that unite people in communities, such as sports, theater or music.

Companies deal with the employees' fears and anxieties through CSR campaigns, meaning that there are CSR campaigns for each society branch. These companies have a larger budget than an individual and also a wider audience, and use this opportunity to draw attention to the causes they believe in and help them. Obviously, this can increase the public's sympathy for that business, and therefore, corporate social responsibility is considered a win-win situation. We notice that if the employees are satisfied and like the company in which they work, they will recommend the respective employer to friends and family (Bhattacharya et. al., 2008).

After reading the specialized literature, we notice the advantages of CSR programs for both employees and employers. For employers, we observed benefits such as reinforced employee engagement with the sponsoring organization, increased morale and productivity, innovation supported by professional and personal development, positive business images, and better relationships with the host communities. For employees, studies have shown that employee volunteer programs could provide a sense of belonging, a stronger attachment to the organizational culture, better self-esteem, and more networking opportunities for meeting new people and making friends.

Other research has shown that the employees who are satisfied with the company and its social responsibility actions demonstrate that they show commitment, involvement and productivity. In fact, when employees are satisfied with the company's CSR actions, productivity increases. We must mention that the social responsibility projects and employee volunteering are some of the most important activities of CSR at the moment. Being part of the CSR's internal activities brings employees respect for the workplace. Therefore, now the company's beliefs are also the employee's beliefs, which leads to a greater trust in the company, and it works more efficiently to achieve the company's objectives. Employee loyalty towards the company leads to the idea of a comfortable work environment, thus increasing the job satisfaction. It is proven that CSR programs have a positive impact on the workforce, and employees working in philanthropic activities feel happier and spread a positive image of the company in society (Suher et. al., 2017).

If a company wants to successfully motivate its employees to achieve its goals, it must make them loyal to it. In other words, loyal employees work more efficiently, which automatically leads to better products and services. As a result, according to studies, CSR practices, especially those implemented outside the company, positively influence employees (Brammer et. al., 2007). It should be noted that CSR not only contributes to the corporate image and reputation of the company but also provides a momentum and helps the company to be evaluated as more attractive, giving potential employees the impression that it is a safe and reliable job. From the point of view of employees, they develop self-esteem and identify themselves with the organization, and as a result, adopt pro-social behavior to increase the social performance of the company (Choi et. al., 2018).

### **Conclusions**

These charitable activities within the company positively affect both the internal and external public offering advantages such as increasing the company's image, financial performance, low costs and employee loyalty. Most importantly, CSR practices create stronger loyalty. This situation makes employees to work harder, which results in higher productivity, but also in a certain state of happiness. CSR contributes positively both to the corporate image and to the communication between the government and the social organizations. Therefore, it is essential for companies to understand this concept well and to focus on the issues related to corporate principles and objectives. Following the analysis of the literature, employees who participate in corporate volunteer programs benefit from strengthening self-esteem, meeting new groups and making friends or feeling happy thanks to these small positive changes in their lives. It should be noted that almost 90% of companies in the United States actively encourage employee volunteering each year (Tuffrey, 1997).

We noticed that CSR actions have an impact both outside and inside the company. Outside, they have an impact on the community and, implicitly, helps to have a better image of it. However, it also contributes to a better perception among customers. On the other hand, internally, it determines a greater involvement of employees by living the company's values and thus contributing to the development of the organizational culture. By creating a good work environment and developing internal marketing strategies, companies can boost productivity and satisfaction among their employees (Stancu , 2011). In conclusion, if CSR

projects are not yet part of a company's strategy, it must make every effort to address it. Otherwise, they will lose the trust of those who are the essential element of their business, because the expectations of employees, customers and the whole community has changed significantly in recent years.

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