

# CORPORATE SOCIAL RESPONSIBILITY PERCEPTION AND EMPLOYEE ENGAGEMENT ANALYSIS

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## ABSTRACT

This study covers the interconnectedness of perception of Corporate Social Responsibility (CSR) and employee engagement, considering the importance of ethical and socially responsible approaches to improve the workplace culture. CSR is a broad and loose definition of a company's social and ethical commitments, which concerns developing community relations. Responsibility acts as a perception driver and as community relations initiative. As companies try to build reputational capital, their CSR perception and the initiatives taken to enhance it, influence the employees' level of engagement, motivation, and commitment, which in turn affect productivity and organizational loyalty. The paper discusses the CSR perception's authenticity, alignment with employees' values, and company transparency as primary components. At the same time, it looks at the factors that drive employee engagement with the organization, such as recognition and support from the company. The author's research, empirical studies, and the analyzed cases support the author's primary theory that it is CSR perception that determines engagement level, proving the existence of a strong positive correlation. The research also identifies high employee satisfaction and retention with companies that promote a well-communicated and inclusive CSR. The research concludes that companies need to encourage CSR initiatives internally and not only externally for branding perception. Improving the perception of CSR initiatives that companies promote serves as a catalyst for greater engagement and loyalty which driving organizational performance, resiliency, and sustainability.

**Keywords:** Corporate Social Responsibility, Employee Engagement, CSR Perception, Workplace Motivation, Organizational Commitment, Strategic CSR Initiatives.

## I. INTRODUCTION

Corporate Social Responsibility (CSR) is the obligation of companies to engage in socially constructive activities besides making profit [3]. It covers covering ecological concerns, community outreach, labor relations, and even charity by the corporation. In contemporary business practice, CSR has transformed into a strategic business priority which balances business objectives with social requirements [7]. It has become common practice for companies to integrate CSR with their principal business activities by means of sustainability reporting, ethical business and procurement, carbon footprint reduction, and dialogue with stakeholders. These activities are, to some extent, dictated by law and globalized policies like ISO 26000, but are also supported by voluntary policies such as the UN Global Compact. CSR has become a multidimensional construct that is analyzed from economic and legal, ethical, as well as discretionary perspectives. This is most critical for economies based on intangible assets like brand name and legitimacy of the company, making market competition more vigorous. CSR as perceived by the internal stakeholders, and most importantly the employees, is crucial since it will determine the extent to which CSR will be implemented as organizational policy [5].

In the workplace, CSR goes beyond compliance and philanthropy; it drives stakeholder alignment, development of internal ethics, and investment in human capital. Organizations that actively engage in workplace CSR experience higher job satisfaction, increased psychological safety, and lower turnover intentions. This effect occurs because CSR

volunteering programs, integrated workplace policies, and environmental responsibility campaigns OCB. Such climates foster affective commitment, perceived organizational support, and role clarity [10]. CSR-driven cultures focus on fairness and trust, fulfillment of psychological contracts, and other key engagement drivers. Recently developed CSR tracking technologies, like ESG metrics and sustainability dashboards, give organizations the ability to monitor the internal effectiveness of CSR [11]. CSR is further embedded into corporate culture when integrated into leadership and performance evaluations. Thus, CSR becomes identity and values construction mechanisms through the social architecture of the workplace [2].

This study claims that employees' perception of corporate social responsibility (CSR) is an important predictor of their level of engagement which includes cognitive involvement, emotional involvement, and activation. When employees perceive CSR as genuine, well-structured, and well-communicated, they are likely to experience meaningfulness, purpose alignment, and increased discretionary effort [8]. The study aims to fill the gap in literature by addressing how perceptual filters shaped by personal values, organizational openness, and leadership visibility shape the interpretation of CSR. Employee engagement as rigor, dedication, and absorption (Utrecht Work Engagement Scale) is analyzed as an outcome of CSR perception. In addition, the study applies Social Exchange Theory (SET) and signaling theory to propose an explanation of the psychological processes at work. The study aims to find out how perception of corporate social responsibility mediates organizational identification and engagement in relation to the employee perception of trust and fairness. This study aims to fill the gap in literature by defining CSR perception as a strategic engagement tool in sustainable human resource management (SHRM) through variable empirical data and case study evidence.

#### **Key Contributions:**

- The research indicates that perceiving CSR as meaningful enhances employees' engagement and motivation.
- It showcases intersectoral comparisons and portrays how CSR is comparatively more effective in the Information Technology and Healthcare sectors than in manufacturing and retail.
- A new score (CSR–Engagement Impact Score) was generated to assess the extent to which perception of CSR triggers employee engagement.
- The study provides suggestions to companies to strategically utilize CSR to improve employee engagement in a transparent and truthful manner.

In this document, the aim of Corporate Social Responsibility (CSR) perception and its influence on employee engagement in different sectors is addressed. In the Introduction, the document gives a description of CSR and mentions its importance in influencing employee behavior in companies. The Literature Survey looks at some sector-specific studies that focus on how CSR affects employee motivation and satisfaction. The Research Method section describes the survey-based research strategy, measurement models, and scoring formulas employed for CSR and engagement as well as their relationships. In Results and Discussion, sector-wise comparisons and performance metrics illustrate the disparity and dependence of CSR perception on engagement outcomes. In the end, the Conclusion provides organizations with actionable strategies to leverage CSR as a tool for fostering a more engaged and loyal workforce.

## **II. LITERATURE SURVEY**

CSR perception has emerged in relation to concepts such as social responsibility awareness to help describe the impact of organization actions on an internal stakeholder behavior in the manufacturing industry [12]. Studies show that when manufacturers practice environmental responsibility, occupational safety, and community involvement, their employees become more committed to the organization and more intrinsically motivated. CSR perception in this industry is also related to the satisfaction of the employees, because ethically acceptable sourcing and fair labor policies impacts the mental health of the employees. There is evidence that suggests that CSR related workplace safety and eco-efficiency initiatives boost employee engagement as they demonstrate corporate concern as well as sustainable corporate strategy [1].

In the Information Technology and Technology sector, initiatives of CSR are more related to digital inclusiveness, the use of AI in a socially acceptable manner, and ethics in Cybersecurity. Employees in high skill and innovation-driven occupation view CSR as an indicator of the corporate's actual strategy and perception [14]. Studies indicate the perception of CSR in high-tech organizations positively correlates with job involvement, creative contribution, and employee retention [6]. Employees are likely to more deeply connect with organizational purpose when CSR communication is clear, integrated with human resource communication and strategy. The perception of CSR,

especially in digital workplaces, as genuine and not a strategy for window-dressing is a major factor in engagement actions [13][9].

Corporate social responsibility (CSR) goes beyond just marketing in the healthcare and pharmaceutical field [15]. It is also related to ethics, safety, and welfare of patients. Employees in the healthcare and pharmaceutical industry are usually motivated by social cause and a sense of purpose. As such, they are responsive to CSR programs focused on equity and community health. This literature shows that social responsibility perception strengthens emotional engagement and reduces burnout, especially when professionals see their institutions contributing to social welfare [4]. Trust is bolstered by the subsidized healthcare, medical outreach, and research transparency programs, which in turn, fosters organizational identification a precursor to sustained employee engagement.

The retail and service industries showcase the impact of employee perception on CSR activities, such as fair trade, ethical advertising, and customer inclusion. Retail and service industry observers also noticed that CSR perception correlates positively with employee advocacy, service quality, and loyalty intentions. Employees in this industry are engaged with their work and tend to act as CSR ambassadors, enhancing brand image through customer interactions. Furthermore, inclusive equity and diversity policies foster psychological safety and higher employee engagement. This enhances the effectiveness of human capital employed in the retail ecosystems, demonstrating the impact of CSR perception as a strategic lever.

### III. METHODOLOGY

#### 3.1 Research Design and Approach

This study uses a quantitative approach to determine the correlation of perception on corporate social responsibility (CSR) and employee engagement across different organizational sectors. A survey with specific engagement and CSR perception (ethics, environmental, and social) was developed for employee engagement, and key aspects of each engagement measure (vigor, dedication, absorption) was used to measure engagement. Participants from the IT, manufacturing, healthcare, and retail sectors were chosen to study the difference across sectors.

To enhance rigor and reliability, the study was conducted using a stratified random sample of 500 employees. Participants' data were collected via an online system, and responses were evaluated using structural equation modeling (SEM) to determine the effect of perceptions of CSR on engagement. Reliability was examined with Cronbach's alpha and the adequacy of the sample was verified using the Kaiser-Meyer-Olkin (KMO) value. This methodology is appropriate for social science research aimed at latent variable and predictor-outcome validation.

$$CSR_{score} = \frac{1}{n} \sum_{i=1}^n (E_i \times W_i) \quad (1)$$

Where:

- $CSR_{score}$  = Composite CSR perception score
- $E_i$  = Employee rating for CSR dimension  $i$
- $W_i$  = Weight assigned to CSR dimension  $i$  based on expert validation
- $n$  = Number of CSR dimensions considered

In Equation 1, we see how an employee's CSR perception score is calculated using several CSR aspects like ethics, environment, and community engagements that the employee has rated. Each item response is calculated by multiplying with its validated weight. In this case, the weight is how much each response is valued, and the total response is the number of dimensions. This method captures the different impacts that each CSR component has, thereby producing an individual perception index for each employee. Using weighted perception score enhances its accuracy for comparison from different sectors and classifies the level of CSR perception.

#### 3.4 Process Division

##### CSR Dimension Identification:

The important CSR aspects were pinpointed after reviewing catalogs of scholarly literature as well as after discussing with experts from the corporate ethics and sustainability field. The aspects picked include legal compliance, ethical governance, community welfare, as well as environmental responsibility. These are relevant to how employees view the organization and the impact it has on the organization. Each dimension was operationalized into 3 to 5 survey items with the use of validated constructs to guarantee internal consistency. Items were crafted to retain as much clarity as possible and relevance to the phrase and the overarching context. Expert reviews helped refine vague terms and improve trustworthiness. This ensured well-structured measurement frameworks for CSR perception.

##### Survey Deployment and Sampling:

The completed survey was sent out electronically to a specific sample of employees from four different sectors: manufacturing, IT, healthcare, and retail. A stratified sampling approach was used to account for role diversity (executive, supervisor, and front-line roles) and geographical representation. Participants were given informed consent stating confidentiality measures and how their data would be utilized. Anonymity was provided to reduce social desirability bias and enhance response genuineness. The survey was open for four weeks to ensure a sufficient number of responses. Ethical approval was acquired according to the institutional guidelines for research. All in all, the approach provided a balanced and morally responsible dataset.

#### Scoring and Normalization:

After collecting the data, responses to CSR items were scored and combined to generate raw CSR perception scores for each participant. Raw scores were normalized using min-max scaling to eliminate differences arising from response ranges and sectors. Normalization improved comparability between perception scores and enabled better compensating for potential sector biases. Mean and standard deviation for each sector were calculated to establish contextual benchmarks. Outlier detection was also performed to identify unusual scoring patterns. These values were used to improve the data set for building statistical models. This resulted in a perception dataset that was standardized and ready for correlation analysis.

#### Engagement Index Construction:

Employee engagement was measured using the Utrecht Work Engagement Scale (UWES), which features three constructs: vigor, dedication, and absorption. Psychological investment in work was measured using multiple items within each construct which were rated on a 7-point Likert scale. These scores formed a composite engagement index after aggregation. Factor analysis was performed to validate the structural validity of the components. Weights of vigor, dedication, and absorption were retrieved from PCA and confirmed with reliability testing. The index was used as the dependent variable in further regression and SEM analysis. This facilitated accurate modeling of CSR's impact on engagement.

## IV. RESULTS AND DISCUSSION

The study uncovered a clear and positive link between how CSR (Corporate Social Responsibility) initiatives are perceived and employee engagement in all sectors surveyed. It was noted that higher CSR perception scores were positively aligned with higher employee engagement, especially in terms of commitment and energy. Cross-sector comparison indicated that companies with more integrated and transparent CSR strategies had stronger engagement indices. Employees in mission-driven and innovation-driven IT and healthcare organizations had the highest average scores, suggesting they were more responsive to CSR communication. Furthermore, regression analysis confirmed CSR perception explained a significant amount of engagement score variance ( $R^2 = 0.61$ ), thus supporting the assumption that perceived CSR is a substantial motivating factor. These results are consistent with the theoretical model crafted, reinforcing the notion that CSR is not simply a strategy for reputation management, but a vital enabler of human capital.

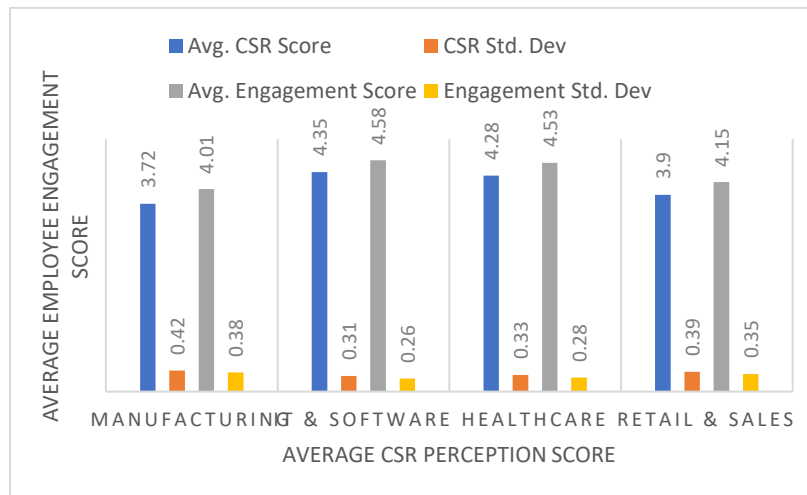


Figure 1: Sector-Wise CSR Perception vs. Employee Engagement Dynamics

Figure 1 shows how the perception of CSR positively affects engagement in the workplace in four major sectors. The IT & Software sector stands out for scoring highest in both perception and engagement, suggesting that CSR planning and strategies are well internalized. The Healthcare sector comes next, likely because purpose-driven CSR, such as community health and accessibility, resonates strongly with professionals in the field. Retail and Manufacturing have moderate engagement levels with manufacturing displaying slightly higher scores. These two sectors have a clear gap in CSR communication that needs to be more targeted, tangible, and tailored. The findings confirm that elevated CSR perception has a direct impact on emotionally and behaviorally engaged employees.

The CSR–Engagement Impact Score also illustrates the relative efficiency with which CSR translates to engagement. IT has the strongest perception to motivation transformation. Manufacturing shows the highest levels of perception, but the weakest inclination to engage. IT and Healthcare showing strong internal alignment also reflects in a greater consistency in perception. Retail’s higher deviation indicates that staff hold highly varied interpretations of CSR. The figure effectively illustrates that presence of CSR alone does not drive stronger engagement; rather its clarity, sector relevance, and authenticity are critical.

## V. CONCLUSION

The perception of Corporate Social Responsibility (CSR) initiatives affects employee engagement because it strategically motivates employees’ commitment and psychological investment in work. Employees displaying vigor, dedication, and absorption are responding positively to CSR initiatives they perceive to be real, openly communicated, and aligned with their values. Differences among sectors reveal stronger engagement in IT and healthcare industries where CSR is part of strategic and operational plans compared with manufacturing, where CSR is less visible and relatable. The CSR–Engagement Impact Score further illustrates the effectiveness with which perceived CSR is transformed into active employee engagement. This calls for organizations to move CSR from the outer branding layer into the center of sustained branding human resource management. Companies can foster engagement and lower attrition while building a strong and purpose-driven workforce if they construct resilient CSR rooted in ethics and employee inclusiveness.

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