A Study on Corporate Social Responsibility in Pulaski County

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During the 2019-2020 academic year, a group of students from the Clinton School of Public Service partnered with the Heart of Arkansas United Way for their Practicum Project. The project’s goal was to explore Corporate Social Responsibility (CSR) environment in Pulaski County in regards to internal practices.

**RESEARCH QUESTIONS**

**What are the local employees’ attitudes and perceptions of Corporate Social Responsibility?**
- How do local employees define CSR?
- What forms of CSR are most important to employees?
- Do CSR activities influence employees’ job satisfaction?

**What are views of local corporate managers on Corporate Social Responsibility?**
- How do decision makers define CSR?
- What are the common obstacles to implementing CSR?
- What are the perceived benefits of CSR?

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**Employee Satisfaction**
Studies have shown a direct connection between job satisfaction and CSR activities employed in an organization. However, implementation of CSR can affect the degree to which the effect can be realized.[1]

**Authenticity is key**
One of the most important factors that contributes to the success of CSR as it relates to employees is authenticity. Employees must perceive CSR efforts as honest, effective, and in good faith.[1]

**Employees must be engaged**
Some of the most successful case studies have programs that engage employees at all stages in CSR-related decisions like planning, implementation, and maturation.[1]

More than 200 employees who work in companies in Pulaski County were surveyed.

Managers from 15 different local corporations and businesses in Pulaski County were interviewed.

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[1] See back page for references.
The employees were asked if they were familiar with the term Corporate Social Responsibility:

- Familiar and Involved in CSR: 41.0%
- Somewhat Familiar with CSR: 21.0%
- Unfamiliar with CSR: 38.0%

**HOW EMPLOYEES DEFINE CSR**

- **Community Involvement** (78%): “It is taking an active interest in the welfare of my community.”
- **Responsibility** (18%): “Bettering the lives of society through responsible corporate actions.”
- **Employees** (13%): “How corporations treat their employees that affects the employee welfare.”
- **Giving Back** (10%): “CSR means that we give back to the communities where we and our employees are located.”

**CSR ACTIVITIES**

Employees were asked to select activities their companies already participate in and activities they want to be more involved in:

<table>
<thead>
<tr>
<th>Currently involved in</th>
<th>Desired by employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philanthropy</td>
<td>62%</td>
</tr>
<tr>
<td>Environment</td>
<td>62%</td>
</tr>
<tr>
<td>Human Services</td>
<td>62%</td>
</tr>
<tr>
<td>Fair trade</td>
<td>36%</td>
</tr>
</tbody>
</table>

(1) Percentages don’t add up to 100% since respondents could choose more than one answer.

“It becomes a way of life and impacts our daily lives. From education, health care, environment, to how we treat people and respect their thoughts and values.”

**ACTIVITIES MOST ASSOCIATED WITH CSR**

- Advocacy
- Charity
- Environment
- Volunteering
CSR & Employee Satisfaction

How important do you feel any form of CSR is to satisfaction of your job?
- Very Important: 44%
- Somewhat Important: 40%
- Not at All: 16%

How important is CSR to your feelings towards your employers?
- Very Important: 26%
- Somewhat Important: 64%
- Not at All: 10%

How important is it that your company conducts business in a socially responsible way?
- Very Important: 75%
- Somewhat Important: 18%
- Not at All: 7%

Who organizes CSR activities?
- CEO: 44%
- Executive: 54%
- Employees: 48%

Willingness to Participate

Employees currently participate in the local community: 58%

Employees who feel that CSR is important to the community: 90%

Employees likely to engage in an employer-sponsored giving campaign: 68%

How much time are employees willing to spend on community service if sponsored by their employer?
- I would not like to volunteer: 9%
- Half a day: 7%
- 1-2 days: 34%
- More than 2 days: 50%

Employees were asked if they feel their employer is doing enough in terms of CSR:
- Yes: 70%
- No: 30%

(2) Percentages don’t add up to 100% since respondents could choose more than one answer.
MANAGERS
What do they think?

HOW MANAGERS DEFINE CSR

Community
“Trying to have our methods and ways of doing business be good for the community”

Stakeholders
“It is the company’s responsibilities and interactions with our stakeholders”

Responsibility
“It’s our responsibility to give back to the communities where we live.”

Employees
“We see it as accountability between our company, its employees, and community that we serve.”

Giving
“We believe strongly in giving back to the community and creating an environment which is healthy and sustainable for our future generation.”

Do managers think that CSR is important to the local community?

Very Important 78.0%
Somewhat Important 8.0%
Not Important at All 38.0%

MOTIVATIONS
Why CSR?

• Responsibility
• Internal benefits
  Work culture improvement
• External benefits
  Name recognition
  Being present in the community

“It is just the right thing to do”
“Every company wants to do well and you have to have happy, fulfilled people in order to do well”
“Our customer base sees us as a part of the community”
**CSR IMPLEMENTATION**

**Methods Employed**
- Financial Contributions
- Volunteering
- Engagement
  - Sponsorships
  - Board memberships
  - Events

**Topics of Interest**
- Education
- Healthcare
- Community Development
- Environment

**Areas for Growth**
- Diversity
- Increasing Participation

**COMMON OBSTACLES**

**Employees**
- Buy-in
- Communication
- Culture

**Time**
- Scheduling Conflicts
- Work-Life Balance
- Organizing

**Financial**
- External Funding
- Internal Funding
- Margins and Profits
**RECOMMENDATIONS**

**IMPROVE COMMUNICATION**
- **Organize Bottom UP**
  Allowing employees to have a key role in the types of CSR in which they participate. This is most successful for appealing to employees, increasing authenticity, and creating a stronger connection between job satisfaction and CSR.

- **Effective Communication**
  Our research also indicates that communication should include written documentation that makes it permanent and more official than word of mouth. Communicating in writing can more easily be shared outside the company with the community and other stakeholders.

- **Revisit Scheduling**
  Volunteer initiatives interfere with the employees’ work/life balance. In order to better understand the needs of their employees, managers must make a deliberate effort to receive feedback on CSR activities and take into consideration the workers’ schedules.

**DISTRIBUTION OF RESOURCES**
- **Fundraising**
  Sources like company pools, crowdsourcing for a cause, a bake sale, internal team sports, volunteering, allocating a percentage of corporate revenue divided amongst the employees and allowing them to decide what to fund can engage employees while increasing financial capabilities.

- **Local Autonomy**
  We recommend local autonomy from corporate headquarters for funding decisions. This brings with it employee loyalty, employee buy-in at all levels, and employee empowerment.

- **Think Globally and Act Locally**
  The local issue areas that we recommend based on our research are philanthropy, environment, human services, and fair trade. Our research confirms that employees want to engage in impactful activities and to see the results of their efforts.
Corporate Social Responsibility is an increasingly important issue in the modern private sector. Customers, employees, and society as a whole have increasing expectations for corporations to be a force for positive change in the broader society.

If corporate management can better understand the needs of employees, they can better meet them. Therefore, they will be able to realize all of the internal benefits which can encourage further investment into being a socially responsible organization.

For more information about this study, or to view the research paper and full references, Please visit: https://www.heartaruw.org/CSR