# Credibility of CSR Programs and Employees' Happiness. A Literature Survey

# **Alina-Alexandra GOROVEI**

Alexandru Ioan Cuza University of Iași 11 Carol I Blvd., 700506 Iași, Romania <u>alina.gorovei@outlook.com</u>

**Abstract.** Bringing to the fore the gap between expectations and the reality experienced at work in Romanian IT companies, the present paper discusses firm's ethical obligations towards employees. The paper starts from the idea that the illusion of happiness at job is projected through marketing communications and human resource recruitment campaigns that portrays the benefits of working in IT domain as a promise of individual's fulfillment. The paper argues that firm's emphasis on increased productivity leaves no space for the promised happiness at job, and individual's fulfillment is replaced by material gains. In this regard, the paper highlights the fact that the employees are an important resource for attaining productivity growth in the IT firms, therefore the rewards and benefits are offered to them accordingly: competitive wages, health insurances, life insurances, out-of-country outreach exchanges, team outings or parties where even the employees' families are invited to take part. Still, the paper observes that something is missing, and the employees notice that the promised happiness is like an ice castle. Sooner or later the ice melts, becoming obvious that expectations induced to attract people into the IT field exceeds the reality. Material gains cannot compensate the prolonged stress that leads to a chronic phenomenon with serious long-term implications. In this vein the paper highlights the dangers of the burnout syndrome, considered to be the disease of the century, especially in the IT environment. Employees go beyond their own limits, they feel professionally fulfilled, but no longer have the strength to enjoy those benefits that were supposed to bring happiness.

Keywords: CSR; IT; happiness; burnout; productivity.

## Introduction

More than two decades ago, the Triple-Bottom-Line approach (Elkington, 1994) acknowledged that organizations should measure their financial, social and environmental performance, paying a simultaneous attention to the "three Ps: profit, people and planet". Explaining that companies should pay an increased importance to their social and environmental impacts, as a way of fulfilling their economic goals (i.e. company's profits) on a sustainable manner, Elkington (1994) emphasized the importance of corporate social responsibility.

Although there are higher or smaller contributions that different companies bring to society through their CSR programs, an important component of the social impact of any organization relates directly to the people of its own workforce (Elkington, 1994). In this context, our paper assumes that all kind of aspects regarding company's employees might be analyzed in connection to CSR. Happiness at work and professional satisfaction might be analyzed in connection to the implemented CSR programs. Concurrently, happiness at work and professional satisfaction might be discussed in connection to company's promise – namely, the expectations induced by the communication associated to certain CSR programs.

The relationship between company's promise and employees' happiness is scrutinized in the present paper, which focuses on the IT companies activating in Romania. The paper takes into account that professional satisfaction is a general perception of the workplace that is influenced by a wide range of factors such as salary, promotion and working environment that cannot be improved without special attention focused on the individual. As Yee & Guo (2015) indicated, the employer has to establish a friendly working climate in order to build trust as the base of attaining a lasting performance. The paper accepts that CSR programs of such companies might have been developed to meet also non-altruistic goals, which are more or less related with financial gains, market position, employer brand image, and so on, but under

these circumstances, a question is raised concerning the credibility of CSR actions and their ethical value – do they really deliver their promise, or the idea of happiness at job is just an illusion?

#### Does corporate social responsibility increase profits?

More and more companies aspire to be "the most surprising brand" under the motto "if you don't exist everywhere, then you don't exist at all". The big left us with no turning point, without options and without jobs (Klein, 2006). Klein claims that the most visible brands are also the most controversial, so we start to ask ourselves whether corporations really respect something or someone, or they just want to increase their turnover.

CSR encompasses what society expects from an economic, legal, ethical and philanthropic organization at a certain time (Carroll, 1991). To date, social responsibility was associated with caring for people, communities and the environment. But this highlights the following question: "can corporations be socially responsible?". Milton Friedman responded to it a long time ago (1970) through an article that has led to numerous debates. Under the heading "Social responsibility of business is to increase profits" (Friedman, 1970), the author states that there is no corporate social responsibility. In his article, Friedman does not dispute the validity of such actions, but only claims that they are generated by selfish interests, so that they do not betray any social responsibility, but merely disguise their desire for profit under the cloak of a social respectability (Friedman, 1970). In fact, despite the so-called selfish interests of corporations, it is better that they carry out CSR activities, generating a win-win situation: the company diminishes certain problems or even solves them by involving the business sector, and organizations get that credibility they need for the success of their work.

Supporters of the instrumental vision see CSR programs as a strategic tool for fulfilling the economic objectives and the wellbeing of the organization. However, caring for profit does not preclude the stakeholder interests from being taken into account. An adequate level of investment in philanthropy and social activities is acceptable for the good of the organization. There is no doubt that there is a strong correlation between CSR and financial performance, a fact shown by numerous studies in the field (Frooman, 1997; Griffin & Mahon, 1997; Key & Popkin, 1998; Waddock & Graves, 1997; Zbuchea & Pinzaru, 2017).

We may ask ourselves what are the motivations for participating in CSR actions. Surprisingly, they are often the same as the motivations of PR practice. Thus, a study conducted in Singapore analyzing the reasons and benefits for which Asian companies make CSR, revealed that the most frequently cited benefits were improving customer loyalty (57%), improving organizational culture (53%) and attracting and retaining employees (35%) (Mui, Mak & Pang, 2012).

Corporations perceived as socially responsible can benefit from a wider and more satisfied clientele, compared to a company perceived as socially irresponsible, which can result in hostile action by consumers. Then, employees will be more attracted to those companies that are socially responsible, even becoming loyal and proud to work there. Voluntary involvement of companies in social actions can take place before governments are involved in ensuring that corporations have greater independence from government control. Finally, the author underlines that all positive contributions to social development are long-term investments both of community life and of its own business that will work in a more dynamic and stable environment (Caroll, 1991).

The behavior of a company is reflected in the employee's behavior. This is an idea also addressed in the literature on internal marketing, concept based on the idea that marketing principles can be used in the management of the company's human resources (William, 1990). To create satisfied customers, managers must first create satisfied employees because they represent the company in every interaction with customers and other stakeholders. Internal marketing aims to identify and meet the needs of employees as individuals and in their role as "part-time marketing"? (Varey, 1995). Satisfaction is one of the most important factors that influence the behavior of employees (Arnett, Laverie & McLane, 2002). The company's reputation perceived by an employee may be the image of the external audience (Highhouse, Broadfoot, Yugo & Devendorf, 2009).

### Is this happiness?

Psychologists define the concept of happiness in the workplace as a combination of the employee's values and the values of the company (Locke, 1984). Happy individuals have a positive balance and are more productive in the workplace, while the unfortunate ones have a negative balance and focus only on the negative side, both at work and in personal life (Diener, et al., 2010).

Although happiness, for the individual, is inherently subjective, research shows that it can be studied objectively. Objective happiness can be interpreted as the difference between experienced positive impairment and experienced negative impairment. Thus, maximizing happiness can be achieved either by maximizing positive experiences or by minimizing negative experiences (or both). Studying happiness and misery is necessary to better understand the choices and opportunities of increasing happiness (Graziotin, Fagerholm, & Wang, 2018).

Younger people, with high emotional stability, satisfied with their own life and who have evolved spiritually, have a well-bred psychological state. The study showed that the employee's age can be an explanatory factor for a well-raised psychological state. Also, emotional stability, as a personality dimension, predicts both the increased level of satisfaction with life (subjective state of well-being) and the psychological state of well-being, constituting an important explanatory factor of the psychological state of well-being (Miron, Sulea, & Sârbescu, 2011).

Can we talk about happiness in the workplace? Why do some people consider themselves happier at work than others? In The Oxford Handbook of Happiness, we find out about the HERO model (hope, efficiency, resilience and optimism) that synthesizes how the cognitive, affective, conative aspects of the psychological capital and the social mechanisms of happiness can be developed in order to increase performance at work (David, Boniwell, & Ayers, 2013).

The rapid progress of technology has resulted in significant changes in the work environment and people's lifestyles. One of the most obvious manifestations of this progress is computers and related technologies (Hollnagel & Cacciabue, 1999). The term of information technology was first used in 1958 in an article published in the Harvard Business Review magazine, article in which the authors Leavitt and Whisler affirm: "the new technology still does not have a well-established name; we will name IT information technology" (Leavitt & Whisler, 1958).

As technology develops, IT professionals such as programmers, cybersecurity specialists, IT infrastructure managers will be on high demand. At the moment, the jobs in the IT industry are the most desired, both in the world and in Romania. The Faculty of Computer Science and the Faculty of Automatic Control and Computer Engineering guide thousands of students each year on the path of technology. In addition to the universities, there are communities of computer scientists teaching even to non-technical persons the basics of programming. Because the demand in the domain is high, and the marketing and PR of IT companies are very powerful one, more and more people dream about having programmer's life. Programmer in computer science (from French: "programmateur") is the person who performs a programming activity, consisting of the phases of conception, design, composition (writing), testing, integration, removal of any mistakes, and up to maintenance of computer programs or websites (Roşu, 2018).

The continuous evolution of technology has made organizations face a permanent need for change, learning and innovation. Due to the fact that the employee's happiness has become an essential factor in productivity growth it has been transformed at the same time into a guarantee of the organization's success. In addition to the competitive wage, IT companies resort to specialized services to maintain the good state of mind of employees and help them to understand each other even better. They invest in the health and wellbeing of employees, support long-term development and encourage the balance between work and personal life. In teamwork, perceptions are heavily affected by the mutual behavior of team members. Every day, a programmer interacts with someone else's ideas and behavior. Thus, personal satisfaction depends on the team's dynamics and becomes a key indicator of the success of a software project and the achievement of the company's quality objectives (Locke, 1984). For this reason, understanding the motives of the programmers' productivity in the workplace has become an important problem for the management. At that moment, employers realized that professional satisfaction is strictly connected with team's performance and satisfaction (Pedrycza, Russob, & Succi, 2011).

A considerable increase in the interest of studying happiness among software developers is visible in recent years, although research is in its early stage, many theoretical and methodological aspects remain in the research area of software engineering, as it illustrated by Graziotin (Graziotin, Wang, & Abrahamsson, 2015) and Novielli (Novielli & Calefato, 2015). Many studies are attempting to elucidate the complex relationship between happiness and performance in the context of software development (Colomo-Palacios & Casado-Lumbreras, 2011).

According to Graziotin, software developers are a slightly happier population with greater happiness outcomes than those reported in other work areas. In addition, Graziotin found more than 200 factors that represent causes of unhappiness, including: blockages in problem solving, time pressure, code quality and practice of coding in stressful conditions, low-performing colleagues and lack of technical aid in the case of an intellectual blockage (Graziotin, Fagerholm, & Wang, 2018).

Job satisfaction is one of the most important factors in increasing performance and generating positive views on the individual about the workplace, related to the salary level, social value and conditions of the working environment (Zahra & Pramodita, 2004). Academic literature has a long history in researching the professional satisfaction of employees. According to Locke (Locke, 1984), professional satisfaction is a pleasant or positive emotional state resulting from the evaluation of work or job experiences. Spector (Spector, 1997) adds that employee satisfaction is now a common concern between companies. Because this emotional state is a key factor in the life of an employee, professional satisfaction is an incentive topic for the study.

Job satisfaction refers to the pleasant or positive emotional state resulting from the employee's workplace experience (Locke, 1984). The well-known concept of the profit-service chain proposed by Heskett (Heskett, Jones, Loveman, Sasser Jr., & Schlesinger, 1994) suggests that in a service undertaking, workplace satisfaction determines the value of the services levied by the customers and therefore organizational profits. The extensive empirical work inspired by this suggestion has shown a positive link between professional satisfaction and quality performance in service firms (Loveman, 1998). By pursuing this line of research, we believe that "being happy" (satisfied) with the job is of particular importance to serve employees when offering high quality services.

When employees resonate with the strategy and mission of the organization they work for, they have the ability to structure and manage their professional activity and have the ability to balance their work with family or leisure, only then their work satisfaction will increase (Alegre & Mas-Machuca, 2016). When the values of the organization align with the managerial support, the professional satisfaction increases. Employees feel comfortable in a company when it shares the organization's mission (Bart & Bontis, 2001). In addition, the employee must feel comfortable with the direct supervisor. These two factors can thus explain the satisfaction of employees towards the workplace.

The IT employees live with the false illusion of advancement in rank, where for a sum of money, not necessarily large, waste precious time and stress reaches maximum rates. It is to be noted that stress in the workplace influences the interactions with the family, impacting the mood, thoughts and behavior of the employee (Repetti & Shu-wen, 2017).

Burnout is a state of fatigue and disappointment resulting from the way of living, working or socializing that does not lead to the desired outcome (Khalatbari & Ghorbanshiroudi, 2013). This burnout phenomenon is a serious problem in human service organizations, and employees are dissatisfied with jobs and are more likely to leave (Dickinson & Perry, 2002). An interest is observed in reducing or preventing exhaustion at work – burnout, which prompted researchers to pay particular attention and to examine a variety of reasons that could lead to the influence of this outcome, including the pressure at work, the desire to carry out the tasks and excessive supervision (Leiter & Maslach, 2003). Maslach (Maslach, 1976) developed the concept of studying emotions at work by interviewing employees about the stress generated at the workplace. More recently, burnout was defined as a prolonged response to the chronic emotion and the interpersonal factor of stress at work that is characterized by three dimensions: exhaustion, depersonalization and ineffectiveness (Maslach & Schaufeli, 2001). The phenomenon of burnout was involved in decreasing in work satisfaction, the desire to change the job and somatic and psychological symptoms of the employee (Greenglass & Burke, 1991).

#### Conclusions

As we have seen, the concept of social responsibility consists of various types of activities, but regardless of the forms, it shows that organizations are involved in solving or preventing problems in society. By donating part of their profits, engaging themselves in motivating changes of attitudes and behaviors, creating activities to improve their own processes, training their staff in the spirit of volunteering, companies seem to offer more than they receive. However, behind any action of the kind mentioned above, there are certain benefits that the company expects. Although most definitions of the concept advocate for a 100% moral conscience, based on ethical principles of corporations, implementing any form of CSR brings with it the improvement or maintenance of a certain public image, financial gains and more recently serves as a means of recruitment.

A happy and healthy employee spends more time in the office, and the percentage of perceived happiness is directly proportional with the ability to deliver quality workplace results, regardless of the job. The present paper surveyed the main studies dealing with employees' happiness at work and the relationship between communicated involvement of companies into CSR activities and perceived happiness. It suggests that chasing good image companies and dreaming of happiness at work might lead to deceptions and burnout effects. However, the paper is just highlighting the main issues for a future empirical research, based on the present literature survey.

#### References

- Alegre, I., & Mas-Machuca, M.-M. (2016). Antecedents of employee job satisfaction: Do they matter? *Journal of Business Research, Elsevier*, 69(4), 1390-1395. doi: 10.1016/j.jbusres.2015.10.113.
- Arnett, D.B., Laverie, D.A., & McLane, C. (2002). Using job satisfaction and pride as internal-marketing tools. *Cornell Hotel and Restaurant Administration Quarterly*, 43(2), 87-96. doi: 10.1016/S0010-8804(02)80035-0.
- Bart, C.K., & Bontis, N., &. (2001). A model of the impact of mission statements on firm performance. *Management Decision*, 39(1), 19-35.
- Carroll, A. (1991). The Pyramid of Corporate Social Responsability: To Word the Management of Organizational Stakeholders, *Business Horizons*, 34(4), 39-48. doi:10.1016/0007-6813(91)90005-G.
- Colomo-Palacios, R., & Casado-Lumbreras, C. (2011). Using the affect grid to measure emotions in software requirements engineering. *Universal Comput. Sci.* 17(9), 1281-1298.
- David, S.A., Boniwell, I., & Ayers, A. C. (2013). Oxford Handbook of Happiness. *Oxford Library of Psychology*.
- Dickinson, N., & Perry, R. (2002). Factors influencing the retention of specially educated public child welfare workers. *Journal of Health and Social Policy*, 15(3/4), 89-103.
- Diener, E., Wirtz, D., Tov, W., Kim-Prieto, C., Choi, D., Oishi, S., & Biswas-Diener, R. (2010). New well-being measures: short scales to assess flourishing and positive and negative feelings. *Soc. Indic. Res.* 97(2), 143–156. doi: 10.1007/s11205-009-9493-y.
- Elkington, J. (1994). Towards the Sustainable Corporation: Win-Win-Win Business Strategies for Sustainable Development. *California Management Review*, 36(2), 90–100. doi:10.2307/41165746.
- Friedman, M. (1970). The Social Responsibility of Business Is to Increase Its Profits. *New York Times Magazine*, 122-126.
- Frooman, J. (1997). Socially Irresponsible and Illegal Behavior and Shareholder Wealth: A Meta-Analysis of Event Studies. *Business and Society*, 36, 221-249. doi: 10.1177/000765039703600302.
- Graziotin, D., Fagerholm, F., & Wang, X.A. (2018). What happens when software developers are (un)happy. *The Journal of Systems and Software* 140, 32-47. doi: 10.1016/j.jss.2018.02.041.
- Graziotin, D., Wang, X., & Abrahamsson, P. (2015). The affect of software developers: common misconceptions and measurements. *Proceedings of the Eighth International Workshop on Cooperative and Human Aspects of Software Engineering*, 123-124. doi: 10.1109/CHASE.2015.23.
- Greenglass, E., & Burke, R. (1991). A longitudinal study of progressive phases of psychological burnout. *Journal of Health and Human Resources Administration*, 13(4), 390-408.
- Griffin, J.J., & Mahon, J.F. (1997). The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research. *Business & Society*, 36(5), 5-31. doi: 10.1177/000765039703600102.
- Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser Jr., W.E., & Schlesinger, L.A. (1994). Putting the serviceprofit chain to work. *Harvard Business Review*, July–August 2008. Retrieved from <u>https://hbr.org/2008/07/putting-the-service-profit-chain-to-work</u>.

Highhouse, S., Broadfoot, A., Yugo, J., & Devendorf, S.A. (2009). Examining corporate reputation judgments with generalizability theory. *Journal of Applied Psychology*, 94(3), 782-789. doi: 10.1037/a0013934.

- Hollnagel, E., & Cacciabue, P.C. (1999). Cognition, technology & work: An introduction. Technology & Work, 1(1), 1-6. doi:10.1007/s101110050006.
- Key, S., & Popkin, S.J. (1998). Integrating ethics into the strategic management process: Doing well by doing good. *Management Decision* 36(5), 331-338. doi: 10.1108/00251749810220531.
- Khalatbari, J., & Ghorbanshiroudi, S. (2013). Correlation of Job Stress, Job Satisfaction, Job Motivation and Burnout and Feeling Stress. *Procedia-Social and Behavioral Sciences*, 84, 860-863. doi: 10.1016/j.sbspro.2013.06.662.
- Klein, N. (2006). No Logo. Tirania mărcilor. Bucharest, RO: Comunicare.ro.
- Leavitt, H.J., & Whisler, T.L. (1958). Management in the 1980's. Harvard Business Review.
- Leiter, M., & Maslach, C. (2003). Areas of worklife: A structure approach to organizational predictions of job burnout. In Perrewe P.L. and Ganster D.C. (Eds.). *Emotional and physiological processes and positive intervention strategies: research in occupational stress and well-being. Volume 3* (pp.91-134), Emerald Group Publishing. doi:10.1016/S1479-3555(03)03003-8.
- Locke, E.A. (1984). Social psychology and organizational behaviour. In M. Gruneberg, & T. Wall (Eds.). doi: 10.13140/RG.2.2.35601.02405.
- Loveman, G.W. (1998). Employee satisfaction, customer loyalty, and financial performance: an empirical examination of the service profit chain in retail banking. *Journal of Service Research* 1(1), 18-31. doi: 10.1016/j.ijhm.2008.08.003.
- Maslach, C. (1976). Burned-out. Human Behavior, 5(9), 16-22. doi: 10.12691/education-1-11-7.
- Maslach, C., & Schaufeli, W. (2001). Job burnout. Annual Review of Psychology, 52(1), 397.
- Miron, M.I., Sulea, C., & Sârbescu, P. (2011). Satisfacția față de viață și spiritualitatea: implicații pentru starea psihologică de bine a individului [The satisfaction with life and the spirituality: implications for individual's psychological state of well-being]. *Romanian Journal of Applied Psychology*, 13(2), 50-55.
- Mui, H. L., Mak, A. K., & Pang, A. (2012). Bridging the Gap: An Exploratory Study of Corporate Social Responsibility among SMEs in Singapore. *Journal of Public Relations Research*, 24:4, 299-317. doi:10.1080/1062726X.2012.689898.
- Novielli, N., & Calefato, F.L. (2015). The Challenges of Sentiment Detection in the Social Programmer Ecosystem. Proc. 7th Int'l Workshop on Social Software Engineering (SSE'15). doi:10.1145/2804381.2804387.
- Pedrycza, W., Russob, B., & Succi, G. (2011). A model of job satisfaction for collaborative development processes. *Journal of Systems and Software*, 84, 739–752.
- Repetti, R., & Shu-wen, W. (2017). Effects of job stress on family relationships. *Current Opinion in Psychology*, 13, 15-18. doi: 10.1016/j.copsyc.2016.03.010.
- Roşu, R. (2018). TOP trei cei mai doriți angajatori din România. Clasament dominat de industriile IT, Automotive, Finance și Telecom. Ce avantaje caută candidații [Top three most wanted employers in Romania. Ranking dominated by the IT, Automotive, Finance and Telecom industries. The advantages the candidates are looking for]. MEDIAFAX, 18 July 2018. Retrieved from https://www.mediafax.ro/economic/top-trei-cei-mai-doriti-angajatori-din-romania-clasament-

dominat-de-industriile-it-automotive-finance-si-telecom-ce-avantaje-cauta-candidatii-17360127. Spector, P. (1997). Job Satisfaction: Application, Assessment, Causes and Consequences. Thousand Oaks, CA.

- Spector, P. (1997). Job Satisfaction: Application, Assessment, Causes and Consequences. Thousand Oaks, CA. Sage Publications.
- Varey, R.J. (1995). Internal marketing: a review and some interdisciplinary research challenges. International Journal of Service Industry Management, 6(1), 40-63. doi: 10.1108/09564239510078849.
- Waddock, S.A., & Graves, S.B. (1997). The Corporate Social Performance-Financial Performance Link. *Strategic Management Journal*, 18(4), 303-319.
- William, G.R. (1990). Internal marketing and organizational behavior: A partnership in developing customer-conscious employees at every level. *Journal of Business Research*, Elsevier, 20(1), 63-70.
- Yee, R.W., & Guo, Y. (2015). Being close or being happy? The relative impact of work relationship and job satisfaction on service quality. *International Journal of Production Economics*, 169, 391-400. doi:10.1016/j.ijpe.2015.08.021.
- Zahra, S. A., & Sharma, P. (2004). Family Business Research: A Strategic Reflection. *Family Business Review*, 17(4), 331–346. doi:10.1111/j.1741-6248.2004.00022.x
- Zbuchea, A., & Pînzaru, F. (2017). Tailoring CSR Strategy to Company Size?. *Management Dynamics in the Knowledge Economy*, 5(3), 415-437.