DIPLOMA THESIS

The Impact of Corporate Social Responsibility on Employee Engagement: a study in a Selected Company in Mexico

STUDY DEGREE PROGRAMME
Innovation Project Management

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MASTER'S THESIS ASSIGNMENT

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Guidelines:

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BENEFITS: The benefits of this thesis are the findings and recommendations based on the primary research, which the company can implement and make improvements inside the firm.
CONTENT: 1. Introduction 2. Corporate Social Responsibility 3. Employee Engagement 4. Relation between Corporate Social Responsibility and Employee Engagement 5. Sustainable Human Resources Management
6. Introduction of the selected company.7. Analyses of Employee Engagement and CSR in the selected company.
METHODS: primary research by the use of questionnaire.

Bibliography / sources:

IMPERATORI Barbara. Engagement and Disengagement at Work Drivers and Organizational Practices to Sustain Employee Passion and Performance. ISBN 978-3-319-51885-5.
VOGEL David. The Market for Virtue -The Potential and Limits of Corporate Social Responsibility. ISBN-13: 978-0-8157-9076-1 (hardcover : alk. paper). CERVAL Sara, KEKALE Tauno, CLAXTON Julia. Employee Engagement. ISBN 9781784410858.

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Abstract

This diploma thesis aims to explore the relationship between Corporate Social Responsibility (CSR) and Employee Engagement (EE) in a selected Mexican company. In recent years, CSR has gained increasing attention from businesses seeking to address social and environmental issues. This study seeks to examine employees' perceptions of CSR and its impact on their engagement. Using a quantitative approach, the study collected data from 115 employees through an online survey and analysed the results using the IBM SPSS program. The findings indicate a positive correlation between CSR and EE, with engaged employees more likely to participate in CSR practices. These results suggest that incorporating CSR into business strategies can benefit both stakeholders and employees. This study highlights the importance of CSR and its ability to positively impact employee engagement. Overall, these findings may be useful for businesses seeking to improve their social and environmental performance while also promoting a positive workplace culture.

Key words

Corporate Social Responsibility, Employee Engagement, employee perception, Sustainable Business practices, Human Resources Management, Mexico.

Abstrakt

Tato diplomová práce si klade za cíl prozkoumat vztah mezi společenskou odpovědností firem (CSR-Corporate Social Responsibility) a angažovaností zaměstnanců (EE-Employee Engagement) ve vybrané mexické společnosti. V posledních letech získává CSR stále větší pozornost ze strany podniků, které se snaží řešit sociální a environmentální problémy. Tato studie se snaží zjistit, jak zaměstnanci vnímají CSR a její dopad na jejich angažovanost. Pomocí kvantitativního výzkumu studie shromáždila data od 115 zaměstnanců prostřednictvím online průzkumu a analyzovala výsledky pomocí programu IBM SPSS. Zjištění naznačují pozitivní korelaci mezi CSR a EE, přičemž angažovaní zaměstnanci se častěji účastní praktik CSR. Tyto výsledky naznačují, že začlenění CSR do podnikových strategií může být přínosem pro zainteresované strany i zaměstnance. Tato studie zdůrazňuje význam CSR a její schopnost pozitivně ovlivnit angažovanost zaměstnanců. Celkově mohou být tato zjištění užitečná pro podniky, které se snaží zlepšit svou sociální a environmentální výkonnost a zároveň podporovat pozitivní pracovní prostředí

Klíčová slova

Společenská odpovědnost firmy, angažovanost zaměstnanců, vnímání zaměstnanců, udržitelné obchodní praktiky, řízení lidských zdrojů, Mexiko.

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Introduction

Corporate social responsibility has become an increasingly popular concept across the globe, including in Mexico. As businesses continue to grow, it is increasingly important to consider the impact they have on their surrounding communities and environment. In response to this, firms are adopting CSR strategies as a means of addressing social and environmental issues. However, the effects of these initiatives extend beyond just community relations; they can also positively affect employee engagement. This paper aims to explore the link between CSR and employee engagement in a selected Mexican company. Specifically, it will examine how CSR impact employee engagement and what strategies can be used to improve such engagement and participation on CSR programs. Through this analysis, the aim is to inform the company on how CSR impacts their employees and to provide ideas to improve their CSR initiatives.

According to Para-Gonzalez et al., (2020) organizations are putting more emphasis on CSR tasks, including the review of aspects inside the company related to stakeholder management, sustainability evaluation, and the standardization of social responsibility. Upholding a company's reputation in the public eye has also become important due to stakeholders' and other public actors' heightened awareness. The majority of CSR research focuses on how external factors influence CSR and how the various objectives and viewpoints of these significant actors interact. Employees are a stakeholder who have historically received less attention. This thesis aims to reduce the study gap by analysing how Corporate Social Responsibility affects employees.

The theoretical part of the thesis paper analyses the concepts of Corporate Social Responsibility and Employee Engagement as well as the connection or link that exists between them. The information includes methodologies, frameworks and principles that will provide a helpful theoretical background for further discussion. On the practical part of the study the methodology that was used is explained as well as the hypothesis that were tested with the data retrieved from the company. Results were analysed using IBM SPSS software and finally recommendations were provided.

Economic, social, and environmental problems have alerted governments, companies, and individuals to generate a different vision that supports the development of society. A vision where the interest in the generation of economic resources is not their basic premise in their daily actions. It is in this new scenario of forces and balances that the concept of CSR can help reconcile the interests of each other, committing the companies to the resolution of the social problems and enabling citizens to participate in the definition of the social and business goals. Throughout this document, potential issues, and ways to develop a more sustainable society will be addressed.

THEORETICAL PART

1. Corporate Social Responsibility

There is not an exact date on which the concept of Corporate Social Responsibility was born, however the study of it increased during the 50s and 60s, when society started debating about the benefits that companies should provide by using societies own resources. According to Bowen H.R., Gond, and Bowen P.G. (2013) during this period entrepreneurs started analyzing if they were being socially responsible towards their society. The report of the World Commission on Environment and Development from 1987 suggests that national laws and public policies should be passed by governments that promote corporate, community, and individual responsibility for the preservation of the environment. Likewise, the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992 concluded that everyone, whether they were at the local, national, regional, or international level, could achieve the concept of sustainable development. The conference also acknowledged the need for fresh perspectives on how people produce and consume, live, and work, and make decisions to integrate and balance economic, social, and environmental components. Both drew attention to the urgency of protecting the environment.

Frederik (2016) shares his knowledge regarding the idea of how CSR has been evolving through the last century. Below you can find the four stages he proposes in his research:
- CSR 1 (1950–1960s) proposed that corporate managers should act voluntarily and philanthropically as public trustees and social stewards.
- CSR 2 (1960–1970s) broadened that idea to embrace legally-required corporate responses to many social demands.
- CSR 3 (1980–1990s) called on businesses to develop ethical corporate cultures to support a wide range of stakeholders and communities through social contracts.
- CSR 4 (1990–2000s) urged corporations to become global citizens heeding and correcting business's worldwide negative impacts on human societies and the natural environment.

These four stages appeared in his article in 2008, eight years later he strengthens his work adding the current stage of CSR (CSR 5). Setting the date from 2000 to 2050 and defining it as the "sustainability" stage he mentions it goes beyond the business and its stakeholders, CSR will also now cover the responsibilities of governments, citizens, and policy makers.

Since its early beginnings Corporate Social Responsibility has become an interesting topic for businesses and its leaders, this interest has then been raised in stakeholders and communities. Companies have become important players in society and its context. Nowadays companies' mindset, decisions, and business models are based on the values and expectations of society.

1.1. What is CSR?

Organizations, experts, and academic researchers have defined Corporate Social Responsibility in different ways. Despite this conceptual diversity, practically all approaches may be brought to a point where there is some degree of agreement on the notion of CSR.

Following this argument, I will present some popular definitions provided by different organizations and researchers (based on Banerjee, S. B., 2008, p.16):

- The firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks. (Davis, 1973: 312)

- Encompassing the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time. (Carroll, 1979: 500)

- Actions that appear to further some social good beyond the interests of the firm and that which is required by law. (McWilliams and Siegel, 2001: 117)

- The ways in which an organization exceeds the minimum obligations to stakeholders specified through regulation and corporate governance. (Johnson and Scholes, 2002: 247)

- Societal expectations of corporate behavior: a behavior that is alleged by a stakeholder to be expected by society or morally required and is therefore justifiably demanded of a business. (Whetten et al., 2002: 374)

- A commitment to improve community well-being through discretionary business practices and contribution of corporate resources. (Kotler and Lee, 2005: 3)

- The commitment of business to contribute to sustainable economic development working with employees, their families, the local community, and society at large to improve their quality of life. (World Business Council, 2005)

- A concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis. (European Commission, 2005)

Both the United Nations Industrial Development Organization and the Mexican Center for Philanthropy provide their CSR definition making an emphasis on the management approach of it:

The *United Nations Industrial Development Organization* (UNIDO) defines it as "a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships, or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company, and strengthen its brand, the concept of CSR clearly goes beyond that".

The *"Centro Mexicano para la Filantropía"* (Mexican Center for Philanthropy) describes it as "a way of managing and doing business in which companies take care not only that their operations are sustainable economically, but also socially and environmentally. It is a business vision that integrates respect for people, ethical values, the community, and the environment with the management of the company itself, regardless of the products or services it offers, the sector to which it belongs, its size or nationality".

The Mexican Center for Philanthropy identifies the areas that a company known as CSR should cover:
- Quality of life in the company.
- Linkage with the community.
- Care and preservation of the environment.
- Business ethics and responsible consumption.

As seen in Table 1, numerous academics and business researchers have described how CSR has changed over time from an unimportant and marginalized idea to the dynamic functioning philosophy that it is today.

Table 1. Corporate Social Responsibility (CSR) Definitions over time.

Category	Key Researchers	Main Concept
1950s	Bowen (1953) [10]	Emphasis on corporate social value and responsibility
1960s	Eells & Walton (1961) [16]	Emphasis on corporate social responsibility from the ethical point of view
1970s	Sethi (1975) [17], Carroll (1979) [18]	Emphasis on companies' desirable social role and leadership in the dynamic social system
1980s	McFarland (1982) [19] McGuire et al. (1988) [20]	Insisting on the need for recognition based on mutual reliance with stakeholders
1990s	Carroll (1991, 1998) [12,21] Brown and Dacin (1996) [13]	Emphasis on solving social and economic problems resulting from corporate activities
2000s	McWilliams and Siegel (2006) [14] Porter and Kramer (2011) [3] Kotler and Kramer (2006) [22]	Insisting on accomplishing social and economic goals through long-term profits by managing the company with strategic activities

Source: Kim et al., (2018, p.3)

Consistent with these statements, Castromán Diz and Porto Serantes (2009) point out that CSR can mean and does mean different things for different people despite the efforts that are being carried out in the field. Many diverse initiatives are generating a certain amount of confusion between what corporate social responsibility really is and what society expects from companies.

It is complex to set a definition for the concept of Corporate Social Responsibility, even if it has been studied since the mid-twentieth century. Part of the problem of defining it is because of the different interests represented. Now, does defining CSR really matter? A businessperson may define CSR as a business strategy while the government on the other hand may see it as voluntary regulation. Having a definition of it provides a framework for scholars, managers, NGOs, and governments explaining and justifying what resources should be invested, what behaviors are expected and who should be involved in the processes. (Sheehy, 2014, p.20).

1.2. Theories supporting CSR.

There is a long repertoire of theories and approaches to CSR. The degree of interaction that a company should exercise in society is explained through the four theory categories introduced by Garriga and Melé (2004):

1.   Instrumental theories
Focusing on achieving economic objectives through social activities. Approaches:
- Maximization of shareholder value
- Strategies for competitive advantages
- Cause-related marketing

2.   Political Theories

Focusing on the responsible use of business power in the political arena. Approaches:

- Corporate constitutionalism
- Integrative Social Contract Theory
- Corporate (or business) citizenship

3.   Integrative Theories

Focusing on the integration of social demands. Approaches:

- Issues management
- Public responsibility
- Stakeholder management
- Corporate social performance

4.   Ethical Theories

Focusing on the right thing to achieve a good society. Approaches:

- Stakeholder normative theory
- Universal rights
- Sustainable development
- The common good

Many studies have been done using the categories provided by Garriga and Melé, it was brought to my attention a study done by researchers Frynas and Yamahaki. The main purpose of their research was to have a better understanding of the theories applied to CSR. The limitations they point out regarding Garriga's and Mele's work is that their theories are not general enough to cover a bigger number of different phenomena that should be analyzed. Another article criticizing their work was done by Secchi, he mentions there could be a confusion between the distinction of the theories. For example, the use of political power to maximize profits on a firm could be seen then as both instrumental and political. The author mentions overlapping can sometimes be difficult to avoid when dealing with complex theories but still should be avoided as much as possible. Both critics are seeking to find a theory that could enable researchers to analyze CSR from a broader multidisciplinary perspective. I agree this could be useful for future developments and practices in the field.

1.3. CSR Frameworks

Pérez et al., (2013) points out CSR is usually measured using multidimensional tools which provide a wider view of the dimensions that should be considered. The three frameworks that will be described are the following:

- Carroll´s CSR Pyramid. It gives a holistic approach covering the following four dimensions: economic, legal, ethical, and philanthropic.
- Theory of Sustainable Development. Focusing on the 3 main pillars of sustainability: economic, social, and environmental aspects.
- The Stakeholder Theory. Method used to analyze the interconnected relationships between a business and its stakeholders such as employees, customers, suppliers, investors, and the government.

1.3.1 Carroll's CSR Pyramid

When discussing Corporate Social Responsibility there is no doubt that Carroll's CSR Pyramid is one of the most well-known models. The pyramid is based on the economic, legal, ethical, and philanthropic obligations a business has to society. The author emphasizes that these four responsibilities are not something never mentioned before when analyzing CSR, however there was a notorious increase in the attention of the ethical and philanthropical categories. Carroll (1979) mentions any action or responsibility of a business can be categorized as one or another of these four kinds. Figure 1 provides a brief description of each of the responsibilities.

Figure 1. Carroll´s CSR pyramid
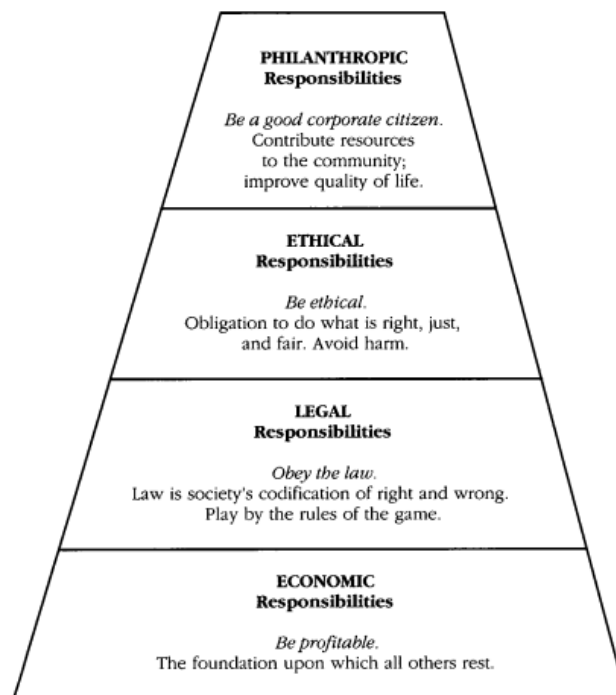
Source: Carroll (1991, p.42)

The economic responsibility of any business has always been to stay profitable through the sale of its products or services. Nevertheless, at some point business leaders and entrepreneurs came up with the idea of maximizing profits, this idea is present until nowadays. Economic responsibilities are the base of the pyramid and of businesses, it will be irrelevant to locate it somewhere else on the design.

The legal responsibilities layer coexists with the segment just mentioned before. It refers to the fact that businesses are expected to obey the laws and regulations set by the government. Firms must play by the rules, acting fairly during all operations.

As previously mentioned, the ethical and philanthropic segments can be described as the recently "attractive" ones in the pyramid. Even if the legal responsibilities will represent being fair and complying with the law, the ethical obligations are those that incorporate what society sees as the right thing to do. These ethical obligations may turn into laws in the future but also never be a requirement by law.

Although philanthropic responsibilities usually comply with society's expectations, the main difference between ethical and philanthropic obligations is that even if a firm does not donate or does volunteering activities it won't be seen as unethical. Philanthropic actions are commonly satisfactory to society and can work to demonstrate the company's commitment towards the community.

Redesigning and revisiting are some of the words used by researchers when analyzing Carroll's CSR Pyramid. Visser (2006) applies the pyramid concept in an African context, the results showed Carroll's was not the best model for understanding CSR in the country. Burton et al., (2000) notices how culture can critically influence the perception of CSR. Based on the criticism done by Visser, Nalband and Kelabi (2014) came up with a new CSR model, they called it the "universal model", in which they include the concepts of environment, beliefs, values and assumptions, based on these mentioned before a company will then decide to follow a CSR orientation or not to. In the next chapters there will be an analysis on how CSR has developed inside the Mexican society.

1.3.2 Theory of Sustainable Development

In 2006 the European Commission described CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". Savitz and Weber (2014) mention a sustainable corporation as one that generates profits while protecting the environment and improving the lives of the people with whom it interacts. Many times, when referring to sustainability people link it only to the impact made on the

environment, forgetting about the whole panorama including the triple bottom line, phrase also known as the 3Ps (planet, profit, people).

John Elkington proposed the 3Ps terminology back in 1994. "Triple bottom line requires companies to not only consider financial profit and losses but also their effect on social and environmental concerns" (Lee, 2007 p. 4).

John Elkington's 3Ps

- Planet: the environmental dimension of sustainability. Nulli Rinalducci (2022) mentions this pillar covers the usage of technology, science, policies, and regulations to protect the planet for the upcoming generations.

- Profit: the economic dimension of sustainability. Refers to creating employment, promoting a circular economy, having a sustainable business model. Martinet (2012) provides a study on what can be preserved for future generations and which economic approach can be used to achieve the given objectives.

- People: the social dimension of sustainability. Kraaijenbrink (2019) explains it as the positive or negative impact a business has on all its possible stakeholders.

How to be more profitable by doing the right thing. The triple bottom line (TBL) concept can look familiar to the balance scorecard technique, by applying it businesses can measure their performance on regards to the social, economic, and environmental impacts generated through their overall operations. Table 2 shows a simplified version of how sustainability can be captured and measured through the TBL.

Table 2. The Triple Bottom Line

	Economic	Environmental	Social
Typical Measures	Sales, profits, ROI	Pollutants emitted	Health and safety record
	Taxes paid	Carbon footprint	Community impacts
	Monetary flows	Recycling and reuse	Human rights; privacy
	Jobs created	Water and energy use	Product responsibility
	Supplier relations	Product impacts	Employee relations
	Total	Total	Total

Source: Savitz and Weber (2014, p.5)

1.3.3 The Stakeholder Theory

Throughout the previous text we have discussed the definition and some of the theories supporting CSR, it is notorious that stakeholders have repeatedly appeared in the different arguments. This section of the thesis will discuss who are these different stakeholders as well as the criteria used by firms to manage them accordingly.

The term stakeholder comes as a variant of the concept stockholder and shareholder. This theory appears in the middle 1980s as businesses saw the need of managing the different individuals and groups that had a "stake" or interest in the business operations. (Carroll, 2015).

Edward Freeman describes the definition of a stakeholder as: "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984 cited in Freeman et al., 2001, p.5).

The stakeholder theory offers the possibility of having a better opportunity to solve actual and future problems that may arise between a firm and its stakeholders, it also covers the idea regarding the value generated by the interaction between them. (Parmer et al., 2010). In general terms Edward Freeman (2011) sees as the next step for the stakeholder theory model to focus on the potential value that can be generated. If the whole approach of the model is focused on the value creation for stakeholders this "will lead to prosperity and freedom for more and more people". (p.9)

Carroll (2015) suggests dividing stakeholders in a simple way, primary and secondary. However, due to the increase of their importance over time and for being able to prioritize and manage them accordingly, these criteria were adapted: legitimacy and power. Carroll (1991).

- Primary: those who have an official or legal stake in the enterprise (owners, employees, customers, local communities).
- Secondary: those who have a general interest in the outcome of business functioning (government, regulators, social pressure groups, activist groups, competitors, media, and so on).
- Legitimacy: refers to the degree to which a group has a justifiable right for making its claim.
- Power: refers to the ability to affect the organization.

Figure 2 shows the Matrix proposed by Archie Carroll. It is used to improve stakeholder management, with the information retrieved from its decision makers find it easier when describing, understanding, analyzing and managing stakeholders.

Figure 2. Stakeholder / Responsibility Matrix

Stakeholder/Responsibility Matrix

Stakeholders	Economic	Legal	Ethical	Philanthropic
Owners				
Customers				
Employees				
Community				
Competitors				
Suppliers				
Social Activist Groups				
Public at Large				
Others				

Source: Carroll (1991, p.6)

According to Werther & Chandler (2011) the relationship between stakeholders and management is the basis to have an effective CSR strategy. They propose a different framework when categorizing stakeholders. The internal environment includes organizational, economic, and societal stakeholders and the external environment includes globalization and technology. This model enables the business to distinguish between the interested parties and classify them into more manageable, homogeneous categories. See the just mentioned segmentation in the figure below.

Figure 3. Stakeholder Categorization
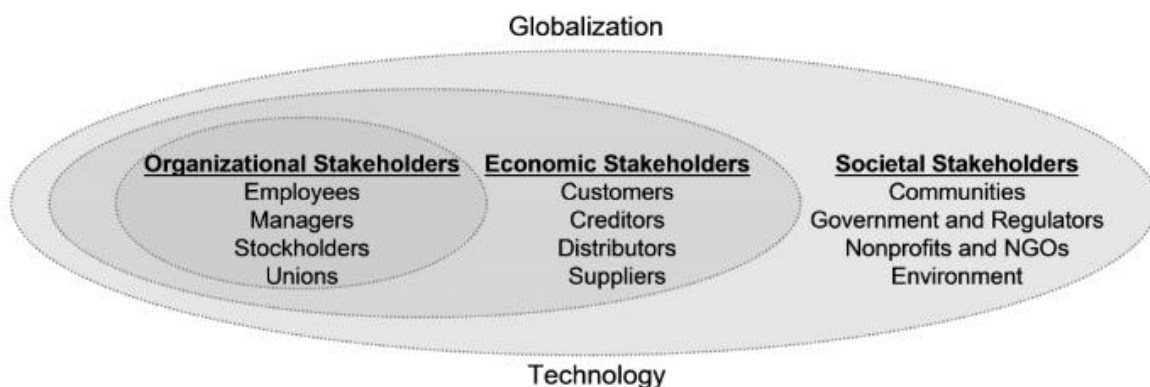
Source: Werther & Chandler (2011, p.35)

Stakeholder theory has had a very beneficial influence on changing the vision of the company's social responsibilities. There is no doubt that the relationship with stakeholders constitutes a competitive advantage, and it will be the strategic investment in a positive one that will allow achieving the long-term goal of the firm. Knowing and caring about the interests of the companies' stakeholders results in ethical and economic success.

1.4 Principles of CSR

As previously discussed, CSR has different meanings for different stakeholders. Regarding its principles, it goes basically the same way, there are diverse principles provided by various researchers and organizations. The review of the principles has been examined through a well-known organization point of view and through the perspective of a researcher on the topic.

Para-Gonzalez et al., (2020) studied the relationship and outcomes of using the 5 main CSR principles provided by the International Organization for Standardization (better known as ISO) in the shipbuilding industry. To provide a successful management of CSR leaders should always recall and comply with these five main principles. The principles are the following:

- Principle 1: Legitimacy is based on the capacity of firms to improve the social good through the production of goods and services and on their ability to adapt production to social livelihood needs.
- Principle 2: Global means CSR affects all areas in a business. It affects the whole value chain needed for the development of an activity, product or service provided by the firm.
- Principle 3: Objective ethical commitments refer to the responsibility of a firm to act in political conversations about ethical values. Integrate sustainable aspects of their actions and decisions.
- Principle 4: Monitoring and standard certifications points out having periodical audit systems and records. Meet the requirements to have valid certifications and accreditations as a firm.
- Principle 5: Satisfying and informing stakeholders refers to meeting the expectations and needs of stakeholders and the transparency when informing and publishing CSR results.

Reyno (2006) provides his motion regarding CSR main principles (see table below):

Table 3. CSR Principles

Principle	Meaning
• **TRANSPARENCY**	It is based on access to information that the organization provides about their social behavior and that is permeable to social expectations.
• **MATERIALITY**	It supposes that the organization must consider the needs and expectations of the interested parties in decision-making. Facing all the dimensions of CSR, as well as all its activities and impacts, direct and indirect.
• **VERIFICABILITY**	The socially responsible actions of the entity must undergo external verification. Verifiability is based on the possibility that independent experts can verify the actions of the company.
• **WIDE VISION**	The organization should center its corporate social responsibility objectives in the broadest possible sustainability context. It must consider the impact it produces at a local, regional, continental and global level, with a clear sense of legacy for future generations.
• **CONTINUOUS IMPROVEMENT**	CSR is closely linked to the idea of continuous management, whose main objective is the survival of the organization.
• **SOCIAL NATURE OF THE ORGANIZATION**	CSR is rooted in the belief and recognition of the social nature of organizations, as a value that prevails over any other economic or technical consideration. It highlights the value and role of the human being as an individual and social entity, origin and purpose of the organization.

Source: Author's adaptation of Reyno, CSR as a competitive advantage (2006).

There has been an increase in the combined effort between CSR and Corporate Governance (CG) to make a firm increase its environmental awareness and ethical behavior. Nowadays companies are encouraged to focus on meeting their KPIS in a transparent and responsible way.

1.5 Dimensions of CSR

There are more than internal and external dimensions when discussing the concept of corporate social responsibility. The well-known researcher in the field, Archie Carroll categorizes the responsibilities a firm should follow, there is an infinite number of aspects, and extents towards CSR. In the following section of the thesis some dimensions of different researchers will be discussed.

Sethi, P.S. (1975) states the question firms should be asking themselves is not how they should respond to social pressures, but what their role in the social system is. The author focuses on the evaluation of CSR policies and the social behavior of companies.

He proposes the concept Corporate Social Performance (CSP) which mainly measures the effectiveness and performance of the company's social management. The 3 levels which this concept is based on are: social obligations, social responsibility, and social responsiveness.

- Social obligations: corresponds to compliance with established laws and regulations.
- Social responsibility: refers to the acceptance of social norms and values, even though these are not required by law.
- Social responsiveness: meaning the sensitivity and response a company can offer to the pressures and expectations of society.

According to J. Wood (1991) and complementing Carroll's pyramid, she analyzes the relationships that take place between companies, their stakeholders and society. States these relationships can be analyzed in three levels: the institutional level, the organizational level, and the individual level.

The *institutional level* is the one that defines the functions of the company as a social institution, considering which are the criteria that legitimize the company for the performance of certain activities. This "principle of legitimacy" obliges companies to respect the laws, economic regulations and ethical norms existing in society, as well as to carry out their activities in a socially responsible manner. The *organizational level* is the one in which the "principle of public responsibility" governs, in the sense that companies are co-responsible for social progress. According to this principle, companies are responsible for the results and the economic, ecological, and social impacts of their actions. This forces them to commit to society's expectations of progress. The *individual level* refers to managers and other members of the organization and their responsibilities. Their decisions and choices contribute to the development of socially responsible companies, which is why they are also bound by the principles of responsibility.

Rondinelli and Berry (2000) segmentation divides CSR into four levels:
- Commercial self-interest: Profitability and competitiveness are directly impacted by following all rules and regulations and choosing activities that benefit stakeholders and communities.
- Expanded self-interest with immediate benefits: Pursuing initiatives that go above and beyond typical commercial concerns in order to assist stakeholders and communities while also offering the organization measurable short- and medium-term benefits.
- Expanded self-interest with long-term benefits: Supporting community activities that will have a significant impact on ongoing firms' success. An example of these activities are education and training.

- Promoting the common good: Supporting or taking part in activities that help stakeholders or the community without expecting any immediate, concrete benefits for the business.

In an effort to be as specific as possible and be able to use the concept of CSR, the European Commission's Green Paper, which was created and released in 2001, distinguishes between two main dimensions of CSR: an internal dimension and an external dimension.

- Internal dimension: socially responsible practices primarily involve employees and production processes. The commission places four areas: human resources management; health and safety issues in the workplace; the processes of adaptation to change; and the management of environmental impact and natural resources.
- External dimension: obligations of the firm are towards external stakeholders and the natural environment. Commitment to local communities, responsibility towards business partners, suppliers, and consumers; and commitment to global ecological issues are some of the main responsibilities.

The contributions of the authors and organizations just mentioned above facilitate the analysis of CSR in a more integrated view. The emphasis on the policies, programs and processes is extremely valuable to make corporate social responsibility concept real and running inside a company.

1.6 Outcomes from CSR

It can take a long time to show the advantages of corporate social responsibility, yet many investors tend to concentrate on quarterly or annual results. The work of Michael Porter, who contends that stricter environmental regulations can increase a country's firms' ability to compete, has had an influence on the European Union, which has consistently emphasized the advantages of CSR for businesses. Furthermore, while corporate CSR activities or responses could offer some short-term PR advantages, a good reputation for CSR can be a double-edged sword. A corporation is more likely to be continuously targeted the more it modifies its practices in response to public demand (Vogel, 2005).

On their study Kowalcyk and Kucharska (2020) suggest a model that looks at how corporate brand performance, reputation, and staff identification are affected by stakeholder pressure, culture, and CSR efforts. The most relevant finding is that stakeholder pressure can result in a consistent CSR-oriented framework in the corporate world. The main CSR outcomes discussed in their study were:

- Brand Performance: reputation is a desired CSR outcome that connects a company's brand, which is its most valuable asset, with its workers, who are its most important resource. CSR, corporate branding, and brand loyalty all have beneficial correlations.
- Employee brand commitment: refers to a close relationship between employees and employer brand, which basically means to "live the brand". Together with the involvement of business leaders, CSR engaged employees become an essential component of CSR implementation.
- Job Satisfaction: outcome that stimulates commitment on employees and enhances the impact of CSR activity on employee identity and corporate reputation.

Weyzig (2004) combining the research of authors Graafland and Van Tulder uses the following CSR incentives in his study: ethical incentives, internal profitability, structural profitability, and external pressures. All local CSR projects that do not result in financial gains are philanthropic and guided by ethical incentives. Environmental processes improvement which leads to less expensive production is an example of internal profitability. Structural profitability suggests that businesses can profit from stakeholder involvement, stakeholder expectations on CSR, structural CSR requirements, and the use of these requirements to manage labor relations. Stakeholder involvement can also significantly advance a company's organizational learning. A business can implement a CSR policy to foresee future market trends and changes in local, regional, or global regulations. As for the external pressures, the risk of harming a company's reputation in the eyes of customers is one of the most obvious pressures on CSR. Regarding the companies that operate in business-to-business marketplaces they tend to be pressured by NGOs. In addition to the concern about their reputation, businesses are also more well-known among consumers, which makes campaigns easier, and provides assurance of larger market shares.

Among the advantages that businesses are contemplating or currently enjoying by implementing CSR initiatives are meeting customer expectations, exhibiting a commitment to environmental responsibility, improving environmental performance, staying ahead of regulation, and boosting employee engagement. (Cegarra- Navarro and Martinez- Martinez, 2009).

The table below describes the main benefits of becoming a socially responsible company. Among other advantages, it enriches the company-employee relationship, relationships are created with strategic partners, and it can be displayed publicly by the companies that obtain it, unlike other initiatives that do not allow it or have many strict rules in this regard.

Increasingly, the topic of CSR must be aligned or related to the performance of the company, because to the extent that the administrator makes an alignment with

financial performance, the shareholders will trust this topic, and, in this way, there will be a social impact. Institutional investors prefer to align CSR to socially responsible organizations than to those that are not. Proof of this is that investors are currently committed to the issue of CSR and found themselves investing in Sustainability Indexes to improve their reputation (Alonso-Almeida et al., 2012).

Table 4. Outcomes from CSR commitment.

**Benefits of the ESR Badge
(ESR Empresa Socialmente Responsable - Socially Responsible Company)**

- Promotes and encourages a culture of responsible competitiveness that looks after the goals and success of the business, while contributing to the well-being of society.
- Internally and externally fights corruption practices and performs based on a code of ethics.
- It identifies the social needs of the environment in which it operates and collaborates in their solution, promoting the development and improvement of the quality of life.
- It respects the ecological environment in each and every of the operation and commercialization processes, in addition to contributing to the preservation of the environment.
- It promotes favorable working conditions for the quality of life, the human and professional development of its entire community (employees, family members, shareholders and suppliers).
- Considers and involves its staff, shareholders and suppliers in its investment and social development programs.
- Participate through intersectoral alliances with other companies, civil society organizations, chambers, groups and/or government. Therefore, it participates in the discussion, proposals, and attention to social issues of public interest.

Source: Editorial RSyS, (2022)

Wang and Sarkis (2017) discuss implementing CSR governance systems can assist in developing competencies and resources to gain a competitive advantage from a resource-based perspective. Companies must spend resources to properly motivate and communicate with employees about CSR objectives in addition to maintaining an efficient organizational structure. According to several studies, CSR and financial performance metrics are positively correlated. Moreover, the most recent studies suggest that the relationship between CSR governance and financial performance is mediated by environmental supplier development.

1.7 CSR in Mexico

Due to the conditions of the country, CSR is a challenging concept to address. In comparison to other nations, Mexico does poorly in many areas of well-being, according to the Better Living Index. In terms of income, employment opportunities, education, health, environmental quality, social connections, safety, and life satisfaction, it performs below average. The quantity of time spent at work is a crucial component of work-life balance, long shifts can impact on employee's health, safety, and stress levels. While the average for the OECD is 10%, 27% of employees in Mexico work very long paid hours (OECD, 2020).

In Mexico, CSR is still in an early stage, the perspective employees have towards the concept is mainly associated with philanthropy and marketing. Studies link this way of thinking to their neighbor country, the US, in which philanthropic practices are part of the business culture, and to the strong roots of their religion, Catholicism. Mexican consumers are easily appealed through marketing campaigns supporting social causes. What seems to be the main challenge to promote CSR in the country is the noncooperation between firms, government, society, and NGOs. A rough political background full of corruption among the issues just mentioned can explain the cultural environment faced in the country. Making it one of the biggest challenges to develop CSR (Weyzig, 2004).

Logsdon et al. (2006) agree with the idea on how corruption influences Mexican and Latin American culture. Companies and their leaders now have a greater obligation to fulfill important societal duties like fostering economic and social development because of government illegitimacy and the associated institutional gaps in social welfare and education. The government doesn't seem to be interested on strengthening noncorrupt regulations compared to other OECD countries, therefore Mexican businesses must meet high expectations from society in terms of CSR and they do this with a great deal of freedom.

In accordance with De la Cerda and Nunez (1993) Mexican socially responsible companies are characterized by the following:

- Highly centralized organizations in which autocratic and paternalistic leadership predominates.
- High index of fear in the face of uncertainty. This means preference for defined rules.
- Low index of individualism and therefore, collectivism. This characteristic explains why employees tend to commit to the organization because they value relationships and security.

- High rate of masculinity, due -among other causes- to the fact that weakness and femininity are cultural signs that reflect undergoing and weakness in Mexican culture.

The paternalistic leadership can be seen as in the Mexican workplace employees wait for instructions and the top management is the one setting goals and resolving major conflicts. There is a notorious traditional hierarchical culture in which the boss is the one providing rules and sanctions as well as protection (Nicholls et al., 1999). May, Cheney, and Roper (2007) attribute Mexican business management to the explanation on the CSR philanthropy model the country is used to. For example, the boss, this paternalistic figure must provide trust, a good image, help its community and reinforce his power at the same time.

One significant recent development in Mexico is the emergence of independent institutions evaluating CSR performance in organizations. The most known in the country are "Centro Mexicano para la Filantropía (CEMEFI)" and "Responsabilidad Social Empresarial y Sustentabilidad (RSS)". The Mexican Center for Philanthropy (CEMEFI) was founded in 1988, it is a community of organisms, organizations and people committed to generating a collaboratively fair social change. Its purpose is to enable and activate citizen responsibility to generate social value, focused on people. The RSS works as a communication and dissemination platform of CSR and sustainability that offers advice and consulting services in related issues for the social, educational, and business sector. Its main mission is to disseminate contents of value in social responsibility and sustainability to form, inform, sensitize, convene, and positively mobilize society, as an individual or group.

The companies who possess a strong vision in policies and initiatives that allows them to go above their legal requirements and achieve success in their organization while at the same time having a good impact on the communities in which they work are given this seal each year. To determine which businesses merit recognition, CEMEFI assesses them using a comparative method. The effectiveness of the work environment, ethics and governance, ties to the community, and protection and safeguarding of the natural environment are the main four CSR areas that are assessed (Logsdon et al.,2006).

The process for obtaining the "Empresa Socialmente Responsible (ESR)" (Socially Responsible Company) certification from CEMEFI is described in the figure below.

Figure 4. How to obtain ESR certification.

Training
Through Campus ESR® program.

Enrollment
To the call according to the size of the company.

Assessment
Based on the criteria contemplated in the new model of the ESR® Badge: Environment | Social | Governance | Global Context

Results
Companies are notified about the results on CEMEFIs website.

Source: Author's adaptation of Centro Mexicano para la Filantropía A.C., Process to obtain the ESR® Distinction (2023).

The table below presents a list of organizations in Mexico promoting CSR.

Table 5. Organizations divided per sector promoting CSR in Mexico.

Universities	Governmental Organizations	Business Associations	Private Sector	NGOs	Trade unions
UNAM	**OECD**	**COPARMEX**	**USEM**	**CEMEFI**	**ILO**
Universidad Nacional Autónoma de México [National Autonomous University of Mexico]	Mexico joined the OECD in 1994, as a member it needs to adhere to all OECD agreements.	Confederación Patronal de la República Mexicana [Employers Confederation of the Mexican Republic]	Unión Social de Empresarios de México [Social Union of Entrepreneurs of Mexico] (USEM).	Centro Mexicano para la Filantropía uses a very cooperative approach to promote CSR and collaborates closely with numerous MNEs.	International Labour Organization
UNAM is in favor of a collaborative strategy across many societal sectors.	The communication of these agreements and regulations has been an issue in the country.	COPARMEX is a business group with voluntary membership that stands for the representation in the workforce and in society.	Promotes business managers' social duties from the perspective of Christian social doctrine.	Believes that educating businesses about CSR and persuading them to participate in it are the best ways to promote it.	System that is committed to advancing social justice and widely acknowledged human and labor rights, upholding its foundational tenet that social justice is necessary for world peace that lasts a lifetime.
México City's largest university.	To increase their exposure in Mexico and Latin America, the OECD Mexico Centre was founded in 1996.				
ITESM	**RNE**	**CCE**	**COMPITE**	**FUNDACION VAMOS**	**CSES**
Instituto Tecnológico y de Estudios Superiores de Monterrey [Monterrey Institute of Technology and Higher Education]	The Royal Netherlands Embassy	Consejo Coordinador Empresarial [Business Coordinating Council]	Established in 1997 provides micro, small, and medium-sized businesses with high-quality consulting and training services in order to improve efficiency, quality management, and social responsibility.	Vamos Foundation	Centro Sindical de Estudios Superiores [Trade union Centre for Advances Studies]
The university has been characterized by its socially responsible vision through different projects that seek to impact their communities, beyond Mexico.	The Dutch government places a high priority on CSR, as Dutch MNEs are significant investors in Mexico.	It represents the business sector and regulates actions from organizations from various business sectors in Mexico, in order to boost the country's economic growth and the level of competitiveness of Mexican companies.		Formed in 1996 by 60 civil society group leaders to collect money for and support other development initiatives in Mexico.	Supports the democratization of labor relations in Mexico. The compliance with fundamental human rights is a concern of CSR's labor difficulties.

Source: Author's adaptation of Networks of organizations in Mexico that seek to promote CSR, Weyzig (2004, p. 66)

Weyzig (2006) explains how the business perspective on CSR has occurred gradually in Mexico. The first approach was in May 2000 when CEMEFI, business groups and the chamber of commerce organized a CSR congress. The result of this meeting was the creation of AliaRSE, a Mexican network of seven business organizations supporting CSR. The second approach was the introduction of COMPITE's CSR program in 2001, which years later introduces the national "Guidelines for Social Responsibility and Integrity". Mexican business culture has been continuously developing from a traditional and just philanthropy related model to a wider and challenging business practice encouraged to face CSR issues.

When discussing the current situation of CSR in Mexico Fong et al., (2020) concluded on their research that larger businesses incorporate CSR more than smaller ones, meaning that a firm's size closely relates to its participation in CSR. The incorporation of CSR in Mexican companies generally can be defined as low due to an extensive number of factors, including the fact that there isn't much of a push from the stakeholders for their use to be incorporated into the business strategies. The question of whether public policy should be more proactive and even introduce regulations for mandatory use, generating new lines of research that contribute to a greater solidity to the explanation of the phenomenon, should be asked. It was also discovered through their study that the Socially Responsible Business (Empresa Socialmente Responsable ESR) model is the most popular CSR model in Mexico.

2. Employee Engagement

For achieving the stabilization of a public or private institution it is important that employees or associates feel truly committed. This section of the thesis paper will discuss the concept of employee engagement, its approaches, and certain reasons why companies should be giving a considerate importance to it.

2.1 Definition

It is easy to understand why Employee Engagement is an appealing concept for many organizations nowadays. Companies have figured having fully involved employees changes completely the game. Imperatori (2017) provides her own definition to EE explaining how engaged employees act:

- Trainers: active and participatory employee, persevering and prepared, always looking for improvements.
- Thinkers: workers that develop new thoughts and ideas. Creative and innovative, think outside the box and protocols.
- Gets involved and has fun: Engaged employees allow themselves to get emotionally involved and to find meaning in their daily activities.

Companies and consulting firms have their own employee engagement definition and measurement tools, surveys have become a popular way to measure EE. During the practical part of this thesis there will be an analysis of data retrieved from an engagement survey, the prototype of the survey belongs to the consulting firm Gallup (Gallup Q12 questionnaire). Table 6 below provides information on the analysis of the definition of EE from different authors over a decade.

Table 6. People engagement in academic research

	Definition	Author/s
A	"... the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances"	Kahn (1990)
B	"... the opposite pole of burnout...an energetic experience of involvement with personally fulfilling activities that enhance a staff member's sense of professional efficacy"	Leiter and Maslach (1998)
C	"A persistent, positive affective-motivational state of fulfillment in employee that is characterized by high levels of activation and pleasure"	Maslach et al. (2001)
D	"... it involves two critical components: attention and absorption. Attention refers to cognitive availability and the amount of time one spends thinking about a role while absorption means being engrossed in a role and refers to the intensity of one's focus on a role"	Rothbard (2001)
E	"...is considered to be the antipode of burnout... Work engagement is defined as a positive, fulfilling work-related state of mind that is characterized by vigor, dedication, and absorption"	Schaufeli et al. (2002) (Utrecht scale)
F	"... the individual's involvement and satisfaction with as well as enthusiasm"	Harter et al. (2002) (Gallup Q12 questionnaire)
G	"... meaningfulness, safety, and availability were significantly related to engagement"	May et al. (2004)
H	"...the extent to which an individual is psychologically present in a particular organizational role. The two most dominant roles for most organizational members are their work role and their role as a member of an organization"	Saks (2006)

Source: Imperatori (2017, p.22)

Restaino (2018) studies the most known consulting firms that work with employee engagement measurement. From a professional point of view, the most used studies have been developed by the Gallup organization. For Gallup engagement is defined as the participation, satisfaction, and enthusiasm of emotionally connected individuals. A highly engaged workforce means the difference between a company that overperforms and competitors that fail. For Towers Perrin on the other hand engagement is based on giving emotional meaning and providing an emotional and enriching experience to the employee. Lastly there is the Aon Hewitt model, for this consultant EE is the emotional and intellectual commitment of individuals with an organization or group, which consequently produce the behaviors that organizations promise to their clients and their commercial results.

Either seen from the researchers or consulting perspective engagement has the aim of promoting the quality of life in organizations, as well as organizational productivity. It pushes for creating a bond between the individual and their work in terms of loyalty and the desire to engage in extracurricular activities voluntarily.

2.2 Employee Engagement and Disengagement at work

Among the first researchers to study employee engagement there is the psychologist, William Kahn. Based on his findings in 1990 he prepared a paper titled "Psychological Conditions of Personal Engagement and Disengagement" in which he tested a theory stating that the different levels of self that employees bring to their work affect their experiences at work and their performance.

Kahn (1990) came up with three types of employee engagement: *cognitive, emotional, and physical.* As for the level of cognitive engagement it indicates how much attention employees give to their tasks. When cognitively engaged an employee is better at concentrating on its tasks even when there are distractions and other work disruptions, also these types of workers support the organization's mission, strategies, and goals and are aware of what has to be done to contribute to the achievement of those goals. Regarding the emotional engagement it discusses the involvement at work of employees determined by their feelings about their job, tasks, coworkers, management, and the organization. Employees who are emotionally engaged have favorable attitudes toward their jobs and will apply these positive attitudes and feelings to their work. Lastly, physical engagement refers to the physical and mental effort used by employees while performing their jobs. Employees who are physically active are enthusiastic about their work and have a growth mentality, they may also be more inclined to take advantage of opportunities for learning and development.

Imperatori (2017) categorizes employee engagement from a broader vision, she suggests the terms engagement content, engagement directions and engagement indicators. As for the engagement content she refers not only to the personal well-being of an employee but the company's climate and context. The engagement directions can be focused on both the organization and the job. It is important to know the direction, where/why engagement is heading so it can be addressed properly. As for the engagement indicators, it explores the experience of employees at work, examples of these indicators can be meaning, availability and safety.

Any organization is susceptible to the effects of employee disengagement, which is regarded as an epidemic among commercial enterprises. The rate of employee disengagement in developed countries is shockingly high, organizations are aware of the negative impacts this can bring to the company itself through its employees (Allam, 2017).

Every organization's ability to maintain positive working environments depends on its workforce. Since employees are the ones who make an organization successful, it is crucial for all businesses to understand what motivates them. L. et al. (2022). Balu, Ramesh, and Binu mention three categories into which workers can be divided:

- Engaged employees: entirely committed to their work and passionate about the improvement of the company.
- Non-Engaged Employees: not engaged in their work are only there to make a living.
- Actively Dis-Engaged Employees: actively disengaged from their work, are unhappy with their jobs and are determined to express this. Additionally, they will demotivate their co-workers.

The idea Kahn (1990) provides for personal disengagement refers to "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances" (p. 694). Kula (2008) mentions some role attributes that, according to his studies, are associated with high levels of engagement this included challenge, authority, autonomy, stimulation, access to knowledge, resources, and possibilities for advancement. On the other hand, hourly workers, who arguably have the least control or influence on their jobs and work experiences, have been found to have the lowest levels of engagement.

2.3 Outcomes from Employee Engagement

Worldwide, organizational leaders are increasingly focused on employee engagement and retention. The rise in investment in talent and Human Resources (HR) is demonstrating that businesses are realizing the actual need for and importance of investing in their human capital. Spendings in training, employee engagement programs, talent acquisition are some examples of HR investment. The outcome in the end will expectedly be increased productivity, teamwork, and job satisfaction. (Bersin et al. 2014).

Also as mentioned in the Deloitte Group report named "Global Human Capital Trends 2014 Engaging the 21st-century workforce", there are now many different measures due to the importance placed on employee engagement and retention difficulties. Employee engagement is highly frequently evaluated as part of organizational performance in many firms. Even though its awareness and the concern on disengaged employees' leaders have expressed the lack of solutions to address the issue.

Gruman and Saks (2011) created the engagement management model observed in the figure below. Rather than traditional, the model provides a holistic point of view that considers the whole company and all factors that affect employee performance. Performance agreement, which describes what is expected of employees, is the first step in the approach. To promote and develop engagement there must be a

negotiation between the parameters of a job, and the goals and performance indicators to be met. Next engagement facilitation focuses on job design, leadership, manager support, and training. The last component of the approach is performance and engagement appraisal and feedback. It has a focus not only on the job performance but also on the proactivity and adaptability of an employee, as well as the relationship generated between a manager and the employee, if there is lack of trust it is unlikely an employee will provide positive results.

These 3 elements in the model help to increase employee engagement, which leads to an improved performance. See figure 5 below.

Figure 5. The engagement Management Model
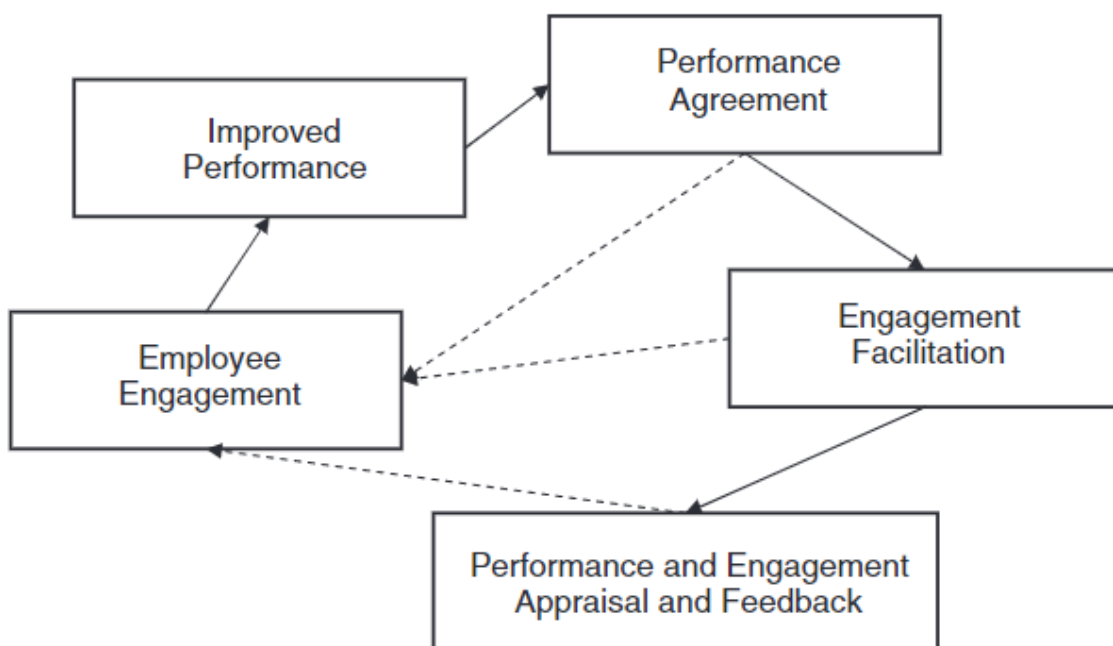
Gruman and Saks (2011, p. 128)

Andrew and Sofian (2012) call it a "win-win state of affairs", engaged employees identify with the achievements of their company and find fulfillment from their work. Authors emphasize the importance of distinguishing between the concepts of job engagement (job role inside the organization) and organization engagement (firm business goals and HR strategies). This differentiation will help clarify the critical relevance of employee engagement.

As mentioned in the paragraphs above, employee engagement has an impact on behavioral and performance outcomes. Albrecht et al. (2015) categorizes additional outcomes and divides them between individual and organizational:

- Individual outcomes: Attitudes, job satisfaction, commitment, and turnover intention.
- Organizational (team) outcomes: Team performance, team innovation, organizational performance, financial returns, and competitive advantage.

2.4 Employee Engagement Theories

There are a considerable number of models and theories to approach Employee Engagement as it might be seen as a complex construct with many different factors to analyze. Depending on the organization and its strategy the human resources management team considers the implementation of the one that fits better on the company and with its employees. Next there is a description of the three most known models.

2.4.1 Motivation theory

The motivation theory evolves from research done on trying to explain the reason why engagement happens in a certain period. Imperatori (2017) comments that the criteria for meaningfulness, safety, and availability are met when the work is meaningful, the workplace social environment is secure, and personal resources are accessible. As a result, employees push their energy into their job role and express themselves and their motivation. On the other hand, when these three demands are not addressed, people are likely to defend themselves, block others, and detach their personal lives from their professional roles.

Pincus (2022) argues the fact that the main definitions of the employee engagement construct, despite having come from a variety of theoretical backgrounds, happen to agree exactly with the notion of motivation is no coincidence. The author (Pincus) expresses both concepts are the same thing just applied to different contexts, for example one's place of employment. The table below shows the characteristics of the definitions of both concepts.

Table 7. Definitional Characteristics of Employee Engagement and Human Motivation

Consensus Definition	Employee Engagement	Human Motivation
Construct is defined as an *individual*-level, not group-level, psychological construct	•	•
Construct is a *latent* variable that is not directly observable	•	•
Construct acts as a *mediator* variable between antecedent conditions and behavioral outcomes	•	•
Construct is conceived of primarily as a *state* rather than a trait	•	•
Construct is conceived of as being multi-dimensional, with cognitive, emotional, and behavioral dimensions, but is considered to be primarily *affective*	•	•
Construct is defined as an affectively-charged goal-directed state, and often explicitly labeled as *motivation*	•	•

Source: Pincus (2022, p. 9)

2.4.2 Job demands-resources Model (JD-R)

The theoretical model of job demands-resources arises from a series of investigations on different variables that allowed explaining and forecasting well-being and work performance. Therefore, it will be exposed from its components (job demands and resources) and its subsequent extension (personal resources). Job demands include physical, psychological, social, and organizational aspects of work, as for personal resources it includes the self-esteem and optimism of an employee (Vargas Mendoza and Estrada Mejia, 2016).

Bailey et al. (2017) expresses that due to the extra effort required by work expectations, employees may eventually become exhausted and experience unpleasantness causing negative results. Through the JD-R model it can be understood that when employees have high levels of job and/or personal resources, they are more likely to be engaged with their work.

2.4.3 Social exchange theory

Social exchange theory states that when one party takes actions that are advantageous to another, a duty of reciprocity is generated. The relationship between the organization's management commitment and employee's perception are the main pillars when analyzing this theory. A positive social exchange perspective makes employees feel is an obligation to work accordingly at what is asked, and as a result it improves their performance (Hofmann and Morgeson,1999).

Following the same thoughts Alfes et al. (2013) explain social exchange theory as a model that follows reciprocity. When employees feel valued and well-treated by their employer this generates a high level of engagement. According to many studies on employee engagement, which are based on the social exchange hypothesis, show as a result that individuals get interested in their work when they put out intellectual effort, feel good emotions, and form deep relationships with others. Human resource management (HRM) contributions that are successful in creating a culture of reciprocity will likely result in improvements in their workforce's attitudes and behaviors.

Gould-Williams and Davies (2005) mention the use of social exchange theory is mainly to forecast the results of human resource management practices, focusing on employee commitment, employee motivation and the desire to stay in a company. Managers and supervisors are a huge aspect to focus when discussing this theory, a high involvement and commitment from them brings positive results, on the other hand when experiencing the opposite employees tend to express negative behaviors and attitudes.

Engagement enables organizations to have the right personnel to carry out their tasks and achieve organizational objectives. Understanding the difficulties that businesses and employees are facing as well as the causes of disengagement can be achieved by analyzing some of the current trends the world is facing. The information discussed in the employee engagement section can add to the fact that a human resources management policy committed to employees has a positive impact on a company. It is important to mention these methodologies can vary significantly depending on the field the organization belongs to, it will be risky to generalize, however it can be argued that the human dimension is critical for the effectiveness of organizational performance.

3. Link between Corporate Social Responsibility and Employee Engagement

Organizations have recognized the usage of CSR as an HRM tool to improve the engagement of their workforce. There have been several studies (Albdour and Altarawneh 2012; Slack et al., 2015; Tsourvakas and Yfantidou, 2018) examining the relationship between employee engagement and CSR. As a result, in most of the studies CSR is favorably correlated with employee engagement, however, inadequate communication and a weak CSR culture seem to be some of the predominant problems organizations face.

CSR can be defined as a driver of employee engagement. Sheridan (2019) concludes that the increase of attention from management on CSR is due to the impact it has on Millennial and Generation Z workers and their involvement. In actuality, nine out of ten Millennials say they would change careers to work for a firm that supports a cause or charity. Additionally, 94% of Gen Z thinks businesses should address social and environmental challenges. Businesses are realizing that giving to charity may enhance employee engagement, productivity, and profitability while also attracting and keeping top talent. Some ideas Kevin Sheridan proposes team leaders can use to demonstrate their team that the company truly "gives back" to the communities it serves are:

- Offer free cost services or create a charitable giving program.
- Give each member of your team a free volunteer day at the organization of their choice so they may give back without losing a day's salary.
- Arrange a day of team volunteering where the entire workforce takes time off from work to volunteer as a team.

In the corporate sector, CSR and EE are both topics of discussion. Although it is easy to see the clear connection between the two, many studies have been done to analyze their link. Through their commitment to CSR companies take advantage of the value proposition generated, this attracts and is appealing to potential employees. The employee perspective of a company's CSR has an impact on how appealing they think the company is to them, employee satisfaction with CSR increases the workforce engagement (Holland, 2011).

The figure below expresses the perspective of the link between CSR and EE that's been used in this thesis paper. Investment and awareness of corporate social responsibility

initiatives leads to employee engagement. This involvement of the workforce generated by CSR will lead to individual and organizational success.

Figure 6. Relationship Between Corporate Social Responsibility and Employee Engagement
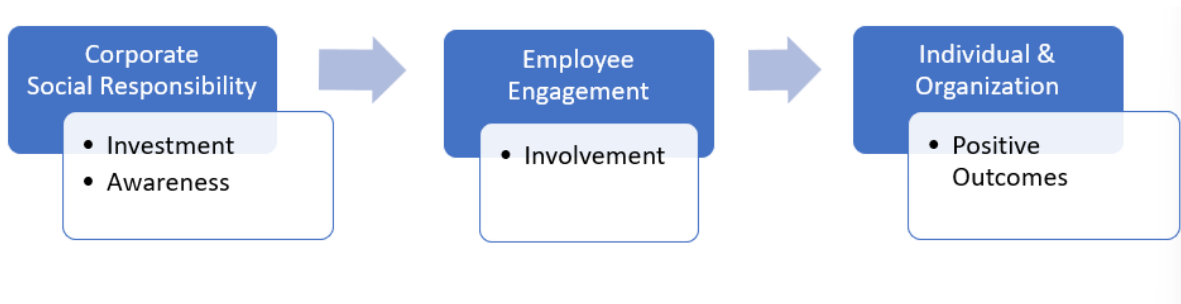
Source: Own compilation

3.1. Why to Engage in Corporate Social Responsibility?

Employees are proud to associate themselves with organizations that reflect a philanthropic image. Sense of identity, meaning and purpose motivate employees, corporate social responsibility activities and programs are one of the ways to encourage employees to have a different work life inside their company. According to a study on the world's 100 most reputable companies done by Reputation Institute which is a global consulting firm presented Microsoft, The Walt Disney Company, Google, and BMW as the top companies with the best CSR reputation. (Smith, 2013). Companies have started not only to encourage employees to participate in volunteering and giving programs but also to monitor their progress on it, with the final purpose of assessing the impact on their communities and workforce (Boccalandro, 2009).

There exist many good reasons for companies to engage in CSR and they can go from correctness to competitive advantages. Edmans (2011) confirms through a study done using the list of "100 best companies to work for in America" that there is a positive relation between employee satisfaction and shareholder returns, the study showed as well that socially responsible investing (SRI) is likely to increase the overall investment returns.

Mirvis (2012) describes three ways in which organizations connect CSR with employee engagement. First, by being a responsible firm, meaning in the way a company treats its employees. Second, through the creation of different initiatives and programs that show the commitment of the company to CSR. And third, by encouraging employees to voluntarily engage in CSR related activities. As of how companies act and design their efforts to engage their employees through CSR the next models were presented on the article:

- Transactional Model: CSR programs are implemented to address the needs and preferences of staff members who wish to participate in the company's socially responsible activities.

- Relational Model: when the company commits to social responsibility with the help of its employees.

- Developmental Model: where the company tries to develop its staff to deliver more value for the organization and society.

From the company perspective and following the transactional model one of the easiest ways of engaging employees is through internal marketing. This means seeing your employees as your internal customers, fulfilling their needs, providing them with the right package of compensation and CSR programs of their interest (Bhattacharya et al., 2008). From the relational model the approach is targeted to a socially responsible culture. A scenario in which employees have a shared vision, mission and values that emphasizes CSR bringing out sustainable and organizational positive outcomes (Mirvis et al., 2010). As from the developmental model approach it intends to impact the full corporate ecosystem, meaning its employees, the organization, and its stakeholders. Stonyfield (food industry) can be used as an example; the company encouraged its employees to save energy at the company's facilities. All employees' bonuses were linked to the saving of energy, which increased motivation. The company reduced its energy used by around 22%, exceeding its annual objective (Gullo and Haygood, 2010). To put it into short words it can be seen as the scope of engagement through CSR from me, to we, to all of us.

Figure 7. Company Perspective on engaging everybody in CSR.
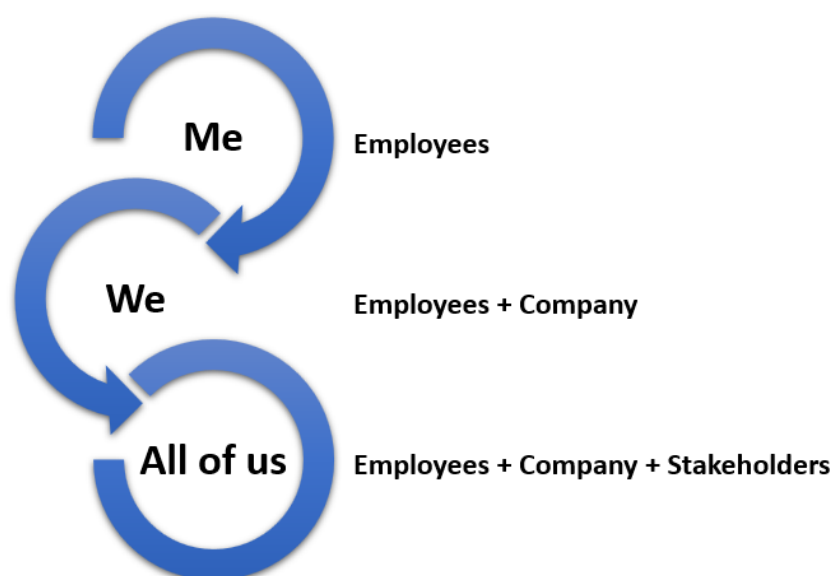
Source: Own compilation

When discussing the employee perspective, the goal is to analyze the interests and motivations employees have under the three CSR engagement models. The transactional model describes the needs employees have and when satisfied where it leads to. These needs are more important than others and people are motivated to fulfill them. Using the theory of Maslow (1943) people are driven by a hierarchy of needs that extends from basic needs such as physical survival to social needs, thus leading to self-satisfaction when met. The relational model on the other hand, focuses on employees expressing their identity. Self-expression and identification make employees feel welcome to bring their "whole self" into work. Through CSR companies engage their employees as citizens of a society, as parents, as members of a community rather than just as an employee (Goodings et al. 2007). Regarding the developmental model it refers to a form of employee engagement that gives employees a deeper sense of purpose and meaning through work. Through CSR policies employees get empowered, for example knowing the company you are working for operates in a social and environmentally conscious way will make you feel your job is useful for both the business and society.

Table 8. Models of EE through CSR, the employee perspective.

Employee Perspective	Transactional Model	Relational Model	Developmental Model
Personal Motivation to Engage	Need	Identity	Purpose
Benefits of Engagement	Self-Satisfaction	Self-Expression	Self-Development
Personal Involvement	Individual Service	Collective Service	Service & Learning

Source: Author's adaptation of Mirvis, Three Models of Employee Engagement through CSR (2012).

4. Sustainable Human Resource Management

As corporate social responsibility encourages employee growth, human resource management and CSR are intimately related to one another. A big number of studies done on HRM back up the argument that managers find it challenging to implement or administer. On one of the sections above there has been described the theory of sustainable development, in this section a deeper approach into the link of HRM and sustainability will be discussed.

For the past 30 years, the strategic human resource management (SHRM) approach has become the norm for HRM policy. But over the past ten years, a new strategy for HRM has emerged, known as sustainable human resource management (sustainable HRM) this approach intends to connect sustainability and HRM (Kramar, 2014).

Organizations must actively participate in resource renewal, regeneration, and reproduction if they are to exist over the long term. Nevertheless, this is something that is neglected in favor of focusing on short-term performance. Resources are a necessity for businesses, and their depletion lowers their ability to survive. Organizations must reconsider how they use and manage their resources, including their present and future human resources as well as social relations outside the organization (Ehnert et al., 2013).

While investing in sustainability increases profit for the company and its shareholders it also promotes a more sustainable environment. Organizational sustainability is defined as the management strategies that prioritize economic, social, and environmental performance standards based on ethics and transparency and strive to maintain the organization's vitality over the long term. It is critical to stress that firms today must not only prioritize environmental challenges and resource conservation, but also integrate sustainability practices into their human resource management strategies. HRM requires fostering certain commitment-to-employee mindsets, like no discrimination while recruiting and selecting new personal, pro diversity, physical and mental wellbeing, and gender equality. A sustainable organization, in essence, must include social, environmental, and economic policies (Machado, 2019).

Employees that have knowledge about the environment can increase a company's profitability while also assisting it in retaining talented staff, fostering better ties with the community, and achieving its sustainability objectives. Quantification of education on environmental and sustainability is not yet clearly measurable, however its advantages are, teaching employees to save, recycle, increase productivity, and

reduce waste, among other actions, bring benefits for individuals, businesses, and communities. An example is company Baxter who participated in the "World Environment Week" in 2009. Due to this there was a notorious boost to volunteerism and employee engagement inside the organization. Employee-led initiatives included visiting schools and converting the sales fleet to hybrid vehicles (Gullo and Haygood, 2010).

Mirvis, Googins and Kinnicutt (2010) study the relation between sustainability and a company's vision, mission and values. In their article they discuss a recent Accenture study of CEOs who had accepted the principles of the United Nations Global Compact, most of them had integrated sustainability within their companies. Although their companies had sustainability policies and programs, the results showed that only a small number had established sustainability goals and controls for their lines of business or made the necessary operational changes in their supply chains and distribution systems. An example that demonstrates a deep sense of responsibility for bringing about change is Ray Anderson, CEO of Interface (manufacturer of commercial flooring and carpets). After reading a book named The Ecology of Commerce, he felt committed to creating a sustainable relationship between his company, its suppliers, consumers, communities, and the environment. He implemented the following 7 steps: eliminate waste; benign emissions; renewable energy; closing the loop; resource-efficient transportation; sensitizing stakeholders, and redesign commerce.

Some other examples of companies linking Sustainability and HRM are Wells Fargo, Starbucks, and The Walt Disney Company. Some of their successful practices are to offer service sabbaticals and to involve their customers. The Volunteer Leave Awards Program at Wells Fargo provides team members with up to four months of paid time off with benefits to work with a nonprofit of their choice to address social issues that are important to them and to increase the nonprofit's sustainability. Starbucks customers travel with staff members to Costa Rica to assist a coffee cooperative in implementing sustainable agricultural methods. Walt Disney Company encourages volunteerism through their "FamilyFun" magazine, kids participate in a contest by submitting what they do with their families to volunteer. Disney recognizes the winners of the competition and donates to their preferred charity (Boccalandro, 2009). Through the examples discussed the main takeaway is that when businesses invest time and money in this kind of transformation, it may produce innovative, successful, and long-lasting sustainable ideas.

Stibbe and Prescott (2020) mention there are very good reasons why businesses should get involved in sustainable development and do so in collaboration with many of their stakeholders.

First the philanthropic engagement, intended to build a company's reputation, particularly through exhibiting corporate citizenship to both customers and workers.

The impact of businesses practices is being deeply examined by consumers and communities, and more and more job candidates are looking at a company's CSR programs before accepting a position.

Second, the strategic social or environmental investments which are made with the goal of enhancing a company's social license to operate and assisting in creating a stable, long-term business, societal, and ecological environment.

Lastly, investments that are made to address more immediate business risks and to guarantee sustainability along its value chain. Businesses are increasingly collaborating with others to address systemic issues that pose risks to their operations as well as those of people and the environment, such as corruption and climate change. There is a trend occurring in many nations, driven in part by multinational corporations, away from pure philanthropy and toward more strategic, "shared value" contributions, in other words from indirect, non-core business incentives to core business investments, see figure below.

Figure 8. From philanthropic to strategic core business.

Source: Stibbe and Prescott (2020, p. 16)

There is an action hub for sustainable development in Mexico named "My World Mexico". A hybrid initiative that combines social mobilization, activism, and incidence, with an innovative circular business model based on sustainable development. They work with people and organizations from all sectors and origins to ensure the achievement of a world where people prosper in balance, equality, and justice, respecting the planetary limits. Due to the impact of the hub, it has been positioned as one of the 2030 Agenda platforms for sustainable development and the most recognized SDGs internationally, regional, national, and locally. Through annual

programs and mobilizations, it empowers people and organizations to lead actions and processes in favor of sustainable development in the country and the world.

Kramar (2022) argues sustainable HRM is a newly developed idea, framework, and set of procedures. A lot of work needs to be done to improve and implement sustainable HRM in organizations. Sustainable HRM will develop through stages of understanding just like diversity management did. The identification of Sustainably HRM evolutionary stages, the creation of models for organizational applications, and a wider discussion and improvement of Sustainable HRM are three crucial future advances. Understanding what is needed will make the creation of policies and procedures possible. The incorporation of these new policies will be a task belonging to HR managers.

From a more to date perspective Agarwal et al., (2022) discuss that HR inside the company should give workers training to improve their skills and foster a tech-friendly workplace culture. Industry 4.0's issues for the corporate environment provide significant disruptions for the adoption of sustainable HRM, requiring the companies to consider its ramifications. Organizations have not yet addressed this change in HR policy, which is a serious worry because it is preventing organizations from achieving social sustainability. To sustain company economies, the workforce must be retrained and upskilled to handle unforeseen disruptions brought on by technology. The SDGs emphasize the necessity to address these issues because of Industry 4.0 and automation.

PRACTICAL PART

5. Overview of the Company

Johnson Controls is a globally diversified technology company and multi-industry leader serving a wide range of customers in more than 150 countries, its headquarters are in Ireland. Their commitment to sustainability goes back to 1885, with the invention of the first electric room thermostat. The company is using artificial intelligence and data driven solutions to give customers a deeper insight into their building's health, sustainability, and performance. Johnson Controls provides the world's largest portfolio of building technology, software, and services. More than 100,000 devoted staff members support clients in 150 countries as they strive toward sustainability goals and carry out their missions.

The history of the company goes back to a State Normal School in Wisconsin, where Professor Johnson struggled during his classes as he was constantly interrupted by janitors who were checking the temperature of the classrooms. This resulted in his invention of an electric room thermostat in 1883, 2 years later with the help of investors from Milwaukee he was in business (Chuck, 1985).

As the leading global provider of automation, equipment, and controls; as well as heating, ventilation, air conditioning, refrigeration, maintenance and fire safety systems and access control services for buildings and facilities, the company is present in hospitals, universities, mining, oil, data centers, airports, among others. See the table below with more detailed information on the main solutions the company provides.

Table 9. Johnson Controls main products.

| HVAC	AIR HANDLER	INDUSTRIAL REFRIGERATION	SECURITY	AUTOMATION SYSTEM	FIRE DETECTION & SUPPRESSION
Air conditioning solutions for buildings that provide more comfortable environments for users while taking care of efficiency and energy savings.	Meet sanitary standards for food processing with sanitized air.	Extend the life of food and beverages and reduce energy costs. Refrigeration and gas compression solutions in industries such as petrochemicals, pharmaceuticals, gas storage.	Optimize the security of facilities and their occupants by offering integrated solutions to achieve a protected and productive environment.	Increase the efficiency of facilities, reduce costs and improve the productivity of occupants through the integration of air conditioning, lighting, security and protection systems in a unified control platform.	Fire safety is a fundamental mandate for every business, facility, school, or any other building. Our solutions are designed to not only protect your assets but also their occupants.
Chillers VRF Equipment package Air handlers Dedicated Outside Air System Capacitors Roof units	Introduce 100% fresh air during wash cycles. Control the humidity and temperature of process room. Filter technology to remove floating organic materials and pathogens.	Package units Evaporators Heat exchangers Control panels Spare parts	Access control Intrusion Video surveillance	Power management Occupant comfort and productivity Data analysis capacity Efficient operation	Smoke detection and fire alarm system Fire barriers Fire suppression systems Special risk suppression systems

Source: Self-created information retrieved from Johnson Control's website.

5.1 Company's Mission, Vision, and Values

Mirvis et al., (2010) describe the mission, vision, and values meaning for companies and suggests sustainability should be included at all stages of them, acting as a guide to the firm along its path. Mission refers to the "why" or the purpose of the organization. Vision refers to "what" is the future the company will try to create, and the values are the "how" the company acts to complete its vision.

Johnson Controls mission is to create a smarter, healthier, and sustainable future for its customers, communities, and the planet. The vision of the company as stated on its sustainability report is a "Zero Harm vision worldwide" which refers to a secure, comfortable, and sustainable operation towards the company's stakeholders, impacted communities and the environment. Figure 9 shows the values the company is committed to implementing in its daily operations.

Figure 9. Organization Values
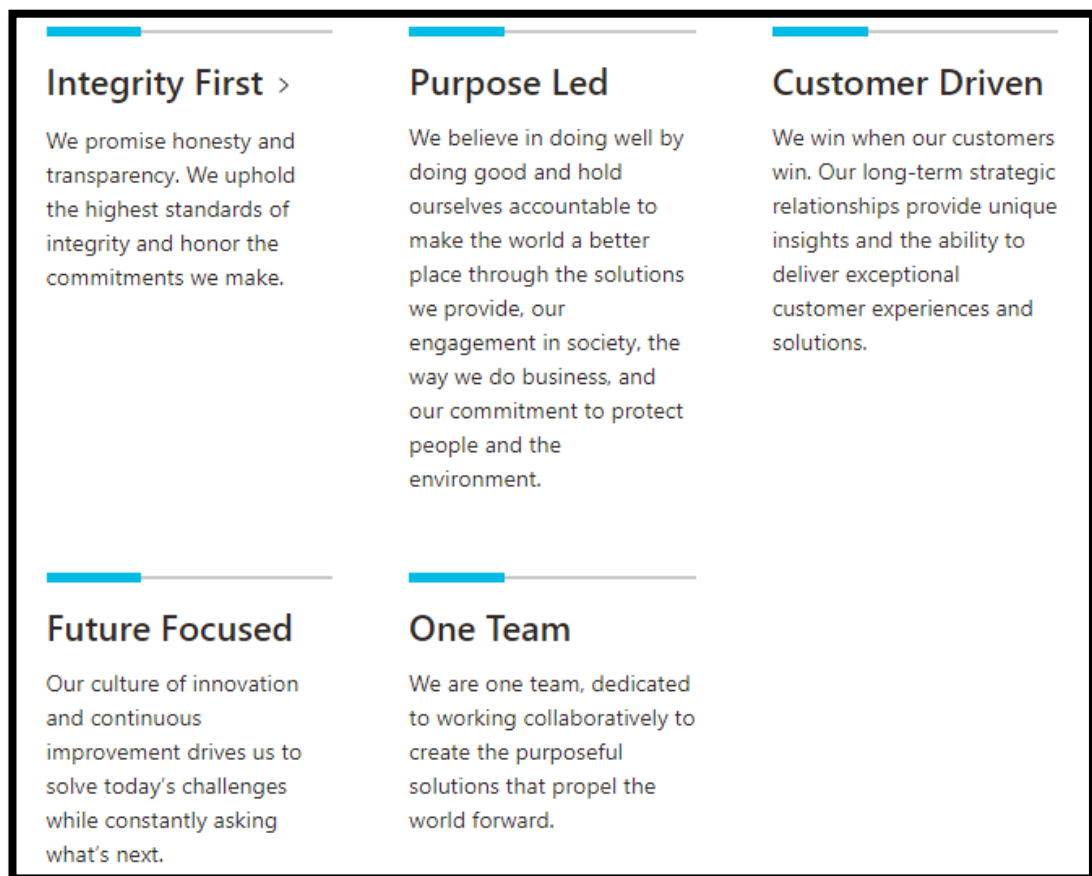
Source: Johnsoncontrols.com, "Our company", 2023.

5.2 Awards and Recognitions

The following list includes some of the acknowledgments the organization has received on both areas' sustainability and integrity (Johncontrols.com, "Corporate-Sustainability", 2023).

- Highest Customer Satisfaction by J.D. Power and Associates
- 100 Best Corporate Citizens by Corporate Responsibility Magazine
- World's Most Ethical Companies by Ethisphere Magazine
- Change the World List by Fortune
- Rank #12 in the 100 Most Sustainable Corporations in the World
- Gold Sustainability Rating by Ecovadis
- Best Employers for Diversity by Forbes
- Named among the 120 most advanced companies globally by Euronext World

5.3 Corporate Social Responsibility inside the Company

The key areas of corporate social responsibility in the company are divided into volunteerism and philanthropy. According to Johnson Controls everyone benefits when employees volunteer in their communities. Their workers volunteer both individually and in groups across local communities. Many employees and leaders participate in nonprofit organizations, the company urges employees to routinely volunteer for a cause that they are passionate about. The commitment towards philanthropy has been active since 1952, and in the past ten years funds for almost $80 million have been granted to support U.S. charity organizations. Some of their programs will be mentioned below (Johncontrols.com, "Corporate-Sustainability", 2023).

- Volunteerism Programs:

WeGive- for every hour an employee volunteers the company donates $10, the cause should be eligible and in 80% of the cases it is tied to the support of the 17 UN Sustainable Development Goals.

Community Leadership Program- there are a huge number of organizations looking for support from the company, employees take part on board service and provide guidance to the company's philanthropic decision makers.

- Philanthropy Programs:

Matching Gift Program- eligible employees and retirees donate an amount and the company matches it (one-for-one).

College Scholarships- children of employees can get a scholarship to continue their higher education.

Community College Partnership Program- investment on community colleges in North America, employees also take part as they volunteer to manage programs connected to the company's core businesses, offering a better possibility for obtaining a job in a future.

5.4 Employees

Johnson Controls encourages and sponsors Business Resource Groups (BRGs) throughout the organization. A diverse and inclusive workplace is built and maintained through the BRGs. The main benefits from it are personal/ professional development and business impact, the groups are employee-driven, and open to all employees (Johncontrols.com, "diversity-and-inclusion", 2023). There are 9 different types of BRGs which are the logos appearing in the figure below.

- APBRG: Enhancing Johnson Controls' reputation as an employer of choice and raising its profile in the community for diversity.
- Global Sustainability Network: Involving workers in improving sustainable business practices throughout Johnson Controls.
- JC4e: Acknowledging and supporting LGBT (lesbian, gay, bisexual, and transgender) workers, their families, and allies.
- ONYX: Attempting to increase Johnson Controls' competitiveness as the preferred employer for Black professionals.
- SYNERGY: Fostering collaborations and the advancement of the next generation of leaders.
- UNIDOS: supplying a platform for the exchange of ideas, increasing awareness, and developing talent.
- Unlimited: Assisting those who are affected by disabilities.
- VET: Johnson Controls aims to become the employer of choice for veterans and to go above and beyond its own commercial objectives.
- Women's Global Network: Building a community by utilizing the strength, influence, and intellect of Johnson Controls' female employees.

Figure 10. A Global Commitment to Diversity, Equity, and Inclusion

Source: Johnsoncontrols.com, "Diversity and Inclusion", 2023.

Building a high-performance culture is one of Johnson Controls' key strategic objectives. Using a strong, standardized performance management program, non-production employees from all over the world set objectives that are in line with the business's strategic plan, its functional goals, and the necessary skills outlined in its enterprise leadership competencies and company values. Employees take part in quarterly goal progress review meetings with their supervisors and have time set aside for development dialogues and activities. Workers have access to a variety of resources, including an Individual Development Plan and an online learning platform, to do research and plan their professional growth. There is an annual review process which includes individual and manager participation to ensure the evaluation is comprehensive. Both employees and managers are encouraged to use the company's recognition tool "Bravo" to seek feedback and motivation (Johncontrols.com, "Reporting-and-policies", 2022).

In addition to their existing Early Career Sales Engineering programs, the company offers rotation programs in finance, sales, and marketing. The enterprise leadership competency model makes sure that workers have the competencies and skills to contribute to success both today and in the future. Regardless of the position or status within the company, employees may support their own growth and professional success by demonstrating their leadership characteristics (Johncontrols.com, "Non-financial-report", 2022).

5.5 Customers

Johnson Controls management oversees creating the company's overall objective and business strategy to ensure that the firm is managed in a way that it can achieve its goals. The board of directors defines and monitors the implementation and compliance with standards of accountability, as well as the efficacy of management policies and decisions. Given that buildings account for over 40% of worldwide CO_2 emissions, Johnson Controls has a specific obligation to take the lead in combating climate change. In order to ensure healthy people, healthy places, and a healthy planet, the company is steadfastly devoted to supporting their clients and other people worldwide as they work toward their net zero carbon goals (Johncontrols.com, "Reporting-and-policies", 2022).

Johnson Controls assists its clients in Asia Pacific in achieving sustainability and decarbonization objectives. Partnerships incorporate realistic yet comprehensive ideas around digitalization, retrofitting, and the usage of heat pumps. Company's "OpenBlue" digital platform and services for building optimization can improve energy efficiency and associated carbon emissions by 50% or more. A theater in Japan, an administrative center in China and 90 bank buildings across Asia Pacific where some of the sites that were improved. Innovative integrated technology for healthy buildings is a priority for Johnson Controls customers, nowadays products and services must support healthy people, healthy spaces, and a healthy planet. The 2020 pandemic demonstrated the necessity for flexible solutions by demonstrating that few customers were able to minimize building running costs despite decreasing occupancy. Johnson Controls' solutions offer a singular, game-changing capability to address the issue of healthy spaces while also advancing environmental objectives (Johncontrols.com, "Press-releases", 2021).

Customers have recognized Johnson Controls as a provider of plants of excellence. Manufacturing plants for Energy Solutions continue to advance meeting customer stringent requirements as quality for employees, processes, and technology. This discipline produces positive results. For second consecutive Year, General Motors awarded the distinction of Supplier with Excellence in quality to the organization plants in Celaya, Mexico; Sorocaba, Brazil; and Cali, Colombia. By following the company's core values their customers win a top-quality service, as employees are committed to work as "One team". An organization-wide employee survey conducted in 2017, "My Voice", reveals areas of opportunity and strength, which form a basis for action plans that will improve employee engagement and their relationship with customers (Johncontrols.com, "Business-sustainability-report", 2017).

5.6 Business Partners

Johnson Controls wants to be a business partner, employer, and supplier of choice. With numerous international, national, and local multicultural and professional groups, the company upholds valuable corporate connections. All throughout the year, they partner together with these organizations on various programs and initiatives as well as international hiring fairs. Through these collaborations, the company gets access to top varied talent, research, benchmarking data, as well as opportunities for networking and professional growth for its staff. A list of some of the company's partnerships: (Johncontrols.com, "diversity-and-inclusion", 2023).

- Diversity Best Practices
- American Corporate Partners
- National Action Council for Minorities in Engineering (NACME)
- Society of Women Engineers
- National Society of Black Engineers
- Society of Hispanic Professional Engineers
- The Conference Board
- Executive Leadership Council
- Hispanic Professionals of Greater Milwaukee
- WI LGBT Chamber of Commerce
- African American Chamber of Commerce of Wisconsin

Through the challenge of being a net zero company Johnson Controls has recognized the need to collaborate with leading firms across industries and governments. The company is part of the Business Roundtable (BRT) Energy and Environment Committee to support laws that protect the environment and increase available energy sources. Progress on addressing climate change must be made quickly, Johnson Controls emphasizes that through effective public-private partnerships things can get speeded up. The US Department of Energy's Cold Climate Heat Pump Technology Challenge is an initiative to provide affordable and effective heat pumps for any building owner in any climate, and Johnson Controls is one of the first six industry partners to participate. It intends to hasten consumer adoption of cleaner, more effective cold climate heat pumps and contribute to the realization of a net zero economy. (Johncontrols.com, "Reporting-and-policies", 2022).

5.7 Environment

Johnson Controls has been committed to environmental preservation since the invention of the electric thermostat in 1885, which marked a significant improvement in building energy efficiency. Their goods and services now enable people and communities from all over the world to use less energy and save resources. The figure below includes the most recent objectives and accomplishments the company has committed to on its way to being a responsible organization who is aware and conscious about the protection of the environment (Johncontrols.com, "Corporate-sustainability-environment", 2023).

As mentioned on the "Mission, Vision, and Values" section before there is a huge commitment to have safe and sustainable operations throughout the whole organization. Some of the most recent Environmental Health and Safety processes and standards are: Distracted Driving Policy and Driving Safety Standard. The Distracted Driving Policy bans using electronic devices, such as mobile/cell phones or any other kind of communication media, that may cause a distraction, while operating a moving vehicle by all workers. Businesses have received multi-million-dollar fines for employee-related distracted driving incidents. This policy reduces needless risks that could endanger employees and others. The purpose of the Driving Safety Standard is to provide minimal standards for health and safety that will protect workers from the risks associated with operating, maintaining, or being close to both motorized and non-motorized vehicles. This standard applies to all Johnson Controls business units and operations around the world, including joint ventures (JV), partnerships, or other business agreements where Johnson Controls has operational or management control. (Johncontrols.com, "Environmental-health-and-safety", 2023).

Figure 11. Our Commitment to the Environment

Source: Self-created, information retrieved from Johncontrols.com, "Corporate-sustainability-environment", 2023.

6. Methodology

The previous chapter in this thesis paper included valuable theoretical information that together with the results of a conducted survey will make it simpler to analyse the possible recommendations that would suit better to the selected company in Mexico. First, the main objective of the study will be briefly described. Next the methodology used will be discussed, including the sample information and questionnaire structure. Lastly the internal consistency will be assessed.

6.1 Research Objectives

This thesis diploma aims to explore the topic of Corporate Social Responsibility from an employee perspective. The main objective of the thesis is the following:

<u>Analyse the perception employees have towards the concept of Corporate Social Responsibility and how it impacts their employee engagement.</u>

Research questions that came up from the main goal of the thesis are:

- Are employees aware of the CSR policies in the company?
- Is there a relation between CSR and employee engagement?
- What is the importance of Corporate Social Responsibility for employees?
- What is the impact of Corporate Social Responsibility on Employee Engagement?
- Role CSR could play as a potential Human Resources (HR) tool to engage employees.

The following hypotheses have been proposed in relation to the research objectives and the previous theory review:

H1. Younger generations are more likely to place a greater value on CSR initiatives at their workplace.
H2. There is a positive relation between CSR and Employee Engagement.
H3. Engaged employees are more likely to participate in CSR activities.

6.2 Conceptual Framework

A conceptual framework makes it easier to show relationships among ideas and how they relate to the research study. Corporate Social Responsibility has been analysed from a company performance perspective which includes 4 variables, (economic, legal, ethical, and philanthropic), and from a personal perspective which includes 3 variables (motivation, benefits, and involvement). Employee Engagement has 4 variables (growth, teamwork, management support, and basic needs). The chart below shows the relationships between these variables and the connection between CSR and EE through the perspective of the employee.

Figure 12. Thesis Framework
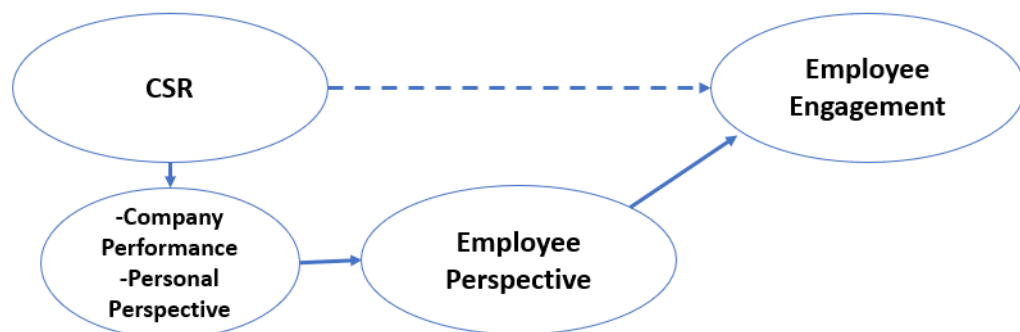
Source: Own compilation

6.3 Research Approach

As reviewed in "Research Methods for Business Students" by Saunders et al. (2012), the next step on the research design of this diploma thesis is making the decision on the methodological choice to be used and the strategy to get the data needed. According to Sekaran and Bougie (2016) business research is a structured, methodical, data-based, objective, examination into a particular topic that is conducted to find solutions. The type of this study is quantitative, the goal is to gather crucial data for its analysis that can later serve as management recommendations. Generally, questionnaires are made to gather a big amount of quantitative data, in this case data was gathered first-hand through a web-based questionnaire distributed inside Johnson Controls company. After analysing the data retrieved the main objective will be knowing the perspective employees have towards the concept of CSR and if there exists a connection between its perception and employee engagement.

6.4 Research Sample

A universe or population is the collective set of all the objects being considered in any subject of study. There are two types of samples: probability samples and non-probability samples. With probability samples, each element's chance of being in the sample is known, whereas with non-probability samples, the researcher is unable to calculate this chance. Probability samples are those based on for example simple random sampling, or systematic sampling, whereas non-probability samples are in example based on convenience sampling, judgement sampling (Kothari, 2004).

As there is a 100% chance that any employee will be chosen for the sample, probability sampling was used. The questionnaire survey was distributed among a population of 160 workers of Johnson Controls in Monterrey, Mexico. Random sampling was also chosen to secure a better reliability of the findings.

6.5 Questionnaire Design

In a way to attempt a better response from employees the questionnaire was translated to Spanish, employees were notified that the English version of it was also available in case it was needed or preferred. The questionnaire was divided in 3 sections. The first part introduces the respondent by thanking him/she for its participation and explaining what is needed from them (grading statements from 1 – 5 using Likert scale), the average time for responding the survey which is 5 minutes was mentioned as well. Also, as part of the first section of the questionnaire participants filled their socio-demographic background.

The second part of the questionnaire is based on the measurement of the engagement of an employee. Gallup Q12 is a widely recognized tool for measuring employee engagement. It consists of 12 questions that assess different aspects of employee engagement, such as job satisfaction, teamwork, and recognition. The Gallup Q12 survey measures overall employee engagement and provides insights into areas where employees may be disengaged. On the other hand, another tool that has been used in many studies is the Utrecht Work Engagement Scale (UWES) is a tool for measuring work engagement. It focuses on three dimensions: vigor, dedication, and absorption. The UWES survey aims to measure the level of dedication and enthusiasm that employees have towards their work. The main difference between these two surveys is their focus. While the Q12 survey looks at overall employee engagement, the UWES survey measures work engagement specifically. Therefore, Gallup Q12 survey was selected to use in this study as the main approach is to find the level of engagement or disengagement of employees. Both are useful tools for measuring employee engagement. An example of the statements found in this section of the survey are:

- At work, my opinions seem to count.
- In the last six months, someone at work has talked to me about my progress.

The last section analyzes the perception of an employee towards Corporate Social Responsibility. The measurement was divided in 2 subparts, CSR Company Performance and Personal CSR Perspective. To measure the company's performance, it has been used part of Closon et al, (2015) questionnaire which is a reshape from Maignan and Ferrell's (1999) scale. The questionnaire contained 21 statements, a reduction to 12 statements was done, still the main 4 areas (economic, legal, ethical, and philanthropic) that are mentioned in Carroll (1979) CSR pyramid where included. In order to measure the CSR personal perspective a study done by Mirvis (2012) which looks at the relevance of CSR for engaging employees was used. Motivation, involvement, and benefits of engagement are some of the impacts measured in this subpart. An example of the statements found in this section of the survey are:

-My company promotes workforce diversity.
-My company minimizes its negative impacts on environment.
-I feel motivated by my company's involvement in Corporate Social Responsibility initiatives.
-I feel proud to tell other people that I work for this company.

In the attachments of this paper the questionnaire is included for its consultation and for readers to get a broader vision of it.

6.6 Collection of Data

Data analysis and data conclusions are influenced by the methods used to obtain the data. The key distinction between primary and secondary data is that primary data is gathered by the researcher, which may facilitate data collecting in relation to the effectiveness and the solving of the research questions. The biggest disadvantage of secondary data is that the information may not always be relevant to the research (Easterby-Smith et al., 2015). For this study primary data was collected through a survey, the use of secondary data will also be used for providing the final recommendations. The environment annual report and the non-disclosure report from the company were used as secondary data.

Data collection started on February 13, 2023, and lasted until March 3, 2023. A Hr. Specialist inside the company distributed the survey, the response from participants was unexpectedly good. The data was collected through Google Forms, and later downloaded to an Excel file for formatting the text and preparing it for its analysis.

6.7 Internal Consistency

After the data has been collected from a representative sample of the population the next stage is to examine it and try to find the most approximate answer to the research questions. There are several prerequisite tasks that must be done before starting the data analysis. They aid in making sure the data are correct, comprehensive, and appropriate for further research (Sekaran and Bougie 2016). To prepare the acquired data for statistical analysis, numerous adjustments were needed. First, the data was examined for any ambiguous or repeated responses, part of the data was changed from Spanish to English. Second, data coding was done for being able to enter the data to IBM SPSS system. All 115 responses were accepted for processing because there was no such discrepancy discovered or problem on doing the data corrections.

6.71 Reliability

A reliability review must be done to test for both consistency and stability of the data retrieved. Duplicated, or replicated data can lead to inconsistent findings. The reliability coefficient known as Cronbach's alpha measures how well a group of items are positively associated with one another. The nearer to 1 Cronbach's alpha is the greater the internal consistency reliability (Saunders et al., 2012).

According to Pasian (2015) when there are several Likert items in a survey or questionnaire that make up a scale and you want to know if the scale is reliable, Cronbach's alpha is most frequently utilized. Therefore, Cronbach's alpha was chosen to evaluate the consistency of the data. Cronbach's alpha must be greater than 0.7 to be considered acceptable, while values significantly lower than 0.7 signify an untrustworthy scale. The tables below show the information from a reliability analysis done in IBM SPSS, both variables have an acceptable Cronbach coefficient.

Table 10. Reliability Scale for Employee Engagement

Variable	Cronbach's Alpha	No of items
Employee Engagement	0.874	12

Source: Own compilation (computed in IBM SPSS)

Table 11. Reliability Scale for Corporate Social Responsibility

Variable	Cronbach's Alpha	No of items
CSR Overall	0.907	22
CSR Firm Performance	0.810	12
CSR Perspective	0.888	10

Source: Own compilation (computed in IBM SPSS)

6.72 Validity

A factor analysis done in IBM SPSS was used to determine the validity of the data retrieved. According to Sekaran and Bougie (2016) this technique helps to identify the items that are most suitable for each dimension of the concept and confirms its operationally defined dimensions. The analysis included a correlation matrix and the Kaiser Meyer-Olkin Measure of Sampling Adequacy (MSA), results will be displayed in the tables below. The matrix is valid as variables show a correlation smaller than 0.8. (See tables in Attachments). Regarding the MSA a value of 0.60 or higher is required to be acceptable (Hair, 1998).

Table 12. Factor analysis for Employee Engagement

Variable	MSA
Employee Engagement	0.850

Source: Own compilation (computed in IBM SPSS)

Table 13. Factor analysis for Corporate Social Responsibility

Variable	MSA
CSR Overall	0.856
CSR Firm Performance	0.794
CSR Perspective	0.839

Source: Own compilation (computed in IBM SPSS)

7. Results

The outcomes of the analysis of the primary data are reported in this section. The information was gathered through a web-based questionnaire to which 160 employees working in the Nuevo Leon, Mexico office of Johnson Controls were invited. The survey had a total of 115 participants (a response rate of 71.9%). IBM SPSS Statistics was used to compute results.

7.1 Sample characteristics

The number of respondents completing the survey is 115. Of these 60 are female and 55 males, indicating a relatively proportional number. As mentioned in the latest non-disclosure report the company has a Compensation and Talent Development Committee that oversees issues including organizational equality, diversity and inclusion, and human resource management that have an impact on the workforce. Information is presented in the figure below.

Graph 1. Distribution of gender
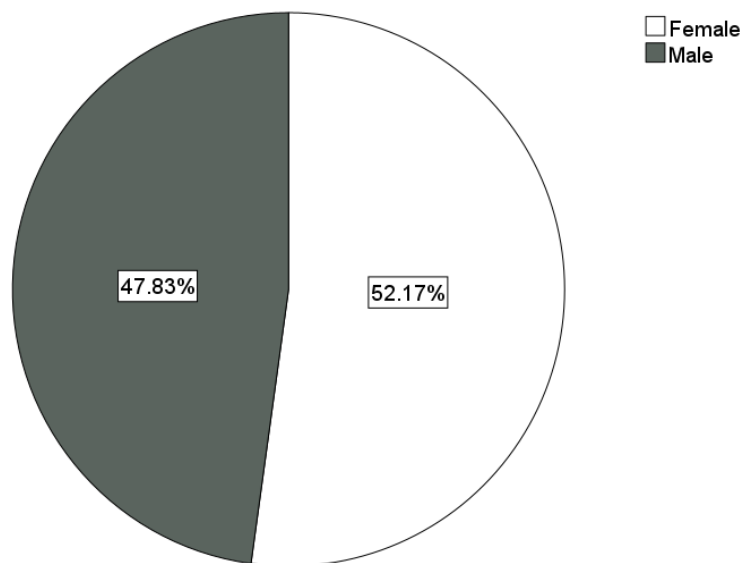
Source: Own compilation (computed in IBM SPSS)

Most of the respondents were in the age group of 26-30 (71), in the category of 18-25 there were 10 participants, 31-35 there were 27, and the lowest category was below the age of 36-45 with only 7 participants. There were no subjects aged 46 and above. See figure below. From personal experience I can confirm the company is known for having a "young" workforce, this might explain the high number of responses in this category. According to Wisse et al., (2018) knowledge and career development are the strong areas to focus for young workers, as for older workers they tend to prioritize different aspects, as sense of accomplishment, job safety, and supporting the others.

This could explain the huge trend of young employees switching from employer to employer when searching for their growth and development.

Graph 2. Age of participants
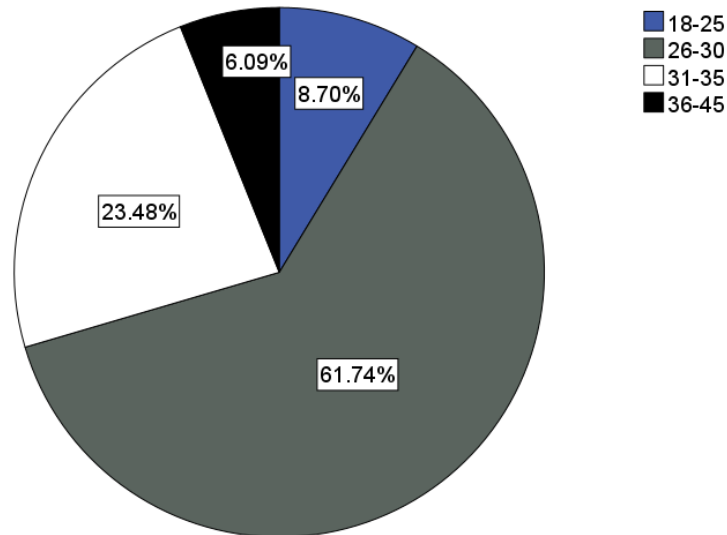
Source: Own compilation (computed in IBM SPSS)

Employees from 10 different departments completed the questionnaire. Finance with 34.8 % is the department from which there were more participants, followed by 20.9% from procurement, 15.7% from operations, 13% from HR, 4.3% from IT and marketing, 2.6% from customer service and sales, and finally 0.9% or 1 person for logistics and planning. Having information from different departments makes it easier to provide recommendations that are adaptable throughout the organization.

The respondent's median duration was 2 years, the highest percentage was found on employees working in the company for 4-5 years, 36 respondents. There are a total of 25 responders that have worked for the organization for less than a year. Thirty-four respondents said they had been with the company for between one and three years, while nineteen others said they had been there for six to ten years. There is only 1 person that has worked in the company for more than 10 years. The data shows a high rotation on employees, as seen in the age section there are many young workers and students starting their careers at the company, this can explain the lack of commitment to stay for more than 5 years in the company.

Regarding the position of the respondents from the total 29.6% work as Sr. Analysts, followed by Analysts with 27.8%. As for the so called "experts" on their sector there is the Sr. Specialists with 1.7% and Specialists with 3.5%. The third highest percentage of participants was supervisors with 20.9% and lastly managers with 16.5%. In the next section, the impact that the position level brings to CSR involvement will be taken into consideration.

The complete socio-demographic information is summarized in the table below.

Table 14. Demographic information

Gender	Frequency	Percent	Time working	Frequency	Percent
Female	60	52.2	Less than a year	25	21.7
Male	55	47.8	1-3 years	34	29.6
Total	115	100.0	4-5 years	36	31.3
Age	Frequency	Percent	6-10 years	19	16.5
18-25	10	8.7	More than 10	1	0.9
26-30	71	61.7	**Total**	115	100.0
31-35	27	23.5			
36-45	7	6.1			
Total	115	100.0			
Department	Frequency	Percent	**Position**	Frequency	Percent
Customer Service	3	2.6	Analyst	32	27.8
Finance	40	34.8	Sr. Analyst	34	29.6
HR	15	13.0	Specialist	4	3.5
IT	5	4.3	Sr. Specialist	2	1.7
Logistics	1	0.9	Supervisor	24	20.9
Marketing	5	4.3	Manager	19	16.5
Operations	18	15.7	**Total**	115	100.0
Planning	1	0.9			
Procurement	24	20.9			
Sales	3	2.6			
Total	115	100.0			

Source: Own compilation (computed in IBM SPSS)

7.2 Employee perception of CSR

Descriptive statistics will be used to examine employee's assessment of CSR performance as well as its personal perspective towards it. The results should give a clearer explanation on how employees view their firms' CSR.

The respondents were rating various statements on a 5-point Likert scale, which is a linear scale in which 3 denotes a neutral opinion, 5 being strong agreement and 1 scaling a strong disagreement.

Table 15. Descriptive Analysis Corporate Social Responsibility

Variable	Economic CSR	Legal CSR	Ethical CSR	Philanthropic CSR	Personal Perspective CSR
Mean	4.3217	4.7420	4.6116	3.9507	4.0583
Median	4.3333	5.0000	5.0000	4.3333	4.2000
Std. Deviation	0.64123	0.48578	0.59388	0.85981	0.73496
Variance	0.411	0.236	0.353	0.739	0.540
Range	3.00	3.00	3.00	3.33	3.60
Minimum	2.00	2.00	2.00	1.67	1.40
Maximum	5.00	5.00	5.00	5.00	5.00

Source: Own compilation (computed in IBM SPSS)

The mean values for all the CSR dimensions (Economic, Legal, Ethical, Philanthropic, and Personal Perspective) are above 3.9, indicating that the respondents generally perceive the company to be engaged in all these dimensions of CSR. Regarding the median values for all dimensions are close to or above 4, indicating that most of the respondents rated the company positively in all dimensions of CSR.

The standard deviation values range from 0.49 to 0.86, indicating that the responses are moderately dispersed around the mean. The highest standard deviation is observed in the Philanthropic CSR dimension, suggesting that respondents may have different perceptions about the company's contributions towards social causes. The variance values range from 0.24 to 0.74, indicating that there is moderate to high variability in the responses across the dimensions of CSR. This reinforces the idea that there is a significant spread of responses in the Philanthropic CSR dimension. The range values for all dimensions are moderate to high, indicating that the responses vary widely across each dimension of CSR. The highest range is observed in the Personal Perspective CSR dimension, which suggests that respondents have different perceptions about the company's internal practices and policies.

Philanthropic CSR and Personal Perspective CSR dimensions have the lowest minimum values being 1.67 and 1.40 respectively. The maximum values for all dimensions are 5.0, indicating that some respondents have rated the company highly in all dimensions of CSR.

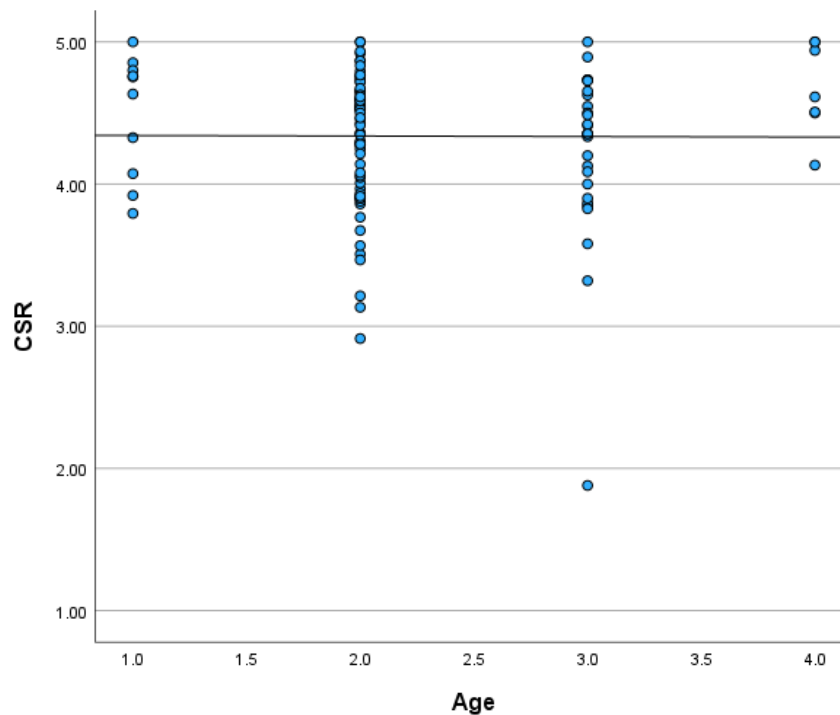Overall, these descriptive statistics analyses suggest that the respondents perceive the company to be positively engaged in all dimensions of CSR, but there is some variation in their perceptions, particularly in the Philanthropic CSR and Personal Perspective CSR dimensions. This variation alerts on the need to identify any specific areas where the company can improve its CSR practices to better align with stakeholder expectations.

The first hypothesis (H1. Younger generations are more likely to place a greater value on CSR initiatives at their workplace) was calculated using a bivariate correlation analysis to examine the relationship between age towards CSR.

The output of the analysis shows the correlation coefficient (r) between age and CSR, as well as the associated p-value. A significant positive correlation would support the hypothesis that younger generations are more likely to care more about CSR initiatives at their workplace. Based on the data there appears to be a very weak, non-significant negative correlation between CSR and Age. The Pearson correlation coefficient between the two variables is -0.005, and the associated p-value of 0.956 which is not statistically significant. This means that there is no evidence to support the hypothesis that younger generations are more likely to care more about CSR initiatives at their workplace. It's important to note that a correlation coefficient of -0.005 indicates a very weak relationship between CSR and Age, and it's unlikely that this result has any practical significance. Additionally, a non-significant p-value suggests that any observed correlation between the two variables is likely due to chance and not a meaningful relationship. See graph below.

It's also possible that other variables, such as job satisfaction, education level, or organizational culture, may have a stronger influence on attitudes toward CSR than age alone. Therefore, it may be useful to conduct further analysis to explore the relationships between these variables and attitudes toward CSR in more detail.

Graph 3. Relation between CSR and Age of participants

Source: Own compilation (computed in IBM SPSS)

7.3 Impact on Employee Engagement

The table below contains the descriptive statistics of the data pertaining to the Employee Engagement dimension, its analysis will be mentioned as well.

Table 16. Descriptive Analysis Employee Engagement

Variable	Employee Engagement
Mean	4.4174
Median	4.5833
Std. Deviation	0.56600
Variance	0.320
Range	3.00
Minimum	2.00
Maximum	5.00

Source: Own compilation (computed in IBM SPSS)

The mean value for Employee Engagement is 4.4174, which is close to the top score of 5. The median value for Employee Engagement is 4.5833, which is also close to the top score of 5. This suggests that most of the employees generally perceive themselves as being engaged in their work.

The standard deviation value of 0.56600 indicates that the responses are relatively tightly clustered around the mean, suggesting that there is not much variation in employee engagement levels. A variance value of 0.320 is relatively low, together with a range value of 3.00 this indicates that most employees are likely to perceive themselves as being moderately to highly engaged in their work. It will also be the same case with the minimum (2.00) and maximum value (5.00) staying that some employees perceive themselves as being less engaged in their work, while others feel very much engaged.

In general, the descriptive statistics suggest that the employees perceive themselves as being generally engaged in their work, with relatively low variance and a tight distribution around the mean. This indicates that there is not much variation in employee engagement levels within the sample.

The analysis done on the second hypothesis (H2. There is a positive relation between CSR and Employee Engagement) shows that the Pearson correlation coefficient between the two variables is 0.620, which suggests a moderate positive correlation. This means that as the CSR dimension increases, Employee Engagement is also likely to increase. Similarly, as CSR dimension decreases, Employee Engagement Variable is also likely to decrease. A representation of this can be seen in graph 4.

The p-value of <.001 indicates that this correlation is statistically significant, which means that we can reject the null hypothesis that there is no correlation between the two variables and conclude that there is a real correlation between them. It's important to note that correlation does not necessarily mean causation. While there is a correlation between CSR and Employee Engagement, it's possible that there are other factors that could be influencing both variables. Therefore, it's important to interpret the results cautiously and not assume causality without further investigation. The scatter graph below shows the positive linear relation between both variables.

Graph 4. Relation between Employee Engagement and CSR
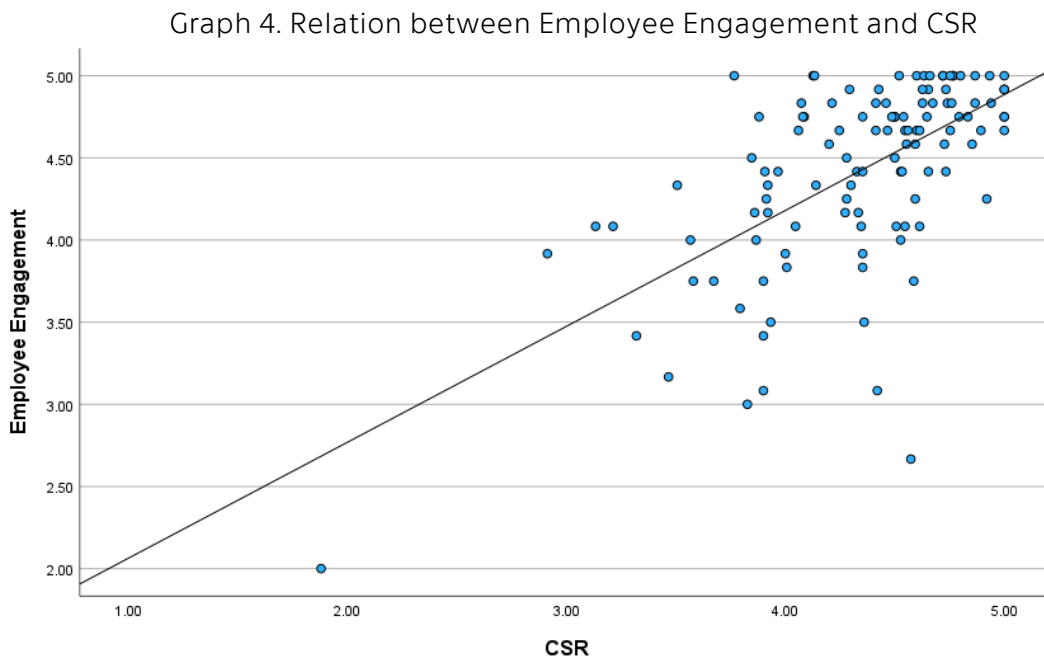
Source: Own compilation (computed in IBM SPSS)

As for the third hypothesis (H3. Engaged employees are more likely to participate in CSR activities), the results are a moderate, positive correlation between Employee Engagement and CSR Involvement. The Pearson correlation coefficient between the two variables is 0.516, and the associated p-value of <.001 is statistically significant at the 0.01 level.

This means that there is evidence to support the hypothesis that engaged employees are more likely to participate in CSR activities. Specifically, the correlation coefficient suggests that there is a moderate positive relationship between employee engagement and involvement in CSR activities. As employee engagement levels increase, CSR involvement levels tend to increase as well. Graph 5 shows the relation between the concepts.

Graph 5. Relation between Employee Engagement and CSR Involvement
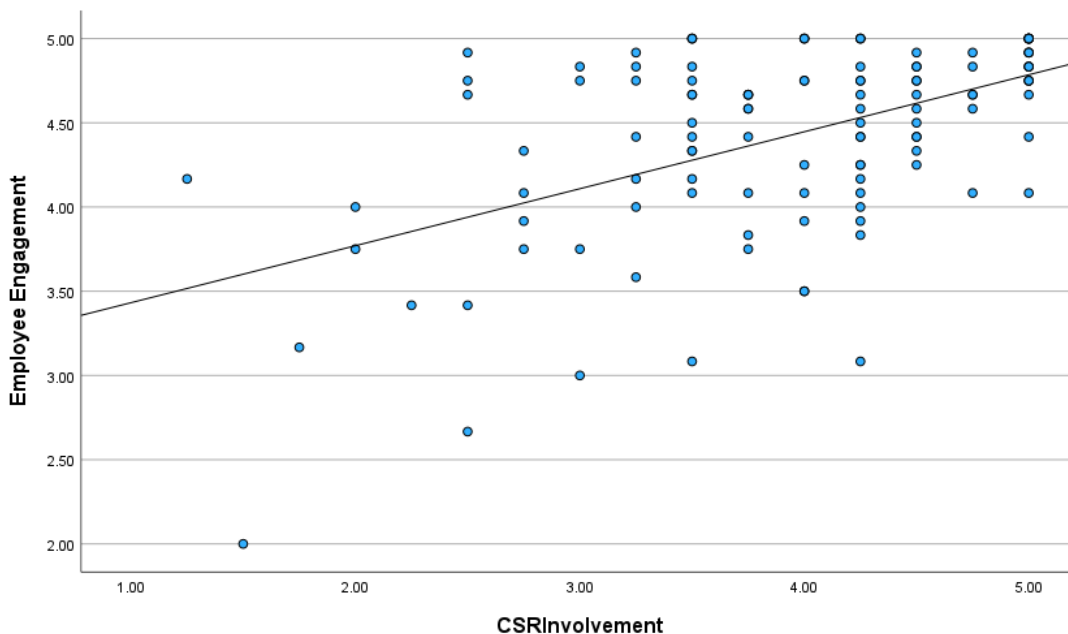
Source: Own compilation (computed in IBM SPSS)

A summary of the hypothesis that were tested is provided in the table below:

Table 17. Hypothesis results

Hypothesis	Variables	Result
H1	CSR - Age	No significant relation
H2	CSR - Employee Engagement	Positive relation
H3	Employee Engagement - CSR Involvement	Positive relation

Source: Own compilation

8. Discussion and Recommendations

In this study, it has been examined the relationship between CSR and Employee Engagement. The results indicate that there is a positive relationship between CSR performance and personal perspectives and employee engagement, as well as a positive relationship between Employee Engagement and CSR involvement. However, there was not found a significant relationship between age and CSR initiatives.

These findings suggest that younger generations may not necessarily be more concerned about CSR initiatives in the workplace. This may be because CSR initiatives have become more common and expected in today's business environment, and thus younger generations may view them as a basic requirement rather than a unique selling point. However, it is important to note that the sample consisted of employees from a single organization, and further research is needed to determine whether these findings are consistent across different industries and populations.

The results also indicate that engaged employees are more likely to participate in CSR activities. This is consistent with previous research suggesting that employee engagement is a key factor in driving employee participation in CSR initiatives. By fostering employee engagement, organizations can create a culture that values CSR and encourages employees to get involved in activities that benefit the community and the environment.

Based on the findings, the recommendation to the company is to prioritize efforts to promote employee engagement as a means of increasing participation in CSR initiatives. This can be achieved through a variety of strategies, such as providing opportunities for employees to provide feedback and contribute to decision-making processes, recognizing and rewarding employee contributions to CSR activities, and promoting a positive workplace culture that values social and environmental responsibility. Also, it is recommended to continue to invest in CSR initiatives, as results suggest that these efforts are positively associated with employee engagement. However, it is important for the company to communicate the value of these initiatives to employees and stakeholders, as well as to evaluate the impact of these initiatives on both the organization and the broader community. By doing so, the company can ensure that their CSR initiatives are aligned with their overall mission and values and are making a positive difference in the world.

Finally, a future research examination on the relationship between CSR initiatives and other factors that may influence employee engagement and participation in CSR activities, such as job satisfaction, leadership, and organizational culture is also recommended. By better understanding these relationships, the company can develop more effective strategies for promoting CSR and creating a culture of social

and environmental responsibility. Based on the results in the previous section of the thesis and the newest business trends the table below provides 5 recommendations on initiatives that can be implemented inside the company.

Table 18. Initiatives for improvement inside the company.

Initiative	Area	Recommendation
1	Employee Volunteer Program	Organize a company-wide volunteer day where employees can choose to participate in different community service projects. This can include activities such as cleaning up local parks, building homes for low-income families, or providing support at a local shelter.
2	Employee Wellness Programs	These programs can range from gym memberships to mental health counseling, and can be tailored to the specific needs and interests of the employees. Encouraging employees to take care of themselves both physically and mentally can improve productivity, reduce absenteeism, and increase overall job satisfaction. Additionally, incorporating wellness initiatives into CSR initiatives can help demonstrate the company's commitment to the well-being of its employees and the community.
3	Education and Skills Training	Create a mentorship program between employees and disadvantaged youth in the local community. The program will provide these young individuals with the opportunity to learn and acquire skills in areas such as technology, engineering, and sustainability from experienced employees. The program could also include workshops and training sessions on topics related to CSR and sustainability, such as environmental impact reduction, waste management, and ethical business practices. By participating in this program, employees would not only be contributing to the development of the local community, but also enhancing their own skills as mentors and leaders in the field of sustainability. Additionally, this program could provide the company with the opportunity to identify and recruit young talent from the local community who may be interested in pursuing a career in the building solutions and AC industry, thereby helping to address the skills gap and increase diversity within the company.
4	IoT/AI for Sustainability	Investment in IoT sensors and AI algorithms to optimize energy and water usage in the company buildings, reducing the carbon footprint and environmental impact. By using smart building technology, the company can monitor and adjust temperature, lighting, and water usage to minimize waste and promote sustainability. This initiative would be tied to a broader commitment to corporate social responsibility and environmental protection.
5	Data Security and Privacy	Establish a data security and privacy initiative that emphasizes the importance of protecting customer and employee data. This initiative can involve training and awareness campaigns to help employees understand the risks and best practices for securing sensitive data. Establish policies and procedures to ensure that data is collected, used, and stored in a responsible and ethical manner. This initiative would be tied to broader CSR goals related to ethical business practices and the protection of customer privacy.

Source: Own compilation

9. Conclusion

To get into a conclusion this paper has explored the link between Corporate Social Responsibility and Employee Engagement in a selected Mexican company. Through the analysis of various CSR perspectives this paper has demonstrated how CSR can positively impact employee engagement and enhance the company's overall performance.

By engaging in CSR initiatives, the company can demonstrate its commitment to social and environmental issues, which can increase employee satisfaction, motivation, and loyalty. This, in turn, can lead to higher levels of productivity, creativity, and innovation, which can contribute to the company's success in the long run.

Moreover, this research has highlighted the importance of tailoring CSR initiatives to the specific needs and interests of the company's employees, as well as the local community. By involving employees in the planning and implementation of CSR programs, the company can ensure that the initiatives are aligned with the values and objectives of the organization, while also contributing to the sustainable development of the community.

Overall, this paper has emphasized the importance of incorporating CSR initiatives into a company's overall strategy, and the potential benefits of doing so. Through the effective utilization of CSR practices, the company can improve its social and environmental impact, enhance employee engagement and motivation, and meet its goals while driving sustainability.

There were several limitations to this study that should be acknowledged. First, the study was conducted in a single Mexican company, and the results may not be generalizable to other companies or industries. Additionally, even if there was a test of reliability and validity the study relied on self-reported data from employees, which may have introduced bias. For example, the usage of a Likert scale depicts if respondents agree or disagree with a statement, however this could cause a confusion in between what they feel or what they should feel.

Despite the limitations of this study, there are several branches for further research in this area and there is also room for improvement. Future studies could explore the impact of different types of CSR initiatives on employee engagement, as well as the role of company culture and leadership in promoting engagement. Additionally, further research could examine the impact of employee engagement on organizational outcomes such as productivity, profitability, and employee retention. Studies could also investigate the potential spillover effects of CSR initiatives on the broader community, such as increased social cohesion or improved environmental

conditions. Business trends and the continuous and rapid change in technologies can have an impact on any organization. Being able to adapt to change and being open to innovation is of great importance for organizations today.

Through this document it is intended to add more information to the research field and to discover how employees perceive corporate social responsibility. Companies must be aware of the need to keep their workforce engaged and always motivated during their working life within the organization. As is well known, Human Capital is a company's greatest asset.

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Attachment 1. Questionnaire

Sociodemographic Questions
Gender: Female / Male / Prefer not to answer
Age: 18-25 / 26-30 / 31-35/ 36-45 / 46-55 and over
Department: HR / Finance / Operations / Procurement / Other
Time working in the company: Less than a year / 1-3 years/ 4-5 years/ 6-10 years / More than 10 years.
Level in the company: Analyst / Sr. Analyst / Supervisor / Manager / Other

Employee Engagement - 12 statements
I know what is expected of me at work.
I have the materials and equipment to do my work right.
At work, I have the opportunity to do what I do best every day.
In the last seven days, I have received recognition or praise for doing good work.
My supervisor, or someone at work, seems to care about me as a person.
There is someone at work who encourages my development.
At work, my opinions seem to count.
The mission or purpose of my organization makes me feel my job is important.
My associates or fellow employees are committed to doing quality work.
I have a friend at work.
In the last six months, someone at work has talked to me about my progress.
This last year, I have had opportunities to learn and grow.

Company's CSR Performance - 12 statements
Economic
My company closely controls the productivity of its employees.
My company maximizes its profits.
My company develops long-term financial strategies.
Legal
My company promotes workforce diversity (age, gender, ethnic origin).
My company is not a party to any violation of human rights.
My company complies at all times with the law.
Ethical
My company is trustworthy.
My company formally punishes any non-ethical behaviour by all its members (employers, managers, directors).
My company considers equal opportunities a basic principle in its employee promotion process.
Philanthropic
My company sponsors sports and/or cultural events.
My company minimizes its negative impacts on environment.
My company donates funds to not-for-profit associations.

Personal CSR Perspective - 10 statements

I am familiar with the concept of Corporate Social Responsibility.

I am aware of my company's Corporate Social Responsibility initiatives.

I feel motivated by my company's involvement in Corporate Social Responsibility initiatives.

I am involved in my company's Corporate Social Responsibility initiatives.

I would like to be involved in my company's Corporate Social Responsibility initiatives.

My company encourages its employees to participate in Corporate Social Responsibility initiatives.

I receive benefits from my company's Corporate Social Responsibility initiatives (Example: Active programs for development of skills and careers).

My company is concerned about the needs and wants of its employees.

My company allows me to express myself.

I feel proud to tell people I work for this company.

Attachment 2. Correlations Matrix
Factor Analysis for Employee Engagement

Correlation Matrix[a]

	I know what is expected of me at work.	I have the materials and equipment to do my work right.	At work, I have the opportun4y to do what I do best every day.	In the last seven days, I have received recogn4ion or praise for doing good work.	My 5, or someone at work, seems to care about me as a person.	There is someone at work who encourages my development.	At work, my opinions seem to count.	The mission or porpose of my organization makes me feel my job is important.	My associates or fellow employees are comm4ted to doing qual4y work.	I have a friend at work.	In the last six months, someone at work has talked to me about my progress.	This last year, I have had opportun4ies to learn and grow.
I know what is expected of me at work.	1.000	.292	.618	.435	.479	.446	.478	.359	.306	.258	.412	.448
I have the materials and equipment to do my work right.	.292	1.000	.407	.195	.286	.215	.393	.262	.323	.221	.356	.378
At work, I have the opportun4y to do what I do best every day.	.618	.407	1.000	.361	.553	.409	.509	.424	.420	.338	.364	.394
In the last seven days, I have received recogn4ion or praise for doing good work.	.435	.195	.361	1.000	.534	.545	.451	.372	.288	.181	.329	.443
My 5, or someone at work, seems to care about me as a person.	.479	.286	.553	.534	1.000	.554	.453	.478	.282	.343	.542	.392
There is someone at work who encourages my development.	.446	.215	.409	.545	.554	1.000	.571	.561	.551	.239	.453	.445
At work, my opinions seem to count.	.478	.393	.509	.451	.453	.571	1.000	.508	.328	.291	.458	.324
The mission or porpose of my organization makes me feel my job is important.	.359	.262	.424	.372	.478	.561	.508	1.000	.355	.246	.257	.303
My associates or fellow employees are comm4ted to doing qual4y work.	.306	.323	.420	.288	.282	.551	.328	.355	1.000	.144	.320	.450
I have a friend at work.	.258	.221	.338	.181	.343	.239	.291	.246	.144	1.000	.380	.170
In the last six months, someone at work has talked to me about my progress.	.412	.356	.364	.329	.542	.453	.458	.257	.320	.380	1.000	.508
This last year, I have had opportun4ies to learn and grow.	.448	.378	.394	.443	.392	.445	.324	.303	.450	.170	.508	1.000

Correlation Matrix[a]

	My company closely controls the productiv4y of 4s employees.	My company maximizes 4s prof4s.	My company develops long-term financial strategies.	My company promotes workforce divers4y (age, gender, ethnic origin).	My company is not a party to any violation of human rights.	My company complies at all times w4h the law.	My company is trustworthy.	My company formally punishes any non-ethical behaviour by all 4s members (employers,6s, directors).	My company considers equal opportun4ies a basic principle in 4s employee promotion process.	My company sponsors sports and/or cultural events.	My company minimizes 4s negative impacts on environment.	My company donates funds to not-for-prof4 associations.
My company closely controls the productiv4y of 4s employees.	1.000	.442	.393	.406	.240	.229	.198	.142	.236	.075	.180	.278
My company maximizes 4s prof4s.	.442	1.000	.534	.282	.225	.177	.299	.247	.233	.246	.152	.402
My company develops long-term financial strategies.	.393	.534	1.000	.371	.265	.333	.304	.301	.325	.209	.107	.335
My company promotes workforce divers4y (age, gender, ethnic origin).	.406	.282	.371	1.000	.395	.371	.355	.363	.454	.148	.166	.323
My company is not a party to any violation of human rights.	.240	.225	.265	.395	1.000	.475	.373	.360	.262	.077	.058	.203
My company complies at all times w4h the law.	.229	.177	.333	.371	.475	1.000	.760	.553	.574	.101	.233	.164
My company is trustworthy.	.198	.299	.304	.355	.373	.760	1.000	.497	.468	.106	.201	.234
My company formally punishes any non-ethical behaviour by all 4s members (employers,6s, directors).	.142	.247	.301	.363	.360	.553	.497	1.000	.695	.391	.227	.310
My company considers equal opportun4ies a basic principle in 4s employee promotion process.	.236	.233	.325	.454	.262	.574	.468	.695	1.000	.292	.210	.283
My company sponsors sports and/or cultural events.	.075	.246	.209	.148	.077	.101	.106	.391	.292	1.000	.309	.432
My company minimizes 4s negative impacts on environment.	.180	.152	.107	.166	.058	.233	.201	.227	.210	.309	1.000	.263
My company donates funds to not-for-prof4 associations.	.278	.402	.335	.323	.203	.164	.234	.310	.283	.432	.263	1.000

Correlation Matrix[a]

	I am familiar with the concept of Corporate Social Responsibility.	I am aware of my company's Corporate Social Responsibility initiatives.	I feel motivated by my company's involvement in Corporate Social Responsibility initiatives.	I am involved in my company's Corporate Social Responsibility initiatives.	I would like to be involved in my company's Corporate Social Responsibility initiatives.	My company encourages employees to participate in Corporate Social Responsibility initiatives.	I receive benefits from my company's Corporate Social Responsibility initiatives. (Example: Active programs for development of skills and careers).	My company is concerned about the needs and wants of its employees.	My company allows me to express myself.	I feel proud to tell other people that I work for this company.
I am familiar with the concept of Corporate Social Responsibility.	1.000	.715	.553	.402	.345	.419	.137	.253	.345	.437
I am aware of my company's Corporate Social Responsibility initiatives.	.715	1.000	.736	.613	.374	.639	.321	.485	.447	.492
I feel motivated by my company's involvement in Corporate Social Responsibility initiatives.	.553	.736	1.000	.652	.367	.697	.377	.541	.502	.506
I am involved in my company's Corporate Social Responsibility initiatives.	.402	.613	.652	1.000	.434	.580	.409	.308	.315	.359
I would like to be involved in my company's Corporate Social Responsibility initiatives.	.345	.374	.367	.434	1.000	.326	.120	.337	.391	.507
My company encourages employees to participate in Corporate Social Responsibility initiatives.	.419	.639	.697	.580	.326	1.000	.573	.507	.547	.519
I receive benefits from my company's Corporate Social Responsibility initiatives. (Example: Active programs for development of skills and careers).	.137	.321	.377	.409	.120	.573	1.000	.455	.332	.239
My company is concerned about the needs and wants of its employees.	.253	.485	.541	.308	.337	.507	.455	1.000	.630	.536
My company allows me to express myself.	.345	.447	.502	.315	.391	.547	.332	.630	1.000	.755
I feel proud to tell other people that I work for this company.	.437	.492	.506	.359	.507	.519	.239	.536	.755	1.000

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