

Corporate Social Responsibility and Hyundai Company's Success

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ABSTRACT

Corporate social responsibility have a significant impact on financial success. Corporate social responsibility is related to marketing management as it uses holistic marketing approach under all aspects of its marketing strategy. Factors taken into viewpoint included (environment conservation, labor practices, and philanthropy) were the basis to measure the employees' perception on corporate social responsibility towards Hyundai San Pablo's success. The population for this study consisted of 50 employees to know the perception on corporate social responsibility, corporate performance, and its effects on success. The majority of the respondents are female, ages 28-34 years old and a college graduate. The result shows that most of the respondents got the monthly salary of ₱ 10,000.00 - ₱ 15,999.00 and majority of the respondents were from Sales Department. It indicated in the results that there is a significant difference on the respondents' perception on corporate social responsibility in terms of environmental conservation, labor practices and philanthropy towards Hyundai San Pablo's success when grouped according to age. 35 years old and above place a higher appreciation and a greater focus on corporate social responsibility in terms of environmental conservation, labor practices, and philanthropy. There is a significant relationship between the respondents' perception on the corporate social responsibility and their perception on corporate performance. It further explains that there is a moderately high relationship between the two variables.

Keywords: *performance excellence, service quality, Malcolm-Baldrige excellence framework, Servqual method*

INTRODUCTION

According to research done by J.D. Power and Associates in 2004, Hyundai was ranked second in "initial quality" and has since climbed to become one of the world's top 100 most valuable corporations. Since 2002, Hyundai has also been an official international sponsor of the FIFA World Cup. Hyundai operates six global subsidiaries: three in Korea, one in Germany, one in Japan, and one in India. For more than a decade, Hyundai has shaped the face of Philippine transportation with innovative products and services that push the boundaries of performance, eco-friendliness, and design.

These issues have ignited the attention of researchers, and interest in corporate social responsibility has increased. Questions like securing financial benefits or making a difference to the environment are among them.

Employee perceptions have been seen to have a greater influence on behavior, mindset, and efficiency than actual company behaviors, which employees may or may not be informed of. (Davis, 2018)

In all parts of its marketing strategy, corporate social responsibility employs a holistic marketing approach. When developing and implementing marketing strategies, customers, partners, stakeholders, workers, suppliers, and the community should be kept in mind.

Furthermore, the goal of this study is to investigate workers' impressions of Hyundai San Pablo's corporate social responsibility activities and their impact on business success. Environmental conservation, labor practices, and philanthropy are the segments that are connected to stakeholders, consumers, and the environment. This study also looked into the link between corporate social responsibility and business performance, as well as how those factors affected its workers' organizational commitment.

Review of Literature

Corporate Social Responsibility

According to the book "Corporate Social Responsibility," the concepts of corporate social responsibility include accountability, transparency, and sustainability. Accountability is an organization's acceptance of responsibility for its actions, choices, products, and strategies.

Effect of corporate social responsibility on company's success

According to Shin and Hur (2020), every employee's attitudes and responses to corporate social responsibility (CSR) are rising. And, because their attitudes have improved, it is now required to do research on how workers' perceptions of corporate social responsibility relate to their effectiveness. The study expected that service personnel's perceptions of their businesses' social responsibility policies would drive them to become pro-socially engaged, resulting in more deep acting and less surface acting, and hence increased service efficiency.

Effect of environment conservation on company's success

Various actors, including companies, must engage to avoid biodiversity and ecosystem resource loss, yet it is unclear what motivates voluntary enterprise commitments. They seek strategies to strengthen corporate conservation activity across performance measures, according to Krause, Droste, and Matzdorf (2021). The corporation exhibits how dedication is bolstered by a positive mentality motivated by perceived business importance and profit potential. And because perceived barriers, such as a lack of funding and knowledge, reduce involvement.

Effect of fair labor practices on company's success

Safety management strategies have lately been linked to fewer incidents and have become essential in accident prevention. Employees' emotional and psychological involvement in safety measures influences security efficiency. According to Xue, Al-Turjman, and Saravanan (2021), each employee's performance is dependent on security management, and promotions improve employee happiness. Accidents are reduced and safety dependability is increased when facilities use adequate safety management.

Effect of philanthropy on company's success

As companies increasingly brand themselves as socially responsible organizations, corporate philanthropy is becoming big business and a significant strategic challenge for them. Corporate philanthropy is becoming big business and a major strategic use for businesses as they increasingly establish themselves as socially responsible organizations, according to a study titled "The Impact of Corporate Philanthropy on Reputation for Corporate Social Performance."

Employees' perception on corporate social responsibility

According to a research titled "Employees' Perception of Corporate Social Responsibility: Corporate Volunteer and Organizational Commitment," there are few publications on the elements that influence employee community participation in the workplace. The majority of recent research on corporate social responsibility (CSR) has been on the influence of CSR on financial performance or consumer behavior, with little emphasis made to the impact on business owners and employees.

Employees' perception on corporate performance

Employee perceptions about corporate social responsibility practices must be considered by corporate management, according to research titled "Employees' Perception of CSR Affecting Employer Brand, Brand Image, and Corporate Reputation," and these perceptions are critical because they have a positive impact on companies. Social responsibility will assist a firm develop an employer brand by encouraging workers.

Conceptual Framework

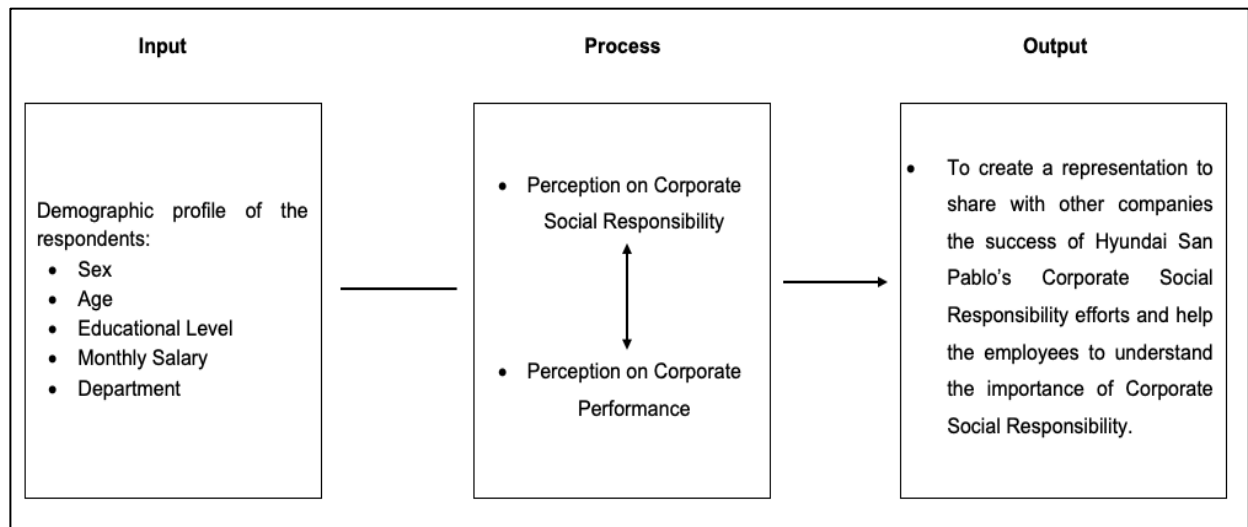


Figure 1. Conceptual framework of the study

Figure 1 shows the input consists of the demographic profile of the employees in terms of sex, age, educational level, monthly salary, and department. Process means determining the significant difference between the respondents' demographic profile and their perception of

corporate social responsibility. Data will be used to create a representation to share with other companies the success of Hyundai San Pablo's corporate social responsibility efforts.

Objectives of the Study

The study aims to: determine the demographic profile of the respondents in terms of sex, age, educational level, monthly salary, and department; determine the respondents' perception of corporate social responsibility in several areas such as environment conservation, labor practices, and philanthropy towards Hyundai San Pablo's success; determine the respondents' perception of corporate performance; determine the significant difference between the demographic profile of the respondents and their perception of corporate social responsibility; determine the significant relationship between the respondents' perception of corporate social responsibility and their perception of corporate performance; and create a representation to share with other companies the success of Hyundai San Pablo's corporate social responsibility efforts.

METHODOLOGY

The researchers used quantitative research and descriptive method for the collection of data. The researchers also used a descriptive design wherein data collection methods and instruments were used to describe the characteristics of the respondents which is the employees of Hyundai San Pablo. The data for this research was gathered using modified survey questionnaires. The questionnaire was divided into two parts: the demographic profile and the survey proper. Part one is the employees' demographic profile, which includes the fundamental characteristics of the respondents. The basic characteristics that were needed are age, sex, educational level, monthly salary, and department. Part two is the corporate social responsibility statements in several areas such as environment conservation, labor practices, and philanthropy. Part three is about the effects of corporate social responsibility on a company's success in several areas, such as corporate performance and stakeholder relationships. Each variable has five statements that are measured using a Likert scale in which respondents were given the following options: 4: strongly agree, 3: agree, 2: disagree, and 1: strongly disagree.

RESULTS AND DISCUSSIONS

Table 1 shows that most of the respondents who are 28–34 years old had a greater perception of environmental conservation, labor practices, and philanthropy. College graduates are more linked to corporate social responsibility to customer loyalty because of customer company identification or brand recognition. Hyundai San Pablo mostly hires college graduates who are capable of contributing to the success of their company.

Table 1. Demographic profile of the respondents

Demographic profile of respondents		Frequency	Percent
Sex	Female	28	56
Age	28-34 years old	24	48
Educational Level	College Graduate	47	94
Monthly Salary	₱ 10,000.00 - ₱ 15,999.00	49	98
Department	Sales Department	29	58

Table 2 show that the majority of Hyundai San Pablo employees agree that running an environmentally friendly business reduces the impact on the environment and could motivate people to embrace a greener lifestyle. The concept of corporate social responsibility in terms of environmental conservation is to enhance the workers' participation with safe environmental contributions to the work process. In terms of labor practices, ensuring fair treatment in the company for employees implies that there will be no sex, race, or religious discrimination among employees.

Table 2. Perception of corporate social responsibility in terms of environment conservation, labor practices, and philanthropy towards Hyundai San Pablo's Success

Statements		Weighted Mean	Interpretation
Environment Conservation	Running an environmentally friendly business	3.46	Agree
	Segregation of wastes properly can decrease business cost.	3.42	Agree
	Composite Mean	3.41	Agree
Labor Practices	Compliance with the principles of diversity.	3.56	Strongly Agree
	Reasonable salary with healthcare benefits.	3.54	Strongly Agree
	Composite Mean	3.53	Strongly Agree
Philanthropy	Contribution and participants in society.	3.44	Agree
	Involving with the lives of local communities	3.40	Agree
	Composite Mean	3.38	Agree

Table 3 demonstrates the purpose of corporate performance is to quantify Hyundai San Pablo's achievements in terms of financial profit or a certain type of societal commitment. Furthermore, employees' evaluations of the company's financial success contribute to strengthen its competencies. It aids in activity evaluation by offering employees' opinions on the external implications of firm actions. It enables everyday actions to be aligned with the company's long-term drive and success. Hyundai San Pablo is a socially responsible firm that stresses open communication, good health, security, and welfare regulations, and employee satisfaction in order to increase staff productivity and efficiency. In terms of workers' perceptions of Hyundai San Pablo's corporate performance, the firm enjoys a competitive edge over its competitors. Several studies have found a link between the level of corporate social responsibility and financial indicators of business success. (Fabac, R., Klamer, Alopa, M., & Estanj-Peri, T. 2016)

Table 3. Respondents' perception on corporate performance in terms of financial profitability towards Hyundai San Pablo's Success

Statements	Weighted Mean	Interpretation
Our company has a competitive advantage in terms of profit growth.	3.40	Agree
Firms with a higher environmental performance also have a higher financial performance.	3.40	Agree
Socially responsible firms focus to improve employee productivity and efficiency.	3.40	Agree
Composite mean	3.36	Agree

As shown in Table 4, the results suggest that there is a significant difference in respondents' judgments of corporate social responsibility in terms of environmental conservation towards Hyundai San Pablo's success when grouped by age. According to the graph above, respondents aged 35 and up place a higher value on corporate social responsibility in terms of environmental protection than those aged 21 to 34. Corporate social responsibility is more appealing and effective on employee satisfaction for elderly people than for younger workers because it fulfills aspirations and emotional needs that are emphasized when individuals' future time perspective shrinks. (Wang, 2021).

Table 4. Mean difference of respondents' perception on the corporate social responsibility in terms of environment conservation towards Hyundai San Pablo's success when grouped according to demographic profile.

Demographic Profile	F_c	p-value	Interpretation
Sex	0.02	0.884	Not Significant
Age	7.19	0.002	Significant
Educational Level	0.06	0.810	Not Significant
Department	1.98	1.66	Not Significant
Monthly Salary	2.83	0.069	Not Significant

Note: Significant if p-value is less than 0.05 level of significance

Table 5 results demonstrate a significant difference in respondents' judgments of corporate social responsibility in terms of labor practices toward Hyundai San Pablo's performance when grouped by age, as the p-value is less than 0.05. According to the graph above, respondents aged 35 and up place a higher value on corporate social responsibility in terms of labor policies for the success of Hyundai San Pablo than those aged 21 to 34. It emphasizes how firms may demonstrate their corporate social responsibility by treating people with respect and professionalism. (Xue, Al-Turjman, & Saravanan, 2021)

Table 5. Mean difference of respondents' perception on the corporate social responsibility in terms of labor practices towards Hyundai San Pablo's success when grouped according to demographic profile.

Demographic Profile	F_c	p-value	Interpretation
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Sex	0.04	0.845	Not Significant
Age	4.25	0.020	Significant
Educational Level	0.32	0.577	Not Significant
Department	1.24	0.270	Not Significant
Monthly Salary	2.74	0.075	Not Significant

Note: Significant if p-value is less than 0.05 level of significance

Table 6 results reveal that there is a significant difference in respondents' judgments of corporate social responsibility in terms of charity towards Hyundai San Pablo's performance when grouped by age, since the p-value is less than 0.05. According to the graph above, respondents aged 35 and up had a higher esteem for corporate social responsibility in terms of charity toward Hyundai San Pablo's success than those aged 21 to 34. Older workers (35 and up) have more experience and are more receptive to the firm; as a result, they value the company's activities, such as giving to local and national charities (Crabtree, 2021)

Table 6 Mean difference of respondents' perception on the corporate social responsibility in terms of philanthropy towards Hyundai San Pablo's success when grouped according to demographic profile.

Demographic Profile	F _c	p-value	Interpretation
Sex	0.45	0.507	Not Significant
Age	7.74	0.001	Significant
Educational Level	0.00	0.944	Not Significant
Department	2.45	0.124	Not Significant
Monthly Salary	2.10	0.133	Not Significant

Note: Significant if p-value is less than 0.05 level of significance

Based on the data in Table 7, there is a significant relationship between the respondents' perceptions of corporate social responsibility and their perceptions of corporate performance because the p-value is less than 0.05. This implies that the respondents' perception of corporate social responsibility affects or has an impact on their perception of corporate performance. Considering all that was mentioned above, employees' perceptions, expectations, and actions have had far-reaching effects on an organization's overall performance. The variables that affect employees' attitudes and perceptions of corporate social responsibility are important to consider. (Melovic, Milovic, Backovic-Vulic, Dudic, & Bajzik, 2019)

Table 7. Relationship Between the Respondents' Perception on the Corporate Social Responsibility and their Perception on Corporate Performance.

Variable	Spearman rho	p-value	Interpretation
Perception on the corporate social responsibility and perception corporate performance	0.71	0.000	Significant (Moderately High Relationship)

Note: Significant if p-value is less than 0.05 level of significance

Table 8 presents the recommended action plan based on the demographic profile when grouped according to age.

Table 8. Recommended action plan based on the demographic profile when grouped according to age.

Key Result Areas	Weighted Mean	Strategies
Recycling in the workplace.	3.38	Product and service department should reuse, recycle, and repurpose containers for packaging.
Work and life balance policy.	3.50	Human resource department should have a required paid leave in a year, scheduled team building, and company outing activities for all of the employees of Hyundai San Pablo.
Participating in charities, donations, and fundraising activities.	3.36	Resume sponsorship of St. Martin de Porres Kids' Home and Nazareth Bahay Pag-ibig in San Pablo.

Table 9 presents the recommended action plan based on the corporate social responsibility to attain the key results areas on recycling in workplace, work and life balance policy having the highest weighted average mean and participating in charities, donations and fund raising activities.

Table 9. Recommended action plan based on the corporate social responsibility.

Key Result Areas	Weighted Mean	Strategies
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Participating in charities, donations, and fundraising activities	3.36	Resume sponsorship of St. Martin de Porres Kids' Home and Nazareth Bahay Pag-ibig in San Pablo.

Table 10 presents the recommended action plan based on the corporate performance. With an average weighted mean of 3.32 the recommended strategies are to improve managers relationship with the employees by using short surveys to help choose partnerships and feedback; and to have strong interactive open communication with managers and employees during meetings.

Table 10. Recommended action plan based on the corporate performance.

Key Result Areas	Weighted Mean	Strategies
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Social responsibility as key to healthy competition and ethical and transparent business practices.	3.32	Improve managers relationship with the employees by using short surveys to help choose partnerships and feedback.
Social responsibility as advantage to bargaining power among stakeholders.	3.32	Strong interactive open communication with the managers and employees during meetings.

CONCLUSIONS

The researchers found out that there is a significant difference in the respondents' perceptions of corporate social responsibility in terms of environmental conservation, labor practices, and philanthropy towards Hyundai San Pablo's success. Researchers ascertained that the respondents agreed that running an environmentally friendly business reduces the impact on the environment. The respondents strongly agreed that compliance with the principles of diversity improves employee retention and engagement. And that contribution and participation in society give them a competitive advantage over others.

The researchers suggest conducting a study about the expectations and perceptions of the respondents towards corporate social responsibility efforts. They also want to look at the effect of corporate ethics and social responsibility on a company's success in several areas such as education, healthcare, and youth development.

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