The Effect of Corporate Social Responsibility on Employees’ Behaviour

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ABSTRACT

Nowadays one of the main effort of firms is to implement the concept of the business of business is the social contribution to the society. Corporate Social Responsibility (CSR) is an effort to achieve positive results for corporate performance. The present research examines the effect of CSR activities on the employees of a company. This research is a case study on a multinational company. A total of 30 supervisors and 176 employees were examined. CSR programmes have a strong influence on employees’ behaviour as regards their organizational commitment, intention to stay, positive word-of-mouth reports, job performance and CSR championing behaviour.

Keywords: Behavioural Outcomes, Corporate Performance, Corporate Social Responsibility (CSR), Organizational Commitment, Positive Results

INTRODUCTION

Today, companies invest heavily in CSR projects and actions in order to generate a positive moral effect as well as favourable business results. However, despite the importance of CSR programmes, prior research has been focused on whether CSR pays off, or on consumer reactions to corporate social activities. Consequently, important stakeholder groups, such as employees, remain unexplored. CSR is a mechanism which a company must use to gain social legitimacy for its actions, and it shows positive effects on corporate performance (Orlitzky et al., 2003). CSR activities are considered by certain authors to be a substitute for good public policy (Reich, 2008; Vogel, 2005). The creation of affective ties between companies and their employees should be a top priority for managers, since, according to Vandenberge & Bentein (2009), the more effectively attached employees are to their organization, the more likely they are to stay with the firm, to talk positively about the firm and to work harder for the firm. The growing stream of employee-related CSR research has received limited research attention in the CSR literature and mainly focuses on cognitive rather than emotional employee outcomes. Stawiski et al. (2010) state that CSR initiatives may positively influence employees’ attitudes, while Berger et al. (2006) consider that internal customers are an important stakeholder group.
This study aims to highlight some empirical evidence regarding the moderated effects of CSR on internal customers’ (employees’) emotional reactions towards their firm.

The research examines how CSR can contribute to the employees’ behavioural intentions through processes of emotional commitment.

This research contributes to the literature by exploring in a practical way an organization’s internal environment and providing answers to important questions such as whether, when and how CSR programmes affect employees’ behaviour and attitudes. Moreover, it provides evidence on the usefulness of the social identity theory in CSR research by involving employees and, even more, by studying two successive organizational levels, bottom-line employees and their immediate supervisors.

THEORETICAL FRAMEWORK

Based on the literature and the current theories for this research, the conceptual model reflects the hypotheses and examines whether CSR is beneficial for the firm in the context of its employees, and whether this positive effect is contingent upon relevant employee-related evaluative variables. The model is divided into two levels according to the organizational structure: a) supervisors and b) employees. The model is based on existing research and it was designed to answer the question of whether internal customers ultimately contribute to the company’s CSR initiatives. There is an extended and thorough reference to the factors that may affect this, and we analyse whether or not there is an interaction between these factors. Finally, we investigate the possibility that the direct supervisors’ perceptions positively influence the attitudes of their employees.

CSR Beliefs and Affective Commitment

Allen & Meyer’s (1990) research shows that internal customers are led by their emotional attachment to identification with, and finally involvement in, the organization. According to social identity theory, people tend to classify themselves into social groups motivated by their need to establish and support their self-concept (Ashforth & Mael, 1989), and they develop strong ties in commercial relationships. Therefore, they use membership of social groups, including employing organizations, as a means to define themselves. Based on the above propositions, social identity theory predicts that people will try to associate themselves with social organizations (e.g. employing firms) characterized by a positive reputation (Brammer et al., 2007). According to Turban and Greening (1997), CSR actions are organizational attributes capable of having an effect on an organization’s attractiveness as an employer of choice for the best talent in the market. Firms investing in CSR are usually sending signals to their employees that they care about social issues and a sustainable working environment. Brammer et al. (2007) find a positive effect on perceptions among employees of corporate social performance and their organizational commitment. Finally, Kim et al. (2010) empirically find that CSR is likely to influence employee-company identification, which in turn influences organizational commitment. Based on the above, in the framework of both organizational levels, the following hypotheses are put forward:

Hypothesis $A_1$: Supervisors’ CSR beliefs positively influence supervisors’ affective organizational commitment;

Hypothesis $A_2$: Employees’ CSR beliefs positively influence employees’ affective organizational commitment.

CSR Attributions, CSR Beliefs, Affective Commitment and Behavioural Outcomes

Corporate motives underlying CSR initiatives have been discussed as a major concept explaining stakeholders’ reaction to CSR. According to Dutton et al. (2007 p. 239), “...extrinsic or self-interested motives have the ultimate goal of increasing the brand’s own welfare, whereas
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