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Corporate social responsibility (CSR) activities in the workplace: A comment on Aguinis and Glavas (2013)

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ABSTRACT

Recent research has indicated that Corporate Social Responsibility (CSR) is beneficial to organizations: CSR enhances employee attitudes, behaviors, and productivity in the workplace and thus contributes to companies' profitability. Recently, Aguinis and Glavas (2013) advanced the innovative distinction between embedded vs. peripheral CSR and compellingly demonstrated how this distinction could help straighten out the inconsistencies in the associated academic literature regarding the relationship of CSR to its antecedents and outcomes. Within this vast array of literature, however, relatively little is known about the psychological underpinnings that might define the manner in which CSR actually affects these work attitudes and behaviors, both directly and indirectly. The purpose of this note is to cast light on this issue.

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Actividades de responsabilidad social corporativa en el trabajo: comentario a Aguinis y Glavas (2013)

RESUMEN

La investigación reciente ha indicado que la Responsabilidad Social Corporativa (RSC) es beneficiosa para las organizaciones: la CSR facilita las actitudes, las conductas y la productividad de los empleados en el trabajo y también contribuye a la rentabilidad de las compañías. Recientemente, Aguinis y Glavas (2013) avanzaron una distinción innovadora entre la RSC periférica y la incorporada y convincentemente demostraron cómo esta distinción podría ayudar a clarificar la incoherencia en la literatura académica asociada a la relación de la RSC con sus antecedentes y resultados. Sin embargo, en esta amplio conjunto de literatura se conoce muy poco sobre las bases psicológicas que pueden definir la manera en que la RSC realmente afecta a estas conductas y actitudes laborales, tanto directa como indirectamente. El propósito de esta nota es aportar luz sobre esta cuestión.

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Palabras clave:

Responsabilidad social corporativa
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Recent research has indicated that Corporate Social Responsibility (CSR) is beneficial to organizations: CSR enhances employee attitudes, behaviors, and productivity in the workplace, and thus contributes to companies' profitability. Recently, Aguinis and Glavas (2013) advanced the innovative distinction between embedded vs. peripheral CSR and compellingly demonstrated how this distinction could help straighten out the inconsistencies in the associated academic literature regarding the relationship of CSR to its antecedents and outcomes. Within this vast array of literature, however, relatively little is known about the psychological underpinnings that might define the manner in which

CSR actually affects these work attitudes and behaviors, both directly and indirectly.

Putting this discussion into a wider context, it is useful to record Turker's (2009a) observation that a company has four stakeholders or interest groups. The first interest group consists of society at large, the environment, the next generations, and NGOs. The second comprises the employees, for whom CSR policy is manifested in such issues as corporate fairness and transparency, especially with respect to the decisions that directly affect them. The third are the customers, for whom CSR is measured by fairness and transparency with regard to such issues as pricing and product quality. The final interest group is the government, for which CSR is manifested, for example, by companies paying their due taxes and obeying the law.

Implementing CSR policies involves heavy costs, yet it is generally believed to be profitable for organizations (McGuire, Sundgren, &

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Schneweis, 1998; Solomon & Hansen, 1985). The literature contains a large body of empirical evidence of positive relations between CSR and organizational measures such as reputation, customer loyalty, competitiveness, and sustainability (Porter & Kramer, 2002, 2004), all of which are factors that promote business.

Although the number of investigations that have examined how corporate social activities affect employees is somewhat limited, the findings so far open up an interesting window of potential research. First, we may note that the good reputation acquired by a corporation through CSR activities increases its attractiveness as an employer for both prospective job applicants (e.g., Greening & Turban, 2000) and for current workers who consequently exhibit high levels of employee satisfaction (Galbreath, 2010; Lee & Chang, 2008). These findings can be explained by the social identity theory that states that employees are proud to identify with organizations that have favorable reputations (Peterson, 2004).

A positive relationship has also been found between CSR policies and organizational commitment among employees (Brammer, Millington, & Rayton, 2007; Turker, 2009b), leading to a rise in employee performance and a drop in personnel turnover and employee burnout, both costly phenomena for organizations (Aguilera, Rupp, Williams, & Ganapathi, 2007; Solomon & Hansen, 1985). Initial indications of employee satisfaction as a direct result of CSR in the workplace have also been found, but this outcome has yet to be investigated empirically in a more rigorous fashion, especially in contexts outside the USA and Europe (Turker, 2009b).

Several studies (e.g., Trevino, Butterfield, & McCabe, 1998) have found that workers prefer organizations that promote business ethics. For example, positive relationships were found between job satisfaction and (1) organizational ethics (e.g., Deshpande, 1996) and (2) high-level workers' perceived justice (Cohen-Charash & Spector, 2001). Indeed, the perception of a work environment as just has been shown to have a positive effect on the degree of employees' organizational commitment and job satisfaction (Chen, Zhang, Leung, & Zhou, 2010).

Both the quality and extent of the relationship between a business and its employees can be regarded as a precondition for CSR. Thus, if a company does not assume a high level of responsibility toward its own staff, it is unlikely to do so toward its customers or the social and natural environment in which it operates (Johnston, 2001). Aguinis and Glavas (2013) contend that "working for an organization that cares (i.e., is socially responsible) fosters a greater experience of fit between employees' individual values and the organizations' values (organizational culture), which may lead to positive work attitudes such as OCB and job satisfaction". Although, the researchers have yet to review the empirical evidence to bolster this supposition, we might note that in a *qualitative* study conducted among nine DHL workers, Chong (2009) found positive correlations between direct involvement in CSR activities and (1) identification with the organization's values and (2) satisfaction with the workplace.

In this respect, we recall that Weiss, Dawis, England, and Lofquist (1967) claimed that an organization's moral values are among the most influential parameters in determining employee satisfaction. More recently, in addition to social responsiveness, *per se*, Greening and Turban (2000) suggested that perceptions of a firm's ethics and values also play a significant role in shaping the perceived attractiveness of an organization for potential employees.

In fact, CSR can be viewed as a natural extension of organizational ethics (Valentine & Fleischman, 2008). It appears that a CSR *policy* meets employees' need for fairness and perceived organizational justice (Aguilera et al., 2007), while the response of employees to CSR *activities* has also been found to directly affect their perception of the organization's justice and fairness (Collier & Esteban, 2007; Galbreath, 2010).

Several theories impinge on this discussion. From the perspective

of employee justice perception theory (Cropanzano, Rupp, Mohler, & Schminke, 2001), it can be said that employees rate organizational justice according to the degree of justice that the organization manifests. Tyler (1987) argues that individuals have a need to perceive the organization as just; it is a state of mind which stems from a psychological urge for control. CSR activities are thus seen as proof that the organization endorses the principle of fairness, and they therefore heighten employees' perception of organizational justice.

According to the social identity theory (Tajfel & Turner, 1986), the perception of a firm as a socially responsible member of society is likely to afford employees an enhanced self-image, as well as pride in the organization, feelings which may impact positively on work attitudes such as job satisfaction (Maignan & Ferrell, 2001; Peterson, 2004). For Eici and Alpan (2009), there is a utilitarian component to the employer-employee relationship, whereby workers who perceive their organization to be ethical are also likely to perceive it as being fair to them and as being obligated to provide them with desirable employment as part of their non-formal occupational contract (Valentine & Fleischman, 2008).

In order to examine these relationships we conducted a study of employees in a real organizational setting ($N = 101$ employees) (Tziner, Oren, Bar, & Kadosh, 2011). The findings of this study unfolded, in line with previous investigations (Brammer et al., 2007; McGuire et al., 1998; Turker, 2009b), significant positive relationships between CSR and job satisfaction ($r = .58$, $\beta = 0.27$, $p < .0001$) and between CSR and perceived organizational justice ($r = .62$, $\beta = 0.76$, $p < .0001$). With respect to the question of how CSR affects employee attitudes, our findings supported the suggestion that CSR signals to employees that the organization tends to act in a just and fair manner, thereby leading to positive work attitudes. The strongest correlations were found between CSR and procedural justice, considered a good predictor of employees' evaluation of the *character of the organization* (Sweeney & McFarlin, 1993, p. 37). The results are also in line with Aguilera et al. (2007), who found that CSR leads to lower turnover rates, as well as with Greenberg (1990), who argues forcibly that organizational justice is a basic requirement for job satisfaction (in Tziner et al., 2011's study, $r = .85$, $\beta = 0.66$, $p < .0001$).

Although the results are drawn from a single study, they would appear to have significant practical implications for organizations and to be germane and beneficial to companies addressing issues of CSR. CSR was found to have a significant effect on the level of job satisfaction, both directly and indirectly, by mediating the effect on perceived organizational justice. In our opinion, for this reason alone, it would be advisable to promote CSR as a vehicle to enhance employees' OCB.

Our findings suggest that CSR not only improves perceived organizational justice and job satisfaction, but, moreover, they provide evidence for the theoretical conception of CSR as a value-creating activity whose impact on firms goes significantly beyond the direct financial benefits measured by traditional accounting-based methods (e.g., Aguilera et al., 2007).

Conflicts of interest

The author of this article declares no conflicts of interest.

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