Are Employees Concerned About Corporate Social Responsibility?

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Abstract
In this paper, we explore the impact of corporate social responsibility (CSR) on organizational commitment of internal publics especially employees. More precisely, we seek to examine the effect of CSR practices on different dimensions of organizational commitment focusing on the employee level. The study uses a web-based survey research method and employs hierarchical multiple regression analysis to explore the predictive ability of four dimensions of CSR on three dimensions of organizational commitment, from the perspective of employees.

The research shows that while the ethical-legal dimension of CSR is a significant predictor of three dimensions of organizational commitment. So, a relational outcome in relationship management theory, practitioners can incorporate ethical-legal CSR in CSR strategy, implementation and communication. This study offers a fine grained investigation of the predictive abilities of four dimensions of CSR on three dimensions of organizational commitment and offers public relations practitioners insight into the specific dimension of CSR that has most impact on multiple dimensions of organizational commitment.

Keywords: Corporate social responsibility, Employees, Commitment
Jel codes: M14, M30

1. Introduction
The corporate social responsibility (CSR) has been evolving over the last decades through several concepts such as corporate social performance (Sethi, 1975; Wood, 1991), strategic CSR (Lantos, 2001) and the triple bottom line (Elkington, 1998) and the essential issues on the topic became a
popular discussion in the academic research. In recent years, scholars and managers have developed greater attention to the impact of CSR initiatives on the perceptions, attitudes and behavior of external stakeholders such as consumers (Becker-Olsen et al., 2006; Bronn and Vrioni, 2001; David et al., 2005; Menon and Menon, 1997; Tucker et al., 1981; Wigley, 2008). Unfortunately, few studies have taken into account the internal stakeholders (Brammer et al., 2007; Rupp et al., 2005). Accordingly, Aguilera et al. (2007) and May (2008) urged scholars to focus more on the ethical engagement of employees, because if CSR is to create benefits for society, then organizations must first turn their attention to corporate employees, as they "comprise the corporate culture which must reconstruct corporate strategy, operations, and decision-making to prioritize social issues" (p. 375). This research attempts to empirically understand how firms should behave toward the internal public by finding the dimensions of corporate social responsibility that are most valued by employees taking into account the management and public relations literature.

2. Literature review
In the management literature, being socially responsible is argued by Davis (1960) affirming that CSR could bring some kind of long-term economic benefit to the firm. This view became increasingly accepted when Sethi (1975) proposed three dimensions of corporate social performance (CSP) developed by Carroll (1979) adding the four dimensions of social responsibility to the three-dimensional conceptual model for CSP and making economic responsibility a subset of social responsibility. However, Lantos (2001) argued that only strategic CSR activities that could bring benefit to the organization were legitimate, while other CSR practices weren't. Many scholars argued for engaging with CSR in order to generate benefits for both organization and society. Berger et al. (2007), Bhattacharya et al. (2009), Carroll and Shabana (2010), Du et al. (2010), Husted and Salazar (2006), Kotler and Lee (2005), Lash and Wellington (2007), Laszlo (2008), McWilliams et al. (2006), Miles et al. (2006), Porter and Kramer (2006), Prahalad (2004) and Vogel (2005) yet a number of empirical studies conducted to establish the relationship between CSR and business returns (Aupperle et al., 1985; Cochran and Wood, 1984; McGuire et al., 1988; Roman et al., 1999; Waddock and Graves, 1997) revealed mixed findings.

In terms of public relations, the researchers have studied CSR from a strategic perspective and affirmed that businesses can benefit from CSR by using the communication of CSR efforts influencing all stakeholders, because the CSR is a good public relations vehicle that can help create a competitive advantage (Hooghiemstra; 2000). In line with this point of view, many researchers emphasized the gains of communicating CSR to stakeholders. Birth et al. (2008), Chaudhri and Wang (2007), Dawkins and Ngunjiri (2008), Wang and Chaudhri (2009), and especially to consumers is also investigated (David et al., 2005; Kim and Yang, 2009; Wigley, 2008).
Although this utilitarian approach is critisizable (L'Etang 1994) public relations practice and research continue to explore the business rationale for CSR, and a number of these studies are situated within the framework of stakeholder theory (Breen 2007). Grunig and Repper (1992) argued that maintaining good relationships with strategic publics would increase organizational effectiveness. Grunig (1992) further argued that employees are a strategic public for organizations and that good relationships with employees could increase their satisfaction with the organization and make them less prone to disrupt the mission of the organization.

Moreover, Clarkson (1995) and Donaldson and Preston (1995) applied Freeman's (1984) stakeholder theory to CSR and argued that the stakeholder framework is essential as corporations primarily manage relationships with their stakeholders and not with society. Clarkson (1995) identified a primary stakeholder group that includes shareholders, investors, employees, customers, and suppliers, and a secondary category that comprise governments and communities. However, instead of examining multiple groups, studies in management and in public relations have focused on the customer stakeholder, largely attempting to profile the socially conscious consumer and to identify linkages between such a profile, brand perceptions, and purchase decisions and only a few studies have studied the impact of CSR on the internal stakeholder. Most of these studies can be classified into two types: one that scrutinized the influence of CSR on prospective employees and the other on retaining employees. Research on the effect of CSR on attracting potential talent, include those by Albinger and Freeman (2000), Greening and Turban (2000). Other scholarly work on the influence of CSR on employees include Rupp et al. (2005), who examined the relationship between employee perceptions of CSR and employee emotions, attitudes and behaviors, and Rodrigo and Arenas (2008), who explored the effect of CSR implementation on employees' attitudes towards their organization and society. Bhattacharya et al. (2008) found that employees' responses to CSR are dependent on the characteristics of the individual, the company, the industry and on the macro-environmental context.

Research on the effect of CSR on retaining employees that have examined the impact of CSR on commitment examined only selected dimensions of CSR, such as responsibility to the community/community involvement/community relations (Brammer et al., 2007; Tuffrey, 2003; Wilson, 2000).

This study aims to conduct an analysis of the effect of all four dimensions of CSR (Carroll, 1979) on the three dimensions of organizational commitment as defined by Meyer and Allen (1991). To do so, this study has adapted part of a research framework proposed by Maignan and Ferrell (2001) that analyses employees' evaluations of their organization’s corporate citizenship and its relationship to organizational commitment.

3. Methodology
The study used survey research method and an online questionnaire as the survey instrument, because it is cheaper and quicker to administer and is more convenient for respondents to answer (Bryman, 2004). Moreover, Evans and Mathur (2005), listed the strengths of online survey as global reach, flexibility, speed, ease of follow-up, controlled sampling and ease of data entry and analysis, among others.

The sample comprised respondents from top 500 organizations of Turkey according to Istanbul Chamber of Industry list 2014 (http://www.iso.org.tr/Sites/1/content/500-buyuk-liste.html?j=5024132). Naturally, most large companies are mainly from petrochemical, automotive and steel industries but some respondents were from electronics, materials and construction, drugs and chemicals and consumer durables industries. Of the respondents 77% were postgraduates, 21% were graduates, and 2% had secondary-school diplomas. A total of 57% were between 26-35 years, 29% between 36-45 years, 8% between 20-25 years, 4% between 46-55 years and 2% were 56 years and above. Males comprised 65% of the sample, females 35%. The respondents had varying years of work experience representing multiple industries. The survey was sent out to 3 employees of each member of the ISO (Istanbul Chamber of Industry) database. The final sample size was 310, providing a response rate of 20.6%, and usable responses were 290. This sample size is sufficient, since Bartlett et al. (2001) have estimated that in multiple-regression analysis, the method of data analysis used in this study, the ratio of observations to independent variables should not be below five.

Maignan and Ferrell’s (2001) conceptualization of corporate citizenship based on Carroll’s (1979) four dimensions of CSR is adopted and questions for the survey have been adapted from the corporate citizenship scale by Maignan et al. (1999) because it included questions on CSR specifically drafted for employees. The second construct, organizational commitment is influenced by a mix of personal, organizational and non-organizational variables such as the scarcity of alternative job opportunities. Meyer and Allen (1991) proposed a three-component conceptualization of organizational commitment that took into account these multidimensional aspects and included affective commitment (employees’ emotional attachment to the organization, sense of identity and involvement with the organization), continuance commitment (commitment that is dependent on the costs associated with leaving the organization) and normative commitment (commitment based on a sense of obligation to the organization). This approach has been adopted in this study, as there is substantial research support for the three-dimensional conceptualization of organizational commitment and because it has been proven to hold across cultures (Luthans, 2002).

4. Results
To examine the effect of CSR practices on the three dimensions of organizational commitment, controlling for the effects of demographic variables such as age and gender of the respondent, the time the respondent has spent with the current organization (tenure) and the size of the organization, a hierarchical, multiple-regression analysis was conducted. In the first step, only the control variables – age, gender, tenure and organization size – were regressed against the respective dependent variable, while in the following three steps, each of the independent variables – discretionary CSR, ethical-legal CSR and economic CSR – were progressively added.

Concerning the survey, the questions had been modified to suit the study so a test was run to ensure that the scale maintained sufficient reliability. To improve reliability, the scale was regrouped from the original four dimensions into three dimensions; discretionary citizenship, ethical-legal citizenship and economic citizenship. Cronbach alphas of the CSR and commitment constructs showed that all the measures of reliability of this study are 0.74 and above and it ensures sufficient scale reliability as Berthoud (2000) has argued that even a minimum level of 0.60 is good.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Ethical legal</th>
<th>Economic</th>
<th>Affective</th>
<th>Continuance</th>
<th>Normative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary</td>
<td>0.352**</td>
<td>0.173</td>
<td>0.162</td>
<td>-0.168</td>
<td>0.077</td>
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<tr>
<td>Ethical legal</td>
<td>0.533**</td>
<td>0.487**</td>
<td>-0.313**</td>
<td>0.382**</td>
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<tr>
<td>Economic</td>
<td>0.284†</td>
<td>-0.133</td>
<td>0.193</td>
<td></td>
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<tr>
<td>Affective</td>
<td></td>
<td>0.056</td>
<td>0.229†</td>
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<tr>
<td>Continuance</td>
<td></td>
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<td>-0.155</td>
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Table I. Correlation matrix, CSR and commitments

To test the predictive abilities of the dimensions of CSR on affective commitment, the regression analysis consisted of four steps; in the first step, the control variables – size of the organization, age, gender and tenure of the respondent – were regressed against the dependent variable, affective commitment, the results were not significant ($R^2=0.02$). In the second step, affective commitment was regressed against discretionary CSR, the results were not significant either ($R^2=0.06$). In third step, affective commitment was regressed against ethical-legal CSR, the results were statistically significant ($R^2=0.28$) so ethical-legal CSR was significantly and positively related to affective commitment ($\beta=0.506; p \leq 0.001$). In the forth and final step, affective commitment was regressed against economic CSR, the results were significant ($R^2=0.286$) and showed that ethical-legal CSR was still significantly related to affective commitment ($\beta=0.456; p \leq 0.001$), while the size of the respondent’s organization was significantly negatively correlated.
with affective commitment ($\beta=-0.204; p \leq 0.05$). As the size of the organization increased, emotional attachment to the organization decreased. Hierarchical multiple-regression analysis was again carried out to test the predictive abilities of the dimensions of CSR on continuance commitment, when the control variables were regressed against the dependent variable, continuance commitment, the results were not significant ($R^2=0.047$). Then, continuance commitment was regressed against discretionary CSR, the results were not significant either ($R^2=0.07$). In third step, continuance commitment was regressed against ethical-legal CSR, the results were statistically significant ($R^2=0.133$) showed that ethical-legal CSR was significantly and negatively related to continuance commitment ($\beta=-0.273; p \leq 0.02$). In the final step, continuance commitment was regressed against economic CSR, the results were only marginally significant ($R^2=0.134$) showed that ethical-legal CSR continued to be significantly negatively related to continuance commitment ($\beta=-0.293; p \leq 0.02$). Results from this analysis illustrate that neither the control variables nor discretionary CSR and economic CSR is a significant predictor of continuance commitment, while ethical-legal CSR is a significant predictor of continuance commitment, albeit negatively.

Concerning the normative commitment, the hierarchical multiple-regression analysis started with regressing the control variables against normative commitment, the results were not significant ($R^2=0.069$). Then normative commitment was regressed against discretionary CSR, the results were not significant ($R^2=0.096$). In third step, normative commitment was regressed against ethical-legal CSR, the results were statistically significant ($R^2=0.246$) and showed that ethical-legal CSR was significantly related to normative commitment ($\beta=0.419; p \leq 0.001$), while the size of the respondent’s organization was significantly negatively correlated with normative commitment ($\beta=-0.329; p \leq 0.02$). Finally, normative commitment was regressed against economic CSR, the results were significant ($R^2=0.249$) and showed that ethical-legal CSR was significantly related to normative commitment ($\beta=0.380; p \leq 0.02$) and the size of the respondent’s organization was significantly negatively correlated to normative commitment ($\beta=-0.346; p \leq 0.02$). Results from this analysis reveal that neither of the control variables, discretionary CSR and economic CSR, is a significant predictor of normative commitment, while ethical-legal CSR and size of the organization are significant predictors of normative commitment.

5. Discussion
The results show that, CSR practice is a significant predictor of organizational commitment. The results also show that ethical-legal CSR is the most significant predictor of all three dimensions of organizational commitment, while economic and discretionary CSR are not. Additionally, the results also show that the size of the organization is a significant negative predictor of
affective and normative commitment, while it does not predict continuance commitment.

CSR practice has previously been shown to positively influence other organizational outcomes such as employee motivation, productivity, turnover rates and absenteeism outputs that have economic implications for organizations. Consequently, the findings of this study further strengthen the economic rationale for engaging in CSR initiatives.

However, the research has also demonstrated that not all dimensions of CSR have equally significant influence on organizational commitment. The results demonstrate that in companies that follow legal rules and regulations and even step beyond the law to adhere to high standards of ethics, employees have a higher sense of emotional attachment to the organization and probably tend to believe that staying on with the company is the right thing to do. This heightened sense of commitment to the organization could possibly engender other internal benefits to the organization such as increased employee loyalty, motivation, engagement etc.

For employees, basic organizational ethics and integrity appear to be the most vital dimensions of the CSR construct. As far as this key internal stakeholder is concerned, organizations first need to set their house in order through practicing high standards of corporate governance, transparency, accountability, fairness and ethics before venturing out to solve larger societal problems or obsessing with maximizing profits. This finding is also consistent with previous studies that showed that employees value only certain dimensions of CSR. For instance, Peterson (2004) found that the ethical dimension of CSR had the greatest influence on employee commitment compared to other dimensions. The findings of this research have multiple implications for practice and research as well.

While building relationships with an organization’s stakeholders, PR practitioners have often communicated symbols of CSR not backed by substance, a practice that has been labeled “window dressing” (May, 2008, p. 370). Grunig (1993) argued that symbols and substance should be intertwined like the strands of a rope. The behavioral relationship between an organization and its publics can be improved by communication, but a poor behavioral relationship can spoil attempts to use communication to build a symbolic relationship or to create a positive reputation. PR practitioners can underscore the ethical and legal behavior of the organization in their relationship-management efforts with employees. They could integrate aspects of transparency, full disclosure, accountability and fairness into CSR policymaking, implementation and communication, merging symbols with substance. This customization of CSR to the needs of internal stakeholders could significantly contribute to organizational commitment that can further engender other internal returns such as increased employee loyalty. This could help build mutually beneficial relationships between the organization and its employee publics, helping public relations in its aim of managing organization-public relationships that
will continue over a period of time and result in mutual understanding and benefits for organizations and publics (Ledingham, 2003). Moreover, what is important to the employee public may safely be presumed to be important to prospective employees as well. Managers can highlight the ethical-legal dimension in their recruitment-related communication campaigns to appeal to potential employees as well.

Implications for public relations research. This study offers preliminary empirical insight into the perceptions of an important stakeholder. It focuses on employees and yields one specific insight that broadens our knowledge of this key internal public. The results appear to support the theoretical concept of the ethical engagement of employees (May, 2008) and add to the body of evidence that the ethical and legal engagement of the internal public might have a significant influence on organizational commitment securing mutual benefit to the organization and its internal public. Furthermore, Grunig and Huang (2000) have identified commitment as one of the relational outcomes in relationship-management theory. The finding that ethical-legal CSR might impact organizational commitment could perhaps lead to future research that explores the effect of CSR practice on organization-public relationship, a stream of emerging research in public relations (Jones and Bartlett, 2009).

6. Limitations and further research
This was a general employee survey across organizations and industries. Future research could focus on case studies of organizations in specific industries or countries that might give richer insights into employee evaluations of CSR and their influence on commitment. Also, since the survey relied on respondents’ evaluation of their organization's CSR initiatives, social-desirability bias may have affected the results. Despite these limitations, this paper contributes to public relations research by providing empirical evidence of the effect of the four dimensions of CSR on three dimensions of organizational commitment from the perspective of the employee public.

The results provide additional corroboration for a business rationale for engaging in CSR and foregrounds the importance of being ethical and legal corporate citizens for a key strategic public of the organization. The findings are also enlightening to public relations practitioners who actively engage with and build relationships with the internal public.

By assimilating elements of ethical and legal CSR into CSR strategy, implementation and communication, PR practitioners can align both symbols and substance that in turn might help in forging stronger relationships with the internal public.

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