

## **The benefits of employee participation in corporate social responsibility**

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### **Introduction**

In 1970, Friedman stated that the only social responsibility of organizations is to make profits. Almost 50 years later, we undoubtedly know that organizations must also care for the well-being of various stakeholders and the environment while making a profit and creating returns for investors. In other words, organizations must engage in corporate social responsibility (CSR) and thereby add value to their business. According to Stanford University's Graduate School, CSR is "an organization's obligation to consider the interests of their customers, employees, shareholders, communities, and the ecology and to consider the social and environmental consequences of their business activities. By integrating CSR into core business processes and stakeholder management, organizations can achieve the ultimate goal of creating both social value and corporate value." Consequently, it is not surprising that CSR is often manifested in organizations' strategies and operating practices. We are witnessing the exponential growth of CSR programs and policies that provide solutions for developing sustainable business practices and balancing economic value with societal values.

The relationships between CSR and organizational performance (i.e., the macro level of CSR) prominently appears on corporate agenda; however, since employees are the ones who plan and advocate for, participate in, and witness CSR, organizations should also tackle the question of how CSR affects employees' attitudes and behavior (i.e., the micro level of CSR). Micro-level CSR is defined as "the study of the effects and experiences of CSR on individuals (in any stakeholder group) as examined at the individual level of analysis" (Rupp & Mallory, 2015, p. 216). Because employees are the ones who plan and advocate for, participate in, and witness CSR, scholars and practitioners have begun to investigate how CSR affects the attitudes and behavior of employees. Our study shows that employees' CSR perceptions stimulate work enjoyment and prosocial motivation and mitigate unethical behavior. In what follows, we present the study-based recommendations.

### **Key findings and recommendations**

#### **#1: Align employee goals with CSR strategy and thereby mitigate unethical behavior**

As CSR flourishes, organizations embark on the CSR bandwagon to leverage reputational and financial benefits, and corporate CEOs have begun to realize the benefits of documenting and

reporting their efforts, cost, and benefits related to CSR (Stephenson & Rodriguez, 2014). However, incidents of socially irresponsible company behavior continue to occur at an alarming rate. Thus, the question of why organizations embrace CSR and how such practices contribute to the well-being of various stakeholders arises. Specifically, every time the media reports scandals (e.g., consumer fraud, social transgressions, environmental disasters) revealing corporate wrongdoing, different stakeholders become skeptical regarding whether companies use CSR just as a strategy to gain public attention or if corporate CEOs really believe that CSR practices are necessary to achieve long-term growth of the company.

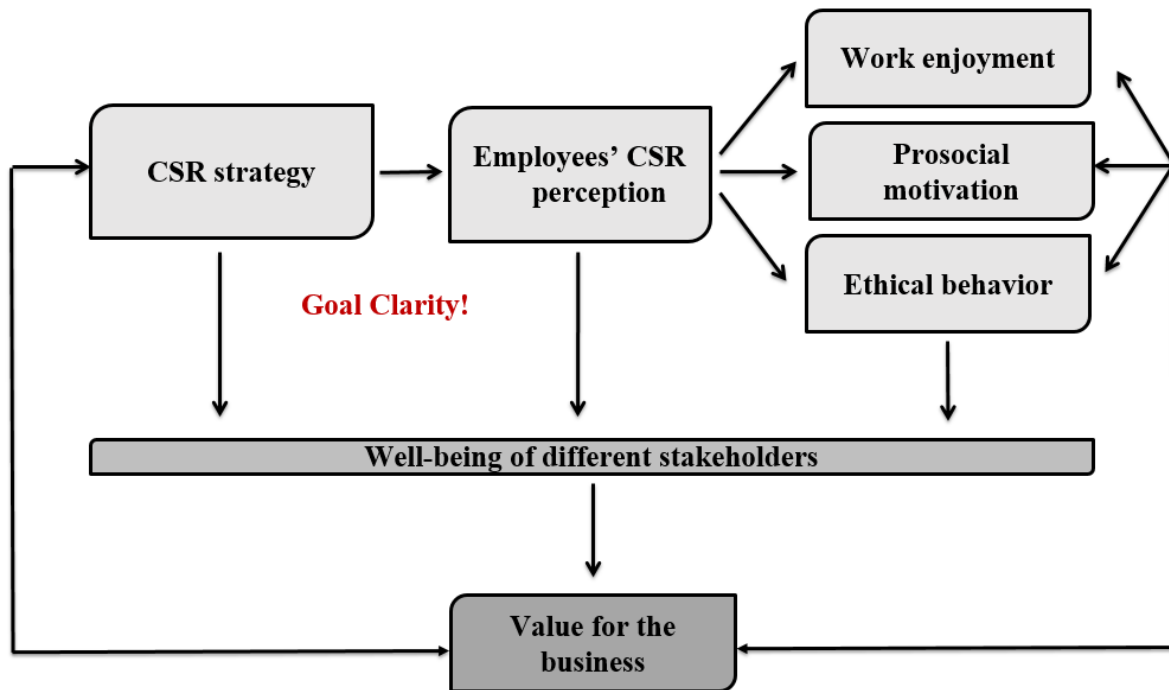
To be effective, CSR strategy and corresponding programs and actions should be aligned with employees' goals, thereby increasing employees' commitment to overall CSR objectives, which in turn will reduce the occurrence of unethical behavior in organizations. Employees who perceive their organization positively due to its CSR acts are less likely to choose to behave unethically because they are aware that such behavior will not be rewarded. Thus, managers should set clear and specific CSR-related goals and therefore set the standards and help their employees clearly understand what is expected of them in terms of their task outcomes. In doing so, managers will increase the employees' perception of CSR, increase the occurrence of work enjoyment and prosocial motivation, and decrease the likelihood of unethical behavior.

## **#2: Clearly communicate the CSR strategy and corresponding programs and actions across the entire organization**

When employees perceive that their organization supports the activities related to a social cause, they will be more dedicated to ensuring the quality of workplace experience (Maignan, Ferrell, & Hult, 1999) and thereby more likely experience higher levels of work enjoyment. Employees' perception of CSR may encourage employees to experience work enjoyment because it will highlight the social aspects of employees' work roles to which they should attend. Namely, when the degree to which employees perceive a company supports the activities related to a social cause (i.e., employees' perception of CSR) is high, employees receive clear signals that socially responsible behavior is desirable behavior in the organization.

Hur, Moon, and Ko (2018) also found that CSR acts reinforce employees' perception of respect and status within the organization, ultimately leading to caring for and helping one another within organizations. When employees' perception of CSR is high, employees are aware of the beneficial effects of their actions on others; therefore, they will have even greater desire to make positive differences in others' lives.

Figure 1: The benefits of employee participation in corporate social responsibility



## References

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