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Is Doing Better to Employee Beneficial for Company? The Mediating Effect of Corporate Social Responsibility Attribution

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Abstract: This study explores the impact of corporate social responsibility (CSR) for employee on employee's perception of CSR and the mediating effects of CSR attribution. The survey, conducted by judgmental sampling, consists of a total of 423 employees whose companies are engaged in CSR activities. Utilizing confirmatory factor analysis and structural equation modeling, the results are as follows. (1) CSR for employee will influence the employees' attribution for the company engaging the CSR activities. CSR for employee will positively affects value-driven and strategic-driven attribution and negatively affects employee's egoistic-driven attribution; (2) Value-driven attribution positively affects employee's perception of CSR; (5) CSR for employee positively affects employee's perception of CSR; (6) Value-driven attribution plays a partial mediating role between CSR for employee and employee's perception of CSR.

Keywords: *corporate social responsibility, perception of CSR, CSR attribution.*

Introduction

Over the past 30 years, Corporate Social Responsibility, or CSR, has become a major issue worldwide (Werther & Chandler, 2005). When a company practices CSR initiatives, its employees will speculate that the industry may have an ax to grind. Ellen, Webb, & Mohr (2006) found that consumers have limited support for a business's CSR activities if they realized that the motivation behind the CSR initiatives are for benefits rather than for the whole social interest; in contrast, consumers will identify with a business, if they think that the business practices CSR for altruistic reasons. A lot of studies have investigated consumers' attribution of CSR (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009 ; Dionysis & Constantinos, 2013), while few examines CSR attribution from the perspective of internal stakeholder (employees). Thus, from the perspective of the employees, this research will examine their opinions on business's CSR engagement.

Much work has been devoted to influences and consequences of employees' perceived CSR; namely, when employees are aware of their company's engagement in CSR, they

will develop reliance on, organizational identification with, and organizational commitment to their company (Lee, Park, & Lee, 2013 ; Zhu, Liu, & Lai, 2014). However, quite few studies examine antecedents of employees' perceived CSR; in contrast, this study asserts that employees have sensitive awareness of CSR practices directly related to them, and the awareness will influence their perception of CSR. Therefore, the purpose of this study include: (a) the influence of employee-related CSR on their CSR attribution, (b) the influence of CSR attribution on their perceived CSR, (c) the mediating role of CSR attribution on the relationships between employee-related CSR and their perceived CSR.

Literature Review

Employee-related CSR and CSR Attribution

When businesses take CSR initiatives, it is advisory that they start from their employees, because employees are the stakeholders who have direct impact on whether the business will succeed or not (Patrizia, 2014). If businesses attach great importance to employees' welfare and working environment when they practice CSR, both levels of the employees' identification and work efficiency will rise (Turker, 2009).

Attribution Theory illustrates how individuals make causal inferences on certain events and how these inferences affect evaluations and behavior (Swanson & Kelley, 2001). Ellen et al. (2006) integrate studies of Swanson (1995) and Webb & Mohr (1998) to divide attribution into four categories as egoistic-driven, value-driven, strategic-driven and stakeholder-driven. If the business's involvement in CSR is egoistically-driven, they are trying to increase profits instead of trying to help people. If the business's CSR initiatives are value-driven, consumers are of the belief that the CSR practice are is for ethical and moral purposes, and the business is trying to elevate the whole society to a better one. If the business's engagement in CSR is strategically-driven, it is viewed as a goal to create a win-win situation, wherein the business not only practices CSR but also achieves its financial goals. Stakeholder-driven attribution is based on the belief that the business involves in CSR initiatives just to reduce pressure from its stakeholders.

In the past, only a handful of studies have been done on the influence of CSR on internal stakeholders like employees. (Vlachos, Panagopoulos, & Rapp, 2013) According to social exchange theory, people feel obliged to give back when they gain benefits from others. (Blau, 1964) Therefore, employees will look at things through the eyes of the businesses and attribute businesses' CSR practice to good causes such as those of giving back to society, eliciting new customers and fulfilling public expectation, when the employees believe that businesses are doing them good, for example, giving reasonable salaries, building healthy and safe work environment, setting up the platform for public communication, etc. Therefore, this study argues that employees will attribute CSR practice to value-driven, strategic-driven, stakeholder-drive rather than egoistical-driven when businesses put themselves in the employees' shoes and make genuine contributions to employees' welfare.

H1-1: Employee-related CSR will positively influence their value-driven attribution.

H1-2: Employee-related CSR will positively influence their strategic-driven attribution.

H1-3: Employee-related CSR will positively influence their stakeholder-driven attribution.

H1-4: Employee-related CSR will negatively influence their egoistic-driven attribution.

CSR Attribution and Employees' Perceived CSR

Employees' perceived CSR is the cognitive level at which employees perceive businesses' involvement in CSR initiatives; employees can use their perceived CSR to measure how well a business practices CSR (Breckler, 1984, Crites, Fabrigar, & Petty, 1994). Turban & Greening (1997) contends that the better the employees perceive the business's CSR involvement, the stronger they will feel identified with the business. Employees will have higher opinion of business CSR engagement and consider it genuine when they think that the business is genuinely dedicated to promoting social quality; namely, the CSR involvement is value-driven.

H2-1 Value-driven attribution will positively influence employees' perceived CSR.

Employees consider that the business engages in CSR initiatives because they want to increase competitive advantages, attract new customers, and retain older customers. Employees are of the belief that the business are trying to survive and achieve a win-win situation. (Dionysis & Constantinos, 2013) Therefore, if they attribute its CSR strategic-driven, they will think highly of the business's involvement in CSR and give higher opinions of the business's CSR practice.

H2-2: Strategic-driven attribution will positively influence employees' perceived CSR.

When they attribute a business's involvement in CSR to stakeholder-driven, employees will set high value on the business's CSR because they think the business is sincerely practicing CSR in order to satisfy expectations from different stakeholders, like shareholders, employees, and community, etc.

H2-3: Stakeholder-driven attribution will positively influence employees' perceived CSR.

Employees will not speak highly of the business CSR initiatives because they do not regard the CSR practice earnest. When employees are convinced that business practice CSR just to increase benefits, they will attribute the cause to egoistic-driven and have lower opinion of that.

H2-4: Egoistic-driven attribution will negatively influence employees' perceived CSR

Employee-related CSR and Employees' Perceived CSR

According to social exchange theory by Blau (1964), employees will take side with the business when they believe that the business takes their benefits into consideration. The employees will very likely regard the business as socially-responsible and dedicated to elevating social quality as a whole. Lindgreen & Swaen (2010) asserts that stakeholders will reach more consistent consensus and regard the success of the business as their life goal, when the business invests more on stakeholders such as employees. As a result, employee-related CSR exerts influences on employees perceived CSR not only in a direct way, but also in an indirect route via CSR attribution.

H3: Employee-related CSR will positively influence employees' perceived CSR.

H4: CSR attribution plays a mediating role on the relationship between employee-related CSR and employees' perceived CSR.

Conclusion and Suggestions

Conclusion

After factor analysis on CSR attribution is conducted, this study incorporates stakeholder-driven into strategic-driven.; thus, this paper will discuss only three categories of attributions, which include value-driven, strategic-driven, and egoistic-driven. The results

show that relationships between employee-related CSR and three attributions are all supported. Employees will feel respected and consider that businesses practice CSR for the reasons that they really want to give back to society, feel obliged to help society, and achieve win-win situation by retaining current customers, increasing profits, and promoting their competitiveness rather than attribute businesses' CSR to egoistic-driven if employees are aware of employee-related CSR practice, which includes safe and healthy work environment, respect for employees' human rights, opportunities for career development, and in job-training.

Results of this study found that only value-driven attribution has positive influence on perceived CSR; that is, employees will have high opinions of the company if they believe that the company practices CSR because it really wants to do it and it feels responsible and obliged to help and give back to society. In contrast, strategic driven and egoistic-driven have no significant influence on employees' perceived CSR; that is, employees are of the opinion that company's involvement in CSR is strategic- or egoistic-driven rather than autonomous. This study argues that some employees will doubt the motivation behind businesses' CSR, likes charities which are very probably done just to gain profits. Employees have different opinions on strategic-driven CSR, even though it might want to create win-win situation.

This study found that employee-related CSR has a positive relationship with employees' perceived CSR, which demonstrates that employees will consider that the business is really involved in CSR when they perceive the CSR practice directly related to them. This result is compatible with those of previous empirical studies, such as Gouldner (1960) and Colquitt & Rodell (2011), in reference to social exchange theory, maintain that organizations implementing measures, systems, and incentives beneficial to employees will earn voluntary and positive feedbacks from their employees.

Last, this study found that value-driven attribution has partial mediating effect; namely, CSR practice related to employees not only influences employees' perceived CSR in a direct way, but also in an indirect way via value-driven attribution.

Management Implications

Companies are advised to attach importance to employee-related CSR because CSR practice on employees can generate positive attribution among employees and raise their perceived CSR. But, how can that be achieved? This study found that currently Taiwan-based companies have the best performance in the item "Your company provides healthy and safe work environment" (3.78), which is advised to be maintained. In contrast, they did poorly in these three items "Your company treats each employee in a fair way." (3.16) "Your company is willing to set up a platform for communication." (3.21) "Your company runs a flexible working hour system." (3.21) Consequently, this studies make the following suggestions, which include (a) setting up a suggestion box for employees to freely express their opinions in anonymous way, (b) creating a scale for employee-related CSR measurement, which is held annually to review items in need of improvement and inspection, (c) building an company culture that highlights self-discipline and pragmatism, that is willing to set up a communication platform, like i-cloud, common work platform, e-mail and mobile communication software both for internal-department information sharing, and for supervisors to understand employees, to fill the cognitive gap among different employees, (d) providing in-job training and workshop to increase cohesive force to unite employees and companies.

Limitations and Suggestions for Future Research

An important topic for future research can be a comparative study on supervisors of lower level, medium level, and high level, respectively. Furthermore, CSR attribution adopted by this study is developed from literature rooted on western culture. However, cultural differences can generate different impacts on this issue. Succeeding researchers are suggested to conduct qualitative interviews to understand CSR attribution of employees from Taiwanese cultural background. Cultural influence might be an area worth further research.

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