

Du, Shuili; Bhattacharya, C. B.; Sen, Sankar

Working Paper

Corporate social responsibility, multi-faceted job-products, and employee outcomes

ESMT Working Paper, No. 13-07

Provided in Cooperation with:

ESMT European School of Management and Technology, Berlin

Suggested Citation: Du, Shuili; Bhattacharya, C. B.; Sen, Sankar (2013) : Corporate social responsibility, multi-faceted job-products, and employee outcomes, ESMT Working Paper, No. 13-07, European School of Management and Technology (ESMT), Berlin, <https://nbn-resolving.de/urn:nbn:de:101:1-201309092914>

This Version is available at:

<https://hdl.handle.net/10419/96574>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

ESMT Working Paper

CORPORATE SOCIAL RESPONSIBILITY, MULTI- FACETED JOB-PRODUCTS, AND EMPLOYEE OUTCOMES

SHUILI DU, UNIVERSITY OF NEW HAMPSHIRE
CB BHATTACHARYA, ESMT
SANKAR SEN, BARUCH COLLEGE

Abstract

Corporate social responsibility, multi-faceted job-products, and employee outcomes

Author(s):* Shuili Du, University of New Hampshire
CB Bhattacharya, ESMT
Sankar Sen, Baruch College

This paper examines how employees react to their organizations' corporate social responsibility (CSR). Drawing upon research in internal marketing and psychological contract theory, we conceptualize that employees have multi-faceted job needs (i.e., economic, developmental, and ideological needs) and that CSR programs constitute an important means to fulfill these needs. Based on cluster analysis, we identify three employee segments, Idealists, Enthusiasts, and Indifferents, who vary in their multi-faceted job needs and, consequently, their demand for organizational CSR. We further find that an organization's CSR programs generates favorable employee related outcomes, such as job satisfaction and reduction in turnover intention, partially by fulfilling employees' ideological and developmental job needs. Finally, we find that CSR proximity strengthens the positive impact of CSR on employee-related outcomes. This research reveals significant employee heterogeneity in their demand for organizational CSR and sheds light on the underlying mechanisms linking CSR to employee-related outcomes. We end with a discussion about the theoretical and practical implications of our research.

Keywords: Corporate social responsibility, job product, employee job performance, cluster analysis

* Contact: CB Bhattacharya, ESMT, Schlossplatz 1, 10178 Berlin,
Phone: +49 (0) 30 21231-1528, cb@esmt.org.

Introduction

In today's socially conscious world, corporate social responsibility (CSR) has increasingly become a strategic imperative. More and more organizations across the globe are leveraging CSR to gain competitive advantage and achieve long-term success (Du et al. 2011; Surroca et al. 2010; Porter and Kramer 2011). According to a large-scale survey of executives and CSR professionals by McKinsey, one of the key pathways through which CSR can create business value is by enhancing employee morale and reducing employee turnover (Bonini et al. 2009). For any organization, skilled, motivated employees and talented managers constitute a critical factor for sustained organizational success (Brammer et al. 2007; Greening and Turban 2000; Pfeffer 1994). Thus, advancing our understanding of whether and how employees react to CSR would help organizations effectively design and implement CSR programs capable of fulfilling employee needs and consequently generating maximal business returns.

Motivated, at least in part, by the mounting importance of CSR, several studies have investigated employee reactions to CSR and, in general, have found that CSR has a positive impact on various employee-related outcomes, such as organizational attractiveness to prospective employees (Greening and Turban 2000), employee organizational commitment (Brammer et al. 2007), job satisfaction (Valentine and Fleischman 2008), and employee loyalty (Bhattacharya et al. 2008, 2011).

Although this stream of research has yielded substantial insights into employee reactions to CSR, our understanding of the topic remains limited, propelling various scholars to urgently call for more research on this important topic (Aguilera et al. 2007; Mueller et al. 2012; Rodrigo and Arenas 2008). In particular, a few key questions remain unanswered. First, while CSR research focusing on external stakeholders (e.g., customers) has highlighted individual differences as a key factor accounting for the variability in business returns to CSR (Peloza and Shang 2011; Sen and Bhattacharya 2001; Sen, Du, and Bhattacharya 2009), research focusing on employees has yet to take such a finer-grained approach. Rodrigo and Arenas (2008, p. 266) insightfully commented, "... (even) less attention has been devoted to the differences among employees in relation to CSR, presupposing that this group's expectations, views, and attitudes were homogeneous." Second, little is known about the underlying mechanisms through which CSR affects employee attitudes and behaviors. As pointed out by Bhattacharya et al. (2008, p. 38), "companies do not fully understand the psychological mechanisms that link their CSR programs to anticipated positive returns from their employees."

This research seeks to advance our understanding of employee reactions to CSR by addressing the above mentioned literature gaps. Drawing upon internal marketing theory (Berry and Parasuraman 1992; Bhattacharya et al. 2008; Vasconcelos 2008) and the literature on psychological contract (Rousseau and McLean Parks 1993; Thompson and Bunderson 2003), we conceptualize employees' jobs as a bundle of product attributes, consisting of economic, developmental, and ideological attributes. According to the internal

marketing theory, employees are the organization's internal customers, and the best way to motivate and retain internal customers is through offering "job-products" capable of satisfying their multi-faceted (i.e., economic, developmental, and ideological) needs. We theorize that there exists significant heterogeneity among employees in terms of their needs for different dimensions of job attributes, and that, when designed properly, CSR programs can fulfill employees' developmental and ideological job needs, subsequently generating positive employee-related outcomes. Furthermore, we identify CSR proximity, i.e., the degree to which employees are aware of and/or involved in their organizations' CSR activities, to be a key lever that can enhance the relationships between organizational CSR, fulfillment of employees' ideological and developmental job needs, and employee outcomes (i.e., satisfaction and turnover intention). Results from our field survey provide support for our predictions.

This research provides several key contributions to the CSR literature. First, our research highlights significant employee heterogeneity regarding their multi-faceted job needs and, relatedly, their demand for organizational CSR programs. Specifically, our cluster analysis reveals three distinct employee segments, Idealists, Enthusiasts, and Indifferents, who vary in their multi-faceted job needs and hence in their demand for CSR. This suggests that, when designing and implementing CSR programs, organizations should not assume "one size fits all," but rather should adopt a segmented approach, tailoring their CSR offerings according to employees' individual needs. Our findings highlight the

importance of exploring employee-specific characteristics in CSR research, an area that has received scant attention (Rodrigo and Arenas 2008).

Second, our research sheds light into the underlying mechanisms linking CSR to employee-related business outcomes. Specifically, we show that CSR generates business outcomes partially through enhancing the “job-products” an organization offers to its internal customers (i.e., employees) and by fulfilling multi-faceted employee job needs. Importantly, we find that CSR programs help fulfill not only ideological job needs, but also developmental job needs. This finding suggests that, to maximize the impact of CSR on employee job needs fulfillment, organizations should mindfully integrate CSR with business strategies and leverage CSR as a platform for employees to hone essential business skills/expertise (Mirvis 2012).

Finally, our research highlights the importance of CSR proximity. Our findings indicate that employees who are higher in CSR proximity (i.e., have more knowledge of and are more involved in their organizations’ CSR) react more positively to CSR. Organizations wishing to reap greater employee-related benefits from CSR should effectively communicate social responsibility programs to their internal customers as well as actively engaging them in CSR (Du et al. 2010, 2011; Dawkins 2004).

The rest of the paper is organized as follows. We first review relevant literature on CSR, internal marketing, and psychological contract to derive our conceptual framework and a set of hypotheses. We then describe our methodology and present the results of a field survey that tests these hypotheses. We end with a discussion of theoretical and

managerial implications, as well as limitations of our study and avenues for further research.

Multi-faceted Job Needs

The internal marketing theory (Berry and Parasuraman 1992; Bhattacharya et al. 2008; Vasconcelos 2008) emphasizes the importance of organizations being centered on fulfilling the job needs of its internal customers, namely, employees. Berry and Parasuraman (1992) defines internal marketing as “attracting, developing, motivating, and retaining qualified employees through job products that satisfy their needs.” Analogous to the way that products seek to fulfill customer needs, an internal marketing perspective holds that companies should fulfill the needs of its internal customers by offering a compelling “job-product.” To effectively sustain employees’ investment of time, energy, and ego, a job-product needs to include attribute bundles that cater to the diverse range of employee needs. Some key attributes of job-products include salary, benefits packages, and advancement opportunities, as well as higher-order psychosocial needs. More generally, organizations should be employee-oriented in designing job-products; successful organizations identify and continuously monitor evolving employee job needs and offer job-products capable of fulfilling these needs.

What constitute employees’ multi-faceted job needs? A large scale survey of graduating MBA students by Aspen Institute (2008) suggests that the following are commonly perceived as the most important job/career needs: (1) developing career, enhancing business skills, (2) earning a high income, and (3) having a positive impact on

society and being involved in my community. Research on psychological contracts supports the notion of multi-faceted employee job needs. Rooted in the social exchange theory, psychological contract refers to an employee's perception of the unwritten promises and obligations implicit in his/her relationship with the employing organization (Rousseau and McLean Parks 1993; Thompson and Bunderson 2003). Fulfillment of psychological contract enhances employee job satisfaction and organizational commitment, whereas breach or violation of psychological contract will lead to undesirable outcomes such as intention to quit and actual turnover (Bunderson 2001; Robinson and Morrison 2000). Employees' psychological contract typically involves multi-dimensional aspects, including economic, developmental, and ideological facets (Robinson et al. 1994; Thompson and Bunderson 2003). The economic aspect of psychological contract is more transactional and short term-oriented, often including issues such as the employing organization's provision of adequate compensation, benefits, and safe working environment. The developmental aspect of psychological contract is more relational and long term-oriented, involving issues such as the organization's provision of training and professional development. Employee professional development activities can take many forms, including assessment and feedback, training programs or courses, job rotation, transfers, special assignments, participation in task forces or special committees (Maurer, Pierce, and Shore 2002; Noe et al. 1997). The increasingly competitive and turbulent job markets nowadays dictate that continuous learning and development is a key part of employees' continuing career

success. Consequently, employee professional development has become a critical part of employee job needs (Hall and Mirvis 1995; Maurer et al. 2002).

A third dimension of psychological contract, the ideological aspect, though important, has largely been overlooked. The ideological aspect refers to organizational obligations to support relevant social causes and provide opportunities for employees to participate in the cause (Blau 1964; Thompson and Bunderson 2003). Organizational championship of important social causes can be effective inducements to motivate employee contribution and commitment because “helping to advance cherished ideals is intrinsically rewarding” (Blau, 1964, p. 239). William George, former CEO of Medtronic Inc., suggested that although “everyone wants to be fairly compensated for his or her efforts,” the “real motivation” for many employees “comes from believing that their work has a purpose, and that they are part of a larger effort to achieve something truly worthwhile” (George, 2001, p. 42). Research on social identity (Bhattacharya and Sen 2003; Dutton et al. 1994) also provide some indirect support on the importance of ideological job needs; employees desire to work for organizations that have good values and a positive image, organizations that could satisfy their higher order self-definitional (i.e., “Who am I?”) needs (Bhattacharya and Sen 2003).

Heterogeneity in Multi-faceted Job Needs and Demand for CSR

Employees differ in terms of economic, developmental, and ideological job needs. The internal marketing perspective emphasizes individual differences in terms of employees’ job needs and calls for a segmented approach when designing job-products

(Bhattacharya et al. 2008). Similarly, the psychological contract literature suggests that employee perceptions of organizational responsibilities are personal, self-constructed, and idiosyncratic (Raja et al. 2004). Differences in individual personality, gender, and cultural values (e.g., humane orientation, institutional collectivism) have been shown to correlate with different employee expectations of organizational responsibilities or obligations (Mueller et al. 2012; Raja et al. 2004).

Supporting heterogeneity in employees' multi-faceted job needs, research on people's relations to their work (Wrzesniewski et al. 1997) has identified three types of orientation toward work: those viewing work as a job, a career, or a calling. Individuals with a "job" orientation view work as an opportunity for economic rewards. For them, the work is not an end in itself, but instead is a means that allows them to acquire the economic resources needed to enjoy their time away from the job. Individuals with a "career" orientation have a deeper personal investment in their work, and value opportunities for professional growth and advancement. Individuals with a "calling" orientation, however, seek work as an expression of self and focus on pursuing something that is principle-based, transcending self-interest. Due to their focus on values, identity expression, and societal well-being, employees with a "calling" orientation will likely put greater importance on ideological needs relative to those with a "job" or "career" orientation. Similarly, those with a "career" orientation will likely place greater importance on developmental needs than employees with other orientations.

We expect employee heterogeneity in job needs to be reflected in their differential demand for organizational CSR programs. Prior CSR research shows that there exists a spectrum of individuals who vary in their support of and receptivity to organizational engagement in CSR, with *disbelievers* who believe businesses' sole purpose is to maximize shareholder returns, and *advocates* and *activists* who believe businesses should be a force for positive social change and be actively involved in a variety of social and environmental issues (Cone 2008; Sen, Du, and Bhattacharya 2009). Focusing specifically on employees, Rodrigo and Arenas (2008)'s qualitative study reveals a typology of employees based on their attitudes toward CSR: committed, indifferent, and dissident employees. According to their study, committed employees are concerned about social welfare and receive their organizations' CSR practices with great enthusiasm; indifferent employees focus on their own career and are indifferent about whether their organizations engage in CSR or not; dissident employees are frustrated about their organizations spending money on CSR.

However, little is known about why employees differ in their attitude toward, or demand for, organizational CSR programs. We build upon Rodrigo and Arenas (2008)'s qualitative work to examine psychological correlates to employees' differential demand for organizational CSR programs. Specifically, since CSR represents an organization's actions that intend to further some social good, beyond the interests of the firm (McWilliams and Siegel 2001), employees higher in ideological needs will naturally put more importance on their organizations' CSR. In addition, CSR has increasingly become an integral part of an organization's daily operation and strategic planning, and as a result, employees often

perform CSR related responsibilities on their job (Mirvis 2012; Surroca et al. 2010). As Mirvis (2012) pointed out, "... more employees today are engaged in sustainable supply chain management, cause-related marketing, and green business initiatives – in effect, doing social responsibility on-the-job." Accordingly, employees with higher developmental needs will likely demand their organizations to engage in more CSR activities.

Therefore, we hypothesize,

H1: There exists significant heterogeneity in employees' multi-faceted job needs (economic, developmental, and ideological).

H2: All else equal, employees' demand for organizational CSR programs is positively associated with (a) importance of ideological job needs, and (b) importance of developmental job needs.

CSR and Fulfillment of Multi-faceted Job Needs

An organization's CSR activities help fulfill employees' ideological job needs. A company's CSR comprises of various strategies and operating practices that contribute to the long-term economic, social, and environmental well-being (Kotler and Lee 2005). CSR activities reveal the values and principles of an organization (Brown and Dacin 1997; Du et al. 2007; Sen and Bhattacharya 2001), portraying it as a good citizen and a contributor to society rather than as an entity concerned solely with maximizing profits. Socially responsible organizations uphold the socio-cultural norms in its institutional environment and honor "the social contract" between business and society (Scott 1987). As such, an organization's CSR programs help fulfill employees' ideological needs of pursuing/championing social causes and making a difference.

Interestingly, recent research also suggests that CSR programs may help organizations fulfill employees' professional development needs (Bhattacharya et al. 2008; Mirvis 2012; Porter and Kramer 2011). When employees participate in CSR projects that involve tasks outside of their daily routine, they learn specific skills that can help them advance in their careers. For example, through its breakthrough citizenship initiative, the Corporate Service Corp, IBM sends its top employees to volunteer in local communities around the globe (e.g., emerging markets and less developed regions), contributing their expertise, technology, and creativity to solve various social and developmental issues. In the process, IBM employees have significantly increased their cultural intelligence and resilience as a leader, honed their problem-solving skills, and gained valuable insights into global markets (CSRwire 2009, 2013).

As more and more organizations adopt a strategic approach to CSR, integrating socially responsible programs into their core business strategy (e.g., sustainable supply chain, green business initiatives, products targeting economically and socially disadvantaged; Kotler and Lee 2005; Porter and Kramer 2011), employees are increasingly required to perform social responsibility on the job. Surroca et al. (2010) find that CSR contributes to the accumulation of human capital because adoption of CSR strategies leads to employees' active involvement in improving the organization's environmental and social performance. Consequently, CSR initiatives open up much needed opportunities for empowering employees to effect change, and to hone essential business skills such as

leadership, problem-solving, and out-of-box innovative thinking (Hart 1995; Kanter 2009).

Therefore,

H3: All else equal, organizations that are viewed more favorably for their CSR initiatives are better at (a) fulfillment of employee ideological job needs, and (b) fulfillment of employee developmental job needs.

Mediating Role of Job Needs Fulfillment in the CSR – Employee Outcome Link

Prior research has demonstrated that CSR can generate a range of positive employee outcomes such as organizational commitment (Brammer et al. 2007), job satisfaction (Valentine and Fleischman 2008), and loyalty (Bhattacharya et al. 2008; 2011). However, there remains a dearth of research looking at the psychological mechanisms through which employees react to a company's CSR activities. In the context of consumer reactions to CSR, Du et al. (2008) find that providing functional and psychological benefits to consumers is a key route through which CSR programs cultivate stronger consumer relationships and trigger coveted business outcomes such as loyalty. More broadly, Bhattacharya et al. (2011) argue that CSR programs need to fulfill key stakeholder needs to generate favorable stakeholder reactions.

Drawing upon this line of prior research and the literature on internal marketing, we contend that fulfillment of employees' multi-dimensional job needs is the essential route through which CSR generates positive employee-related outcomes. CSR broadens the attribute bundle of "job-products" an organization can offer to its employees and constitutes a meaningful and valuable job attribute because it can produce self-relevant benefits for employees. An organization's CSR is capable of catering to its employees'

higher-level, ideological needs (Bhattacharya and Sen 2003) as well as professional developmental needs (Hart 1997; Mirvis 2012; Surroca et al. 2010). In turn, better fulfillment of ideological and developmental needs lead to favorable employee-related outcomes such as job satisfaction and loyalty. On the other hand, if an organization's CSR, due to ineffective design or implementation (e.g., misfit between CSR and organization, lack of employee awareness), do not fulfill its employees' job related needs, then the link between CSR and positive employee outcomes is likely to be muted. In short, we expect fulfillment of ideological and developmental job needs to at least partially mediate the link between CSR and employee outcomes.

H4: All else equal, organizational that are viewed more favorably for their CSR initiatives enjoy more favorable employee outcomes, and these positive relationships are partially mediated by (a) fulfillment of employee ideological job needs, and (b) fulfillment of employee developmental job needs.

Moderating Role of CSR Proximity in the CSR– Employee Outcome Link

In addition, we also investigate the role of employee CSR proximity in the CSR – employee outcome link. CSR proximity refers to the extent to which employees know about and/or are actively involved in their organizations' CSR (Dawkins 2004; Du et al. 2011). Despite being the internal stakeholders of an organization, employees often exhibit surprisingly low levels of proximity to their organizations' CSR activities, in terms of both CSR awareness and CSR engagement (Bhattacharya et al. 2008; Dawkins 2004). Organizations vary in terms of their effectiveness in communicating CSR to their employees (Du et al. 2010). Since awareness of CSR is a prerequisite for any positive reactions to

occur, employees' lack of CSR knowledge remains a major challenge for organizations in their attempt to garner positive outcomes from this stakeholder group.

Furthermore, employees not only demand to be informed, they also want to be part of their organizations' CSR programs effecting positive changes (Cone 2008). Beyond CSR knowledge, employees' active involvement or participation in the organization's CSR activities greatly increases their proximity to social causes and allows employees to be enactors and enablers of CSR programs, rather than being mere observers. Employees who have deep knowledge about their organizations' CSR and who are actively involved in creating, supporting and implementing CSR initiatives are likely to be more satisfied with their job and be more loyal to their organizations. Overall, we expect CSR proximity to magnify the power of CSR in generating positive employee outcomes.

H5: CSR proximity moderates the relationships between CSR and employee outcomes, such that the relationships are stronger when CSR proximity is high.

Mediating Role of Job Needs Fulfillment in the Moderated Relationships

Finally, as we have argued, part of the mechanism through which CSR generates positive employee outcomes is employee job needs fulfillment. Thus, it is conceivable that, for employees with high CSR proximity, organizational CSR will enhance employee job needs fulfillment to a greater extent, which then generates more positive employee outcomes (Bhattacharya et al. 2008; Du et al. 2010; Mirvis 2012). Employees proximal to their organizational CSR will be more likely to have a sense of accomplishment, learn new skills, and contribute to the greater good, all of which leads to better fulfillment of

ideological and developmental job needs and subsequently results in greater employee satisfaction and loyalty.

On the contrary, for employees with lower CSR proximity (i.e., they are unaware of and/or not engaged in their organizations' CSR activities), CSR actions are less likely to fulfill their ideological or developmental job needs (Bhattacharya et al. 2008). As a result, these CSR actions may relate little to employee satisfaction or loyalty for employees with low levels of CSR proximity.

H6: The moderated relationships among CSR, CSR proximity, and employee outcomes are partially mediated by (a) fulfillment of ideological job needs, and (b) fulfillment of developmental job needs.

Figure 1 presents our conceptual framework. We include company competency (i.e., the company's ability to deliver superior performance, Brown and Dacin 1997) as a control variable because it relates to job needs fulfillment and employee outcomes.

Next we describe our field survey method and results.

Insert Figure 1 about Here

Method

Sample and procedures

We collected data in a large national leadership conference for professional women. Our respondents were drawn from conference attendees, who are professional women from a wide range of industries as well as varying professional backgrounds.

We use a women-only sample to test our hypotheses for two reasons. First, prior research has documented a gender effect in terms of values, job needs, and demand for CSR

(Aspen Institute 2008; Brammer et al. 2007; Schwartz and Rubel 2005). According to a large scale survey of MBA students by the Aspen Institute (2008), when choosing a job, relative to men, women place more importance on an organization's CSR, and consider "the potential to make a contribution to society" a more important criterion. Since one of our key research questions is to uncover the mechanisms for the impact of CSR on employee-related outcomes (i.e., through fulfilling important job needs), a sample consisting of women who place higher importance on CSR would provide an appropriate ground for the first test of our theory. At the same time, however, with respect to our other research question on heterogeneity in employee job needs and demand for CSR, a women-only sample provides a more conservative test for this investigation. We call for future research to empirically test the generalizability of our findings to a sample encompassing both males and females.

A total of 353 women employees filled out the survey at the conference. After deleting data with missing values on key variables, we got a final sample of 322. Table 1 provides the profile of our respondents in terms of key demographic characteristics.

Insert Table 1 about Here

Measures

Employee Outcomes. We examine two employee-related outcomes, job satisfaction, and intention to quit. Job satisfaction is a key employee outcome (e.g., Janssen and van Yperen 2004), and is measured by a single item, "I am satisfied with my present job"

(1=strongly disagree, 7=strongly agree). Employee retention is critical in preserving organization's human resources (Dunford et al. 2008). We measure employees' turnover intention by two items "I do not plan to work with this organization much longer," and "If given the opportunity, I would seek employment with another organization." The correlation between these two items is .65. Please refer to Appendix for details on all the key measures.

Multi-faceted Job Needs. Both the internal marketing literature (Berry and Parasuraman 1992; Vasconcelos 2008) and the psychological contract literature (Rousseau and McLean Parks 1993; Thompson and Bunderson 2003) suggest that there are primarily three types of job needs: economic, developmental, and ideological needs. The economic need is captured by a single item on compensation package. The developmental need is captured by two items on opportunities to develop skills/expertise, and opportunities for career advancement (Hall and Mirvis 1995; Maurer et al. 2002). The ideological need is measured by two items on "making a positive impact on society," and "opportunities to express and act in line with values" (Bhattacharya et al. 2008; Thompson and Bunderson 2003). To assess individual differences in terms of job needs, we measure the perceived importance of economic, developmental, and ideological needs, respectively. To assess fulfillment of employee job needs, we measure how well an organization fulfills these different facets of job needs.

Demand for Organizational CSR. To assess employees' demand for organizational CSR in the workplace, we have two separate measures. One item relates to employees'

belief as to how important it is that an organization engages in CSR. Another item taps into employees' willingness to trade off their salary for their organizations to be socially responsible.

CSR. Our measure for CSR is based on prior research (Du et al. 2007; Sen and Bhattacharya 2001). Since organizational commitment to CSR is a critical aspect of CSR (Bhattacharya and Sen 2003; Du et al. 2007; Kotler and Lee 2005), we have an overall item for CSR and two items assessing CSR commitment. The scale is highly reliable (Cronbach's $\alpha=.90$).

CSR Proximity. For CSR proximity, we include two items assessing employees' knowledge about and involvement in their organizations' CSR programs. CSR knowledge taps into employees' level of awareness and familiarity with their organizations' CSR programs and CSR involvement gauges employees' direct participation in CSR programs (Du et al. 2011; Dawkins 2004). Both are key dimensions of CSR proximity and will affect employees' reaction to CSR.

Corporate Competency. In line with prior CSR research (e.g., Brown and Dacin 1997; Du et al. 2007), we include corporate competency as a control for our regression analysis. Prior research has shown that, in addition to CSR, another key dimension of corporate perceptions is corporate competency (Brown and Dacin 1997; Luo and Bhattacharya 2006). Corporate competency refers to the organization's ability to compete and to continuously deliver superior performance. Corporate competency is measured by three items and is highly reliable (Cronbach's $\alpha = .74$).

The survey ends with questions asking respondents about their demographic information, including age, education, household income, tenure with their current organizations. Table 2 provides the descriptives and correlations for the key constructs.

Insert Table 2 about Here

Common Method Bias

Because we relied on a single source for our measures, common method bias in self-reported measures could be a concern. Employing the widely used Harman's one-factor method (e.g., Carr and Kaynak 2007; Podsakoff and Organ 1986), we ran a factor analysis of all measures to examine the likelihood of a single or dominant factor. The unrotated solution showed no evidence of a dominant common factor (six factors had eigenvalues greater than 1.0; the first factor accounted for 28% of the total variance). Thus, common method bias does not seem to represent a serious issue for this study.

Results

Employee Heterogeneity in Multifaceted Job Needs and Demand for CSR

To test H1, we ran cluster analysis to uncover different employee segments based on variations in their multi-faceted job needs. Cluster analysis has been widely employed in marketing to identify consumer segments that share common characteristics within, and divergence between groupings (Punj and Stewart 1993). Since cluster analysis makes no prior assumptions about differences in the sample, it is an appropriate method to tackle

under-theorized issues such as employee heterogeneity in multi-faced job needs and demand for CSR (Aldenderfer and Blashfield 1984; Mair, Battilana, and Cardenas 2012).

To run a cluster analysis, one needs to (1) select a set of attributes that will be included in the analysis, (2) use an appropriate clustering method to create the optimal number of clusters, and (3) validate the cluster results or solutions (Aldenderfer and Blashfield 1984; Ketchen and Shook 1996). We use the three dimensions of employee job needs (economic, developmental, and ideological) on which to run the cluster analysis. In line with prior research (Ketchen and Shook 1996), we employ a two-stage clustering method. First we performed a hierarchical cluster analysis using Ward's method to select the appropriate number of clusters and obtain the estimated centroids. We derive a three clusters solution, based on the increase in the average within-cluster distance criterion and the profile of the cluster centers identified (Aldenderfer and Blashfield 1984). These results are then used in the second step, a K-means non-hierarchical clustering method, which fine tunes the clustering results. Table 3 presents the cluster analysis results. Based on the cluster profiles, we label cluster 1 as "Idealists," who consider all three dimensions of job needs highly important, and label cluster 2 as "Enthusiasts," who place more importance on developmental and ideological needs, but less importance on economic needs. Cluster 3 is labeled as "Indifferents," who place more importance on economic and developmental needs, but less importance on ideological needs.

Insert Table 3 about Here

To check the validity of our cluster results, we performed ANOVA and chi-square test to examine cluster-wise differences. Employee differences in multi-faceted job needs are expected to relate to differences in their demand for CSR. As expected, these three clusters, or segments, of employees differ significantly in their demand for CSR. Specifically, Idealists cluster has the highest CSR demand, as measure by perceived CSR importance ($M = 4.35$), Enthusiasts cluster has the second highest CSR demand (CSR importance: $M = 4.16$), and Indifferents cluster has the lowest CSR demand (CSR importance: $M = 3.89$). The cluster-wise difference is significant ($F(2, 319) = 10.88, p < .01$). Regarding another measure for CSR demand, employees' willingness to trade off salary for CSR, Enthusiasts cluster has more people willing to trade off more of their salary for CSR (28.3% willing to trade off more than 5% of their salary, 52.8% willing to trade off 5% or less), followed by Idealists cluster (20.4% willing to trade off more than 5% of their salary, 59.3% willing to trade off 5% or less), with Indifferents cluster least willing to trade off their salary for CSR (only 4.5% willing to trade off more than 5% of their salary, and 59.1% willing to trade of 5% or less). The chi-square test for group difference is significant (chi-square = 18.66, $p < .01$). These clusterwise differences lend support for the validity of the derived clusters (Aldenderfer and Blashfield 1984). Thus, H1 is supported by our cluster analysis, in the sense that there exists significant employee heterogeneity (as indicated by three distinct clusters) in their multi-faceted job needs.

To test H2, we examine two dependent variables that measure employee demand for CSR, perceived importance of CSR and willingness for salary – CSR tradeoff. We first ran

ordinary least square (OLS) regression with perceived importance of CSR as the dependent variable, and importance of economic, developmental, and ideological job needs, respectively, and employee age as the independent variables. Table 4 presents the regression results. We find that importance of ideological job needs are positively associated with CSR importance ($b = .33, p < .01$), supporting H2(a). However, developmental job needs are not associated with CSR importance ($b = -.00, NS$), failing to provide support for H2(b).

Additionally, we examine another measure of employee demand for CSR: willingness to trade off salary for CSR (i.e., salary-CSR tradeoff). Since this variable is ordinal, we ran probit regression. As can be seen from the results in table 4, importance of ideological job needs are positively associated with willingness to trade off salary for CSR ($b = .26, p < .01$), supporting H2 (a). However, importance of developmental job needs are not associated with willingness to trade off salary for CSR failing to provide support for H2(b), although the coefficient for the importance of developmental job needs has the expected positive sign and approaches significance level of .10 ($b = .15, p = .12$). Additionally, as expected, importance of economic job needs are negatively associated with willingness to trade off salary for CSR ($b = -.21, p < .01$). In sum, H2(a) is supported, but H2(b) is not supported.

Insert Table 4 about Here

CSR, Fulfillment of Job Needs, and Employee Outcomes

We tested hypotheses 3-6 using multiple regressions with relevant interaction terms. To enhance the interpretation of the regression coefficients in moderated regression models, we mean-centered all continuous independent variables (Aiken and West 1991). We first ran regression analysis with all demographic covariates included. Since only age is significant in some of the regression models, with all other demographic variables nonsignificant across all analysis, we only include age in our final regression analysis.

CSR and Fulfillment of Job Needs. To test H3, we ran regression models with fulfillment of ideological and developmental job needs as the dependent variables, respectively, and CSR, CSR proximity, CSR x CSR proximity, corporate competency, and age as the independent variables. Table 5 presents the regression results. H3 predicts that CSR will be positively related to fulfillment of ideological and developmental needs. As expected, the coefficient of CSR in the ideological job needs fulfillment model is .47 ($p < .01$), and the coefficient of CSR in the developmental job needs fulfillment model is .23 ($p < .01$). Thus H3 is fully supported. Additionally, we regressed fulfillment of economic job needs on the same set of independent variables and found that CSR is not associated with fulfillment of economic job need fulfillment.

Insert Table 5 about Here

Mediating Role of Job Needs Fulfillment in the CSR – Employee Outcome Link. To test H4 the mediating roles of ideological and developmental job needs fulfillment in the CSR – employee outcome link, we ran three sets of regressions: (1) regressing employee

outcomes on CSR, CSR proximity, CSR x CSR proximity, corporate competency, economic job needs fulfillment, and age, (2) regressing ideological and developmental job needs fulfillment, respectively, on CSR, CSR proximity, CSR x CSR proximity, corporate competency, and age, and (3) regressing employee outcomes on CSR, CSR proximity, CSR x CSR proximity, corporate competency, ideological (developmental) job needs fulfillment, economic job needs fulfillment, and age. We examine employee job satisfaction and turnover intention separately, and calculate sobel's t to gauge whether the mediating roles of ideological and developmental job needs fulfillment are statistically significant.

In the case of job satisfaction, as can be seen in the model 1 of Table 5, CSR is positively related to employee job satisfaction ($b = .25, p < .01$). Further, when ideological job needs fulfillment is included in the regression (see model 2), the coefficient of ideological needs fulfillment is significant ($b = .29, p < .01$) while the coefficient of CSR reduces from .25 to .14 ($p < .10$), indicating that ideological job needs fulfillment partially mediates the CSR – job satisfaction link (sobel's $t = 3.83, p < .01$). Similarly, when developmental job needs fulfillment is included in the regression (see model 3), its coefficient is significant ($b = .43, p < .01$) while the coefficient of CSR reduces from .25 to .18 ($p < .01$), suggesting that developmental job needs fulfillment partially mediates the CSR – job satisfaction link (sobel's $t = 3.08, p < .01$). Therefore H4a and H4b are fully supported in the case of job satisfaction.

In the case of turnover intention, CSR is negatively related to employees' turnover intention ($b = -.24, p < .01$; see model 1). When ideological needs fulfillment is included in

the regression (model 2), the coefficient of ideological needs fulfillment is significant ($b = -.27, p < .01$), while the coefficient of CSR reduces from $-.24 (p < .01)$ to $-.12 (NS)$, suggesting that ideological needs fulfillment partially mediates the negative relationship between CSR and turnover intention (sobel's $t = -3.46, p < .01$). When developmental needs fulfillment is included in the regression (model 3), its coefficient is significant ($b = -.34, p < .01$) while the coefficient of CSR reduces from $-.24 (p < .01)$ to $-.17 (p < .05)$, indicating that developmental job needs fulfillment partially mediates the negative relationship between CSR and intention to quit (sobel's $t = -2.83, p < .01$). Therefore, both H4a and H4b are fully supported in the case of turnover intention.

Moderating Role of CSR Proximity in the CSR – Employee Outcome Link. H5 predicts that CSR proximity will enhance the relationship between CSR and employee outcomes (i.e., job satisfaction and turnover intention). As expected, in the case of job satisfaction (model 1), the coefficient of CSR x CSR proximity interaction is positive ($b = .13, p < .05$), suggesting that the relationship between CSR and employee job satisfaction becomes more positive as CSR proximity increases. In the case of turnover intention, the coefficient of CSR x CSR proximity is negative ($b = -.17, p < .01$), suggesting that CSR will reduce employees' turnover intention to a greater extent when CSR proximity is higher. Thus, H5 is fully supported for employee outcomes.

Mediating Role of Job Needs Fulfillment in the Moderated Relationships. To test H6, the mediating role of job needs fulfillment in the moderated relationships among CSR, CSR proximity, and employee outcomes, we examine the same three sets of regression models

as in the previous mediation analysis: (1) regressing employee outcomes on CSR, CSR proximity, CSR x CSR proximity, corporate competency, economic job needs fulfillment, and age, (2) regressing ideological and developmental job needs fulfillment, respectively, on CSR, CSR proximity, CSR x CSR proximity, corporate competency, and age, and (3) regressing employee outcomes on CSR, CSR proximity, CSR x CSR proximity, corporate competency, ideological (developmental) job needs fulfillment, economic job needs fulfillment, and age. According to Muller et al. (2005), for the mediating role of ideological (developmental) job needs fulfillment to hold in the moderated relationships (CSR x CSR proximity → employee outcomes), the following three conditions must be satisfied. First, the coefficient of CSR x CSR proximity should be significant in regression (1). Second, the coefficient of CSR x CSR proximity should be significant in regression (2). And finally, in regression (3), the coefficient of ideological (developmental) job needs fulfillment should be significant and the coefficient of CSR x CSR proximity should be reduced relative to its coefficient in regression (1).

H6 (a) is about the mediating role of ideological job needs fulfillment in the moderated relationships. In the case of job satisfaction, all three conditions are satisfied. First, CSR x CSR proximity is significant in predicting job satisfaction ($b = .13, p < .05$). Second, CSR x CSR proximity is significant in predicting ideological job needs fulfillment. Third, when ideological job needs fulfillment is included in the regression predicting job satisfaction, the coefficient of ideological job needs fulfillment is significant ($b = .29, p < .01$), and the coefficient of CSR x CSR proximity is reduced from .13 ($p < .01$) to .10 ($p < .10$).

The sobel's t is 1.82 ($p < .07$), indicating that the partial mediating role of ideological job needs fulfillment in the moderated relationship (CSR x CSR proximity \rightarrow job satisfaction) is significant at $p < .10$. In the case of turnover intention, we find that CSR x CSR proximity is significant in predicting turnover intention ($b = -.17$, $p < .01$), and that when ideological job needs fulfillment is included in the regression predicting turnover intention, ideological job needs fulfillment is significant ($b = -.27$, $p < .01$) while the coefficient of CSR x CSR proximity reduced from $-.17$ ($p < .01$) to $-.15$ ($p < .05$). The sobel's t is -1.73 ($p < .08$), indicating that the partial mediating role of ideological job needs fulfillment in the moderated relationship (CSR x CSR proximity \rightarrow turnover intention) is significant at $p < .10$. In short, H6(a) is supported at $p < .10$.

H6(b) is about the mediating role of developmental job needs fulfillment in the moderated relationships. In the case of job satisfaction, all three conditions are satisfied. First, CSR x CSR proximity is significant in predicting job satisfaction ($b = .13$, $p < .05$). Second, CSR x CSR proximity is significant in predicting development job needs fulfillment ($b = .10$, $p < .10$). Third, when developmental job needs fulfillment is included in the regression predicting job satisfaction, the coefficient of developmental job needs fulfillment is significant ($b = .43$, $p < .01$), and the coefficient of CSR x CSR proximity becomes nonsignificant ($b = .09$, NS). The sobel's t is 1.72 ($p < .08$), indicating that the partial mediating role of developmental job needs fulfillment in the moderated relationship (CSR x CSR proximity \rightarrow job satisfaction) is significant at $p < .10$. In the case of turnover intention, we find that CSR x CSR proximity is significant in predicting turnover intention ($b = -.17$, $p <$

.01), and that when developmental job needs fulfillment is included in the regression predicting turnover intention, developmental job needs fulfillment is significant ($b = -.34$, $p < .01$) while the coefficient of CSR x CSR proximity reduced from $-.17$ ($p < .01$) to $-.13$ ($p < .10$). The Sobel's t is -1.78 ($p < .08$), indicating that the partial mediating role of developmental job needs fulfillment in the moderated relationship (CSR x CSR proximity \rightarrow turnover intention) is significant at $p < .10$. In short, we find support for H6(b) at $p < .10$ level.

Discussion

CSR is a matter of strategic importance due to its potential impact on firm performance and long-term competitive advantage (Du et al. 2011; Surroca et al. 2010). This research seeks to advance our understanding regarding employee heterogeneity in their demand for organizational CSR and the underlying mechanism linking CSR to positive employee-related outcomes. Viewing employees as an organization's internal customer, this research draws upon research in internal marketing and psychological contract to theorize that employees differ in their multi-faceted job needs and that CSR can be used to satisfy employees' job needs. Through cluster analysis, we have identified three employee clusters, Idealist, Enthusiasts, and Indifferents, who differ in their multi-faceted job needs and, consequently, demand for organizational CSR. Furthermore, this research sheds light on the ways in which CSR fulfills critical needs of an organization's internal customers – employees, and thereby triggering positive employee outcomes, such as enhanced job satisfaction and reduced turnover intention. Finally, our findings also highlight the

important role of CSR proximity in maximizing the impact of CSR on employee outcomes.

Overall, our research suggests that, when studying the CSR – employee outcomes relationship, it is important to adopt a contingent view, taking into account employee heterogeneity and organizational characteristics (e.g., organizational effectiveness in raising CSR proximity).

Theoretical Implications

This research contributes to the CSR literature in several key ways. First, we extend the CSR literature on employees by documenting significant employee heterogeneity in their demand for organizational CSR programs, an issue that has not been explored in CSR research. Further, our findings deepen current understanding on why employees differ in their attitude toward and demand for organizational CSR; we show that employee differences in their multi-faceted job needs, in particular, their ideological job needs, are positive correlates of their demand for CSR. We call for more research that examines how different employee segments react differently to CSR.

Second, our research sheds light into the underlying mechanisms linking CSR and employee outcomes, an area that has received inadequate attention (Bhattacharya et al. 2008; Rodrigo and Arenas 2008). Our study examines employee reactions to CSR from the lens of internal marketing theory. In particular, we conceptualize employees' job needs as comprising of three facets: economic, developmental, and ideological job needs. Our findings show that by engaging in CSR, an organization caters to its employees' ideological and developmental job needs, and thereby enhances employees' job satisfaction and their

intention to stay. Viewing job as a multi-faceted product an organization offers to its internal customers is a novel, fruitful approach and opens up avenues for future researchers to apply marketing theories (e.g., customer orientation, customer segmentation) to study CSR – employee linkages. Indeed, CSR is an interdisciplinary topic well-suited for cross-disciplinary investigation (Du et al. 2011).

One interesting and important finding from our study is that CSR enhances not only employee ideological needs fulfillment, but also employee developmental job needs fulfillment. As organizations take an increasingly more strategic approach to CSR, integrating it into key aspects of business, engagement in CSR can be developmental and transformative for the employees (Mirvis 2012; Porter and Kramer 2011; Surroca et al. 2009). We call for more research exploring the link between CSR and employee professional development. This is also consistent with the trend in CSR research that, as CSR moves from periphery to the center of business, researchers should go beyond the peripheral, public relations benefits to explore a wider range of core organizational outcomes (e.g., innovation, leadership development, employee expertise).

Last but not least, our findings highlight the importance of CSR proximity in maximizing returns to CSR. Despite being the key internal stakeholders of an organization, prior research has shown that employees are often unaware of, or uninvolved in their organizations' CSR activities (Bhattacharya et al. 2008; Dawkins 2004). Our findings reinforce earlier research by showing that low CSR proximity is indeed a stumbling block for organizations seeking to reap employee-related benefits from CSR. The impact of CSR

on ideological and developmental needs fulfillment, job satisfaction and turnover intention is greater when CSR proximity is higher. Organizations should find ways to more effectively communicate their CSR to employees and further, find ways to engage their employees.

Practical Implications

There is no doubt that human resources in the form of talented and motivated employees are critically important to any organization, contributing to its long term competitive advantage (Pfeffer 1994). Our research suggests that organizations seeking to cultivate their human resources should turn to, among others, their CSR programs to help fulfill employees' essential job-related needs, including the need to make a positive impact and the need to continually develop own professional skills. Our research suggests that managers should consider employee job satisfaction and turnover intention as important business metrics for assessing the business returns to CSR. If little or no evidence is found about the positive impact of CSR on these employee related outcomes, then managers should critically re-evaluate and re-design their CSR programs to make them more relevant for employees. Importantly, organizations should conduct their own cluster analysis on their employees. Based on the cluster analysis, organizations can identify the idealist, enthusiastic, and indifferent clusters, and then take a segmented approach to implementing CSR programs.

Relatedly, our finding on the moderating role of CSR proximity indicates that managers should place high importance on raising CSR awareness and level of CSR engagement among employees. Importantly, rather than a top-down, add-on approach to

CSR, organizations should involve their employees in the planning, design and implementation of CSR programs, making them co-producers and enactors of social responsibility programs. Moreover, our findings on three different employee segments would suggest that organizations should take a segmented approach in their efforts to increase CSR proximity. For example, one might expect that increasing CSR proximity would lead to more positive employee outcomes for idealists and enthusiasts, but not necessarily so for indifferents.

Limitations and Future Research

This research is subject to several limitations. First, we use a female only sample to examine the CSR – employee relationships. Replications and extensions of our findings using a mixed gender sample will increase the generalizability of our findings. Second, we use a field survey methodology and single-informant technique. Although our analysis shows that common method bias does not seem to be a serious concern in our study, future research could utilize other methodologies (e.g., experiment, secondary data sources) to further collaborate our findings. For example, one can get CSR performance ratings from the Kinder, Lydenberg, Domini & Co. (KLD) dataset, a widely used dataset for CSR (e.g., Godfrey et al. 2009), and link CSR performance to survey-based employee perceptions and behaviors.

Furthermore, an organization's CSR often include activities in multiple domains, ranging from environmental protection, employee benefits, diversity, to socially responsible products and contributing to the local communities (Kotler and Lee 2005; Sen

and Bhattacharya 2001). Our study treats CSR as a composite measure; in contrast, future research might want to take a finer-grained approach by breaking an organization's CSR programs into different subtypes or categories (e.g., employee-related CSR, environment-related CSR) and examine how different types of CSR will generate different organizational outcomes. Finally, this study uses a U.S. only sample, future research should explore CSR – employee relationships in different cultures (e.g., individualistic vs. collectivistic) and different economic development stages (e.g., developed vs. emerging or developing economies).

References

- Aguilera, R. V., D. E., Rupp, C. A. Williams, J. Ganapathi: 2007, 'Putting the s back in corporate social responsibility: a multilevel theory of social change in organizations', *Academy of Management Review*, 32(3), 836-863.
- Aiken, L.S. and S.G. West: 1991, *Multiple Regression: Testing and Interpreting Interactions*, Newbury Park, CA: Sage.
- Aldenderfer, M. S., and R. K. Blashfield: 1984, *Cluster Analysis*, Thousand Oaks, CA: Sage.
- Aspen Institute: 2008, 'Where will they lead? MBA students attitude about business and society',
<http://www.aspeninc.org/documents/ExecutiveSummaryMBAStudentAttitudesReport2008.pdf>.
- Berry, L. L., and A. Parasuraman: 1992, 'Services marketing starts from within', *Marketing Management*, 1(1), 24-34.
- Bhattacharya, C. B., S. Sen, and D. Korschun: 2011, *Leveraging Corporate Responsibility: The Stakeholder Route to Maximizing Business and Social Value*, Cambridge University Press
- Bhattacharya, C. B., S. Sen: 2003, 'Consumer-company identification: A framework for understanding consumers' relationships with companies', *Journal of Marketing*, 67(2), 76-88.
- Bhattacharya, C.B., S. Sen, and D. Korschun: 2008, 'Using corporate social responsibility to win the war for talent', *MIT Sloan Management Review*, 49 (2), 37-44.
- Blau, P. M.: 1964, *Exchange and Power in Social Life*, New York: Wiley.
- Bonini, S., T. M. Koller, and P. Mirvis: 2009, 'Valuing Social Responsibility Programs', *McKinsey on Finance*, 32 (Summer), 11-18.
- Brammer, S., A. Millington, and B. Rayton: 2007, 'The contribution of corporate social responsibility to organizational commitment', *International Journal of Human Resource Management*, 18 (10), 1701-1719.
- Brown, T. J., P. A. Dacin: 1997, 'The company and the product: corporate associations and consumer product responses', *Journal of Marketing*, 61(1), 68-84.
- Bunderson, J. S.: 2001, 'How work ideologies shape the psychological contracts of professional employees: Doctors' responses to perceived breach', *Journal of Organizational Behavior*, 22, 717-741.
- Carr, A. and H. Kaynak: 2007, 'Communication methods, information sharing, supplier development and performance', *International Journal of Operations and Production Management* 27, 346-370.
- Cone (2008). Past. Present. Future. The 25th Anniversary of Cause Marketing.
<http://www.coneinc.com/content1187>.

- CSRWire: 2009, 'IBM expands corporate service corps in emerging markets', http://www.csrwire.com/press_releases/27515-IBM-Expands-Corporate-Service-Corps-in-Emerging-Markets.
- CSRWire: 2013, 'The civic 50: Why IBM's integrated commitments make it America's most community-minded company', <http://www.csrwire.com/blog/posts/716-the-civic-50-why-ibm-s-integrated-commitments-makes-it-americas-most-community-minded-company>.
- Dawkins, J. (2004). Corporate Responsibility: The Communication Challenge. *Journal of Communication Challenge*, 9(2), 108-119.
- Du, S., C.B. Bhattacharya, and S. Sen: 2011, 'Corporate social responsibility and competitive advantage: Overcoming the trust barrier', *Management Science* 57, 1528-1545.
- Du, S., C.B. Bhattacharya, and S. Sen: 2010, 'Maximizing business returns to corporate social responsibility (CSR): the role of CSR communication', *International Journal of Management Review*, 12(1), 8-19.
- Du, S., S. Sen, and C.B. Bhattacharya: 2008, 'Exploring the Social and Business Returns of a Corporate Oral Health Initiative Aimed at Disadvantaged Hispanic Families', *Journal of Consumer Research*, 35(3), 483-494.
- Du, S., C.B. Bhattacharya, and S. Sen: 2007, 'Reaping relational rewards from corporate social responsibility: The role of competitive positioning', *International Journal of Research in Marketing*, 24(3), 224-241.
- Dunford, B. B., D. K. Oler, and J. W. Boudreau: 2008, 'Underwater stock options and voluntary turnover: A multidisciplinary perspective integrating behavioral and economic theories', *Personnel Psychology*, 61(4), 687-726.
- Dutton, J. E., J. M. Dukerich, and C. V. Harquail: 1994, 'Organizational images and member identification', *Administrative Science Quarterly*, 39(2), 239-263.
- George, W. W.: 2001, 'Medtronic's chairman William George on how mission-driven companies create long-term shareholder value', *Academy of Management Executive*, 15(4), 39-47.
- Godfrey, P.C., C.B. Merrill, and J.M. Hansen: 2009, 'The relationship between corporate social responsibility and shareholder value: An empirical test of the risk management hypothesis', *Strategic Management Journal* 30, 425-445.
- Greening, D. W., D. B. Turban: 2000, 'Corporate social performance as a competitive advantage in attracting a quality workforce', *Business & Society*, 39(3), 254-280.
- Hall, D., and P. Mirvis: 1995, 'The new career contract: Developing the whole person at midlife and beyond', *Journal of Vocational Behavior*, 47: 269-289.
- Hart, S. L.: 1995, 'A natural-resource-based view of the firm', *Academy of Management Review*, 20(4), 986-1014.
- Hart, S. L.: 1997, 'Beyond greening: strategies for a sustainable world', *Harvard Business Review*, 75(1), 66-76.

- Janssen, O., and N. W. Van Yperen: 2004, 'Employees' goal orientations, the quality of leader-member exchange, and the outcomes of job performance and job satisfaction', *Academy of Management Journal*, 47(3), 368-384.
- Kanter, R. M.: 2009, *SuperCorp: How Vanguard Companies Create Innovation, Profits, Growth, and Social Good*, Crown Publishing Group: New York.
- Ketchen, J.D. J., and C. L. Shook: 1996, 'The application of cluster analysis in strategic management research: An analysis and critique', *Strategic Management Journal*, 17(6), 441-458.
- Kotler, P. and N. Lee: 2005, *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause* (Hoboken, NJ: Wiley & Sons).
- Luo, X., C. B. Bhattacharya: 2006, 'Corporate social responsibility, customer satisfaction, and market value', *Journal of Marketing*, 70(4), 1-18.
- Mair, J., J. Battilana, and J. Cardenas: 2012, 'Organizing for society: A typology of social entrepreneuring models', *Journal of Business Ethics*, 111, 353-373.
- Maurer, T. J., H. R. Pierce, and L. M. Shore: 2002, 'Perceived beneficiary of employee development activity: a three dimensional social exchange model', *Academy of Management Review*, 27(3), 432-444.
- McWilliams, A., D. Siegel: 2001, 'Corporate Social Responsibility: A Theory of the Firm Perspective', *Academy of Management Review*, 26(1), 117-127.
- Mirvis, P.: 2012, 'Employee engagement and CSR: transactional, relational, and developmental approaches', *California Management Review*, 54(4), 93-117.
- Mueller, K., K. Hattrup, S. Spiess, and N. Lin-Hi: 2012, 'The effects of corporate social responsibility on employees' affective commitment: a cross-cultural investigation', *Journal of Applied Psychology*, 97(6), 1186-1200.
- Muller, D., C.M. Judd, V. Y. Yzerbyt: 2005, 'When Moderation is Mediated and Mediation is Moderated', *Journal of Personality and Social Psychology*, 89(6), 852-863.
- Noe, R., S. Wilk, E. Mullen, and J. Wanek: 1997, 'Employee development: issues in construction definition and investigation of antecedents', in J. Ford (Ed.), *Improving Training Effectiveness in Work Organizations*, 153-189. Mahwah, NJ: Lawrence Erlbaum Associates.
- Peloza, J., and J. Shang: 2011, 'How can corporate social responsibility activities create value for stakeholders? A systematic review', *Journal of the Academy of Marketing Science*, 39(1), 117-135.
- Pfeffer, J: 1994, 'Competitive advantage through people', *California Management Review*, 36, 9-28.
- Podsakoff, P.M. and D.W. Organ: 1986, 'Self-reports in organizational research: Problems and prospects', *Journal of Management* 12, 531-44.
- Porter, M.E. and M.R. Kramer: 2011, 'Creating shared value', *Harvard Business Review* 89, 62-77.

- Punj, G. and D. W. Stewart: 1983, 'Cluster analysis in marketing research: review and suggestions for application', *Journal of Marketing Research*, 20, 134-148.
- Raja, U., G. Johns, and F. Ntalianis: 2004, 'The impact of personality on psychological contracts', *Academy of Management Journal*, 47(3), 350-367.
- Robinson, S. L., and E. W. Morrison: 2000, "The development of psychological contract breach and violation: A longitudinal study", *Journal of Organizational Behavior*, 21, 525-546.
- Robinson, S. L., M. S. Kraatz, and D. M. Rousseau: 1994, "Changing obligations and the psychological contract: A longitudinal study", *Academy of Management Journal*, 37: 137-152.
- Rodrigo, P., and D. Arenas: 2008, 'Do employees care about CSR programs? A typology of employees according to their attitudes', *Journal of Business Ethics*, 83, 265-283.
- Rousseau, D. M., and J. McLean Parks: 1993, "The contracts of individuals and organizations", *Research in Organizational Behavior*, 15, 1-47.
- Schwartz, S. H., and T. Rubel: 2005, 'Sex Differences in Value Priorities: Cross-Cultural and Multimethod Studies', *Journal of Personality and Social Psychology*, 89(6), 1010-1028.
- Scott, W. R.: 1987, 'The Adolescence of Institutional Theory', *Administrative Science Quarterly*, 32 (December), 493-511.
- Sen, S. and C.B. Bhattacharya: 2001, 'Does doing good always lead to doing better? Consumer reactions to corporate social responsibility', *Journal of Marketing Research* 38, 225-243.
- , Du, S., and Bhattacharya, C.B.: 2009, 'Building Relationships through Corporate Social Responsibility', In *Handbook of Brand Relationships*, D. J. MacInnis, C. W. Park, and J. R. Priester Eds. M.E. Sharpe.
- Surroca, J., J. A. Tribo, and S. Waddock: 2010, 'Corporate Responsibility and Financial Performance: The Role of Intangible Resources', *Strategic Management Journal*, 31(5), 463-490.
- Thompson J. A., and J. S. Bunderson: 2003, 'Violations of principle: Ideological currency in the psychological contract', *Academy of Management Journal*, 28(4), 571-586.
- Valentine, S., and G. Fleischman: 2008, 'Ethics programs, perceived corporate social responsibility and job satisfaction', *Journal of Business Ethics*, 77, 159-172.
- Vasconcelos, A. F.: 2008, 'Broadening even more the internal marketing concept', *European Journal of Marketing*, 42 (11/12), 1246-1264.
- Wrzesniewski, A., C. McCauley, P. Rozin, and B. Schwartz: 1997, 'Jobs, careers, and callings: people's relations to their work', *Journal of Research in Personality*, 31, 21-33.

Appendix

Measures for Key Variables

Employee Outcomes (1=strongly disagree, 5=strongly agree)

Job Satisfaction

I am satisfied with my present job

Turnover Intention

I do not plan to work with this organization much longer

If given the opportunity, I would seek employment with another organization

Job Needs Fulfillment (1=not at all, 5=to a great extent)

Please rate the extent to which your present job allows you to attain the following goals,

(Fulfillment of Economic Job Needs)

A competitive compensation package

(Fulfillment of Developmental Job Needs)

Opportunities to develop professional skills/expertise

Opportunities for meaningful career advancement

(Fulfillment of Ideological Job Needs)

Do work that makes a positive impact on society

Opportunities to express and act in line with your values

CSR (1=strongly disagree, 5=strongly agree)

My organization is socially responsible

My organization has put in substantial resources to various social initiatives

My organization is really committed to its social initiatives

Corporate Competency (1=strongly disagree, 5=strongly agree)

My organization is highly competitive in the marketplace

My organization delivers superior performance

My organization has the right vision and strategy to ensure long term success

CSR Proximity

How much do you know about your organization's social initiatives? (1=Nothing at all, 5=A lot)

To what extent have you participated in your organization's social initiatives? (1=Have not participated, 5=Extensive participation)

Demand for Organizational CSR

CSR Importance (1=strongly disagree, 5=strongly agree)

In my opinion, it is very important for an organization to engage in social initiatives

Salary - CSR Tradeoff (0%, 5% or less, 6% or higher)

How much of your current salary would you be willing to give up to help make your organization ideal in terms of being socially responsible

Importance of Job Needs (1=very unimportant, 7=very important)

Importance of economic Job Needs

How important it is for you to have a competitive compensation package

Importance of developmental Job Needs

How important it is for you to have opportunities to develop professional skills/expertise

How important it is for you to have opportunities for meaningful career advancement

Importance of ideological Job Needs

How important it is for you to do work that makes a positive impact on society

How important it is for you to have opportunities to express and act in line with your values

Figure 1

Conceptual Framework

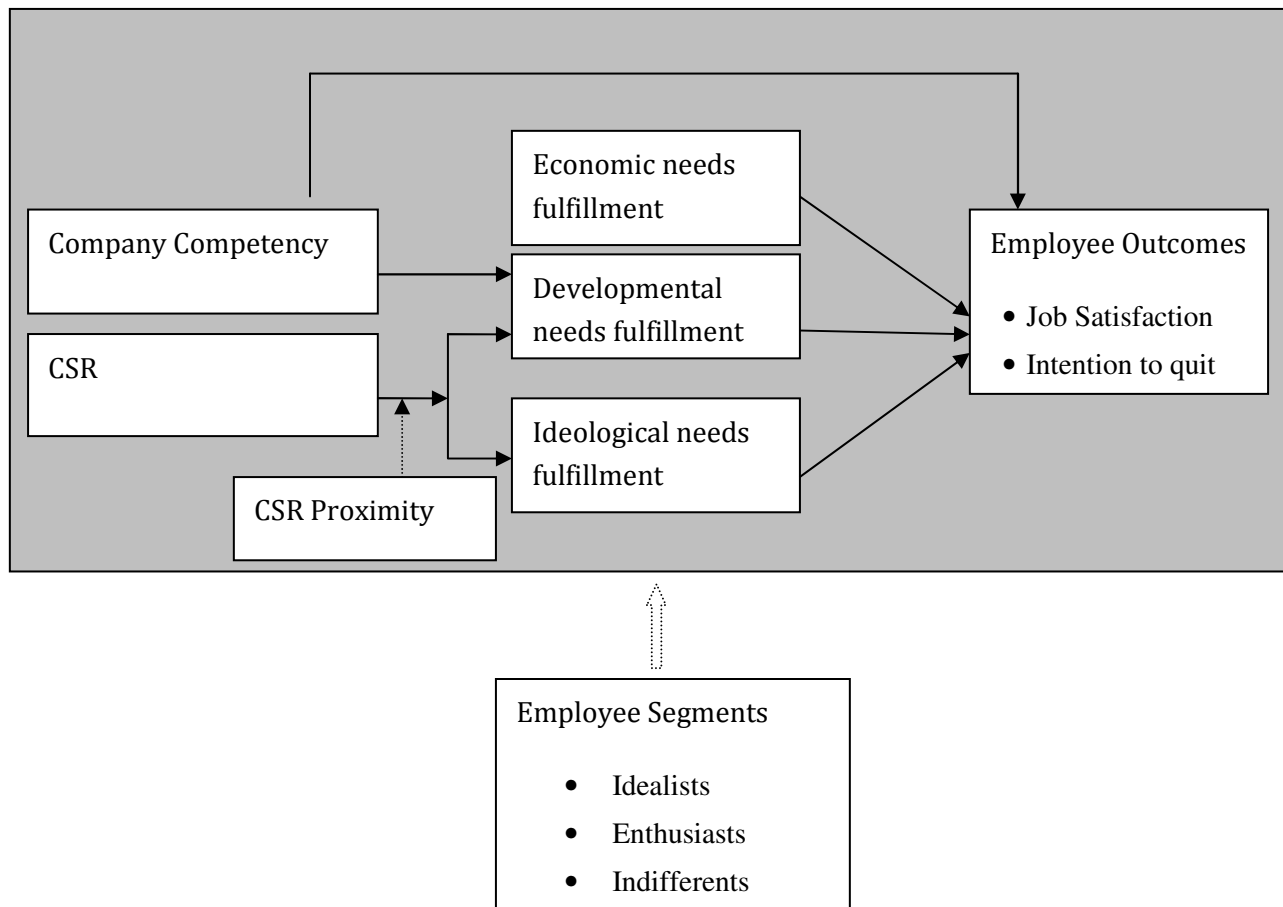


Table 1
Sample Characteristics

		N=322
Age		
	Less than 30	13.7%
	31-40	24.4%
	41-50	34.0%
	51-60	23.8%
	Over 60	4.1%
Education		
	High school diploma or some college	10.2%
	Bachelor's degree	29.5%
	Some graduate school	11.2%
	Master's degree or high	49.1%
Personal Gross Income		
	Less than \$74,999	25.2%
	\$75,000 - \$99,999	19.5%
	\$100,000 - \$149,999	29.3%
	\$150,000 or more	26.0%
Tenure with Current Organization		
	Less than 5 years	43.4%
	6-10 years	26.3%
	11-20 years	20.3%
	Greater than 20 years	10.0%

Table 2
Descriptives and Correlations

	Mean	SD	1	2	3	4	5	6	7
1.Job satisfaction	3.83	.95							
2.Intention to quit	2.69	1.02	-.55						
3.Economic needs fulfillment	3.78	1.00	.36	-.29					
4.Developmental needs fulfillment	3.65	.90	.53	-.45	.47				
5.Ideological needs fulfillment	3.70	.90	.44	-.38	.31	.46			
6.Corporate competency	4.03	.67	.35	-.43	.34	.46	.29		
7.CSR	3.89	.85	.37	-.35	.27	.43	.53	.47	
8.CSR proximity	3.15	.93	.14	-.11	.13	.31	.33	.11	.44

Note: correlations greater than .11 are significant at $p < .05$

Table 3
Heterogeneity in Multi-faceted Job Needs: Cluster Analysis Results

		Cluster 1	Cluster 2	Cluster 3
Cluster size N		150	106	66
% of sample		47%	33%	20%
Cluster label		Idealists	Enthusiasts	Indifferents
Clustering variables	Importance of economic needs	6.52	4.75	6.44
	Importance of developmental needs	6.51	5.98	6.31
	Importance of ideological needs	6.53	6.00	4.96

Table 4
Relationships between Importance of Job Needs and Demand for CSR

	OLS regression	Probit Regression
	CSR Importance	Willingness to Tradeoff Salary for CSR
Importance of Economic Job Needs	.03	-.21**
Importance of Developmental Job Needs	-.00	.15
Importance of Ideological Job Needs	.33**	.26**
Age	-.00	.00
F value	16.19**	--
Adjusted R2	.16	--
Pseudo R2	--	.07
Likelihood Ratio	--	22.57**

** p<.01

Table 5
Regression Results: CSR, Job Needs, and Employee-related Outcomes

	Ideological Needs Fulfillment	Developmental Needs Fulfillment	Job Satisfaction			Intention to Quit		
			Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
CSR	.47**	.23**	.25**	.14+	.18**	-.24**	-.12	-.17*
CSR Proximity	.12*	.19**	.02	-.02	-.05	.03	.06	.08
CSR x CSR Proximity	.11*	.10+	.13*	.10+	.09	-.17**	-.15*	-.13+
Corporate Competency	.10	.46**	.24**	.21**	.08	-.44**	-.43**	-.33**
Age	.01**	-.00	.00	-.00	.00	-.00	-.00	-.01+
Economic Needs Fulfillment	--	--	.21**	.17**	.08	-.11*	-.08	-.01
Ideological Needs Fulfillment	--	--	--	.29**	--	--	-.27**	--
Developmental Needs Fulfillment	--	--	--	--	.43**	--	--	-.34**
F value	30.02**	28.99**	14.27**	16.59**	20.46**	14.76**	15.55**	16.55**
Adjusted R ²	.33	.32	.21	.27	.31	.22	.26	.27

** p<.01, * p<.05, + p<.10

Recent ESMT Working Paper

	ESMT No.
<p>Confidence via correction: The effect of judgment correction on consumer confidence</p> <p>Francine Espinoza Petersen, ESMT</p> <p>Rebecca W. Hamilton, University of Maryland</p>	13-06
<p>How to deal with unprofitable customers? A salesforce compensation perspective</p> <p>Sumitro Banerjee, ESMT</p> <p>Alex P. Thevaranjan, Whitman School of Management, Syracuse University</p>	13-05
<p>Tangible temptation in the social dilemma: Cash, cooperation, and self-control</p> <p>Kristian Ove R. Myrseth, ESMT</p> <p>Gerhard Riener, DICE, University of Düsseldorf</p> <p>Conny Wollbrant, University of Gothenburg</p>	13-04
<p>Conflict resolution, public goods and patent thickets</p> <p>Dietmar Harhoff, University of Munich</p> <p>Georg von Graevenitz, University of East Anglia in London</p> <p>Stefan Wagner, ESMT</p>	12-04 (R1)
<p>Strong, bold, and kind: Self-control and cooperation in social dilemmas</p> <p>Martin G. Kocher, University of Munich</p> <p>Peter Martinsson, University of Gothenburg</p> <p>Kristian Ove R. Myrseth, ESMT</p> <p>Conny Wollbrant, University of Gothenburg</p>	12-01 (R1)
<p>Mortality beliefs distorted: Magnifying the risk of dying young</p> <p>Peter Jarnebrant, ESMT</p> <p>Kristian Ove R. Myrseth, ESMT</p>	13-03
<p>The upward spirals in team processes: Examining dynamic positivity in problem solving teams</p> <p>Nale Lehmann-Willenbrock, VU University Amsterdam</p> <p>Ming Ming Chiu, University at Buffalo - SUNY</p> <p>Zhike Lei, ESMT</p> <p>Simone Kauffeld, Technische Universität Braunschweig</p>	13-02

ESMT
European School of Management and Technology
Faculty Publications
Schlossplatz 1
10178 Berlin
Germany

Phone: +49 (0) 30 21231-1279
publications@esmt.org
www.esmt.org