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A Strategic Influence of Corporate Social Responsibility on Meaningful Work and Organizational Identification, via Perceptions of Ethical Leadership

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Abstract

As a way of having strong relations with the stakeholders, Corporate Social Responsibility (CSR) may become a strategy for the companies. But research on relationship between the perceived CSR of internal stakeholders (employees) and organizations are limited. This study examined a model of CSR on organizational identification (OI), via the mediating role of meaningful work (MFW). It also investigated the moderating role of ethical leadership (EL). Data were obtained from the employees of an Aviation company operating in Kayseri, Turkey. The results indicate that there is a positive relationship between CSR and OI. In addition, MFW partially mediated the relationship between CSR and OI. Furthermore, no evidence of the moderator role of EL on CSR and MFW relation was found.

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1. Introduction

In today's environmental conditions, having strong and sustainable relations with stakeholders is very important

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for the companies to stay competitive. There are a variety of strategic choices, which can be utilized to build and preserve these relations. One of them is CSR. CSR provides many benefits to companies from increasing competitive potential to gain reputation (Grigore, 2009).

CSR is mostly served as an impression and reputation management strategy for the companies. However, the motivational side of the CSR, especially inside the organization, is mostly neglected. Moreover, there is inconclusive evidence whether perceived CSR inside the organizations has an impact on the attitudes and behaviors of the employees towards the company while it is creating strategic competitive advantage.

The studies that indicate whether CSR can be related to some employee outcomes is an ongoing issue; however, not much has been said about the mechanisms that drive employees' responses to CSR initiatives (De Roeck, Marique, Stinglhamber, & Swaen, 2014). Given that, we propose a model which CSR may strategically influence organizational identification indirectly by meaningful work and the role of ethical leadership in this relationship as a moderator.

This article is organized in four main sections. First, a review of the literature on CSR, MFW, OI, and EL are presented, followed by the development of hypotheses. Second, the research method- participants, procedures, and measures- are discussed in detail. Third, an analysis of the field study data is presented along with the discussion of the results in relation to the literature. Finally, strengths and weaknesses, research implications and future research recommendations are given.

2. Literature Review

In the following sections, a literature review for the given variables is presented in detail, following the hypotheses development.

2.1. *The Strategicness of CSR*

CSR is perceived as an umbrella term that incorporates a wide range of synonyms and overlapping terms regarding the relations between business and society as well as "business ethics" (Matten & Moon, 2004). To some, it is "primarily concerned with the external image and reputation of the organization" (what is called as 'external CSR') and to the others it is "related to the internal operation of the organization" (what is called as 'internal' CSR). (Brammer, Millington, & Rayton, 2007: 1702). But all in all it is defined as "a discretionary allocation of corporate resources toward improving social welfare that serves as a means of enhancing relationships with key stakeholders" (Barnett, 2007: 801).

The question whether CSR might hold a strategic value to firms has taken a wide range of debate (Heikkurinen, 2012; Jones & Bartlett, 2009; McElhaney, 2009). For example Baron (2001) addresses this issue by highlighting the direct effect of CSR and private politics on the costs of the firm and thus, might have a strategic effect as well, due to its strength to change the competitive positions of firms in an industry. It is also possible that CSR may assist the companies to develop competitive advantage (Galbreath, 2009; De Roeck et al., 2014) provided that it is linked integrally with business strategy (Galbreath, 2009). Heikkurinen (2012) points our attention to the discussion of "responsibility" in the literature in terms of instrumental economic value and competitive potential. This may mean also to act upon only if provides a benefit to the companies and they do this by a cost-benefit analysis. And contrary to common believe that holds CSR activities as a profit-sacrificing attitude that resembles to an altruistic behavior, companies "engage in a more limited but more profitable set of socially beneficial activities that contributes to their financial goals"(Reinhardt & Stavins, 2010:178). Additionally, some papers enrich the debate of strategicness by incorporating the notion of strategic use of CSR (Siegel & Vitaliano, 2007) and try to answer its role in differentiation strategy. The naïve idea of fulfilling ones responsibilities to its community and to the other shareholders is contradicted by the "profit-maximizing" CSR practices (Sakarya, Bodur, Yıldırım-Öktem, & Selekler-Göksen, 2012; Siegel & Vitaliano, 2007; Baron, 2001; McWilliams & Siegel, 2001; Reinhardt & Stavins, 2010). Hoping to gain something from these actions, companies are conducting CSR practices. Yet, strategic CSR programs are indeed lucrative (Reinhardt & Stavins, 2010). For instance, they resulted in greater customer loyalty, new products, sometimes productivity gains, increased reputation and image along with surmounting sustainability (McElhaney, 2009; Pivato, Misani, & Tencati, 2008; Sakarya et al., 2012). Similar point of view seems also be held by practitioners. The Economist, a well-known popular magazine, classifies CSR into four categories according to its raising or lowering profits and raising or lowering the social welfare (Siegel & Vitaliano, 2007). CSR is also identified with corporate

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