



You do well and I do well? The behavioral consequences of corporate social responsibility



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ABSTRACT

Employees' perceptions of corporate social responsibility (CSR) and its impact on their behavior have received little attention in hospitality research. The current study aims to narrow this gap by investigating CSR and its internal consequences from employees' perspective in the context of the Chinese hotel industry. A survey was conducted with employees in five hotels from mid-, and upscale hotel brands in China. A total of 450 usable questionnaires were returned and used to test a theoretical model. The findings indicate that CSR influences organizational citizenship behavior through the mediating effects of organizational identity and commitment. The proposed model and all hypotheses were supported. Theoretical and practical implications are presented based on the findings. Practitioners should make more effort to develop CSR initiatives and communicate them to stakeholders in order to enhance firm performance.

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1. Introduction

Corporate social responsibility (CSR) is a growing source of concern to both researchers and practitioners. Many firms recognize the need to strike a balance between profitability and projecting a positive public image by shouldering more social and environmental responsibility (Mozes et al., 2011). In the hospitality industry, many firms are now actively engaged in environmentally friendly practices and "green" programs (Lee and Heo, 2009). Their positive impact on firms' value and financial performance have also been studied (Lee and Park, 2009). As well, prior hospitality research has mainly examined CSR from the firms' (Bohdanowicz et al., 2011; Cowper-Smith and de Grosbois, 2010; de Grosbois, 2012; Garay and Font, 2012; Gu et al., 2011; Henderson, 2007; Inoue and Lee, 2011; Kang et al., 2010; Lee et al., 2013c; Peng et al., 2013; Tsai et al., 2010) and customers' perspectives (Kucukusta et al., 2013; Lee and Heo, 2009; Lee et al., 2012). It is not until recently that the employees' perspective has also been considered (Gu and Ryan, 2011; Lee et al., 2012).

Employees are one of the key stakeholders in CSR and their attitudes and responses to it have important implications for firms. If companies act in a socially irresponsible way, this will reduce

employees' identification with them as negative CSR violates employees' values, which in turn, threatens their psychological needs, and may evoke negative reactions (Rupp et al., 2006). Research on CSR in the hospitality industry from the employees' perspective concentrates on job satisfaction, organizational trust, Organizational Commitment (OC) (Lee et al., 2012), employee turnover, customer orientation (Lee et al., 2013a), and the influence of management's ethical values (Gu and Ryan, 2011). Nevertheless, some important psychological and behavioral variables have been largely omitted such as Organizational Identification (OI) and Organizational Citizenship Behavior (OCB). Moreover, this body of research does not yet have a strong theoretical foundation through which to explain the underlying mechanism for how CSR influences employees' psychological states and work-related behaviors. Further work is thus needed to illuminate this.

It has been asserted that CSR can enhance the attractiveness of organizational identity, which in turn increases employees' OI (Marin and Ruiz, 2007). OI helps individuals satisfy one or more important self-definition needs (Dutton et al., 1994). The more an individual identifies with an organization, the more likely he or she is to share its perspective and to act in its best interests (Mael and Ashforth, 1992). One meta-analysis (Riketta, 2005) demonstrates that OI is correlated with a wide range of work-related attitudes, behaviors, and contextual characteristics. These include affective OC, occupational attachment, work group attachment, job satisfaction, and in- and extra-role behavior. Nevertheless, the relationship between CSR and OI remains unexamined in the hotel industry.

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In addition, OCB has received growing attention in recent decades, with the topics of study ranging from human resource management and marketing to strategic management and leadership (see Podsakoff et al., 2000 for an excellent review). Motivating employees to become more proactive in undertaking extra-role behavior is one of the critical issues for management as OCB can improve organizational performance and success (Podsakoff et al., 2000). Despite its importance, OCB has not been adequately addressed in the context of hotels. In fact, further study of OCB is urgently needed in this sector given that most employees have a heavy workload and are under continual pressure to respond promptly to customer requirements (Faulkner and Patiar, 1997). For example, hotel employees' helping behaviors could alleviate stress and improve performance. Some research has recently been done in the hotel context (Chiang and Hsieh, 2012; Nadiri and Tanova, 2010; Tang and Tang, 2012; Wang and Wong, 2011). Drawing on these studies, it is helpful to examine hotel employees' perceptions of CSR and its influence on OCB.

In view of the aforementioned research gaps and the significance of OI and OCB to organizations, the present study aims to explore the intra-organizational impact of CSR activities on employees' attitudes and behavior at work in terms of OI, OC, and OCB. In particular, by applying the social identification perspective, it seeks to investigate the underlying mechanism through which CSR influences OCB.

This study contributes to the literature in three ways. First, it develops and presents an integrated model incorporating CSR and employees' behavioral intentions. This deepens our understanding of how CSR contributes to competitive advantage through employee behaviors. Second, this model incorporates OI and OC in the research context and examines their mediating role. Lastly, the construct of CSR is clearly defined and tested in the context of China's hotel industry.

2. Literature review

2.1. Corporate social responsibility

Conceptualization. The concept and definition of CSR has a long history and evolution (Carroll, 1979). Nevertheless, there is still no consensus on its definition nor what constitute CSR activities. Scholars have examined CSR using various approaches. Garriga and Melé (2004) classify CSR theories and approaches into four categories, namely instrumental, political, integrative, and ethical theories. The first category focuses on companies' achievement of economic objectives through social activities (for example, cause-related marketing). Political theories focus on the social power of companies and their responsibilities in the political arena, while integrative approaches emphasize companies' need to integrate social demands. Theories in the last category view social responsibilities as an ethical obligation of companies. Early work in this area attempts to view CSR from an economic perspective. For example, Friedman (1970) asserts that the only responsibility of companies is to maximize shareholder profit within legal and ethical frameworks. Carroll (1979) proposes a more comprehensive definition of CSR by suggesting that "the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (p. 500). Carroll (1991) subsequently developed a hierarchy to describe these four dimensions and maintain that economic CSR is the most fundamental without which others become "moot considerations". More recently, the scope of CSR has been expanded to a much wider perspective that takes different stakeholders' interests into consideration (Agle et al., 1999; Mitchell et al., 1997). An

extensive review of research shows that the multi-faceted perspective on CSR is now widely accepted (Inoue and Lee, 2011).

Operationalization. There are different ways of measuring CSR. Some researchers examine it from stakeholders' perspectives (e.g., Clarkson, 1995; Turker, 2009b). For example, Clarkson (1995) proposes a framework which includes primary stakeholders; that is, those without their participation the corporation will not survive. Similarly, Turker (2009b) identifies a four-dimensional scale of CSR addressing social and nonsocial stakeholders, employees, customers, and government. Other work takes a different perspective. For example, Lee et al. (2013b) approaches CSR in terms of its relationship to operations, and classifies its activities as operation- and non-operation-related. Carroll's (1979) four-dimensional CSR proposition has also received much attention. The four dimensions are economic, legal, ethical, and discretionary responsibilities. The first of these refers to the responsibility to produce goods and services that society wants and to sell them for profit. Legal responsibilities refer to the need for companies to adhere to laws and regulations, whereas ethical responsibilities require companies to perform additional behaviors and activities that are not necessarily codified in law but are expected by society. Discretionary responsibilities are those left to individual judgment and choice (such as making philanthropic contributions). This classification captures many of the essentials of CSR and has been widely adopted (Lee et al., 2013a). Hence, it is the framework adopted in this study.

Consequences of CSR Most research focuses on the macro-level consequences of CSR such as firm performance, while micro-level consequences have received much less attention (Rupp et al., 2006). In hospitality research, a number of studies have been conducted to examine CSR and financial performance (e.g., Boluk, 2013; Garay and Font, 2012; Inoue and Lee, 2011; Kang et al., 2010; Lee and Park, 2009; Lee et al., 2013b,c). They examined different types (e.g., operation-relation or non-operation related) or dimensions of CSR on the firms' financial performance. The findings are inconclusive in that some scholars revealed a positive correlation (Boluk, 2013; Inoue and Lee, 2011; Lee et al., 2013b), non-significant relationship (Lee et al., 2013c), while others found mixed results in different hospitality sectors (e.g., hotel, airline, restaurant and casino) (Kang et al., 2010; Lee and Park, 2009). Drawing from the employees' perspective, it is proposed that CSR will have a positive influence on individual outcomes such as organizational attractiveness, job satisfaction, OC, citizenship behavior, and job performance (Rupp et al., 2006). Studies in this area concentrate on job satisfaction, organizational trust, OC, employee turnover (Lee et al., 2012), customer orientation (Lee et al., 2013a), and the influence of management's ethical values (Gu and Ryan, 2011). Hospitality research, however, does not appear to apply a strong theoretical framework to uncover the underlying mechanism by which CSR influences these outcomes, necessitating further research to fill this gap.

2.2. CSR in China's hotel industry

Ever since the open-up policy of China in the late 1970s, China's economy has experienced dramatic growth with an annual GDP growth rate of approximately 8.5% (IMF, 2013). With the continuously expanding tourism demand, the number of hotels has witnessed a noticeable increase from 137 in 1978 to 14,237 in 2009 (Zhang et al., 2012). With growing concerns and expectation of the society on companies' social responsibility, the hotel industry in China has been devoting mounting efforts to CSR. One of such efforts is the implementation of green hotel practices where many provinces establish green hotel standards and hotels followed practices such as waste reduction and usage of green materials (Peng et al., 2013).

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