



Cause-related marketing and employee engagement: The roles of admiration, implicit morality beliefs, and moral identity[☆]

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ABSTRACT

Cause-related marketing refers to supporting a charitable cause or a non-profit organization to promote sales. Little is known about how cause-related marketing influences a firm's own employees. Two field studies were conducted which confirmed that cause-related marketing enhances employees' admiration for their company, which in turn promotes engagement. Importantly, each employee's implicit morality beliefs and moral identity centrality jointly moderate these relationships. The practical implications of these findings are discussed.

1. Introduction

Companies often adopt cause-related marketing (CRM), a prominent type of corporate social responsibility (CSR) initiative, as a technique to enhance their corporate reputation and to promote sales through supporting charitable causes and/or non-profit organizations (Barone, Miyazaki, & Taylor, 2000; Varadarajan & Menon, 1988). Research has shown that such initiatives can generate positive outcomes (Andrews, Luo, Fang, & Aspara, 2014; Koschate-Fischer, Huber, & Hoyer, 2016; Kuo & Rice, 2015), but the effect can be the reverse for products with negative externalities (Grolleau, Ibanez, & Lavoie, 2016). Still, CRM has become increasingly popular in practice (Koschate-Fischer, Stefan, & Hoyer, 2012; Winterich & Barone, 2011).

Studies examining the effectiveness of CRM have focused almost exclusively on consumer-related outcomes. Little is known about the effects of CRM on employees (Larson, Flaherty, Zablah, Brown, & Wiener, 2008). Understanding how CRM influences employees is important because employees often have close and long-term exposure to the practices involved, and directly witness the benefits of CRM to various stakeholder groups (Liu, 2013). Although previous research has found that organizations have begun to explore (or indeed exploit) the potential motivating effect of CRM on employees (Liu, Liston-Heyes, & Ko, 2010), little empirical research has examined the actual impact of

CRM on employee. CRM can of course benefit non-profit and charitable organizations that are in need of external funding and support from companies (Liston-Heyes & Liu, 2013; Liu & Ko, 2011), but going further to understand the potential positive effects of CRM on corporate employees can help encourage companies to adopt CRM and enhance non-profits' (NPOs') negotiating positions in seeking CRM with corporate partners. This research was designed to contribute to this scholarly understanding of these processes through two field experiments which investigated how CRM influences employee engagement.

The study's conceptualization of employee engagement was guided by Kahn's (1990, 1992) ethnographic theory of engagement (also see Rich, Lepine, & Crawford, 2010). In that perspective, engagement is defined as “the simultaneous employment and expression of a person's ‘preferred self’ in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional) and active, full performances” (Kahn, 1990, p. 700). Employee engagement thus involves the simultaneous investment of physical, cognitive, and emotional energy at work (Kahn, 1990, 1992), which studies have shown tends to be associated with better job performance (Breevaart, Bakker, Demerouti, & Derks, 2016; Christian, Garza, & Slaughter, 2011; Ho, Wong, & Lee, 2011; Zhong, Wayne, & Liden, 2016). It can promote positive organizational outcomes in general (Avery, McKay, & Wilson, 2007; Barrick, Thurgood, Smith, & Courtright, 2015; Harter, Schmidt, &

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Hayes, 2002).

It seems reasonable that employee engagement can be an important outcome of CRM for the following reasons. First, a firm's endorsement of prosocial attitudes through CRM can arouse a positive emotional reaction from its employees, which is conducive to employee engagement. Then, CRM can help employees find meaning in their jobs and in the organization's work (Caligiuri, Mencia, & Jiang, 2013). According to engagement theory, finding meaning in work can help promote employee engagement (Rich et al., 2010). Thus, CRM should have an important impact on employee engagement.

Employee engagement is itself an important organizational outcome that is highly desirable but often hard to develop (Eldor & Harpaz, 2016; Knight, Patterson, & Dawson, 2017). For instance, fewer than a third of American employees report that they feel 'engaged with their job' (Anonymous, 2015). Employers in different parts of the world also face similar indifference (MacLeod & Clarke, 2009). Organizations are constantly searching for new ways and developing new initiatives to enhance employee engagement (Avery et al., 2007; Cole, Walter, Bedeian, & O'Boyle, 2012; Knight et al., 2017). CRM may be part of the answer, thus making scholarly understanding of CRM an important research question.

The perspective of other-praising emotions (Algoe & Haidt, 2009; Haidt & Morris, 2009; Schindler, Zink, Windrich, & Menninghaus, 2013) suggests that CRM promotes employee engagement through enhancing their admiration for the organization. Admiration arises from experiencing appreciation, awe, esteem, and respect for an appraised target (Algoe & Haidt, 2009; Ortony, Clore, & Collins, 1988). The importance of admiration for organizations has been highlighted by the annual ranking of most admired companies by Forbes. Admiration can be aroused by a target's moral acts (Keltner & Haidt, 2003). Once admiration is developed, people are more likely to feel connected to the target and to engage in acts that benefit the target (Schindler et al., 2013). Admiration energizes people to work harder to achieve personal goals (Algoe & Haidt, 2009; Thrash & Elliot, 2004). That's how admiration for an employer can promote employee engagement.

Admiration can be elicited through virtuous acts (Immordino-Yang & Sylvan, 2010). CRM initiatives can be seen as a form of virtuous action, and thus can elicit employees' admiration for their company. However, the extent to which admiration can be elicited varies depending on the subject's perceptions about goal consistency and their expectations (Lazarus, 1991; Lerner & Keltner, 2000; Roseman, Spindel, & Jose, 1990). A situation is more likely to arouse positive emotions when it is consistent with a perceiver's goals (Roseman et al., 1990). We should therefore expect any positive relationship between CRM and employee admiration to be moderated by the employees' implicit morality beliefs, which refer to the beliefs about whether moral attributes are fixed or malleable (Chiu, Dweck, Tong, & Fu, 1997; Dweck & Leggett, 1988; Werth & Forster, 2002; Zhu, He, Treviño, Chao, & Wang, 2015). People with incremental morality beliefs hold strong beliefs about moral development (Chiu, Dweck, et al., 1997), but those beliefs are malleable. Employees who hold such beliefs are more likely to admire their firm for undertaking CRM because it is likely to be consistent with their goals and values, though the extent to which admiration develops would be expected to depend to some extent on which virtuous moral traits are central to each employee's self-concept (Aquino & Reed, 2002; Blasi, 1984). The cognitive appraisal involved will be influenced, perhaps negatively, by an employee's expectations and internal standards (Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986). Greater centrality of one's moral identity is positively associated with higher moral standards and expectations (Aquino & Reed, 2002; Blasi, 1984). The tendency for incremental morality to generate admiration will thus depend on the centrality of an employee's moral identity. Taken together, implicit morality beliefs and moral identity centrality would be expected to jointly moderate any relationship between CRM and employee admiration, and thus employee engagement. Fig. 1 illustrates these proposed relationships. This study

was designed to examine the relationship between CRM and emotional and behavioral outcomes among a firm's employees.

2. Hypothesis development

2.1. Cause-related marketing and employees

CRM refers to "the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives" (Varadarajan & Menon, 1988, p. 60). It thus involves explicit revenue-producing exchanges with customers. Good CRM generates a sense of involvement and difference-making among customers. It helps the cause, but also the firm's business as well, usually by enhancing sales (Andrews et al., 2014; Barone, Norman, & Miyazaki, 2007; Koschate-Fischer et al., 2012), promoting the firm's brands and building brand loyalty (Barone et al., 2000). It can increase customers' willingness to pay (Lesczyc & Rothkopf, 2010; Strahilevitz, 1999) and have positive spillover effects on a firm's other products (Krishna & Rajan, 2009).

In addition to those marketing-related outcomes, CRM can also influence important stakeholders (Drumwright, 1996), specifically employees who have the most proximal exposure to CRM initiatives. Understanding the effect of CRM is particularly important for customer-facing employees, who are often involved in implementing CRM activities. Scholarly work in this area has mostly focused on the impacts of CRM and other CSR initiatives on external stakeholders. Any impact on employees has received relatively little attention. Business scholars have started to examine the micro-processes and psychological foundations of CSR initiatives from the employee perspective (Aguinis & Glavas, 2012; Mirvis, 2012; Rupp, Shao, Thornton, & Skarlicki, 2013). They have generated some insights about how CSR affects such employee outcomes as organizational commitment (Brammer, Millington, & Rayton, 2007; Glavas & Kelley, 2014), job satisfaction (Valentine & Fleischman, 2008), and creativity (Brammer, He, & Mellahi, 2015). Taken together, their results support the significance of CSR-related initiatives for employees. However, research on the impact of CRM, as a specific type of CSR, on employees is rare. One study finds that CRM increases salespersons' cognitive identification with the organization and their confidence in sales, which in turn enhance their sales performance (Larson et al., 2008).

2.2. Employee engagement based on admiration

Admiration involves cognitive evaluation and appraisal of the acts of a target. It is an emotion resulting from the interpretation and evaluation of personally-relevant information (Roseman et al., 1990). That means that the same information can result in different emotional responses depending on the subjective appraisals and interpretations of different individuals (Lazarus, 1991). Strong emotions, once aroused, tend to motivate action (Frijda, Kuipers, & Terschure, 1989; Lazarus, 1991).

Observing a firm's CRM efforts provides its employees with information they will use to appraise it. Whether it generates admiration will depend on their cognitive appraisals of the information. Admiration is often aroused by moral exemplars (Immordino-Yang & Sylvan, 2010), but can arise from achievements of other types. Keltner and Haidt (2003) have demonstrated that people express admiration when they are exposed to virtuous behavior. Observing virtuous acts can lead individuals to feel "uplifted", can motivate them to try to emulate the admired target, and can arouse a desire to be more connected with the target (Aaker, Garbinsky, & Vohs, 2012; Algoe & Haidt, 2009; Haidt & Morris, 2009; Schindler, Paech, & Löwenbrück, 2015; Schindler et al., 2013). This is how CRM may increase employees' admiration for a company.

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