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CORPORATE SOCIAL RESPONSIBILITY AS A SOURCE OF ORGANIZATIONAL MORALITY, EMPLOYEE COMMITMENT AND SATISFACTION

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Abstract

Two studies examine the relation between perceived organizational morality and employee attitudes relevant to work motivation. Study 1 ($N = 126$) provides initial evidence that perceived organizational morality relates to pride in the organization as well as affective commitment and work satisfaction of employees. Study 2 ($N = 649$) further examines organizational Corporate Social Responsibility (CSR) activities as a relevant source of perceived organizational morality that relates to employee's attitudes towards their work in the organization. SEM-modeling corroborates our reasoning that employees' perceptions of the organization's CSR activities affect the perceived morality of the organization, which in turn predicts employee commitment and satisfaction. Implications of these findings for theory development and organizational policy are discussed.

Keywords: Corporate Social Responsibility, Organizational Pride, Organizational morality, Commitment, Satisfaction

“When I started working at this company, I was proud of my job. I knew we always were able to help customers and solve their problems, no matter what they were. Now, things are different. We are not really allowed to be truthful to our customers: we could help them, but we are not allowed to, because it supposedly takes too much time. I am so unhappy now that I am planning to resign from my job”

Single mother, talking about work at school parent gathering.

An increasing number of companies has started to describe themselves as doing business in a socially responsible fashion (for a review, see Carroll, 1999). The assumption is that Corporate Social Responsibility (CSR) is important for the organization, not only because it indicates the willingness of the organization to show ‘good citizenship’, but also as a source of organizational competitive advantage. We present two studies examining whether the perceived morality of an organization is

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relevant to the work attitudes of individual employees, and whether engagement of the organization in CSR-activities contributes to perceptions of organizational morality. We argue and show that to the extent that CSR-activities are seen to contribute to the perceived morality of the organization, they are positively related to employee commitment and work satisfaction. In this way, engagement in CSR-activities may help the organization bring out the best in its employees, and hence optimize organizational performance.

The present research combines recent insights from social psychology on morality as a source of group value (Leach, Ellemers, & Barreto, 2007; Ellemers, Pagliaro, Barreto, & Leach, 2008) with work done in organizations to document the benefits of CSR activities (Greening & Turban, 2000; Waddock & Graves, 1997), with the aim to examine how perceived engagement of the organization in CSR activities relates to the attitudes of individual employees working at the organization. We present two studies to examine our predictions. In a first study, examining workers employed at different organizations, we aim to find initial evidence whether perceptions of organizational morality are relevant to employee affective commitment and work satisfaction. In a second study we examine a larger sample of workers at single organization, to obtain further evidence of the relation between organizational morality on the one hand and employee commitment and work satisfaction on the other. Additionally, we examine whether perceived engagement of the organization in specific CSR-activities affects perceptions of organizational morality relevant to these job attitudes.

Morality as a Source of Group Value

In the literature on organizational behavior, Social Identity Theory (SIT) has been proposed as offering a framework that helps understand and predict the attitudes and behaviors of individual employees (Ashforth & Mael, 1989; Ellemers, De Gilder, & Haslam, 2004; Haslam & Ellemers, 2005; Hogg & Terry, 2000). The social identity perspective (Tajfel & Turner, 1979; Turner, 1987) builds on the assumption that people tend to think of themselves in terms of the groups and organizations to which they belong. This implies that specific features and characteristics of the organization reflect upon these individuals and can represent a source of value for individual employees. As a result, valued organizational characteristics can elicit satisfaction with and commitment to membership in the organization. These feelings of satisfaction and commitment are relevant for organizational behavior, in that they are seen as important predictors of the motivated behavior of individual employees (Ellemers, 2001; Ellemers, De Gilder, & Haslam, 2004; Haslam & Ellemers, 2005).

Previous theory and research in this area has mainly focused on characteristics associated with 'competence' vs. 'warmth', as representing the two central clusters of characteristics central to the evaluation of individuals and groups (e.g., Abele & Wojciszke, 2007; Fiske, Cuddy, & Glick, 2007; Fiske, Cuddy, Glick, & Xu, 2002; Judd, James-Hawkins, Yzerbyt, & Kashima, 2005; Phalet & Poppe, 1997). In this work, morality is often considered as an aspect of relational behavior which can be subsumed

under the 'warmth' cluster together with sociability (e.g., Wojciszke, 2005; Wojciszke, Bazinska, & Jaworski, 1998). Some researchers even equate moral behavior with sociability. For instance, De Waal (1996; 2006) considers mutual helping behavior as indicating 'morality' among primates living together in groups. In a similar vein, the willingness to consider other people's outcomes in the allocation of resources has been proposed as indicating morality (De Bruin & Van Lange 1999; 2000; Van Lange & Kuhlman, 1994; Van Lange & Liebrand, 1991). However, theoretical accounts and empirical data support the notion that characteristics associated with morality should be considered as a separate cluster, that represents a central source of interpersonal and group value cross-culturally (Brewer & Campbell, 1979; Rodriguez Mosquera, Manstead, & Fischer, 2002; Schwartz, 1992).

Given our current aim to focus on perceived morality as a relevant dimension of social evaluation in its own right, we distinguish evaluations in terms of morality from evaluations in terms of competence or sociability. We do this by assessing the degree to which individuals or groups are seen to enact universal moral values, namely honesty, sincerity, and trustworthiness (Haidt, 2001; Haidt & Graham, 2007; see also Osgood, Suci, and Tannenbaum, 1957). This enables us to consider morality as a more generally defining property of individuals or groups, and to conceptualize it in terms of more enduring underlying disposition these may have, without constricting the definition of morality to the display of specific allocation preferences or helping behaviors.

When conceptualized in this way (see also Anderson & Sedikides, 1991; Rosenberg, Nelson, & Vivekananthan, 1986; White, 1980), empirical data indicate that morality can and should be distinguished from competence as well as sociability as a source of group value (Leach, et al., 2007; Ellemers, et al., 2008). A series of studies even suggests that a primary concern people have about the social groups they belong to is whether these groups can be considered *moral*, in that they can think of the group and its members as being honest, truthful and sincere (Ellemers et al., 2008; Leach et al., 2007; see also Aquino & Reed, 2002). That is, empirical data from different studies converge to suggest that the morality of one's group has a greater impact on the pride, satisfaction, and commitment of individual group members than its competence or sociability (Leach et al., 2007).

To date, however, most of the work on the effects of group and organizational characteristics on their members has focused on other group characteristics such as competence (for meta-analytic reviews, see Bettencourt, Charlton, Dorr, & Hume, 2001; Mullen, Brown, & Smith, 1992). To the extent that previous work has explicitly addressed morality as a potential source of group value (e.g., Leach et al., 2007), this has not been examined in the context of work organizations. Hence, we still know very little about the way in which organizational morality is likely to affect the attitudes of individual employees. The present investigation aims to address this issue.

Perceived Organizational Morality and Organizational Pride

The process through which (perceived) organizational characteristics are likely to impact on the job attitudes and behaviors of individual employees is detailed by Tyler and his colleagues (Smith & Tyler, 1997; Tyler, 1999; Tyler & Blader, 2000; 2001; 2002; 2003). In his social identity-based model of cooperation with the organization Tyler (1999) proposes that people should become more psychologically engaged with an organization, to the extent that their membership in this organization contributes to a positive social identity. More specifically, it is argued that valued characteristics of the organization can be seen as a source of organizational *pride* for individual employees, which elicits satisfaction with and commitment to the organization, and hence can be an important source of employee cooperative behavior (Smith & Tyler, 1997; Tyler & Blader, 2000; 2001; 2002; 2003). This resonates with other perspectives maintaining that social outcomes such as pride may be just as important as or even more important in the motivation and behavior of individual employees than material outcomes such as pay (e.g., Katzenbach, 2003; Thaler, 2000). Accordingly, empirical research in organizations has established that pride in the organization predicts the psychological attachment and motivation for individual workers (e.g., Tyler & Blader, 2000). Converging evidence for the proposed causality of this relation is found in experimental studies, showing that manipulations of group pride (e.g., Branscombe, Spears, Ellemers, & Doosje, 2002) induce psychological attachment to the group. In fact, organizational pride may induce satisfaction and commitment among individual workers, even in the absence of monetary rewards (i.e., among volunteers working in charitable organizations, see Boezeman & Ellemers, 2007; in press).

Thus, because previous research (Ellemers et al., 2008; Leach et al., 2007) has shown that the perceived morality of a group can constitute an important source of group value, and because theory and research on the social identity-based model of group cooperation suggest that valued characteristics of the organization can elicit organizational pride (e.g. Tyler, 1999; Tyler & Blader, 2000), we predict that employees who perceive their organization as moral are likely to experience pride at being a member of that organization (*Hypothesis 1*).

Perceived Organizational Morality, Affective Commitment, and Work Satisfaction

According to the social identity-based model of group cooperation ((Tyler, 1999; Tyler & Blader, 2000), the willingness to engage with the organization because its valued characteristics contribute to a sense of pride, is important because it elicits job attitudes among individual employees that indicate intrinsic work motivation (Deci, 1975; Locke, 1976), and predict cooperative behavior at work (see also Ellemers et al., 2004). Relevant job attitudes in this sense are affective organizational commitment and job satisfaction.

Organizational commitment is generally seen as an indicator of psychological attachment to the organization that is relevant to work motivation (Mowday, Steers, &

Porter, 1979; O'Reilly & Chatman, 1986). Accordingly, meta-analyses show that commitment not only correlates with a variety of outcomes relevant to the organization, such as employee turnover, attendance, tardiness, and absenteeism (Mathieu & Zajac, 1990), but that it is also strongly related to indicators of cooperative employee behavior, such as organizational citizenship behavior (Organ & Ryan, 1995). This is consistent with the notion that commitment indicates workers' willingness to 'go the extra mile' for the organization. Allen and Meyer (1990; Meyer & Allen, 1991, 1997) distinguish between three different forms of commitment to the organization, namely affective, normative and continuance commitment. In the present research we focus on affective commitment - this refers to a sense of emotional attachment to the organization, and is most clearly related to indicators of employee motivation (Meyer & Allen, 1997; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

Work satisfaction refers to a positive emotional state resulting from the appraisal of one's experiences at work, which is relevant to work motivation (Brief, 1998; Griffin & Bateman, 1986; Locke, 1976; Locke & Latham, 1990). Accordingly, research has shown that work satisfaction relates to indicators of employee motivation, such as supervisor ratings (Ilardi, Leone, Kasser, & Ryan, 1993), organizational turnover (Tett & Meyer, 1993; Williams & Hazer, 1986), and job performance (Judge, Thoresen, Bono, & Patton, 2001; Ostroff, 1992). Thus, affective commitment and work satisfaction both indicate employee attitudes that contribute to discretionary work performance. Hence, the affective commitment and work satisfaction of individual employees can be seen as indicators of employee motivation, which is important to organizational success.

Based on our review of the relevant literature, we have argued that the perceived morality of the organization can be seen as a relevant source of organizational value and employee pride. According to the reasoning proposed by the social identity-based model of group cooperation (Tyler, 1999; Tyler & Blader, 2000), this should elicit positive job attitudes relevant to the motivation of individual employees, such as affective organizational commitment and work satisfaction. Thus, we hypothesize that organizational pride predicts employee's affective commitment to the organization (*Hypothesis 2a*) and work satisfaction (*Hypothesis 2b*). Furthermore, based on relevant theory and research reviewed above, we argue that through its effect on organizational pride, perceived organizational morality should impact on affective commitment (*Hypothesis 3a*) and work satisfaction (*Hypothesis 3b*). We examine these predictions in Study 1.

Study 1

This first study aims to provide initial evidence that the perceived morality of the organization can be a factor in explaining the affective commitment and work satisfaction of individual employees. In this study we incorporate a broad sample of employees working at different job types and job levels in different organizations, to examine support for three predictions developed on the basis of relevant theory and research, as reviewed above. We assess whether perceived morality of the organization is a source of

pride in the organization (*Hypothesis 1*), whether organizational pride predicts affective commitment (*Hypothesis 2a*) and work satisfaction (*Hypothesis 2b*), and whether perceived morality of the organization impacts on affective commitment (*Hypothesis 3a*) and work satisfaction (*Hypothesis 3b*), through its effect on organizational pride (see Figure 1).

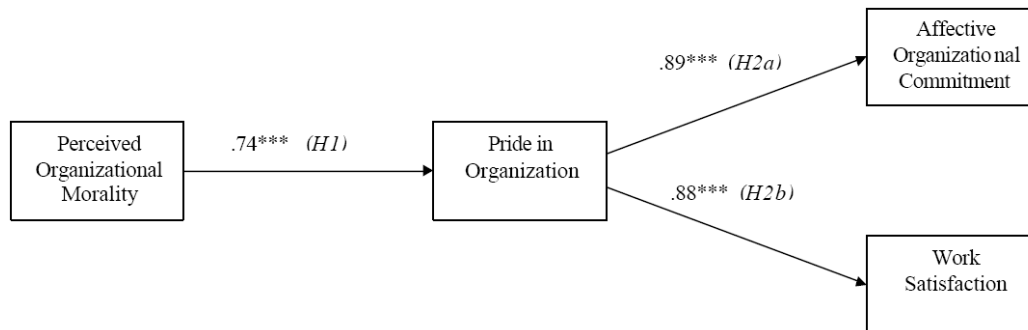


Figure 1. Hypothesized model (Study 1), and results of model testing ($\chi^2 = 80.67$, $N = 126$, $df = 41$; NNFI = .95; CFI = 96; RMSEA = .09; AIC = -1.34). Direct paths are indicated in the model, with their standardized regression weights (beta's). Paths marked with an asterisk are significant (* $p < .05$; ** $p < .01$, *** $p < .001$). The indirect effect of Organizational Morality on Affective Commitment (through Pride) is: .66*** (*Hypothesis 3a*); the indirect effect of Organizational Morality on Work Satisfaction (through Pride) is: .65*** (*Hypothesis 3b*).

Method

Research Participants

For this study employees working at five different organizations were recruited with the consent of their organization, through a consultancy firm offering advice on possibilities for organizational CSR-activities ("Robin Good"). The total number of participants was $N = 126$ (46% Male; 54% Female). The majority (63%) held full-time employment, 36% was employed part-time at the organization. This sample showed a good spread in terms of age group (7% was 18-24 years of age; 35% was between 25-34; 36% between 35-44; 18% between 45-54; and 4% between 55-65), and in terms of job level (6% trainees/interns; 32% support and administrative staff; 33% professionals/specialists; 18% middle management; 10% higher and top management) and highest level of education completed (7% high school; 22% vocational training; 30% higher professional education; 42% university education). Because initial analyses did not reveal different response patterns associated with these background variables, we did not include these in our further analyses.

Questionnaire

All participants completed the questionnaire through the internet. When the intended number of participants was reached, the internet questionnaire was closed. Participants

were first asked to indicate information about relevant background variables (i.e., gender, age, and information about their job and level of education) in a multiple-choice format. Then the questionnaire continued with measures relevant to our hypotheses. All measures were taken with items that had to be completed on seven-point Likert scales, with 1 indicating 'not at all', and 7 indicating 'very much' (see Table 1).

Perceived Morality of the organization was assessed with three items, adapted from the measure of perceived group morality developed by Leach et al. (2007). These items asked participants to indicate the extent to which they considered their organization to be "honest", "sincere" and "trustworthy" ($\alpha = .94$).

Pride in the organization was assessed with three items derived from the autonomous pride measure developed by Tyler and Blader (2002), and asked participants to indicate whether they felt proud to work at their organization, whether they valued the way the organization conducted its business, and whether they would recommend friends to work at their organization ($\alpha = .80$).

Affective Organizational Commitment was measured with the Dutch version (De Gilder, Van den Heuvel, & Ellemers, 1997) of three items from the measure developed by Allen and Meyer (1996) asking participants to indicate the extent to which they feel like 'part of the family' at their organization, feel 'emotionally attached' to the organization, and feel a 'strong sense of belonging' to the organization ($\alpha = .87$).

Table 1. Items and factor loadings four-factor solution CFA (Study 1)

	F1	F2	F3	F4
Item				
Perceived Organizational Morality				
To what extent do you feel –name of organization-is:				
...honest	.94			
...sincere	.97			
...trustworthy	.82			
Pride in Organization				
I feel proud to work at –name of organization-		.72		
I value the way –name of organization conducts its business		.76		
I would recommend friends to work at –name of organization-		.78		
Affective Organizational Commitment				
I feel like 'part of the family' at –name of organization-			.74	
I feel 'emotionally attached' to –name of organization-			.91	
I feel a strong sense of belonging to –name of organization-			.89	
Work Satisfaction				
Generally, I am satisfied with my job				.76
Generally, I like working for –name of organization-				.98

Work Satisfaction was assessed with two items derived from the overall satisfaction scale developed by Dunham, Smith, & Blackburn (1977), namely: “Generally, I am satisfied with my job”, and: “Generally, I like working for this organization ($\alpha = .85$).

Results

Confirmatory Factor Analysis

To examine whether the items used clustered into different model variables as intended, we first conducted Confirmatory Factor Analysis, with EQS 6.1 (Bentler & Wu, 2004). The hypothesized measurement model distinguishes between 4 latent variables: Organizational Morality, Pride in the Organization, Affective Commitment, and Work Satisfaction. As indicators of model fit in addition to the chi-square (χ^2) which is highly sensitive to sample size, we report the non-normed fit index (NNFI), the comparative fit index (CFI), the root mean square error of approximation (RMSEA), and Akaike’s Information Criterion (AIC) as omnibus fit indexes. Model fit is typically indicated when NNFI and CFI are between .90 and 1.00 and when RMSEA is less than .10 (e.g., Diamantopoulos & Siguaw, 2000; Raykov & Marcoulides, 2006; Schumacker & Lomax, 2004). When comparing the fit of different models, lower AIC-values indicate better model fit (Bentler, 2004). The results of the confirmatory factor analyses are summarized in Tables 1 (items and factor loadings) and 2 (indicators of model fit).

Table 2. Confirmatory Factor Analysis – Study 1. Tests of hypothesized model and different alternative measurement models

Model tested	df	χ^2	$\Delta\chi^2$	NNFI	CFI	RMSEA	AIC
4-factor model ¹	38	76.10	---	.95	.96	.09	0.10
3-factor model ²	41	96.21	20.11	.93	.95	.11	14.21
3-factor model ³	41	103.30	27.20	.92	.94	.11	21.29
3-factor model ⁴	41	163.63	87.53	.85	.88	.16	81.63
2-factor model ⁵	43	208.90	132.89	.80	.84	.18	122.90
1-factor model ⁶	44	320.67	244.57	.67	.74	.23	232.67

Note: Indicators of model fit are: Bentler-Bonett Non-Normed Fit Index (NNFI); Comparative Fit Index (CFI); Root Mean-Square Error of Approximation (RMSEA); Akaike’s Information Criterion (AIC). $N = 126$. $\Delta\chi^2$ indicates the deviation of each alternative model compared to the hypothesized 4-factor measurement model.

¹4-factor model: hypothesized measurement model, with Morality, Pride, Affective Commitment, and Satisfaction loading on separate factors

²3-factor model, with Pride and Satisfaction loading on the same factor

³3-factor model, with Pride and Affective Commitment loading on the same factor

⁴3-factor model, with Morality and Pride loading on the same factor

⁵2-factor model, with Morality and Pride loading on the same factor, and Affective Commitment, and Satisfaction loading on the same factor

⁶1-factor model, with Morality, Pride, Affective Commitment and Satisfaction all loading on the same factor

⁷1-factor model, with all items loading on a single factor

The hypothesized 4-factor measurement model showed adequate fit to the data with NNFI = .95, CFI = .96, and RMSEA = .09. In order to further test the validity of the

hypothesized 4-factor measurement model, we subsequently tested this model against alternative measurement models. None of the alternative models showed good fit to the data, and all alternative models fit our data substantially less well than the hypothesized 4-factor model, as can be seen when comparing the AIC-scores. We also tested a single factor model, to check whether common method variance might play a role. The lack of fit of this 1-factor model indicates that the presence of a common underlying factor cannot account for the covariation among the items (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; see also Spector, 2006). As a result of these confirmatory factor analyses, we accepted the 4-factor model as our final measurement model, and proceeded with testing the predicted relations between these model variables. Mean scores, standard deviations, and intercorrelations between model variables are provided in Table 3.

Table 3. Means, Standard deviations and correlations between model variables (Study 1). Correlations marked with an asterisk (*) are significant at $p < .01$

Variable	Mean	SD	Pride	Commitment	Satisfaction
Organizational Morality	5.15	1.15	.68*	.62*	.54*
Pride in Organization	5.05	1.18		.72*	.72*
Affective Commitment	4.95	1.33			.64*
Work Satisfaction	5.41	1.28			

Structural model testing

We conducted Structural Equation Modeling in EQS 6.1 (Bentler & Wu, 2004) to test the hypothesized structural model and its individual paths (see Figure 1). Overall, the hypothesized path model fit the data well $\chi^2 = 80.67$, $df = 41$; NNFI = .95, CFI = .96, and RMSEA = .09, AIC = -1.34. Additionally, we tested the hypothesized model against different alternative models. Because positive job attitudes can also cause employees to develop a positive image of the organization, we first tested whether affective commitment might predict perceived organizational morality, organizational pride, and work satisfaction. The fit statistics, $\chi^2 = 94.91$, $df = 41$; NNFI = .93, CFI = .95, RMSEA = .11, AIC = 12.91 indicate that this alternative model (*affective commitment as cause*) fit the data less well than the hypothesized model, as evident from the larger AIC score (12.91) than in the case of the hypothesized model (-1.34). Likewise, an alternative model in which work satisfaction predicts perceived organizational morality, pride in the organization, and affective commitment (*work satisfaction as cause*), showed fit indicators, $\chi^2 = 95.44$, $df = 41$; NNFI = .93, CFI = .95, RMSEA = .11, AIC = 13.44 indicating less fit to the data than the hypothesized model, as indicated by the larger AIC score (13.44 versus -1.34 for the hypothesized model). Additionally, because pride in the organization can be a source of positive perceptions of the organization, we examined an alternative model (*pride as cause*) in which pride predicted perceived organizational morality, and perceived organizational morality predicted affective commitment and work satisfaction. The fit statistics showed that this alternative model did not show adequate fit to the data ($\chi^2 = 177.81$, $df = 41$; NNFI = .83, CFI = .87, RMSEA = .17, AIC = 95.81). Finally, we examined an alternative model in which pride predicted affective

commitment and work satisfaction, and affective commitment and work satisfaction predicted perceived morality (*morality as an outcome*). The fit statistics, $\chi^2 = 87.94$, $df = 40$; NNFI = .94, CFI = .96, RMSEA = .10, AIC = 7.49 indicate that this alternative model fit the data less well than our hypothesized model, as the AIC score of this alternative model (7.49) is larger than the AIC score of our hypothesized model (-1.34). Thus, all these alternative models fit the data less well than our hypothesized model. This provides additional evidence against the possibility that the relations observed are simply the result of common method bias. We therefore accepted the hypothesized model, and continued with the examination of specific hypotheses.

Hypothesis testing

We found support for our prediction that the perceived morality of the organization is a source of pride in the organization (*Hypothesis 1*), in that we observe a significant direct positive relation between Perceived Organizational Morality, and Pride in the Organization ($\beta = .74$, $p < .001$). Additionally, organizational pride predicts affective commitment (*Hypothesis 2a*) and work satisfaction (*Hypothesis 2b*), as hypothesized. That is, we observed significant direct positive relations between Pride in the Organization and Affective Commitment ($\beta = .89$, $p < .001$) as well as Work Satisfaction ($\beta = .88$, $p < .001$). Finally, pride in the organization mediated the effects of organizational morality on affective commitment and work satisfaction, as predicted. That is, Perceived Organizational Morality showed a significant positive indirect relation with Affective Commitment, through Organizational Pride ($\beta = .66$, $p < .001$), as predicted in *Hypothesis 3a*, and Perceived Organizational Morality revealed a significant positive indirect relation with Work Satisfaction, $\beta = .65$, $p < .001$, as predicted in *Hypothesis 3b* (see Figure 1). Thus, the results are in line with predictions, and offer initial evidence that perceived organizational morality can be a relevant factor in the affective commitment and work satisfaction of individual employees.

Discussion

Although these results are encouraging in that they are in line with predictions, there are also some limitations to this first study. First, even though participants in this study included people working in different job types, at different levels, and in different organizations, the sample of employees in this study was relatively small. Thus, it is important to further examine the validity of our reasoning in a larger sample, and assess the robustness of the relation between organizational morality and employee attitudes. Furthermore, now that we have established initial evidence that organizational morality may predict affective commitment and work satisfaction of individual employees, it becomes relevant to examine possible antecedents of perceived organizational morality. For this purpose, in a second study we extend our analysis to examine the connection between employee perceptions of organizational morality to the organization's involvement in CSR-activities.

Study 2

Corporate Social Responsibility and Organizational Success

Corporate Social Responsibility (CSR - which is sometimes also referred to as Corporate Social Performance, see also Wolfe & Aupperle, 1991; Wood, 1991) refers to the degree to which an organization shows concern with the broader impact of its activities, on its employees as well as on the community and the environment in which these activities take place (Basu & Palazzo, 2008; Matten Moon, 2008). Corporate social responsibility can also have an impact at the individual level, in the sense that managers representing the organization and its policies are seen as moral actors (Wood, 1991).

Much of the research in this area has aimed to establish whether CSR-activities of an organization can be seen as a source of competitive advantage. The main approach used to examine this issue has been to assess organizational-level indicators of success (e.g., financial performance of the organization), and correlate these with the organization's (perceived) engagement in CSR-activities (e.g., Aupperle, Carroll, & Hatfield, 1985; McGuire, Sundgren, & Schneeweis, 1988; Waddock & Graves, 1997). Unfortunately, this type of research has not yielded conclusive results, as positive, negative, and unclear relations have all been observed (Backhaus, Stone, & Heiner, 2002), and the causal direction of these relations is unclear (see also Branco & Rodrigues, 2006). This is why a different approach might be useful to advance our understanding of how engagement in CSR-activities might contribute to the competitive advantage of an organization.

CSR-activities and Employee Attitudes

In this second study we focus on how relevant job attitudes of individual employees (i.e., their affective commitment and work satisfaction) are affected by CSR activities of the organization. Based on our theoretical analysis and the initial results of Study 1, we connect the impact of CSR-activities of the organization to recent insights on the importance of morality as a source of value and identity. The findings of Study 1 suggest that the perceived morality of the organization may relate to job attitudes of individual employees in the organization. In this second study we address how CSR activities contribute to the perceived morality of the organization, and examine whether this mediates the impact of CSR activities on affective commitment and work satisfaction as job attitudes relevant to the motivation of individual employees.

Previous studies (based on signalling theory and SIT, see also Riordan, Gatewood & Barnes, 1997) indicate that organizational image with respect to CSR (or CSP) covaries with the perceived attractiveness of the organization to potential employees. For instance, Schmidt Albinger and Freeman (2000) established that expert ratings of an organization's corporate social performance related to its perceived attractiveness. Additionally, Turban and Greening (1997) found that organizational reputation and attractiveness correlate with CSP, and this effect was maintained after controlling for assets and profitability of the organization. Finally, information provided about the CSP of existing organizations

was found to determine the rated attractiveness of these organizations by job applicants (Backhaus, Stone, & Heiner, 2002; Greening & Turban, 2000).

While these findings are all consistent with our reasoning that CSR activities can constitute a source of organizational value for individual employees, these studies on organizational attraction do not further specify the *process* through which organizational CSR increases the organization's perceived attractiveness, nor do they examine the job attitudes of *existing* employees. The present research contributes to the literature in this area, in that it specifically addresses these issues.

Whereas previous studies have focused on attractiveness of the organization as the main dependent variable of interest, it has been argued (e.g., Bianco & Rodrigues, 2006), that organizational CSR activities should also affect other employee responses such as their work satisfaction and commitment to the organization (see also Riordan, Gatewood, & Barnes, 1997). Thus, extending research examining organizational attractiveness, and based on previous work arguing for a relation between CSR activities and employee attitudes, we posit that employee perceptions about the CSR-activities of the organization should relate to their affective commitment to the organization, as well as their work satisfaction.

CSR-activities and Perceived Organizational Morality

In addition to establishing how organizational CSR-activities relate to the work attitudes of existing employees, we also aim to extend existing findings by examining the psychological process underlying this relation. Specifically, we focus on employees' perceptions of organizational morality as a mediator of this relation. Doing this also allows us to examine perceived involvement of the organization in CSR-activities as a potential antecedent of perceived organizational morality. That is, based on our theoretical analysis and the results of Study 1, we argue that perceptions of organizational CSR-activities affect employee commitment (*Hypothesis 6a*) and satisfaction (*Hypothesis 6b*) due to their effect on the perceived morality of the organization. In this way, we connect work on CSR with research suggesting that perceived morality of the organization is a relevant source of organizational value.

This is important because previous studies aiming to examine the relation between organizational CSR activities and employee responses (e.g., Backhaus et al., 2002) could not rule out that self-interest played a role in this relation. That is, previous findings suggest that women and minorities are more responsive to organizational CSR, but the CSR-activities examined in this previous work included specific forms of diversity management, which arguably serve the personal interests of women and minorities. In the present research we therefore aim to rule out such self-interest effects as an alternative explanation for our observations. We do this, first, by excluding CSR-activities indicating specific human resource policies (e.g., employment terms, selection practices) that might benefit individual employees. Because we focus on CSR-activities relevant to other constituencies than the organization's employees (e.g., fair treatment of customers), we can rule out that employee commitment and satisfaction as a result of these CSR-

activities stem from the personal benefits employees expect to incur from these activities. Second, we explicitly assess the psychological process explaining the relation between employee perceptions of organizational CSR-activities on the one hand, and employee attitudes on the other, by examining whether perceived organizational morality of the organization (not self-interest) mediates this relation.

In sum, the aim of this second study is to further examine the effects of perceived organizational morality on employee commitment (*Hypothesis 4a*) and work satisfaction (*Hypothesis 4b*), in line with our theoretical analysis and initial results of Study 1. Additionally, we aim to find empirical support for our reasoning that there should be a relation between employee's perceptions of the organization's CSR-activities and the extent to which they perceive the organization as being moral (*Hypothesis 5*). Finally, we examine the prediction that there is an indirect effect of CSR-activities on the one hand and employee commitment (*Hypothesis 6a*) and satisfaction (*Hypothesis 6b*) on the other, through perceived organizational morality.

Method

Research Participants

The research was carried out at the Dutch branch of a global management consulting, technology services, and outsourcing company, that employs 178,000 people in 49 countries, and has an annual net revenue of around US\$20 billion. Employees of this company in the Netherlands were invited by e-mail to participate in an online survey about "corporate citizenship". In a two-week timeframe 649 employees (503 men (78%) and 146 women (22%)), $M_{\text{age}} = 30.89$ years, $SD = 5.59$) completed the 10-minute questionnaire, after which the online survey was closed. The sample characteristics reflect the population of employees at this organization in the Netherlands, in terms of mean age ($M_{\text{age}} = 30.7$), and gender representation (77% male; 23% female). The sample also showed a good representation in terms of job types (including analysts (23%), consultants (55%), managers (8%), and support staff (14%) and career levels (lower and professional levels (43%), middle management (38%), higher management (8%) found at the organization. The average tenure at the organization reported by research participants was 3.43 years ($SD = 2.42$). Because initial analyses did not reveal any systematic differences between participants' responses depending on these background variables, these will not be further considered in the main analyses.

Questionnaire

All participants were asked to complete a questionnaire on the internet. First, they were asked to provide (in a multiple-choice format) information about their background characteristics (e.g., age, gender, job type and level of education) as detailed above. Then followed the items relevant to the testing of our hypotheses, for which they were asked to indicate their responses on Likert-scales, ranging from 1 (not at all) to 7 (very much).

CSR-activities. First, participants were asked to complete 9 items asking about concrete activities, policies and achievements of the organization with regards to

corporate social responsibility. These items reflected three main domains of CSR-activities as distinguished by Kinder, Lydenberg and Domini (see Sharfman, 1996). Three items asked about ethical behavior or the organization (e.g., “To what extent does *-name of organization-* act in line with ethical norms?” $\alpha = .77$), three items indicated care for the environment (e.g., “To what extent does *-name of organization-* take care to reduce and recycle garbage?” $\alpha = .78$), and three items inquired about the organization’s involvement in community activities (e.g., “To what extent does *-name of organization-* supply knowledge for social purposes?” $\alpha = .86$; see Table 1 for further details about questionnaire items).

Perceived morality of the organization ($\alpha = .94$), *work satisfaction* ($\alpha = .92$), and *affective organizational commitment* ($\alpha = .89$), were measured with the same items that we used in Study 2 (see Table 4).

Table 4. Items and factor loadings six-factor solution CFA (Study 2)

Item	F1	F2	F3	F4	F5	F6
CSR-activities: Ethical behavior						
To what extent does <i>-name of organization-</i>						
...act according to ethical norms?	.84					
...use fair trade methods?	.75					
...promote integration of minorities in general?	.62					
CSR-activities: Care for Environment						
... reduce and recycle garbage?		.61				
...limit usage of environmentally unfriendly transportation?		.74				
...consider the environment when choosing its facilities?		.86				
CSR-activities: Community Involvement						
...contribute assets to charitable organizations?			.81			
...supply knowledge for social/environmental purposes?			.88			
...encourage its employees to support social causes?			.78			
Perceived Organizational Morality						
To what extent do you feel <i>-name of organization-</i> is:						
...honest				.93		
...sincere				.92		
...trustworthy				.89		
Affective Organizational Commitment						
I feel like 'part of the family' at <i>-name of organization-</i>					.86	
I feel 'emotionally attached' to <i>-name of organization -</i>					.79	
I feel a strong sense of belonging to <i>-name of organization-</i>					.91	
Work Satisfaction						
Generally, I am satisfied with my job						.89
Generally, I like working for <i>-name of organization-</i>						.96

Results

Confirmatory Factor Analysis

To examine whether the items used clustered into different model variables as intended, we first conducted Confirmatory Factor Analysis, with EQS 6.1 (Bentler & Wu, 2004). The hypothesized measurement model distinguishes between 6 latent variables: CSR-ethics, CSR-environment, CSR-community, Organizational Morality, Affective Commitment, and Work Satisfaction. As indicators of model fit in addition to the chi-square (χ^2) which is highly sensitive to sample size, we report the non-normed fit index (NNFI), the comparative fit index (CFI), the root mean square error of approximation (RMSEA), and Akaike's Information Criterion (AIC) as omnibus fit indexes. Good model fit is indicated when NNFI and CFI are between .95 and 1.00 and when RMSEA is less than .05 (e.g., Diamantopoulos & Siguaw, 2000; Raykov & Marcoulides, 2006; Schumacker & Lomax, 2004). When comparing the fit of different models, lower AIC-values indicate better model fit (Bentler, 2004). The results of the confirmatory factor analyses are summarized in Tables 4 (items and factor loadings) and 5 (indicators of model fit).

Table 5. Confirmatory Factor Analysis – Study 2. Tests of hypothesized model and different alternative measurement models

Model tested	df	χ^2	$\Delta\chi^2$	NNFI	CFI	RMSEA	AIC
6-factor model ¹	104	191.87	--	.98	.99	.04	-16.13
5-factor model ²	109	464.87	273.00	.94	.95	.07	246.87
5-factor model ³	109	702.10	510.23	.90	.92	.09	484.10
4-factor model ⁴	113	1023.25	831.38	.85	.88	.11	797.25
4-factor model ⁵	113	1641.95	1450.08	.75	.79	.15	1415.94
3-factor model ⁶	116	1601.30	1409.43	.76	.80	.14	1369.30
1-factor model ⁷	119	2925.45	2733.58	.56	.62	.19	2687.45

Note: Indicators of model fit are: Bentler-Bonett Non-Normed Fit Index (NNFI); Comparative Fit Index (CFI); Root Mean-Square Error of Approximation (RMSEA); Akaike's Information Criterion (AIC). $N = 649$. $\Delta\chi^2$ indicates the deviation of each alternative model compared to the hypothesized 6-factor measurement model.

¹6-factor model: hypothesized measurement model, with CSR-ethics, CSR-environment, CSR-community, Morality, Affective Commitment, and Satisfaction loading on separate factors

²5-factor model, with CSR-ethics and Morality loading on the same factor

³5-factor model, with Affective Commitment and Satisfaction loading on the same factor

⁴4-factor model, with CSR-ethics, CSR-environment, and CSR-community loading on the same factor

⁵4-factor model, with Morality, Affective Commitment, and Satisfaction loading on the same factor

⁶3-factor model, with CSR-ethics, CSR-environment, CSR-community and Morality all loading on the same factor

⁷1-factor model, with all items loading on a single factor

The hypothesized 6-factor measurement model showed good fit to the data with NNFI = .98, CFI = .99, and RMSEA = .04. In order to further test the validity of the hypothesized 6-factor measurement model, we subsequently tested this model against alternative measurement models, in which we combined factors that showed high intercorrelations, or are conceptually related. None of the alternative models showed

good fit to the data, and all alternative models fit our data substantially less well than the hypothesized 6-factor model, as can be seen when comparing the AIC-scores. We also tested a single factor model, to check whether common method variance may have played a role. The lack of fit of this model indicates that the presence of a common underlying factor cannot account for the covariation among the items (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Additionally, when we introduced a factor that represents common method variance (on which all of the items of the constructs were allowed to load, see Podsakoff et al., 2003) to the measurement model, all factor loadings of the constructs under examination remained significant. This indicates that common method variance does not distort the construct validity of the scales (see also Kelloway, Loughling, Barling, & Nault, 2002). As a result of these confirmatory factor analyses, we accepted the 6-factor model as our final measurement model, and proceeded with testing the predicted relations between these model variables. Mean scores, standard deviations, and intercorrelations between model variables are provided in Table 6.

Table 6. Means, Standard deviations and correlations between model variables (Study 2). Correlations marked with an asterisk (*) are significant at $p < .01$

Variable	Mean	SD	CSR-Environment	CSR-Community	Morality	Commitment	Satisfaction
CSR-Ethics	5.29	0.95	.36*	.51*	.63*	.43*	.48*
CSR-Environment	4.15	1.13		.34*	.37*	.35*	.34*
CSR-Community	5.15	1.00			.47*	.36*	.39*
Organizational Morality	5.17	1.16				.54*	.59*
Affective Commitment	4.50	1.35					.64*
Work Satisfaction	5.39	1.19					

Structural Model Testing

We conducted Structural Equation Modeling in EQS 6.1 (Bentler & Wu, 2004) to test the hypothesized structural model and its individual paths (see Figure 2). Overall, the hypothesized path model fit the data well $\chi^2 = 396.21$, $N = 649$, $df = 111$; NNFI = .95; CFI = .96; RMSEA = .06; AIC = 174.21. Additionally, we tested the hypothesized model against different alternative models.

First, because positive job attitudes can cause employees to develop a positive image of the organization, we tested whether affective commitment might predict CSR-activities, perceived organizational morality, and work satisfaction. The fit statistics, $\chi^2 = 575.61$, $df = 114$; NNFI = .93, CFI = .94, RMSEA = .08, AIC = 347.61 indicate that this alternative model (*affective commitment as cause*) fit the data less well than the hypothesized model, as evident from the larger AIC score (347.61) than in the case of the hypothesized model (147.21). Likewise, an alternative model in which work satisfaction

predicts CSR-activities, perceived organizational morality, and affective commitment (*work satisfaction as cause*), showed fit indicators, $\chi^2 = 548.96$, $df = 114$; NNFI = .93, CFI = .94, RMSEA = .08, AIC = 320.96 indicating less fit to the data than the hypothesized model, as indicated by the larger AIC score (320.96 versus 147.21 for the hypothesized model). Subsequently, because morality is a source of perceived group value, we examined an alternative model (*morality as cause*) in which perceived organizational morality predicts CSR-activities, and CSR-activities in turn predict affective commitment and work satisfaction. The fit statistics relevant to this alternative model, $\chi^2 = 514.71$, $df = 110$; NNFI = .93, CFI = .95, RMSEA = .08, AIC = 294.71, indicated less fit to the data than the hypothesized model. Finally, we examined an alternative model in which CSR-activities directly predicted affective commitment and work satisfaction, whereas affective commitment and work satisfaction in turn predicted perceived organizational morality (*morality as outcome*). Again, this alternative model fit the data less well than our hypothesized model, as evident from the fit statistics and larger AIC score, $\chi^2 = 522.58$, $df = 108$; NNFI = .93, CFI = .94, RMSEA = .08, AIC = 306.58. (versus 147.21 for the hypothesized model). Thus, all these alternative models fit the data less well than our hypothesized model. This provides additional evidence against the possibility that the relations observed are simply the result of common method bias. We therefore accepted the hypothesized model, and continued with the examination of specific hypotheses.

Hypothesis Testing

We again found support for our main prediction that organizational morality predicts affective commitment (*Hypothesis 4a*) and work satisfaction (*Hypothesis 4b*), as hypothesized. That is, we observed significant direct positive relations between Perceived Organizational Morality and Affective Commitment ($\beta = .63$, $p < .001$) as well as Work Satisfaction ($\beta = .66$, $p < .001$). Furthermore, as hypothesized, CSR-activities of the organization predict employees' perceptions of organizational morality (*Hypothesis 5*), in that both CRS-ethics ($\beta = .64$, $p < .001$) and CSR-environment ($\beta = .11$, $p < .01$) show a direct positive relation with Perceived Organizational Morality. Finally, perceived morality of the organization mediated the effects of CSR-activities on affective commitment (*Hypothesis 6*) and work satisfaction (*Hypothesis 6b*), as predicted. That is, CSR-ethics and CSR-environment both showed a significant positive indirect relation with Affective Commitment, through Perceived Organizational Morality ($\beta = .41$, $p < .001$; and $\beta = .07$, $p < .01$, respectively). Likewise, CSR-ethics and CSR-environment both showed a significant positive indirect relation with Work Satisfaction, through Perceived Organizational Morality ($\beta = .43$, $p < .001$, and $\beta = .08$, $p < .01$, respectively). Even though there was one domain of CSR-activities that did not show reliable relations with the other model variables, the results obtained are generally in line with predictions (see Figure 2), and offer further evidence that perceived organizational morality can be a relevant factor in the affective commitment and work satisfaction of individual employees.

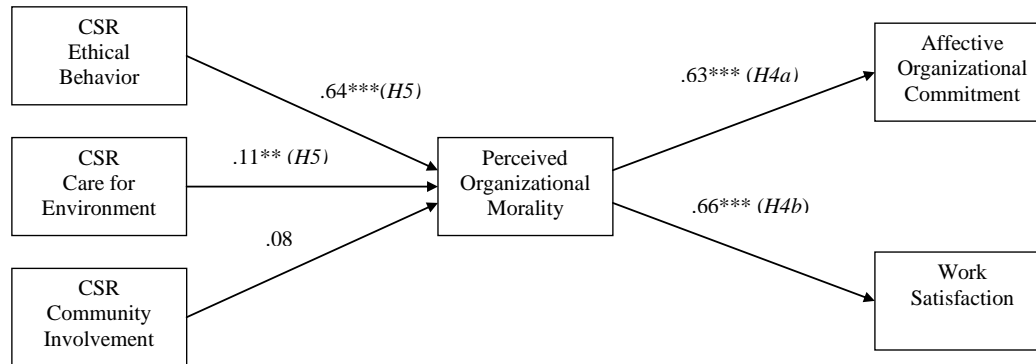


Figure 2. Hypothesized model (Study 2), and results of model testing ($\chi^2 = 396.21$, $N = 649$, $df = 111$; NNFI = .95; CFI = .96; RMSEA = .06; AIC = 174.21). Direct paths are indicated in the model with their standardized regression weights (beta's). Paths marked with an asterisk are significant (* $p < .05$, ** $p < .01$, *** $p < .001$). The indirect effects of CSR-ethics and CSR-Environment on Affective Commitment (through Organizational Morality) are: $.41^{***}$ and $.07^{**}$ respectively (*Hypothesis 6a*); the indirect effects of CSR-ethics and CSR-Environment on Work Satisfaction (through Organizational Morality) are: $.43^{***}$ and $.08^{**}$, respectively (*Hypothesis 6b*).

Discussion

The results of this second study again offer support for our main prediction, namely that perceived organizational morality predicts affective commitment and work satisfaction, as relevant indicators of the work motivation of individual employees. Additionally, this second study showed that employee's perceptions of the organization's CSR-activities contribute to the perceived morality of the organization, and hence impact upon their job attitudes. Thus, this study contributes to the literature on CSR and organizational competitive advantage, in that it demonstrates that perceptions of CSR-activities relate to the work motivation of individual employees. Additionally, we have demonstrated that one of the processes through which CSR-activities of the organization can affect employee attitudes is through their impact on perceived organizational morality. In doing this, we ruled out that self-interest of employees played a role in explaining this relation, as we focused on CSR-activities that did not refer to specific HR practices that might benefit individual employees. This is not to say that self-interest does not affect employee motivation. Nevertheless, the present data show that even in the absence of such self-interest considerations CSR-activities of the organization can still affect work attitudes of individual employees, namely through the perceived morality of the organization.

Even though we generally obtained support for our predictions, there was one domain of CSR-activities that showed the largest effects (namely CSR-ethics). Care for the environment was less strongly related to perceived organizational morality and employee attitudes, while no reliable relation could be established between the organization's community involvement on the one hand, and perceived organizational morality and employee attitudes on the other. We think there are two potential explanations for this

pattern of results. First, as has been pointed out before (see Ellemers, De Gilder, & Haslam, 2004; Ellemers, De Gilder, & Van den Heuvel, 1998; Haslam & Ellemers, 2005), when examining which organizational characteristics affect the attitudes of individual workers towards the organization, it is important to consider whether and how these characteristics might impact on the day-to-day work experiences of these employees. The degree to which the organization shows ethical behavior in its everyday activities, for instance as enacted by middle- and lower level managers as moral actors (Wood, 1991), may be quite evident to individual employees as a proximal organizational characteristic relevant to their own work attitudes. By contrast, notions about the organization's care for the environment or its involvement in community activities might be more abstract and distal, and hence perhaps seem less directly relevant to the way individual workers feel about their own job.

Second, we deliberately conceptualized organizational morality in terms of underlying perceived dispositions, as we asked employees whether they think of the organization as being honest, trustworthy and sincere. Due to this conceptualization, perceived organizational morality might be more closely connected to ethical behavior of the organization than to its care for the environment or community involvement. Nevertheless, it is important to note that results from confirmatory factor analysis indicated that CSR-ethics and perceived organizational morality do represent two distinct constructs. Thus, while organizational morality may be more strongly related to CSR-ethics than to other CSR activities at a *conceptual* level, there is no *statistical* reason why this should be the case. Indeed, it may well be that CSR-environment and CSR-community are primary causes of perceived organizational morality in the eyes of other relevant constituencies (e.g. community representatives, local licencing bodies). This possibility merits further examination in future research, which might aim to establish which attitudes and outcomes relevant to these other constituencies are affected by each of these domains of organizational CSR-activities.

General Discussion

Taken together, the results of these two studies first show that perceived organizational morality is an organizational characteristic that induces pride in the organization, and hence affects the job attitudes of individual employees. Second, we demonstrated that the organization's engagement in CSR-activities might be a source of employee satisfaction and commitment because it enhances the perceived morality of the organization. Thus, the present research connects recent insights on morality as a relevant source of group value to previous work on CSR-activities as a potential factor in organizational competitive advantage. As a result, it contributes to the literature in different ways. On the one hand these data extend previous research on group morality and group identification by showing that morality is also a relevant source of value and individual motivation in work and organizational contexts. On the other hand, this work extends correlational data on CSR and organizational success, in that has identified one of the

psychological mechanisms through which organizational CSR-activities can impact on the job attitudes of individual employees.

Limitations

Despite the consistent support obtained for our theoretical predictions, the current research is not without its limitations. Because Study 1 was set up as a preliminary investigation into the validity of our reasoning, the sample of participants in this study was kept relatively small. Furthermore, because we first wanted to establish a relation between perceived organizational morality and employee attitudes before extending our analysis, we did not assess employees' perceptions of the organization's CSR-activities in the first study. The organization in which we conducted the second study limited the number of items we could include in the questionnaire. As a result, we did not assess organizational pride in Study 2, as this variable was extensively examined in previous research and our current focus was on organizational morality and its relation to CSR-activities on the one hand, and employee attitudes on the other. Thus, whereas the results of both studies are consistent with predictions and complement each other, the present data do not enable us to fully cross-validate our findings with respect to all theoretically relevant model variables across the two samples. Future research might further examine this.

A second limitation of the present research is that all the participants in Study 2 were employed by a single organization. To the extent that the questions about CSR-activities refer to broader organizational policies, this might imply that there is relatively little variance in these items, in that all respondents reflected upon the same organizational reality. That is, even though we asked about individual perceptions of organizational CSR-activities instead of independently assessing actual organizational involvement in specific activities, employees' subjective perceptions should reflect the objective organizational reality at least to some extent. In fact, this is most likely to be the case with activities relating to CSR-environment and CSR-community, as these would primarily reflect organization-level policies. By contrast, there might be more individual variation in employees' experiences with and perceptions of the organization's ethical behavior, as enacted for instance by individual managers or organizational representatives. Thus, the range of employee observations regarding CSR-environment and CSR-community is more likely to be restricted than their experiences with CSR-ethics. In fact, this might constitute another reason why CSR-environment and CSR-ethics were less clearly related to other model variables than CSR-ethics. This is why future research on the impact of organizational CSR-activities in different domains should examine these across different organizations which differ in their CSR-policies. This would make it possible to assess whether increased variation in organizational CSR-activities reveals additional effects of CSR-environment and CSR-community in particular.

Third, in both studies, the questionnaire was introduced to employees in the context of examining socially responsible behavior of the organization. Arguably, this may have enhanced the salience of morality considerations in the minds of research participants while they were completing the questionnaire. To some extent, this is unavoidable, as

asking about particular organizational features by definition focuses respondents on these specific features rather than other aspects of the organization that are not relevant to the current investigation. Further, while we cannot exclude that the explicit mention of organizational social responsibility may have influenced participants' responses to the questionnaire, it is not self-evident whether or how the current findings may be biased as a result. On the one hand, one may argue that the explicit mention of corporate social responsibility might have drawn the attention of respondents to particular characteristics and features of the organization that are less clear or evident in their everyday experiences. As a result, participants may have attached more importance to the organization's morality in their responses to the questionnaire than they tend to do in practice. On the other hand, however, the reverse effect is also possible. Explicitly asking about specific CSR-activities might also have made research participants realize how little their organization is actually involved in such activities, thus reducing the likelihood that they would report being more satisfied or committed as a result of the perceived morality of the organization. Hence, even though we cannot exclude the possibility that the context in which the questionnaire was presented may have influenced participants' responses, it is unclear whether this facilitated or diminished the response patterns we observed. Nevertheless, future research into the effects of organizational morality should try to avoid mentioning this as an explicit goal of the questionnaire, for instance by embedding questions relating to morality and CSR in a more standard review of different factors relevant to the commitment and satisfaction of individual employees.

Theoretical and Practical Implications

The present data have important theoretical implications, in that they make clear that we should look beyond organizational success (competence) and interpersonal relations (warmth) as primary sources of organizational value. In this way, the present research also goes beyond previous work aiming to assess the impact of CSR-activities primarily in terms of organizational financial performance. That is, the present research suggests that perceived organizational morality can also be a relevant source of organizational value in and of itself, which can impact on work attitudes relating to employee motivation. Arguably, this is a source of organizational competitive advantage, even if it is not directly visible in the short term financial performance of the organization.

This also has important practical consequences because in practice organizations might face a trade-off between different sources of organizational value. That is, managers in organizations may come to the conclusion that pursuing one type of organizational value may go at the expense of another. At first sight, it would seem that pursuing organizational competence and financial success overrules all other goals, as the financial health and continuity of the organization needs to be secured before other goals can be pursued. However, recent developments have made quite clear that there is a limit to the extent to which organizations can or should pursue financial success at the expense of all else. That is, while sacrificing other values relevant to relational or morality concerns may seem to be possible without incurring any 'real' (financial) cost, the present data illustrate some very concrete ways in which organizations that neglect the moral aspects of their policy may pay the price. Thus, these studies remind us not only

that individual managers and organizational representatives are seen as moral actors, but also that people care whether or not the company they work for can be considered moral. A recent survey among business undergraduates (Detert, Trevino, & Sweitzer, 2008) suggests that these future managers are aware this is the case, as their ethical decision making showed the impact of moral concerns.

The fact that we have conceptualized perceived morality of the organization in terms of the honesty, sincerity, and trustworthiness of the organization also has important implications for the ways in which organizations are likely to be successful in their attempts to pursue a moral image. That is, when stated goals and concerns of the organization (e.g., “we care for the environment”) turn out to be hollow phrases, as they are not enacted by management, this may well detract from rather than contribute to the perceived morality of the organization. Thus, expressing such goals without actually pursuing them or investing in them is likely to backfire. In fact, if financial resources or other circumstances do not allow the organization to be actively involved in CSR-activities, it might be better for management to explicitly acknowledge this (and be open and truthful about the organization’s shortcomings in this respect), than to make lofty claims that cannot be kept as these will only undermine the organization’s perceived morality.

Finally, when organizations engage in CSR-activities to foster the satisfaction and commitment of their employees, they should notice which types of CSR-activities are most likely to have such effects. The present data suggest that even though there may be good reason to show care for the environment or to be involved in community activities, it is not self-evident that this will enhance employee commitment and satisfaction. Thus, when an organization has concrete goals it wants to achieve with its CSR-activities, it does well to specify whether these goals relate to the work attitudes of their employees, to the image towards their customers, or to their goodwill in the broader community, as different types of CSR-activities are likely to impact upon the responses of different constituencies. That is, while the present data illustrate the importance of perceived organizational morality and organizational involvement in CSR-activities for employee commitment and satisfaction, they also remind us that there is no ‘quick fix’ in that any type of CSR-involvement is likely to benefit the organization regardless of its goals or current concerns. If the goal of the organization is to engage local politicians, or to improve its image towards customers, different types of CSR-activities may be required. The present research is useful in this respect, as it helps understand some of the effects of organizational CSR-activities, why it has these effects, and whom this is most likely to impact on. Thus, the present research advances our understanding not only of theoretical issues but also of more practical problems relating to organizational morality.

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