Q&A

Does CSR improve employees’ perception of their workplace?

REFERENCES


In times of fierce competition for skilled labor, it has become increasingly difficult for corporations to attract, motivate and retain qualified employees. Organization researchers concur that CSR can give a company a crucial edge in this “war for talent.”

The prerequisite, however, is that it is done adequately: Employees need to be convinced that their organization is serious about CSR.

What are the benefits of CSR on work behavior?

While plenty of studies examined the impact of CSR on external stakeholders’ perceptions, comparatively little research has been devoted to employees’ attitudes towards CSR. That being said, researchers’ overall tenor about the impact of CSR on employees’ work behavior is positive: Generally speaking, it appears that employees value their organization’s engagement in CSR. According to a large-scale academic survey conducted at a major consumer-goods company in 2008, 90% of the employees agreed that is important that their company is engaged in CSR.1

A more recent survey carried out by the HEC S&O Center shows that 59% of managers in French companies consider CSR to be an important factor for employee motivation. This manifests through what researchers call “favorable employee outcomes”, such as enhanced job satisfaction, higher work commitment, more creative work involvement, and increased retention rates.

Several studies find a positive correlation between employees’ perception of their employer’s CSR performance, and the displayed commitment to their organization, which notably manifests in a higher willingness to voluntarily participate in organizational life (so-called “organizational citizenship behavior”).

What are the underlying mechanisms?

Extant research suggests that the positive effects of CSR on employees’ working morale are due to the fact that CSR can foster what researchers call “organizational identification”, i.e. help people identify with the organization they are working for. In fact, research has shown that organizational identification is strongly correlated with the perceived CSR performance of the firm in question, increasing on average by 32% for each additional point in terms of perceived corporate social responsibility on a 4 point Likert-scale.3

Three mechanisms are worth being emphasized in this context:

• CSR can help employees find a purpose in their professional occupation, by facilitating the reconciliation between personal values and their professional roles. In this sense, CSR appears as a possible organizational means for responding to “Millennials” aspiration for more meaningful and fulfilling work.

• Besides, CSR can serve as a “reputational shield”, i.e. help employees respond to external criticism about their company.

• More incidentally, CSR initiatives can also help employees connect with their colleagues from other departments and geographies, and thereby contribute to fostering a sense of belonging to the wider corporation and to society as a whole.

What’s the catch?

Overall, researchers concur that a firms’ engagement in CSR is, generally speaking, beneficial to the motivation of their employees. However, a closer look reveals that attitudes can vary considerably from one initiative to another.

A few studies suggest that CSR can also be ineffective, if not even counterproductive, in raising employee motivation. Hence, the question is not so much whether CSR enhances motivation at work, but when, and under what conditions.

Pursuing this question, recent academic work suggests that a lot depends on whether employees perceive their organization’s engagement in CSR as “substantive”, i.e. as motivated by a genuine desire to help others, or as “symbolic”, i.e. as driven by mere profit-seeking.

To ensure that the former is the case, researchers recommend that:

• Companies make sure that their good intentions become manifest, first and foremost, in the way they manage their own employees. In fact, surveys suggest that people consider fair employee treatment as the litmus test of CSR.

• Companies communicate on their CSR initiatives in a clear and accurate manner.

• Companies enable their employees to get themselves involved in CSR activities.