Corporate Social Performance and Employees: Construed Perceptions, Attributions and Behavioral Outcomes

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ABSTRACT

One of the greatest knowledge gaps in the extant Corporate Social Responsibility (CSR) literature appears to be related to issues addressing how employees assess and respond to CSR programs. Against this background, this study draws upon attribution theory to examine how employee skepticism towards CSR initiatives relates to Corporate Social Performance (CSP) perceptions and consequently to important work outcomes. Moreover, we integrate social identity and perceived external prestige perspectives to examine whether CSR-induced attributions are related to construed customer CSR-induced attributions. Finally, we investigate whether construed customer CSP perceptions moderate the CSP perceptions-work outcomes linkage. Based on a sample of 438 employees, we find that (a) employees’ CSP perceptions are related to their CSR-induced attributions, which are, in turn, related to construed customer CSR-induced attributions; (b) employees’ CSP perceptions are linked to affective organizational commitment and this relationship gets stronger with higher levels of construed customer CSP perceptions; and (c) CSP perceptions relate to work outcomes – at least partially – though affective organizational commitment.

Keywords: Affective Organizational Commitment, Attributions, Construed Perceptions, Corporate Social Performance, Corporate Social Responsibility, Employees
INTRODUCTION

Companies are increasingly engaging in activities that have traditionally been considered as governmental (Windsor, 2006). In the face of a globally expanding economy, some authors further suggest a political Corporate Social Responsibility (CSR) perspective – that is, an “...extended model of governance with business firms contributing to global regulation and providing public goods” (Scherer and Palazzo, 2011, p. 901).

Given these recent discussions on the role of business in society, companies are upping their CSR commitments in an effort to strengthen their Corporate Social Performance (CSP)\(^1\) and eventually the perceptions about their brand and reputation among stakeholders (Godfrey, 2005; Kiron, Kruschwitz, Haanaes, and Velken, 2012). Although the debate over whether engaging in CSR activities pays-off is still present in the academic literature (e.g., Luo and Bhattacharya, 2009), a number of meta-analyses provides strong evidence that the relationship of CSP with financial performance is positive (Margolis, Elfenbein, and Walsh, 2007; Orlitzky, Schmidt, and Rynes, 2003). Therefore, companies seem to be more interested in finding out how they should implement CSR activities rather than whether to embrace CSR or not (Kiron, et al., 2012).

One particularly interesting issue about CSR implementation is concerned with examining the relationship between CSR activities and employees' reactions to and perceptions of CSR initiatives. This is so because employees constitute a prominent internal stakeholder group that has, however, received limited research attention (Gond, El Akremi, Igalens, and Swaen 2010; Lockett, Moon, and Visser 2006). In fact, one of the greatest knowledge gaps in the extant literature appears to be related to issues addressing the underlying mechanisms linking CSR with employee outcomes (Aguinis and Glavas, forthcoming). This is disconcerting in light of emerging findings suggesting that CSR initiatives may relate to key employee attitudes and work outcomes (Albinger and Freeman
2000; Brammer, Millington, and Rayton, 2007; Jones, 2010; Lin, Chen, Chiu, and Lee, 2011; Peterson, 2004; Rupp, Ganapathi, Aguilera, and Williams, 2006; Turban and Greening, 1997; Turker, 2009). Against this background, this article aims at extending the employee-related CSR literature in several important ways.

First, we draw on attribution theory (Kelley, 1973; Martinko, 2004) to test a model of how employees’ subjective interpretations of CSR-induced motives and subsequent CSP perceptions associate with employees’ feelings and work outcomes. To the best of our knowledge, prior studies have paid less attention in examining the role of attributional inferences in how employees assess and respond to CSR initiatives. Attribution theory appears to be a particularly useful lens for examining how employees respond to CSR initiatives for at least three reasons. First, individuals are more likely to care less about what others do than why they do it (Gilbert and Malone, 1995). As Cicero tells us “the causes of events always interest us more than the events themselves” (cited in Kelley, 1973, p. 127). Second, there is a pervasive suspicion in individuals’ inferences about the true motives underlying companies' engagement in CSR initiatives (Hillenbrand, Money, and Ghobadian, forthcoming; Lange and Washburn, 2012). American Express, for instance, was alleged for spending three times more on advertising the Statue of Liberty campaign than what the campaign actually generated for the cause (Berglind and Nakata, 2005). The management of stakeholder skepticism or suspiciousness is therefore becoming a key challenge in CSR implementation (Du, Bhattacharya, and Sen, 2010). Finally, CSR-induced attributions may act as antecedents of employee CSP perceptions (Du et al., 2010), which may, in turn, relate to key work outcomes. To realize the benefits of CSR in an employee context, however, evidence is needed that can help managers enhance employee CSP perceptions through specific initiatives.

Second, we extend current research by drawing upon the perceived external prestige
literature (Carmeli, Gilat, and Waldman, 2007; Dutton, Dukerich, and Harquail, 1994). Though organizational researchers have acknowledged the important effects that construed image can have on employees (e.g., Carmeli et al., 2007; Dutton et al., 1994), little is known about how employees’ readings of organizational outsiders’ CSP perceptions influence their own perceptions about CSP. Social identity theory informs us that employees can use organizational membership (and the consequent symbolisms this membership entails) for helping them maintain and enhance their inner and social selves (Carmeli et al., 2007; Hogg and Terry, 2000). It is therefore important to incorporate construal interpretations into CSR models; these construal interpretations refer to employees’ perceptions of outgroups' CSP perceptions, given that these outgroups and their beliefs constitute important impression management targets. Our focus here is on customers who constitute an important external stakeholder group for the survival of any organization and, as such, it is likely that employees will form cognitive structures (i.e., perceptions) regarding what this group thinks about the firm's social actions.

Finally, given the lack of understanding of the processes and underlying mechanisms linking CSR actions and policies to particular outcomes (Aguinis and Glavas, forthcoming), our focus here is to examine the mediating role of affective organizational commitment in the relationship between CSP perceptions and employee work outcomes. Though prior studies have advanced knowledge by studying the role of identification variables in these processes (e.g., Jones 2010), affective commitment presents a promising – yet less explored –route for examining such underlying mechanisms (de Gilder, Schuyt, and Breedijk, 2005; Kim, Lee, Lee, and Kim, 2010; Turker, 2009).

The study is organized as follows. We first present a brief overview of the extant employee-related CSR literature and delineate the theoretical foundations of our hypothesized framework. Next, we develop a number of hypotheses which are tested by using data from
three multinational companies and by means of multilevel modeling. Finally, we discuss the implications of our study for both theory and practice.

**CONCEPTUAL BACKGROUND AND HYPOTHESES DEVELOPMENT**

**Background Literature and Hypothesized Framework**

As previously mentioned, we bring together perspectives from attributional, perceived external prestige, and social identity theories to extend the current employee-relevant research stream. This theorization is informed by the findings of a recent literature review presented in Gond et al. (2010) regarding CSR’s influence on employees’ attitudes and work outcomes. To expand upon this literature review and guide our theoretical analysis, we uncovered additional articles, which are relevant to our research and which have not been reviewed by Gond et al. (2010). Table I summarizes the main findings of our literature review.

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Based on the literature review conducted by Gond et al. (2010) as well as the additional studies detailed in Table I, we develop a conceptual model that delineates the antecedents and work outcomes of employee CSP perceptions (Figure 1). In particular, the model allows for testing the (a) relationships between employees’ readings of customers’ CSR-induced attributions and employees’ own CSR-induced attributions; (b) relationships between employees’ CSR-induced attributions and their perceptions of CSP; (c) relationships between CSP perceptions and work outcomes; (d) moderating role of construed customer CSP perceptions in the CSP perceptions – affective organizational commitment linkage; (e)
mediating role of affective organizational commitment in the link between CSP perceptions and work outcomes.

Affective commitment, an attitudinal construct, is included in our model on the basis of (a) recent meta-analytical evidence suggesting that the construct plays a key role in efforts to understand and manage employee behavior (Meyer, Stanley, Herscovitch, and Topolnytsky, 2002); (b) its conceptual fitness with the nomological network relationships examined here – that is, perceptions relate to affective attitudes, which, in turn, relate to behavioral intentions or actual behaviors (Harrison, Newman, and Roth, 2006); and (c) our literature review (Table I) which shows that affective commitment appears to be a promising construct for examining the underlying mechanisms linking CSP perceptions and work outcomes (e.g., Aguinis and Glavas, forthcoming; de Gilder et al., 2005).

With regard to the work outcomes, our focus is on one actual behavior (i.e., employee advocacy) and two behavioral intentions (i.e., intentions to stay and firm loyalty). Similar work outcomes – like OCB-loyalty and turnover intentions – have been studied in prior studies examining how employees respond to their company's volunteerism program (e.g., Jones, 2010). Employee advocacy, which can be viewed as a type of organizational citizenship or prosocial behavior, refers to behaviors in which employees engage in order to promote and spread goodwill about the organization, its image, and its products to outsiders such as friends, family, potential employees or to the public in general, and which go beyond the formal requirements of the job (Brief and Motowidlo, 1986; Dawkins, 2004; Mathieu and Zajac, 1990; Podsakoff, MacKenzie, Paine, and Bachrach, 2000). Intentions to stay refer to an employee’s tendency to continue working for the organization in the future (Lam and
Schaubroeck, 2000); importantly, this behavioral tendency does not reflect ‘true’ loyal behavior since the probability of staying with the organization may be influenced by the employee’s array of job alternatives – that is, in the absence of job opportunities, an employee might indicate a high probability to stay, even if s/he does not feel loyal to the organization. Finally, firm loyalty refers to an employee’s overall behavioral intention to choose to work again for the same organization. This dimension of employee loyalty draws upon consumer loyalty theory whereby loyalty is indicated by the consumer’s intention to repurchase from the same organization despite situational influences (Zeithaml, Berry, and Parasuraman, 1986). Accordingly, an employee’s loyalty to a firm indicates the behavioral intention to repeat her/his employment ‘choice’ when alternatives become available in the job market (Van Dyne, Graham, Dienesch, 1994) and is thus conceptually different from attitudinal loyalty. In sum, the work outcomes examined in the present study grasp unique and important aspects of employee intentions and actual behaviors in organizations and are in accord with prior theoretical work showing that employees respond to changes in their work environment by exiting, voicing concerns, or displaying loyal behaviors (Hirschman, 1970).

**Theoretical Foundations**

One key feature of our framework is the linkage between CSR-induced attributions and employees' CSP perceptions. In a CSR context, an attribution refers to an observer's "...belief that a firm has the quality of social responsibility" (Lange and Washburn, 2012, p. 302). Attribution theory views individuals as "intuitive psychologists" and is concerned with how individuals subjectively interpret events as well as how these interpretations drive cognitions, emotions, and subsequent behaviors (Lange and Washburn, 2012; Martinko, Harvey, and Dashborough, 2011). Subjective interpretation of a firm's actions is of particular interest in the CSR domain since several stakeholder groups may accuse companies of cause exploitation or greenwashing – that is, the act of misleading individuals regarding the
environmental practices of a company (Laufer, 2003). Whereas more and more companies communicate their ethical practices claiming an intense interest and care for social and environmental issues, several socially irresponsible corporate behaviors insist on hitting the news. This conflicting information, surrounded by an increasingly cluttered CSR communication environment, creates confusion to individuals who try to discern true responsibility from irresponsible firms (Lange and Washburn, 2012). As a consequence, stakeholders' perceptions about a firm's CSP may be affected by such attributions. Attributional inferences are well suited to being evoked in such controversial, suspicion-laden contexts, therefore justifying the use of attribution theory in our study (Fein, 1996). Further justification for the appropriateness of attribution theory in examining how employees assess and respond to CSR can be found in the persuasion knowledge theory (Friestad and Wright, 1994), which posits that individuals use attributional thinking (i.e., they question companies’ CSR-induced motives) in order to elicit persuasion knowledge which in turn helps them better cope with (CSR-related) persuasion attempts (Groza, Pronschinske, and Walker, 2011). Accordingly, we include employees' CSR-induced attributions as a promising construct anteceding employees' CSP perceptions.

A second core tenet of our model is that employees construct subjective beliefs regarding what important others think about their organization. This view draws on the notion of perceived external prestige, which refers to a member's view of the outsider's beliefs (Dutton et al., 1994). Though construed beliefs may or may not match what outsiders really believe about the firm, the net result is that these beliefs may have important ramifications for what employees think of the organization (Dutton et al., 1994) or the level of their identification with the organization (Carmeli et al., 2007). As previously stated, here we focus on what employees believe customers think about the firm's CSR actions. Based on social identity theory (Ashforth and Mael, 1989), we expect that employees' readings of
customers' beliefs may relate to the attributions that employees attach to their firm's CSR actions and hence to their CSP perceptions. This is because employees construe the identity of the organization – with which they will tend to identify – in part based on their evaluations of outsiders' beliefs about the organizational actions (Dutton et al., 1994). Following this logic, we propose that construed customer CSR-induced attributions are related to employees' own CSR-induced attributions; also, we propose that construed customer CSP perceptions will interact with employees' CSP perceptions to positively relate to affective commitment.

We next turn to the development of the hypotheses that describe our proposed model.

**Hypotheses Development**

*CSR-induced Attributions and CSP Perceptions*

Here we propose that CSR-induced attributions will be associated with employees’ evaluations of their company’s social performance (i.e., CSP perceptions). Specifically, corporate motives underlying CSR initiatives have been discussed as a major concept explaining stakeholders’ reactions to CSR (Godfrey, 2005; Du, Bhattacharya, and Sen, 2011). The literature distinguishes between two basic types of CSR-induced motives: extrinsic and intrinsic. According to Du, Bhattacharya, and Sen (2007, p. 226), “...extrinsic or self-interested motives have the ultimate goal of increasing the brand's own welfare, whereas intrinsic or selfless motives have the ultimate goal of doing good and/or fulfilling one's obligations to society”. A recent study provides empirical evidence for the association of customer-facing employees’ CSR-induced attributions with organizational trust (Vlachos, Theotokis, and Panagopoulos, 2010). Similarly, Du et al. (2011) find that consumers' direct participation in CSR programs, though not decreasing extrinsic attributions, seems to increase intrinsic attributions.

First, we expect employees to be more likely to accept intrinsic attributions, since these types of CSR-induced motives signal an organizational character that is caring and
benevolent. Such motives can even satisfy employees’ need for meaningful existence (Rupp et al., 2006). Correspondence theory provides theoretical support for these relationships (Jones and Davis, 1965). In particular, CSR-induced intrinsic motives are correspondent attributions, representing the true feelings and dispositions of the organization involved in moral issues, and are viewed positively. Second, we expect CSR-induced extrinsic motives that relate to typical business performance goals to be viewed either positively or unresponsively from employees. On the one hand, if employees view CSR as just another promotional activity, their CSP perceptions are likely to remain unchanged. On the other hand, besides benefiting a social cause, extrinsic CSR-induced motives also aim at benefit the attainment of business goals. These types of motives may signal to employees that their employer is a market-oriented organization, still in the business of making profits, and not only in the business of bringing about social change. Since employees are organizational insiders, their job security or prosperity heavily depends upon the competitive success of their employing organization (Vlachos et al., 2010). Based on this discussion, we predict:

**Hypothesis 1a:** Employee CSR-induced intrinsic attributions are positively related to employee CSP perceptions.

**Hypothesis 1b:** Employee CSR-induced extrinsic attributions are either positively related or not related at all to employee CSP perceptions.

*Construed Customer CSR-induced Attributions and CSR-induced Attributions*

Construed customer CSR-induced attributions are defined as mental associations that employees believe customers – who reside outside the organization – hold about the motives underlying a CSR action. The meaning of this construct can be captured by the following question (Brown, Dacin, Pratt, and Whetten, 2006): “What does the organization believe others think of the motives underlying an organization’s engagement in social issues? (p.
102)”. It should be noted that: (a) construed CSR-induced attributions may differ from what outsiders really think of a firm’s motivations underlying social activities and (b) that construed CSR-induced attributions may also differ from employees’ own CSR-induced attributions.

Prior studies provide evidence that employees’ beliefs about how outsiders view the organization can shape employees’ own perceptions. In particular, Larson et al. (2008) find that boundary spanners’ beliefs regarding customers’ perceptions of a cause promotion positively influence their cognitive identification towards the organization for which they work. Similarly, Herrbach, Mignonac, and Gatignon (2004) find that construed external image (or ‘perceived external prestige’) influences employee organizational commitment, job satisfaction, and intentions to quit. According to Dutton et al. (1994), construed external image is important for employees’ self-esteem, since it relates to how society thinks of them because of their association with the organization. Brown et al. (2006) discuss the impact of outsiders’ beliefs on how insiders’ view and respond to the organization; the authors point out the need for more research on the impact of outsiders’ perceptions on employees. In keeping with these previous studies, we expect construed customer CSR-induced attributions to be positively related to corresponding employees’ CSR-induced attributions. In particular, we posit that employees’ CSR-induced intrinsic (extrinsic) attributions will be strengthened when employees think that customers also attribute the organization’s social activities to intrinsic (extrinsic) motives. This expectation is consistent with both the sensemaking and constructionist approaches in organizational theory “…which describes organizations as acting not within a “real” environment but a perceived environment and behaving not as “real” organizations but as self-perceived organizations” (Basu and Palazzo, 2008, p.123). Accordingly, we set forth the following hypotheses:
**Hypothesis 2a:** Employee construed customer CSR-induced intrinsic attributions are positively related to employee CSR-induced intrinsic attributions.

**Hypothesis 2b:** Employee construed customer CSR-induced extrinsic attributions are positively related to employee CSR-induced extrinsic attributions.

**CSP Perceptions and Affective Organizational Commitment**

We expect that favorable CSP perceptions will positively influence employee affective organizational commitment, which refers to “…an emotional attachment to, identification with, and involvement in the organization” (Allen and Meyer, 1990, p. 1). To theoretically support our predictions, we build on social identity theory (e.g., Ashforth and Mael, 1989) as well as research regarding how individuals develop “affectionate” ties in commercial relationships (e.g., Park, Macinnis, and Priester, 2007).

According to social identity theory, people tend to classify themselves into social categories and groups because they are motivated by their need to establish and enhance their self-concept (Ashforth and Mael, 1989; Hogg and Terry, 2000). Therefore, individuals use membership to social groupings – including their employing organization – as a means to define themselves. Based on these propositions, social identity theory predicts that individuals will try to associate themselves with social organizations (e.g., employing firms) characterized by attractive attributes and positive reputation (e.g., Hogg and Terry, 2000). According to Turban and Greening (1997), CSR actions may function as organizational attributes capable of influencing an organization’s attractiveness as an employer. Firms investing in CSR are sending signals to their employees that they care about social issues and a sustainable working environment. Therefore, employees who are in the process of managing their self-concept are more likely to form emotional bonds with firms presenting
themselves as socially conscious, since this is likely a desirable characteristic that may be included in their inner and social self-image (Kim et al., 2010).

Research on how people develop attachments to firms, brands, and possessions also supports our prediction. Individuals develop attachments to firms to which they can rely upon to fulfill their needs of gratifying the self, enabling the self, and enriching the self (Park et al., 2007). First, CSR actions, namely “do-good” actions, are capable of gratifying the self since they are likely to generate mood-altering processes (e.g., Harbaugh, Mayr, and Burghart, 2007). Second, heightened CSR actions can enable the employee’s self, since companies engaging in CSR actions are in a position to indirectly help and facilitate employees to behaviorally manifest their intentions to be good citizens. Finally, organizational actions with a moral content (i.e., CSR actions) have the potential to help self-enrichment, since working for a responsible company may help employees enhance their self-image and satisfy self-expressive or meaningful existence needs (Rupp et al., 2006).

Besides theoretical arguments supporting the positive influence of CSR on affective commitment, there are also several studies in the growing employee-related CSR literature providing empirical evidence in favor of a positive relationship between CSR and employee-company attachment (see Table I). For example, Carmeli (2005) finds that perceived external prestige positively relates to employees’ affective commitment to their organization. Brammer et al., (2007) find a positive relationship between employee CSP perceptions and organizational commitment. Carmeli et al. (2007) find perceived social responsibility to be positively associated with organizational identification; interestingly, the authors find that perceived CSP has a stronger relationship with organizational identification compared to perceived economic performance. More recently, Kim et al. (2010), demonstrate that CSR is likely to be positively related to employee-company identification, which, in turn, positively relates to organizational commitment. Based on the previous discussion, we therefore predict:
**Hypothesis 3:** Employee CSP perceptions are positively related to employee affective organizational commitment.

**The Moderating Role of Construed Customer CSP Perceptions**

Construed customer CSP perceptions refer to employees’ readings of CSP evaluations that customers make about the organization’s social activities (Dutton et al., 1994). Building on the notion of organizations as interpretation systems in organizational theory (Daft and Weick, 1984), our interest lies in examining whether (a) employees’ own CSP perceptions and (b) employees’ perceptions of what customers think about their organization’s CSP interact as they relate to affective organizational commitment. The findings of Fuller, Marler, Hester, Frey, and Relyea (2006), for instance, indicate that the relationship of construed associations with job outcomes may not be universal; rather, the authors find a positive interactive relationship between construed external image and need for self-esteem with organizational identification.

Based on prior studies, we expect the interaction between employees’ CSP perceptions and their construed customer CSP beliefs to be positive. Such directionality suggests that, in the face of unfavorable construed customer CSP beliefs, the association of employees’ own CSP beliefs with affective commitment will be weakened – though not buffered – since employees, as insiders to an organization, have access “….to different information about the organization and apply different values and goals in interpreting this information” (Dutton et al., 1994, p. 249). Therefore, in the process of being affectively committed to the organization by favorable CSP perceptions, employees will build primarily on their own CSP beliefs and to a lesser extent on their readings of organizational outsiders’ CSP beliefs. Similarly, we expect that, in the face of favorable construed customer CSP beliefs, the relationship of employees’ own CSP beliefs with affective commitment will be strengthened; this is because the alignment between customers and employees perceptions
will lead employees to experience consonance, which will amplify the positive association between their own CSP beliefs and their affective commitment. Therefore we predict:

**Hypothesis 4:** Construed customer CSP perceptions will positively moderate the relationship between employees' CSP perceptions and affective organizational commitment.

**CSP Perceptions and Work Outcomes**

As mentioned previously, we focus on three employee work outcomes: (a) employee advocacy, (b) intentions to stay, and (c) firm loyalty. Building on social identity theory, one might posit a direct positive association between CSP perceptions and work outcomes, besides the indirect relationships through affective organizational commitment (to be discussed subsequently). In particular, employees capitalize on the firm’s organizational identity in order to establish, maintain, and enhance their own identity (Dutton et al., 1994). Therefore, if a firm’s CSP is a distinctive, central, and enduring organizational-level attribute, which helps employees generate personal self-image – related refunds from an attractive perceived organizational identity (e.g., heightened social prestige), employees may be more motivated to support the organization by expressing not only positive attitudes (i.e., through affective commitment) but also positive behavioral intentions (i.e., firm loyalty and intentions to stay) and actual behaviors (employee advocacy). As shown in Table I, recent empirical studies provide support for these predictions (e.g., de Gilder et al., 2005; Lin 2010). For example, Jones (2010) finds that employees' attitudes towards a corporate volunteerism program are positively related – through organizational identification – to several work outcomes such as intent to stay, OCB-loyalty, organizational citizenship behaviors towards co-workers and the organization, and in-role performance. Similarly, Lin, Lyau, Tsai, Chen, and Chiu (2010), find a positive influence of corporate citizenship on several organizational
citizenship behaviors. Based on the previous discussion, the following hypotheses are proposed:

**Hypothesis 5:** Employee CSP perceptions are positively related to (a) employee advocacy, (b) intentions to stay with the organization, and (c) loyalty to the organization.

Affective Organizational Commitment and Work Outcomes

There is extensive documentation in the literature supporting a strong and consistent positive association of affective organizational commitment with work outcomes such as stay intentions, organizational citizenship behaviors, and involvement in organizational actions (Mathieu and Zajac, 1990; Meyer et al., 2002; Rhoades, Eisenberger, and Armeli, 2001). The rationale for linking affective commitment to work outcomes lies in the heart of the conceptual domain of the construct whereby committed individuals believe in and accept the organizational values and goals, and are willing to exert considerable effort on behalf of the organization (Harrison et al., 2006). As such, affectively committed individuals will be prone to engage in behaviors that are directed toward the organization as the intended beneficiary (Brief and Motowidlo, 1986). Examples of such intentions or behaviors might include talking positively about the organization to third parties or a willingness to continue working for the organization. Also, in the context of the organizational identification literature, Dutton et al. (1994) suggest that the congruence between an employee’s self-definition and the organization’s definition (i.e., a determinant of affective commitment) will make employees exhibit behaviors directed toward preserving and improving organizational proceeds (e.g., socially responsible reputations). Collectively, this discussion leads to the following hypotheses:
Hypothesis 6: Employee affective organizational commitment is positively related to (a) employee advocacy, (b) intentions to stay with the organization, and (c) loyalty to the organization.

The Mediating Role of Affective Organizational Commitment

There is empirical evidence in the management literature supporting the mediating role of affective commitment in the managerial activities-employee outcomes link (e.g., Meyer et al., 2002; Gardner, Wright, and Moynihan, 2011). Carmeli (2005), for instance, finds employees’ affective organizational commitment to mediate the relationship between perceived external social prestige and citizenship behavior. In linking this evidence with our direct-effects hypotheses (H3, H5 and H6) we expect a mediating role of affective commitment in the relationship between CSP perceptions and work outcomes. Perspectives from two theoretical frameworks provide theoretical support for this prediction.

First, according to attribution theory (Lange and Washburn, 2012), the link between causal inferences and behaviors is mediated by emotional reactions. Specifically, a trigger event (i.e., CSR initiatives) initiates the attribution process (e.g., CSR-induced attributions) and the resulting perceptions about a firm’s social performance (i.e., CSP perceptions) lead to emotional reactions (i.e., affective commitment). A second theoretical justification can be based on Bagozzi’s (1992) appraisal-emotional response-coping attitudinal framework. In this vein, we introduce affective commitment as a self-regulatory sub-process (Bagozzi 1992) in order to more completely explain the mechanisms that link CSP perceptions to work outcomes.

Hypothesis 7: Affective organizational commitment will mediate the relationship between CSP perceptions and (a) employee advocacy, (b) intentions to stay with the organization, and (c) loyalty to the organization.
METHODS

Research Setting, Sample, and Data Collection

We tested our hypotheses in 47 organizational units comprising 438 employees from three world leading manufacturing firms that have engaged in CSR initiatives over the past few years. Senior executives contacted employees to request their voluntary participation and to assure them of confidentiality. Employees then completed paper-and-pencil surveys on predefined dates during work hours. Questionnaires were distributed to 719 employees, in total. We received 506 employee responses (a response rate of 70%) of which 68 were discarded due to missing values. On average, 76% of employees in each unit responded by providing a completed survey. Evidence alleviating non-response bias concerns comes from the high response rates as well as from discussions with management revealing that the profile of the respondents is representative of companies’ workforces in all respects (job experience, dyadic tenure, and company tenure). Specifically, the mean group size was 15.09 employees; the mean employee job experience was 7.59 years; and the mean employee tenure with the company and current supervisor were 7.94 and 4.44 years, respectively. The functional areas represented were sales/marketing (38.3%), production (17%), finance (12.8%), supply chain management/logistics (12.8%), information technology (4.3%), human resources (4.3%), business development (4.3%), engineering (2.1%), R&D (2.1%), and other (2%).

Measures

Construct operationalization was based on measures taken or adapted from previous research and assessed by seven-point Likert-type scales (see Appendix A). In order to respond to CSR-related items, respondents were exposed to a text (provided by company management) describing in detail the CSR initiatives of each of the three companies (see Appendix B). This
was deemed necessary, given prior evidence of low CSR awareness among stakeholder
groups (Du et al., 2010).

Covariates

Two covariates were controlled to prevent potential confounding at the individual level: company tenure and job satisfaction. Previous studies (e.g., Mathieu and Zajac, 1990) have identified these variables as being related to employees’ attitudes and behaviors. Furthermore, building on the tenets of prior studies (e.g., Singh, 1998) which suggest that boundary spanning employees may exhibit different behavioral patterns compared to non-boundary spanning employees, we account for any possible associations with unit type; specifically, we distinguish between customer-facing (e.g., sales, marketing, and customer service) and non-customer facing units (e.g., production, information technology) in our analyses. Finally, because we collected data from multiple organizations, we used dummy variables to control for any company effects (Katz-Navon, Naveh, and Stern, 2005).

ANALYSIS and RESULTS

Measurement Analysis

Reliability and validity of study measures were assessed by means of a covariance-based confirmatory factor analysis (CFA). The overall fit of the measurement model was good: standardized root mean square residual (SRMR) = .05; root mean square error of approximation (RMSEA) = .08; comparative fit index (CFI) = .96; non-normed fit index (NNFI) = .96; and normed fit index (NFI) = .97. In addition, all indicators loaded significantly on their hypothesized latent construct (see Appendix A), which demonstrates convergent validity. Table II reveals that the average variance extracted (AVE) for each of the measures is greater than the shared variance between any pair of measures, thereby satisfying the criterion of discriminant validity (Fornell and Larcker, 1981). Finally, the
constructs’ composite reliabilities (CRs) indicate that each exceeded the reliability threshold of .70 (Fornell and Larcker, 1981).

Common Method Variance Assessment

To alleviate concerns about common method variance (CMV), we employed four statistical procedures. First, we employed a Harman’s one-factor test. Specifically, a principal components factor analysis containing all indicators was conducted. The results of this analysis provide evidence that the 10 factors collectively account for 81% of the total variance, while the first factor did not account for the majority of the variance. This result suggests that CMV does not appear to be a problem in the study. Second, we used a CFA approach to Harman’s one-factor test to assess whether a single latent factor accounts for all manifest variables (Podsakoff, MacKenzie, Lee, and Podsakoff, 2003). The one-factor model yielded a $\chi^2$ of 5070.31 (d.f. = 405) compared with a $\chi^2$ of 1452.02 (d.f. = 360) for the ten-factor measurement model in which manifest variables were assigned to load onto their theoretical constructs. The fit is considerably worse for the unidimensional model than for the measurement model ($\Delta\chi^2 = 3618.29; \Delta$d.f. = 45; $p < .001$) suggesting that CMV is not a serious threat in the study. Third, we employed the marker variable approach (Lindell and Whitney, 2001) to further explore the potential of common method bias in our data. We used job experience (in months) as the marker variable, since it was theoretically unrelated to all dependent variables. In our study, job experience has a non-significant correlation of .025 with CSP extrinsic attributions; we used this correlation estimate as an indication of method variance (Lindell and Whitney, 2001). The results of this analysis are reported in Table III.
Table III shows that the correlations among constructs hypothesized to have a significant relationship remain significant after we partial out the effects of common method bias. A 95% sensitivity analysis was also carried out to strengthen the validity of our analysis. As shown in Table III, all correlations remain significant after employing sensitivity analysis. Finally, we employed the unmeasured latent method factor (UMLMF) technique (Podsakoff et al., 2003). In particular, we firstly partitioned the variance in our measures to trait, method, and random error variance by running two CFA models: one with both the traits and a method factor and one with traits only (Williams, Cote, and Buckley, 1989). Though the fit of the model including the UMLMF improved (\( \chi^2 = 1,232.86; p < .001 \)) – as it is usual in this type of analysis (e.g., Carlson and Kacmar, 2000) – the median effect of CMV on items' variances is 19%, which is lower than the median amount of CMV found to be 25% (Williams et al., 1989) across studies. Next, we tested whether the significance of the paths in our model changed as compared to the model including a method factor (Podsakoff et al., 2003); all relationships remained significant after the inclusion of the UMLMF in our model. Taken together, the results of the statistical procedures employed provide adequate evidence that common method bias is not a serious threat to our study.

Hypotheses Testing Results

Given the nested structure of our data, we found it appropriate to use Hierarchical Linear Modeling (HLM) to test the hypothesized model. Specifically, because employee responses were nested within organizational units, we assessed associations with both company and unit type as second level factors in all models. Following Hofmann, Griffin, and Gavin (2000), we group-mean centered Level-1 predictors and grand-mean centered Level-2 variables. To
begin, we assessed whether there is systematic between-group variance in the criterion variables. We estimated a null model in which no predictors were entered at either level. Next, we computed the intraclass correlation \([ICC = \frac{\tau_{00}}{\sigma^2 + \tau_{00}}]\) for each criterion variable (Hofmann et al., 2000, p. 481). The mean ICC across constructs was 13.08%, which suggests that nearly 87% of the variance in our endogenous constructs resides at the individual level, thereby allowing us to proceed with hypotheses testing. Importantly, we see that the Level-2 variables demonstrate significant associations across several models, which suggest that including these effects, explains a significant portion of the between-group variance. To test the hypothesized interaction effect (i.e., H4), we followed the recommendations of Aiken and West (1991) to center the independent variables before creating product terms. The results of HLM analyses are reported in Table IV.

Overall, the empirical results provide strong support for the majority of hypotheses. In particular, we find strong support for H1a, which states that CSR-induced intrinsic attributions are positively related to CSP perceptions \((\gamma = .67, p < .01)\); H1b, which posits a positive or a nonsignificant association of CSR-induced extrinsic attributions with CSP perceptions, is partially supported, since we find a non-significant relationship \((\gamma = .00, p > .10)\). H2a,b posit that construed customer CSR-induced intrinsic (extrinsic) attributions are positively associated with CSR-induced intrinsic (extrinsic) attributions; we found strong support for both relationships \((\gamma = .63, p < .01\) and \(\gamma = .38, p < .01\), respectively). Regarding H3, we found empirical support for the positive association of employees’ CSP perceptions with affective organizational commitment \((\gamma = .47, p < .01)\).
With respect to the moderating effect of construed customer CSP perceptions, we found support for H4, which posited that the relationship between CSP perceptions and affective commitment will be more positive when construed customer CSP perceptions are higher ($\gamma_{interaction} = .14, p < .05$). As shown in Table IV, the addition of the moderator improves the fit index (-2×log-likelihood) of the model by 15.07, which is significant at the .01 level with 1 degree of freedom. As such, the interaction adds explanatory power in the model. To delve deeper into this moderating effect, we plotted a two-way interaction (Aiken and West, 1991). As Figure 2 reveals, the relationship between employees’ CSP perceptions and affective commitment is positive under lower levels of employees’ construed customer CSP perceptions but this positive relationship is amplified under higher levels of employees’ construed customer CSP perceptions. Further, we probed the interaction using Preacher, Curran, and Bauer's (2006) approach which outlines a procedure for calculating confidence intervals (CI) for simple slopes. The results of this procedure suggest that at all designated levels of construed customer CSP perceptions (i.e., high, medium, low) the relationship between CSP perceptions and affective commitment is statistically significant (CI_{Low}: 3.2135, 6.5844; CI_{Medium}: 3.7841, 6.3174; CI_{High}: 4.3546, 6.0503).

Although the significant interaction indicates that the simple slope between employee CSP perceptions and affective commitment differs according to levels of construed customer CSP perceptions, it does not describe how it differs. Therefore, we performed post-hoc probing interaction tests, building on Preacher, Curran, and Bauer (2006). Specifically, we performed simple slope and regions of significance analyses for the significant interaction effect.
Simple slope analyses indicate that for conditional values of construed customer CSP perceptions at 1 standard deviation (SD) above the mean, 1 SD below the mean and, at the mean, the relationship between employee CSP perceptions and affective commitment is positive and significant (see Figure 2). Interestingly, these tests reveal a crossover (disordinal) interaction in that the simple regression lines at differing levels of construed customer CSP perceptions cross. Following Cohen, Cohen, West, and Aiken (2003, p. 288), we algebraically determined the value of CSP perceptions at which the regressions of affective commitment on CSP perceptions cross. Specifically, the crossing point is .42 points below the mean of CSP perceptions – that is, 5.7 points on a seven-point Likert scale, a score that corresponds to moderately favorable CSP perceptions. Interestingly, these results indicate that when CSP perceptions score below 5.7 then it would be better for managers to strive for employee construed customer CSP perceptions around 4 (neutral) rather than higher. When CSP perceptions scores are greater than 5.7 then managers should start investing in achieving higher levels of construed customer CSP perceptions – that is, CSP perceptions around the mean (i.e., 5.7) or even at higher levels (i.e., 6.7) where there are relatively favorable or strongly favorable construed customer CSP perceptions. To put simply, when employees' CSP perceptions are moderately favorable (around the mean- which is what we observe in our dataset) then it would be better (in terms of generating higher affective commitment) that construed customer CSP perceptions are neutral (i.e., employees are rather uncertain of whether customers think the company is socially responsible or not). If CSP perceptions are somewhat more than moderately favorable, managers should strive to cultivate more favorable construed customer CSP perceptions among their employees.

Regions of significance analyses also indicate some interesting results. Figure 3 depicts the regression of affective commitment on CSP perceptions (i.e., the slope) as a function of employee construed customer CSP perceptions, with confidence bands and a
critical value delineating regions of significance for the slope. Specifically, these analyses indicate that the relationship between CSP perceptions and affective commitment becomes non-significant for employees who score below 3.1 on a 7-point scale. Given that the mean for the construed customer CSP perceptions scale was 5.6 with a standard deviation of 1.1. (Table II), these results indicate that as employee construed customer CSP perceptions increase beyond this point, the slope grows stronger. Put another way, the interactive effect of construed customer CSP perceptions on the CSP perceptions-affective commitment linkage begins to operate effectively even at somewhat unfavorable levels. We discuss the practical ramifications of this finding in the 'Managerial Implications' section.

INSERT FIGURE 3 ABOUT HERE

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Regarding the direct relationship of CSP perceptions with work outcomes, we find that CSP perceptions have a statistically significant relationship with employee advocacy (H5a; $\gamma = .27$, $p < .01$), whereas the associations with intentions to stay (H5b; $\gamma = .08$, $p > .10$) and firm loyalty (H5c; $\gamma = .20$, $p > .10$) were not supported. In contrast, the hypothesized associations of affective commitment with employee advocacy (H6a; $\gamma = .28$, $p < .01$), intentions to stay (H6b; $\gamma = .29$, $p < .10$), and firm loyalty (H6c; $\gamma = .53$, $p < .01$) were each supported empirically.

Next, we formally examined the mediation effect presented in H7 using the approach introduced by Zhao, Lynch, and Chen (2010). According to this approach "...the only requirement for mediation is that the indirect effect ($a \times b$) be significant" (p. 205). It should be noted that in order to test the significance of the indirect effect, we use the more rigorous and powerful bootstrap procedure that allows for calculating the confidence intervals (CI) of
the indirect effect rather than just employing the Sobel test (Selig and Preacher, 2008; Zhao et al., 2010).

First, for the linkage between CSP perceptions and employee advocacy, we find a complementary or partial mediation \((\text{CI}_{95\%}: .0467; .230)\) which suggests that the mediator identified is consistent with the hypothesized framework (Zhao et al., 2010) and thus commitment mediates the relationship between CSP perceptions and employee advocacy. Therefore \(H_{7a}\) is supported.

Second, for the linkage between CSP perceptions and intentions to stay, we find a no-effect (non-mediation) \((\text{CI}_{95\%}: -.001; .293)\) which suggests that neither direct nor indirect effects are detected. One should note, however, that the lower bound of the CI is marginally lower than the value of zero, thereby indicating the possibility that the indirect effect might have been statistically significant in another sample. Strictly speaking, however, \(H_{7b}\) is not supported.

Third, for the linkage between CSP perceptions and firm loyalty, we find an indirect-only mediation (full mediation) effect of affective commitment \((\text{CI}_{95\%}: .087; .436)\). Therefore \(H_{7c}\) is supported\(^3\).

Considered together with the moderating role of construed customer CSP perceptions \((H_4)\), the aforementioned indirect associations \((H_{7a-c})\) imply a moderated mediation \((\text{Edwards \\& Lambert, 2007})^4\). It should be noted that, our specification corresponds to a conditional mediated association \((\text{Edwards and Lambert, 2007})^5\). As such, we further tested this possibility by following Selig and Preacher's (2008) bootstrap procedure. Results indicate that the confidence intervals for all nine indirect effects (i.e., three work outcomes × three levels of the moderating variable – that is, high, medium, and low level) included the value of zero. Therefore, the mediated effects for all three outcomes are unconditional – that is, the mediation process is the same regardless of the level of construed customer CSP perceptions.
In conclusion, several facts provide evidence that the estimated effect sizes in our study are practically significant. First, we calculated the pseudo $R^2$ for each estimated model (see Table IV). Pseudo $R^2$ provides an assessment of the percentage of variance that is accounted for by the predictors and for each outcome variable. We next compared the pseudo $R^2$s with suggested "cut-off" values (Ferguson, 2009, p. 533). The pseudo $R^2$s in our study range from 0.11 to 0.66 with an average $R^2$ of 0.42, a finding that suggests that our findings have moderate practically significant effects. Second, to make our results concerning effect sizes comparable to those usually observed in the literature, we estimated our models using ordinary least squares (OLS) regression. Although OLS likely violates the assumption of independence among error terms and produces biased parameter estimates, the $R^2$ obtained is an unbiased assessment of the percentage of variance accounted for by a model (Hofmann, Morgeson, and Gerras 2003, p. 174). The pattern of the resulting $Rs^2$ did not change when we used an OLS approach while the average $R^2$ is .46, thereby suggesting moderate practically significant effects (Ferguson, 2009, p. 533). Third, following Hox (2002, p. 21) we calculated the standardized coefficients in each model shown in Table IV since HLM produces unstandardized only coefficients. Standardized coefficients convert coefficients to standard deviation units thus making effect sizes comparable to effect sizes reported in prior research. We next compared the standardized coefficients with the recommended "cut-off" values of standardized effect sizes (Ferguson, 2009, p. 533). The standardized coefficients in our study range from 0.00 to 0.81 with an average effect size of 0.30, which again demonstrates moderate practically significant effects. As a final check of the practical significance of our study results, we compared the standardized coefficients with those that have been reported in prior studies; again, the effect sizes reported in our study are comparable with those reported in the extant literature (e.g., Turban & Greening, 1997; Turker, 2009; Valentine & Fleischman 2008).
DISCUSSION

Theoretical Implications

Companies are heavily investing in CSR initiatives with the objective to generate positive CSP perceptions among key stakeholder groups as well as favorable market-related outcomes. Despite this intense interest in CSR, however, prior work has primarily focused on the macro (i.e., organizational or institutional) level of analysis, thus paying less attention to the micro (i.e., individual) level of analysis such as employees (Aguinis and Glavas, forthcoming). Based on an extensive systematic review of the CSR literature, Aguinis and Glavas report a dearth of micro-level CSR research stressing the need for more studies examining the microfoundations of CSR – namely, foundations based on individual actions and interactions. As a consequence, the topic of how and through what processes employees assess and respond to CSR has been largely left unexplored (Gond et al., 2010). Building on attribution, perceived external prestige, and social identity theories, we contribute to the emerging employee-related CSR literature in several important ways.

First, building on attribution theory (Kelley, 1973), we examine the idea of employee skepticism towards CSR activities (Lange and Washburn, 2012), through the examination of employees’ perceptions of CSR-induced motives. We find that CSR-induced intrinsic attributions are strongly related to employees’ evaluations of their company’s social performance. In particular, when employees attribute the CSR program to selfless motives (Du et al., 2007), they tend to feel that the company is genuinely concerned with social welfare and thus evaluate its CSP favorably. As such, companies may need to invest in signaling caring and benevolent CSR-induced motivations to their employees. On the other hand, CSR-induced extrinsic attributions (i.e., self-interest motives) were not found to be related to employee evaluations of CSP. One plausible explanation of this finding is that employees in the companies examined associated CSR initiatives more with intrinsic – rather
than extrinsic – motives, a situation that restricted the relationship of extrinsic attributions with CSP perceptions. A second explanation may be that employees view CSR programs as another promotional activity that the organization pursues in order to enhance profits and thus their CSP perceptions levels are unaffected (i.e., a “business as usual” explanation). In any case, this interesting result provides a clear message that increasing positive CSP perceptions calls for communicating the benevolent or values-driven motives underlying such programs rather than further communicating the extrinsic motives that may be attached to such initiatives. Importantly, the results indicate that organizations that design and implement values-driven CSR initiatives may be at a more advantageous position compared to organizations investing in CSR initiatives primarily because of extrinsic-driven motives.

Second, drawing on perceived external prestige (Dutton et al., 2004) and social identity (Ashforth and Mael, 1989) theories, we examine the role of construed customer CSR-induced attributions and construed customer CSP perceptions in explaining how employees form their own attributions and perceptions. We find that employees' CSR-induced intrinsic (extrinsic) attributions are strengthened when employees think that customers also attribute the organization’s social activities to intrinsic (extrinsic) motives. Apparently, employees make mental associations with regard to the motives customers attribute to a company’s CSR activities, and these mental associations (i.e., construed attributions) are related to their own attributions. This may be so because employees exert cognitive effort in indentifying what ‘outsiders’ think of the organization’s actions as a means to enhancing their self-identity and self-esteem – that is, insiders are more attracted to organizations that important external groups consider as successful. However, it should be noted that the positive relationship between construed customer intrinsic attributions and intrinsic attributions is almost twice as large as the relationship between construed customer extrinsic attributions and extrinsic attributions. This latter finding may signal that employees
may place greater importance on values-driven rather than strategic-driven CSR initiatives, since intrinsic, moral-driven evaluations may be communicated more easily by customers. We believe that the conditions under which this transference of perceptions is done constitutes an important mechanism that warrants further examination.

Our third contribution concerns the exploration of affective organizational commitment as an important mechanism for managing employee responses to corporate social actions (de Gilder et al., 2005; Turker, 2009). Specifically, we find that CSP perceptions are positively related to affective commitment. The attractive attributes and positive reputation related to a firm’s CSP makes employees feel emotionally attached to, identify with, and be involved in an organization that cares about societal welfare and, consequently, feel affectively committed to the organization (Allen and Meyer, 1990). In addition, we find that affective commitment relates positively to behaviors enacted by employees in order to promote the organization in public as well as to their behavior tendencies to stay in the organization or to exhibit loyalty behaviors.

Furthermore, in line with prior work in the area (e.g., Brammer et al., 2007; Carmeli, 2005) the findings show that the relationship between CSP perceptions and work outcomes is at least partially mediated by affective commitment. In fact, based on our moderated mediation analysis, we found that mediated effects for all three outcomes are unconditional and do not depend on the level of construed customer CSP perceptions. In particular, we find a partial mediation effect of affective commitment that points out that CSP perceptions have both direct and indirect (through affective commitment) relationships with employee advocacy. Also, affective commitment offers a promising underlying mechanism for explaining the relationship between CSP perceptions and firm loyalty since we find strong evidence for a fully mediated relationship between CSP perceptions and firm loyalty. However, the hypothesis linking CSP perceptions to intentions to stay, either directly or
indirectly, was not confirmed. A plausible explanation for this finding may be that when an employee assesses her/his intention to continue working for the organization, s/he takes other aspects into account rather than relying on perceptions of the organization's CSP. Such aspects may include rational criteria of decision making such as availability of alternative options in the job market or the level of satisfaction with current payment and working conditions, that – though related to affective commitment and thus to intentions to stay – they don't relate to positive CSP perceptions. Taken together, the evidence provided in this study informs practicing managers that CSP perceptions warrant managerial attention in that they might be indirectly related to at least two of the work outcomes examined here. For instance, CSP perceptions are related to employees' tendencies to say positive things about the company to other people, encourage friends and family to buy the company’s products, and influence the job decision of potential candidates by recommending the organization as a ‘good’ employer.

Finally, our findings shed light on the moderating conditions of the relationship between CSP perceptions and affective commitment. In particular, we find that CSP perceptions have stronger (positive) associations with affective organizational commitment when employees’ perceptions of construed customer CSP perceptions are more positive. In other words, when employees perceive that important others – like customers – hold positive perceptions about a company’s CSP, then the positive relationship of their own CSP perceptions with affective commitment is strengthened. Apparently, working for a company that others view as being genuinely concerned for the environment or society enhances individuals’ self-image and emotional attachment felt for the organization. As such, employees’ perceptions of CSP are reinforced and their relationship with affective commitment is strengthened. To the best of our knowledge, such interaction effects have not
been proposed or explored in previous studies and they thus add important insights for both theory and practice.

Further inspection of the interaction between CSP perceptions and construed customer CSP perceptions and its relationship with affective commitment (Figure 2) reveals that a disordinal interaction is present. That is, the direction of the relationship between CSP perceptions and affective commitment was not consistent for the values of construed customer CSP perceptions. In other words, employees with high construed customer CSP perceptions expressed higher levels of affective commitment when their own CSP perceptions were relatively high – that is, greater than the average; on the contrary, employees with low CSP perceptions expressed higher affective commitment when their construed customer CSP perceptions were also low. This finding appears to be consistent with fit theory (Chatman, 1989), in that it is likely that there is a fit between what employees think and what they believe customers think about their firm's CSP; when fit is absent, employees feel that the firm may be communicating different things regarding its CSR activities to external stakeholder groups and as such their commitment is lowered. Given that our theory did not predict this, this finding can only be viewed as an empirical conjecture that should be explored further.

**Managerial Implications**

Our research shows that the management of employee CSP perceptions matters significantly in that it is related with at least two of the work outcomes examined here. In particular, organizations that manage to convey attractive attributes such as caring for the environment or society in their CSR programs, can expect that their employees will also feel affectively committed to the organization, feel loyal to the organization, and engage in extra-role behaviors (i.e., employee advocacy). In an era where companies are striving to win the war for talent or turn employees into company ambassadors (Dawkins, 2004) the findings of the
present study show not only that this is possible, but also that this can be accomplished by activating appropriately designed CSR initiatives. Specifically, our study informs managers that there might be a positive relationship (indirectly through affective commitment) between the CSP perceptions cultivated among employees and their loyalty to the firm as well as their intentions to spread goodwill about the organization. The latter should be of importance since it can help increase company attractiveness in the job or product market. Dawkins (2004), for instance, has shown that a significant number of employees engage in advocacy behaviors by advising someone in their social network (e.g., friends, family) to use products of a socially responsible company. An important ramification of our study is that managers need to acknowledge that the positive associations of CSP perceptions with two of the work outcomes examined here are mainly realized through affective commitment. As such, monitoring and managing feelings of commitment should be pursued each time a CSR program is implemented.

In addition, cultivating a positive social image to external stakeholders (e.g., customers) and communicating that to employees can be used as a powerful human resource management device. With the objective of triggering positive work outcomes, managers need to carefully invest in (a) carefully designing CSR initiatives in ways that will primarily signal intrinsic-motives to stakeholders (e.g., high organization-cause fit), and (b) internally communicating the intrinsic motives underlying social activities in a subtle way – since previous studies have empirically demonstrated that intrinsic CSR motives may suffer from diminishing returns (e.g., Vlachos et al., 2010).

Internal communication vehicles (e.g., newsletters, emails, announcements, corporate events, and web site) all need to work together toward enhancing organizational image as a socially/environmentally responsible company with genuine motives. Also, external communication vehicles can help the organization manage employee-own and construed CSP
perceptions. For example, employees need to be aware of any organizational reports or surveys showing that external stakeholder groups (e.g., customers) hold positive beliefs about organizational CSR activities. Similarly, organizations can share information with employees showing that past advertising campaigns have been effective in communicating to customers the social performance of the organization; doing so might enable the development of positive construed customer perceptions. CSR-related advertising content targeted at external groups (i.e. customers), can not only be creatively adapted to target employees but also be favorably related to their CSR-indused construed perceptions. According to recent studies (e.g., Celsi and Gilly, 2010), ads targeted at customers have also effects on employees and can help organizations favorably shape important employee perceptions and outcomes. These findings further suggest that the human resources and marketing departments of the organization should closely collaborate in order to jointly develop CSR-related communication material that will target both internal and external groups (see Gond, Igalens, Swaen, and El Akremi, 2011).

Managers might use the results reported here to design specific initiatives aiming at improving employees' construed perceptions. In particular, the regions of significance analyses show that the relationship between CSP perceptions and affective commitment can work even at relatively unfavorable construed customer CSP perceptions levels. This is important given that cost-minded managers should start more carefully-and not indiscreetly-investing in managing employees’ construed CSP perceptions. For example, if some simple and low cost initiatives can bring back neutral and/or slightly favorable employee construed CSP perceptions, then managers can consider withholding further investments for increasing construed CSP perceptions. Simply put, even slightly favorable scores on employee construed CSP perception can do the job. This is important given the exponential functional form between investment costs and returns from a given CSR program. Specifically, moving
from low construed customer scores to high scores maybe costly but further moving from high scores to even higher scores may be disproportionately costly.

Finally, our findings provide an empirical basis for increasing socially responsible managers’ and organizations’ confidence in pursuing CSR activities. Based in part on past research (e.g., Carmeli et al., 2007; Jones, 2010) as well as the results reported here, it appears that not only such activities can contribute to society at large, but they also benefit the firm from a human resource management perspective. On the other hand, managers in firms that have not yet engaged in CSR activities may consider doing so. As this could be a double-edged sword – in the sense that managers who engage in these behaviors solely to gain the perceived benefits of such actions may actually spent resources unwisely (given that extrinsic attributions do not seem to relate to CSP perceptions) – we support the idea that the return on investment from CSR initiatives (in the form of heightened feeling of commitment, for instance) will be well worth it, especially if CSR activities are designed, implemented, and communicated primarily on the basis of intrinsic (i.e., values-driven) motives.

Limitations and Future Research Directions

The results of the present study are tempered with certain limitations. First, though we employed several procedural and statistical procedures to minimize the potential for CMV, such biases cannot be ruled out. Consequently, future research studies should gather data from multiple sources or use other variables as a marker variable, especially multi-item Likert-type constructs; such marker variables might capture the full range of potential causes of method variance (e.g., social desirability, positive/negative affectivity etc.) and allow for a more fine-grained analysis of such biases. Second, future studies investigating the influence of CSR activities on employees would do well to consider employing a longitudinal – rather than a cross-sectional – research design which allows for the temporal separation of the predictor and criterion variables. Doing so would minimize the potential for CMV biases and
enable inferences with regard to causality between independent and dependent variables, thus ruling out alternative explanations. However, employing a longitudinal design might be too challenging in a real life organizational setting, in that researchers have either limited ability to surveying employees in multiple periods of time or have not precise knowledge on when the effect of a predictor variable begins or ends. Third, though the work outcomes examined are relevant in the context of our study, future research should also include other work behaviors such as in-role performance or other types of citizenship behaviors (e.g., sportsmanship, civic virtue, etc.). Finally, a fruitful avenue for future research might be to expand theoretical approaches to CSR influences over employees and other stakeholders by considering multilevel processes of influence. One such process of influence that deserves more attention in future studies is how supervisors’ CSP perceptions impact on employees’ reactions to CSR initiatives (Ramus and Steger 2000). For instance, one might envision that supervisors’ CSP perceptions might have a direct (cascading) effect on the formation of employees’ perceptions of CSP, especially when the supervisor possesses certain leadership traits, which facilitate the transference of these perceptions.
NOTES

1 It should be noted that we distinguish CSR from the notion of CSP (see Barnett, 2007). CSR refers to the programs in which a firm engages, whereas CSP refers to stakeholders’ assessments of those programs (Luo and Bhattacharya, 2009). CSP may be described as a summary of the firm’s aggregate social performance at a particular point in time (Muller and Kolk, 2010). On the other hand, CSR refers to actions that appear to further some social good and over time, aggregate into CSP (Barnett, 2007).

2 In addition to the statistical results, it should be noted that at least three realities lessen the possibility of common method biases in our data. First, because we centered all individual-level variables to their group-mean, we avoided several sources of common method variance such as response tendencies. Second, had common method bias been a problem in the study, the pattern of relationships we observed, which included some absences of relationships and an interactive effect, would be less likely to occur. Finally, following Podsakoff et al. (2003, p. 887), we (a) ensured anonymity of responses, (b) counterbalanced the order of the measurement of the predictor and criterion variables in the survey instrument, and (c) used validated, unambiguous, and clearly defined items.

3 Under the causal steps approach in testing mediation effects (Baron and Kenny, 1986) when the independent (i.e., CSP perceptions) is significantly associated with the mediator (i.e., affective commitment) and the mediator is significantly related to the dependent variable (e.g., intentions to stay) then some mediation is always indicated. Specifically, according to Iacobucci, Saldanha, and Deng (2007), when X→M and M→Y are significant but the indirect effect ($a \times b$) is not significant then the researcher is faced with a partial mediation, with statistically comparable sizes for the indirect and direct paths.

4 We thank an anonymous reviewer for this suggestion.
Our moderated mediation specification is analytically equivalent to a mediated moderation. Specifically, when moderated mediation refers to the moderation of the $X\rightarrow M$ path, as it is the case here, moderated mediation and mediated moderation are equivalent from an analytical standpoint (Edwards and Lambert, 2007, p. 7).
REFERENCES


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### TABLE I

Summary of Selected Articles Examining the Influence of CSR on Employees.

<table>
<thead>
<tr>
<th>Authors</th>
<th>Theory</th>
<th>Type</th>
<th>Variables</th>
<th>Sample</th>
<th>Main Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albinger and Freeman (2000)</td>
<td>Signaling, Social Identity</td>
<td>Empirical</td>
<td>CSP; Attractiveness to Job Seekers; Number of Choices</td>
<td>Job Seekers (n=200)</td>
<td>Organizational CSP is positively related to employer attractiveness for job seekers with high levels of job choice but not related for populations with low levels suggesting advantages to firms with high levels of CSP in the ability to attract the most qualified employees.</td>
</tr>
<tr>
<td>Bhattacharya, Sen and Korschun (2008)</td>
<td>Internal Marketing</td>
<td>Empirical</td>
<td>Not Specific</td>
<td>10,000+ Employees</td>
<td>Managers who want to be strategic about CSR's leverage have to understand how their CSR &quot;inputs&quot; translate into employee &quot;outputs&quot; that benefit the company. A framework is provided and insights from managerial interviews offered.</td>
</tr>
<tr>
<td>Brammer and Millington (2008)</td>
<td>Instrumental Stakeholder</td>
<td>Empirical</td>
<td>Firm Size, Industry, Labor Intensity, Resources, Advertising, Profitability, Ratio of charitable donations to sales</td>
<td>Firms (n=537); Secondary Data</td>
<td>Firms with both unusually high and low CSP have higher financial performance than other firms, with unusually poor social performers doing best in the short run and unusually good social performers doing best over longer time horizons.</td>
</tr>
<tr>
<td>Carmeli, Gilat and Waldman (2007)</td>
<td>Social Identity, Stakeholder</td>
<td>Empirical</td>
<td>Perceived Social Responsibility and Development, Perceived Market and Financial Performance, Organizational Identification, Member Adjustment, Job Performance</td>
<td>Employees (n=161)</td>
<td>Two forms of organizational performance (perceived social responsibility and perceived economic performance) are associated with organizational identification. When compared to perceived economic performance, perceived social responsibility had a larger effect on organizational identification.</td>
</tr>
<tr>
<td>de Gilder, Schuyt, and Breedijk (2005)</td>
<td>Not Stated</td>
<td>Empirical</td>
<td>Attitude to the program, Attitude to volunteer work, Social norm, Career importance, Commitment to the organization, Intention to leave, OCB, Attitude to work, Level of Education, Religion, Marital status, Age</td>
<td>Employees (n=274)</td>
<td>Employee volunteers differ from non-volunteers on several socio-demographic characteristics. Further, employee volunteering has positive effects on attitudes and behavior towards the organization (i.e., attitude toward the program, attitude to volunteer work, social norm, attitude to work).</td>
</tr>
<tr>
<td>Grant, Dutton and Rosso (2008)</td>
<td>Attribution, Prosocial Sensemaking, Social Exchange</td>
<td>Empirical</td>
<td>Employee support foundation (ESF) giving behavior, Interpretations of personal ESF contributions as caring, Interpretations of company ESF contributions as caring, Personal prosocial identity, Company prosocial identity, Affective company commitment, Job satisfaction, Anticipation of receiving, ESF support, Past ESF support received, Age, Company tenure, Job level</td>
<td>Managerial Interviews (n=40); Employees (n=249)</td>
<td>Giving strengthens affective organizational commitment through a “prosocial sensemaking” process in which employees interpret personal and company actions and identities as caring.</td>
</tr>
<tr>
<td>Name(s)</td>
<td>Theory, Model, Proposition</td>
<td>Design</td>
<td>Measurements</td>
<td>Methods</td>
<td>Notes</td>
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</tr>
<tr>
<td>Groves and LaRocca (2011)</td>
<td>Managerial Social Learning, Self-Concept, Leadership</td>
<td>Empirical</td>
<td>Transformational and transactional leadership, ethical values</td>
<td>Managerial Interviews (n=122); Employees (n=458)</td>
<td>There is a) a relationship between leaders’ deontological ethical values and perceptions of transformational leadership, and b) a relationship between leaders’ teleological values and perceptions of transactional leadership. Transformational leadership influences followers’ favorable beliefs towards CSR.</td>
</tr>
<tr>
<td>Hansen, Dunford, Boss, and Angermeier (2011)</td>
<td>Organizational Behavior, Corporate Marketing</td>
<td>Empirical</td>
<td>CSR, Trust, Turnover intentions, OCB</td>
<td>Employees (n = 1,116 and n = 2,422)</td>
<td>Employee trust partially mediates the relationship between CSR and employee attitudinal and behavioral outcomes.</td>
</tr>
<tr>
<td>Hillenbrand, Money, and Ghobadian (forthcoming)</td>
<td>Theory of Reasoned Action</td>
<td>Empirical</td>
<td>Self-related CSR Experience, Others-related CSR Experiences, CSR, Trust, Positive Intent towards the Organization</td>
<td>Customers (n=708) and Employees n=359)</td>
<td>Employee experiences of, and beliefs about, CSR of the organization are associated with trust and positive intent towards the organization.</td>
</tr>
<tr>
<td>Jones (2010)</td>
<td>Social Exchange, Organizational Identification</td>
<td>Empirical</td>
<td>Volunteer-program attitudes, Organizational pride, Organizational identification, Intent to Stay, OCBs (3), In-role Performance</td>
<td>Employees (n=162)</td>
<td>Employees’ attitudes towards a corporate volunteering program affect work outcomes (e.g., turnover intentions and OCB-loyalty) through organizational identification. Exchange ideology moderates the effects of volunteer-program attitudes on supervisor reported organizational citizenship behavior, suggesting that some employees reciprocate the benefits they receive from a volunteering program.</td>
</tr>
<tr>
<td>Kim, Lee, Lee, and Kim (2010)</td>
<td>Social Identity, Role, Dissonance-Reducing</td>
<td>Empirical</td>
<td>CSR associations, CSR participation, Employee-Company identification, Commitment, Perceived external prestige</td>
<td>Employees (n=109)</td>
<td>A firm’s CSR initiatives increase employee–company (E-C) identification. E-C identification, in turn, influences employees’ commitment to their company. However, CSR associations do not directly influence employees’ identification with firm, but rather influence their identification through perceived external prestige (PEP).</td>
</tr>
<tr>
<td>Larson, Flaherty, Zablah, Brown, and Wiener (2008)</td>
<td>Normative, Enlightened Self-Interest</td>
<td>Empirical</td>
<td>Constrained customer attitude toward the campaign, Cognitive identification, Selling Confidence, Tenure, Behavioral Performance</td>
<td>Salespeople (n=574)</td>
<td>The influence of a representative’s constrained customer attitude toward the cause campaign on selling behavioral performance is mediated through cognitive identification and selling confidence. Further, the influence of constrained customer attitude toward the campaign on selling confidence is moderated by cognitive identification such that the effects are stronger for salespeople with lower levels of identification with the company.</td>
</tr>
<tr>
<td>Lin, Chen, Chiu, and Lee (2011)</td>
<td>Social Identity</td>
<td>Empirical</td>
<td>Corporate Ability (CA), Negative Publicity (NP), CSR, Trust, Affective Identification, Purchase Intention</td>
<td>Professionals (n=477)</td>
<td>Purchase intention is indirectly affected by perceived CA, NP, and CSR via the mediation of trust and affective identification. At the same time, the influences of perceived MP on trust and affective identification are moderated by perceived CSR.</td>
</tr>
<tr>
<td>Liu and Ko (2011)</td>
<td>Resourced-based</td>
<td>Empirical</td>
<td>Employee voluntary activities, Competitive assets</td>
<td>Managers (n=70)</td>
<td>Employee voluntary activities generate tangible and intangible benefits for both corporations and not-for-profit organizations.</td>
</tr>
<tr>
<td>Muthuri, Matten, Moon (2009)</td>
<td>Social Capital</td>
<td>Empirical</td>
<td>Social Relations, Social Networks, Trust, Norms</td>
<td>Case Study (n=3)</td>
<td>Finds that employee volunteering can generate social capital.</td>
</tr>
<tr>
<td>Peterson (2004)</td>
<td>Social Identity, Organizational Justice</td>
<td>Empirical</td>
<td>Organizational Commitment, Corporate Citizenship, Socially Responsible Attitudes, Business Professionals (n=278)</td>
<td>Business Professionals (n=278)</td>
<td>A relationship exists between perceptions of corporate citizenship and organizational commitment. The relationship between corporate citizenship and organizational commitment was stronger among employees who believe highly in the importance of the social responsibility of businesses. The ethical measure of corporate citizenship was a stronger predictor of organization commitment than the economic, legal, and discretionary measures. Last, the results revealed that the discretionary measure was more strongly associated with organizational commitment among female employees.</td>
</tr>
<tr>
<td>Ramus and Steger (2000)</td>
<td>Not Stated</td>
<td>Empirical</td>
<td>Environmental Policy Supporting Sustainable Actions, Innovation, Competence Building, Communication, Information Dissemination, Rewards and</td>
<td>Employees (n=353)</td>
<td>Identified an empirical relationship between employee willingness to promote self-described environmental initiatives and their perceptions of factors of organizational and supervisory encouragement in leading-edge companies for such initiatives. Employees who perceived strong signals of organizational and supervisory encouragement more likely developed and implemented creative ideas that positively affected the natural environment.</td>
</tr>
<tr>
<td>Authors and Year</td>
<td>Concept</td>
<td>Study Type</td>
<td>Measures</td>
<td>Method</td>
<td>Findings</td>
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<tr>
<td>Rodrigo and Arenas (2008)</td>
<td>Grounded, Motivation</td>
<td>Empirical</td>
<td>Recognition, Management of Goals and Responsibilities, Employee Environmental Initiatives</td>
<td>NA</td>
<td>Managerial Interviews (n=35, n=28) Implementation of CSR programs generates two types of attitudes in employees: attitudes toward the organization and attitudes toward society. These two broad types of attitudes can then be broken down into four different categories: (1) acceptance of the new role of the organization, (2) identification with the organization, (3) importance attached to the work performed and (4) a sense of social justice.</td>
</tr>
<tr>
<td>Rupp, Ganapathi, Aguilera, and Williams (2006)</td>
<td>Fairness, Control</td>
<td>Conceptual</td>
<td>NA</td>
<td>NA</td>
<td>A theoretical model is presented whereby employees’ perceptions of CSR impact their subsequent emotions, attitudes, and behaviors, mediated by instrumental, relational, and deontic motives/needs, as well as moderated by organizations’ social accounts.</td>
</tr>
<tr>
<td>Turban and Greening (1997)</td>
<td>Signaling, Social Identity</td>
<td>Empirical</td>
<td>Corporate social performance ratings, Organization reputation, Organizational attractiveness as an employer, Size, Profitability</td>
<td>Firms (n=160)</td>
<td>Results indicate that independent ratings of CSP are related to firms’ reputations and attractiveness as employers, suggesting that a firm’s CSP may provide a competitive advantage in attracting applicants.</td>
</tr>
<tr>
<td>Turker (2009)</td>
<td>Social Identity</td>
<td>Empirical</td>
<td>CSR to social and non-social stakeholders, CSR to employees, CSR to customers, CSR to government, Importance of CSR, Tenure, Organizational Commitment</td>
<td>Business Professionals (n=269)</td>
<td>Findings reveal that CSR to social and non-social stakeholders, employees, and customers were the significant predictors of organizational commitment. However, there was no link between CSR to government and the commitment level of employees.</td>
</tr>
<tr>
<td>Valentine and Fleischman (2008)</td>
<td>Dissonance</td>
<td>Empirical</td>
<td>Perceived CSR, Job Satisfaction, Ethics Training, Age, Sex, Tenure, Social Desirability</td>
<td>Accounting, Salespeople, Marketing, Accounting, Human Resources (n=313)</td>
<td>Results indicate that corporate social responsibility fully or partially mediated the positive associations between four ethics program variables and individual job satisfaction, suggesting that companies might better manage employees’ ethical perceptions and work attitudes with multiple policies, an approach endorsed in the ethics literature.</td>
</tr>
<tr>
<td>Vlachos, Theotokis, and Panagopoulos (2010)</td>
<td>Fairness, Multiple Needs Model of Organizational Justice, Moral Reputational Capital, Attribution</td>
<td>Empirical</td>
<td>Egoistic-driven attributions, Values-driven attributions, stakeholder-drive attributions, strategic-driven attributions, Trust, Loyalty, Word-of-Mouth, Tenure</td>
<td>Salespeople (n=63)</td>
<td>Findings indicate that egoistic-driven motives negatively influence salesperson trust in the company, whereas stakeholder- and values-driven motives positively influence salesperson trust; however, strategic-driven attributions do not have an influence on salesperson trust. The results further reveal the mediating role of trust in the relationship between sales force attributions and outcomes including loyalty intentions and positive word-of-mouth.</td>
</tr>
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</table>
### TABLE II

*Construct Intercorrelations* \(^{a,b}\). *Summary Statistics and Psychometric Properties.*

<table>
<thead>
<tr>
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<th>10</th>
<th>11</th>
<th>12</th>
<th>M (^{a})</th>
<th>STD (^{b})</th>
<th>CR (^{c,d})</th>
<th>AVE (^{c,d})</th>
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</thead>
<tbody>
<tr>
<td>1. Affective organizational commitment</td>
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<td>.689</td>
<td>.608</td>
<td>.084</td>
<td>.476</td>
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<td>.549</td>
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<td>.607</td>
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<td>10. Intentions to stay</td>
<td>1.00</td>
<td>.423</td>
<td>.074</td>
<td>.074</td>
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<td>1.29</td>
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<td>11. Firm loyalty</td>
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<td></td>
<td>5.94</td>
<td>1.43</td>
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<td>12. Company tenure (months)</td>
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<td>76.01</td>
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</tbody>
</table>

\(^{a}\) These are the intercorrelations among the latent constructs and thus have been corrected for attenuation due to measurement error.

\(^{b}\) Coefficients \(\geq \left| .126 \right| \) are significant at least at .01 (2-tailed); Coefficients \(\geq \left| .10 \right| \) are significant at least at .05 (2-tailed); Coefficients \(\geq \left| .084 \right| \) are significant at least at .10 (2-tailed).

\(^{c}\) M = arithmetic mean; STD = Standard deviation; CR = composite reliability; AVE = average variance extracted.

\(^{d}\) CR and AVE indices are calculated for measures with more than 3 items. For measures with 2 items, Cronbach’s alpha reliability is calculated.
## TABLE III

Common Method Bias Assessment: Marker Variable Analysis a.

<table>
<thead>
<tr>
<th>Measures</th>
<th>1</th>
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<th>6</th>
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</thead>
<tbody>
<tr>
<td>1. Affective organizational commitment</td>
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<tr>
<td>2. CSP perceptions</td>
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<td>.681</td>
<td>.648</td>
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<tr>
<td>3. CSR-induced intrinsic attributions</td>
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<tr>
<td>4. CSR-induced extrinsic attributions</td>
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<tr>
<td>6. Construed customer CSR-induced extrinsic attributions</td>
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<td>-.276</td>
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<td>8. Employee advocacy</td>
<td>.629</td>
<td>.625</td>
<td>.617</td>
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<td>.454</td>
<td>.257</td>
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<tr>
<td>a The marker variable is job experience. All correlations are significant at ( p &lt; .05 ), except for values in italics. The first entry in each cell corresponds to the correlation between the constructs; the second entry corresponds to the partial correlation after common method bias has been corrected; and the third entry corresponds to the correlation for a 95% sensitivity analysis.</td>
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<td>CSR-induced intrinsic attributions</td>
<td>CSR-induced extrinsic attributions</td>
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<td>Affective organizational commitment</td>
<td>Employee advocacy</td>
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<td>(.18)</td>
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<td>(.13)</td>
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<td>Change in fit index</td>
<td>931.42</td>
<td>1,269.44</td>
<td>665.80</td>
<td>754.07</td>
<td>733.54</td>
<td>734.60</td>
<td>1,079.58</td>
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<td><strong>Pseudo R²</strong></td>
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<td>.11</td>
<td>.66</td>
<td>.58</td>
<td>.49</td>
<td>.18</td>
<td>.43</td>
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p<.10;  p <.05;  p <.01;

*a* First (second) entry in each cell corresponds to parameter estimates (robust standard errors). *b* Level-1 variables are group-mean centered, whereas Level-2 variables are grand-centered. *c* Unit type is a dichotomous variable where “customer – facing unit” gets a value of 1 and “non-customer – facing unit” gets a value of 0. *d* Pseudo $R^2 = \frac{\sigma^2_{null model} - \sigma^2_{random regression model}}{\sigma^2_{null model}}$
FIGURE 1: HYPOTHESIZED FRAMEWORK

Construed customer CSR-induced intrinsic attributions

H2

CSR-induced intrinsic attributions

H1a

CSR-induced extrinsic attributions

H1b

Construed customer CSR-induced extrinsic attributions

Construed customer CSP perceptions

CSP perceptions

H3

Affective organizational commitment

H6

Work Outcomes
- Employee advocacy
- Intentions to stay
- Firm loyalty

Covariates
Unit Level
- Company
- Unit type

Covariates
Employee Level
- Company tenure
- Job satisfaction

H5

Construed customer CSP perceptions
FIGURE 2: INTERACTIVE EFFECT OF CSP PERCEPTIONS AND CONSTRUED CUSTOMER CSP PERCEPTIONS ON AFFECTIVE COMMITMENT

Notes:
(1) This graph was generated based on the utility by Preacher, Curran, and Bauer (2006) and which is found at http://www.quantpsy.org/interact/hlm2.htm

(2) $X_{2(1)}$: Conditional value of construed customer CSP perceptions at +1 SD above the mean; $X_{2(2)}$: Conditional value of construed customer CSP perceptions at the mean; $X_{2(3)}$: Conditional value of construed customer CSP perceptions at -1 SD below the mean.
FIGURE 3: PLOT OF REGIONS OF SIGNIFICANCE FOR THE SIMPLE SLOPE OF AFFECTIVE COMMITMENT ON CSP PERCEPTIONS

Notes:
(1) This graph was generated based on the utility by Preacher, Curran, and Bauer (2006) and which is found at http://www.quantpsy.org/interact/hlm2.htm
(2) Regions of significance (critical values) are delineated by the vertical dashed line and indicate where in the range of the moderator variable the simple slope is not significantly different from zero (left-hand region) or significantly positive (right-hand region).
(3) Confidence bands are delineated by the curved lines whereas the dark bold line represents the predicted value of the slope of the corresponding simple regression line in Figure 2 at each level of the moderator variable.
APPENDIX A

Measures, Response Cue, Sources, Individual Items, and Factor Loadings.

<table>
<thead>
<tr>
<th>Measures</th>
<th>Loadings</th>
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<tbody>
<tr>
<td>Affective Organizational Commitment</td>
<td></td>
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<tr>
<td>(Rhoades, Eisenberger, and Armeli, 2001)</td>
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<tr>
<td>Please indicate the extent to which you agree/disagree with each of the following statements:</td>
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<tr>
<td>I feel a strong sense of belonging to [Company Name].</td>
<td>.81</td>
</tr>
<tr>
<td>I feel personally attached to [Company Name].</td>
<td>.76</td>
</tr>
<tr>
<td>I am proud to tell others I work at [Company Name].</td>
<td>.81</td>
</tr>
<tr>
<td>Working at [Company Name] has a great deal of personal meaning to me.</td>
<td>.75</td>
</tr>
<tr>
<td>I would be happy to work at [Company Name] until I retire.</td>
<td>.74</td>
</tr>
<tr>
<td>I really feel that problems faced by [Company Name] are also my problems.</td>
<td>.67</td>
</tr>
<tr>
<td>CSP Perceptions (Berens, van Riel, and van Bruggen, 2005; Du, Bhattacharya, and Sen, 2007; Wagner, Lutz, and Weitz, 2009)</td>
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<tr>
<td>Please read the following text carefully (see Appendix B):</td>
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<td>... Please indicate the extent to which you agree/disagree with each of the following statements, taking into account the text you've just read:</td>
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<tr>
<td>[Company Name] is a socially responsible company.</td>
<td>.84</td>
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<tr>
<td>[Company Name] is concerned to improve the well-being of society.</td>
<td>.88</td>
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<tr>
<td>[Company name] supports good causes.</td>
<td>.88</td>
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<tr>
<td>[Company name] behaves responsibly regarding the environment.</td>
<td>.81</td>
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<tr>
<td>CSR-induced Intrinsic Attributions (Du, Bhattacharya, and Sen, 2007; Ellen, Webb, and Mohr, 2006)</td>
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<tr>
<td>Please indicate the extent to which you agree/disagree with each of the following statements:</td>
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<tr>
<td>[Company Name] is genuinely concerned about being socially responsible.</td>
<td>.88</td>
</tr>
<tr>
<td>[Company Name] engages in socially responsible initiatives because it feels morally obligated to help.</td>
<td>.92</td>
</tr>
<tr>
<td>[Company Name] engages in socially responsible initiatives in order to give back something to the community.</td>
<td>.93</td>
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<tr>
<td>Please indicate the extent to which you agree/disagree with each of the following statements:</td>
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<tr>
<td>[Company Name] engages in socially responsible initiatives in order to get more customers.</td>
<td>.83</td>
</tr>
<tr>
<td>[Company Name] engages in socially responsible initiatives because it feels competitive pressures to engage in such activities.</td>
<td>.76</td>
</tr>
<tr>
<td>[Company Name] hopes to increase its profits by engaging in socially responsible initiatives.</td>
<td>.89</td>
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<tr>
<td>Construed Customer CSP Perceptions (Larson, Flaherty, Zablax, Brown, and Wiener, 2008)</td>
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<tr>
<td>Please indicate the extent to which you agree/disagree with each of the following statements:</td>
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<td>Customers who are aware of [Company name] engagement in socially responsible actions evaluate [Company name] very positively.</td>
<td>.97</td>
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<tr>
<td>Prospective customers who are not aware of [Company name] engagement in socially responsible actions would evaluate [Company name] very positively.</td>
<td>.59</td>
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</table>
Please indicate the extent to which you agree/disagree with each of the following statements:

Customers who are aware of [Company name] social contributions probably think that through its involvement [Company name] hopes to increase its profits. .68

Customers who are aware of [Company name] social contributions probably think that [Company name] acts hypocritically. .75

**Construed Customer CSR-induced Intrinsic Attributions** (Ellen, Webb, and Mohr, 2006; Larson, Flaherty, Zablax, Brown, and Wiener, 2008) Please indicate the extent to which you agree/disagree with each of the following statements:

Customers who are aware of [Company name] social contributions probably believe that [Company name] is genuinely concerned about being socially responsible. .93

Customers who are aware of [Company name] social contributions probably believe that [Company name] engages in socially responsible initiatives because it feels morally obligated to help. .87

**Job Satisfaction** (Churchill, Ford, and Walker, 1974) Please indicate the extent to which you agree/disagree with each of the following statements:

My work gives me a sense of accomplishment. .87

My job is exciting. .81

I’m really doing something worthwhile in my job .84

**Employee Advocacy** (adapted from Vlachos, Theotokis, and Panagopoulos, 2010) Please indicate the extent to which you agree/disagree with each of the following statements:

Say positive things about [Company Name] to other people. .78

Recommend [Company Name] to someone who seeks my career advice. .79

I encourage friends and family to use [Company Name] products and services. .73

**Intentions to Stay** (Bluedorn, 1982)

How likely it is that you will continue to work for [Company Name]:

In 6 months from today .73

In 12 months from today .91

**Firm Loyalty** (adapted from Vlachos, Theotokis, and Panagopoulos, 2010) Please indicate the extent to which you agree/disagree with the following statement:

If someone asked me where I would like to work, I would consider [Company Name] as my first employer of choice again. -

**Company tenure (in months)**

How long have you been with [Company Name]? -

* With the exception of the ‘Intentions to Stay’ measure, where responses were scored on a seven-point scale anchored by 1 “Extremely Unlikely” to 7 “Extremely Likely”, responses for the rest of the measures were scored on a seven-point scale anchored by 1 “Strongly Disagree” to 7 “Strongly Agree”.

* These are confirmatory factor analysis standardized loadings.

* Different introductory texts were employed to each one of the three companies.
APPENDIX B

Introductory Text Employed as a Stem for Measuring Responses to CSR-Related Items.

**Company A:** [Company Name] has developed the 2010 CSR Program, which is based on four action pillars. Based on the three dimensions of our world – society, environment, and economy – the four basic action pillars of the 2010 CSR Program are as follows: (a) Initiatives – We create business influence through targeted actions, such as developing green technologies and solutions as well as innovations for new markets; (b) Walk the talk – Being a leader in sustainability, we contribute to a better world by increasing energy efficiency in our buildings while decreasing worldwide CO$_2$ emissions through our solutions; (c) Visibility – We set the example for sustainable business practices and develop appropriate conditions for promoting social responsibility inside and outside the company; (d) Alliances – We join forces for mutual excellence and sustainable development by developing alliances with leading organizations, customers and key suppliers.

**Company B:** Corporate Social Responsibility (CSR) constitutes a key pillar of [Company Name] strategy that aligns with company’s values – that is, respecting itself, its employees, the local communities where it does business, as well as the society in general. The CSR actions that [Company Name] designs and undertakes place particular emphasis on three dimensions: Environment, Society, and Quality. In this light, [Company Name] has designed an integrated environmental planning initiative called “Green [Company Name]” with the aim to sensitize all those caring about the environment and climate change. Furthermore, [Company Name] has assumed multi-layered social action by supporting organizations and institutions engaging in social activities [e.g., names are deleted to protect anonymity] as well as by promoting volunteerism. In particular, one of the most important initiatives of the company, the Voluntary Crisis Management Group, falls within the realms of [Company Name] volunteering programs.

**Company C:** Corporate Social Responsibility (CSR) constitutes a strategic choice for [Company Name] that is inextricably intertwined with its growth plan. [Company Name] perceives itself as a source of value creation for society and stakeholders (shareholders, employees, customers, suppliers) rather than a source of profit acquisition. CSR is in the DNA of [Company Name] whereas its employees are active communicants of its philosophy and vision for sustainable growth and societal prosperity. [Company Name] implements its CSR actions on the basis of the following pillars: (a) Environment; (b) Society-Culture; (c) Business; and (d) Human Resources. In this vein, [Company Name] has assumed multiple activities to support social initiatives such as [names are deleted to protect anonymity].