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How and When Do Corporate Social Responsibility Initiatives Impact on Customer-Facing Employees? Evidence from India and the Netherlands

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When Do Corporate Social Responsibility Initiatives Impact on Customer-Facing Employees? Evidence from India and the Netherlands

Abstract

The vast majority of the extant literature on Corporate Social Responsibility (CSR) has focused on the macro (firm) level of analysis by examining the linkage between CSR and firm-level outcomes. As such, very few studies have focused on the micro (individual) level of analysis. Against this backdrop, the present study focuses on the individual level of analysis thereby contributing to the emerging psychology of CSR literature, which considers employees' perceptions of their employing organizations' social actions as more important than organizations' objective CSR performance (Rupp, Shao, Thornton, & Skarlicki, 2013). Moreover, the study is one of the first examining the role of context in employee attitudes towards CSR. In particular, it builds on the psychology of CSR (e.g., Rupp et al., 2013) literature to propose a research framework that delineates the moderating effects of satisfaction with payment, satisfaction with the job itself, and individualism in the relationship between Corporate Social Performance (CSP) perceptions and customer-facing employees' behavioral outcomes. Data are collected from customer-facing employees in two major organizations in the Netherlands and India. Results suggest a complex interplay between CSP perceptions and the two facets of job satisfaction as well as that national context is likely to moderate the contingent effects of CSP perceptions on customer-facing employees' behavioral outcomes.

Introduction

Corporate Social Responsibility (CSR, hereafter) – namely, "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance" (Aguilera, Rupp, Williams, and Ganapathi 2007; Rupp, Williams, and Aguilera in press) – is an important topic in today's business agenda (Luo and Bhattacharya 2006). Indeed, companies are upping their CSR investments in an effort to strengthen Corporate Social Performance (CSP, hereafter)[1] and consequently perceptions about their brand and reputation among stakeholders (Kiron, Kruschwitz, Haanaes, and Velken, 2012). This heightened corporate interest in CSR commitments is also reflected in the academic literature which – according to Aguinis and Glavas (2012) – has primarily focused on the macro (firm) level of analysis and to a lesser extent on the micro (individual) level of analysis. Based on an extensive review of the CSR literature, Aguinis and Glavas report that only 4% of studies have focused on the individual level of analysis and conclude by stressing the need for more studies examining the micro-foundations of CSR – namely, CSR-induced reactions of non-customer stakeholder groups – like employees (see also Berger, et al., 2006; Bhattacharya, Korschun, & Sen, 2009; Sen, Bhattacharya, and Korschun 2006).

Following such calls for research, a growing body of empirical evidence is slowly building up (e.g., Rupp et al., 2013). These studies have documented that favorable CSR perceptions are positively related to employee commitment, job satisfaction, employee-company identification, and organizational trust (e.g., Brammer, Millington, and Rayton 2007; Kim, Lee, Lee, and Kim, 2010; Vlachos, Theotokis, and Panagopoulos, 2010).

Though the aforementioned studies have provided useful insights regarding "whether" CSR is likely to generate positive employee reactions, they do not provide answers regarding "when" CSR initiatives are more likely to pay-off. The extant literature is somewhat silent regarding the boundary conditions that may govern the CSR-outcomes link, especially in the

context of employees (for an exception see Rupp et al., in press). This is surprising given recent meta-analytic evidence – at the macro-level of analysis – which shows that the positive CSR-outcomes relationship is contingent on several factors (Orlitzky et al., 2003). From a pragmatic standpoint, managers need to know whether there are variables that may temper, buffer, or strengthen the effect of employees' CSR perceptions on important behavioral outcomes. As such, efforts directed at improving our understanding of possible moderating effects on the impact of CSR on employees should make an important contribution to the literature (Connelly, Ketchen, and Slater in press; Luo and Bhattacharya 2006; Williams and Aguilera 2008).

Against this backdrop, here we broaden the scope of prior work by focusing on three contextual variables that are likely to moderate the effect of employee perceptions of CSP on two employee behavioral outcomes (i.e., intentions to stay in the organization and positive recommendations to other stakeholder groups). In particular, we examine the moderating role of two key employee satisfaction facets (i.e., satisfaction with pay and satisfaction with the job itself) in the CSP perceptions – behavioral outcomes relationship. Further, we theoretically predict and empirically test a three-way interaction – that is, we test for the moderating effect of individualism (at the national level) on the moderating effects of the two satisfaction facets on the CSP perceptions-behavioral outcomes linkage. We do so by drawing on two different national contexts – namely, an individualistic and developed country (the Netherlands) and a rapidly developing and collectivist country (India) in a customer-facing employee (i.e., salespeople) context.

Our focus on these contextual variables is driven by recent developments in the emerging psychology of CSR literature. According to this line of literature, studies examining employees' reactions to CSR should not only acknowledge the role of self-interest in these reactions but also consider the joint roles of CSR (i.e., one type of third-party justice) and

self-interest (i.e., first-party justice) on employee outcomes (Auger, Devinney, Dowling, Eckert, and Lin, 2013; Rupp et al., 2013). In particular, it is possible that self-interest attenuates the effects of third-party justice on outcomes. Moreover, despite the increasing importance of conducting comparative CSR research across different national contexts, studies that examine employee responses to CSR through a cross-national lens are remarkably limited (Du, Bhattacharya, and Sen, 2013; Williams and Aguilera, 2008).

The structure of the article is as follows. We begin by outlining the conceptual framework and research hypotheses. Next, we elaborate on the research methods employed and present the empirical results. We conclude by providing implications for theory, future research, and managerial practice.

Theoretical Background & Conceptual Framework

Figure 1 depicts the conceptual framework of the study which, as previously mentioned, builds on the emerging psychology of CSR literature. A central tenet of this model is that (a) CSP perceptions influence key behavioral outcomes (i.e., intentions to stay and positive recommendations); and (b) job satisfaction facets and national context – and more specifically individualism – serve as moderating conditions for the effects of CSP perceptions.

Figure 1 near here

We focus on two job satisfaction facets: satisfaction with the job itself (intrinsic aspect of satisfaction) and satisfaction with pay (extrinsic aspect of satisfaction). Our choice for the two satisfaction facets is grounded in their prominence in the extant satisfaction and employee motivation literature (Brown and Peterson 1993; Churchill, Ford, and Walker 1974) as well as in the fact that this choice allows us to model and compare the moderating

role of an extrinsic (i.e., pay) and an intrinsic (i.e., the challenging nature of the work itself) reward factor (Walker, Churchill, and Ford 1977). To the best of our knowledge, ours is one of the first studies that explores possible trade-offs between CSR and the utilitarian aspects of a firm's offerings to employees (i.e., satisfaction with pay and satisfaction with the job itself).

According to the emerging psychology of CSR literature, there is scarce research on the role of contextual variables on employees' perceptions of CSR initiatives (Morgeson et al., 2013). This is especially true with respect to cross-national contextual variables (Williams and Aguilera, 2008). Accordingly, we include individualism as a macro contextual variable in our model and hypothesize that individualism moderates the moderating role of job satisfaction facets in the CSP perceptions-behavioral outcomes linkage. Individualism is theoretically relevant in our context because it emphasizes self-orientation and self-interest (Hofstede, 2001), which are, in turn, somewhat adversely related to the very essence of the ethically-imbued CSR concept which reflects values like communion, morality, and other-centered interest (Bauman and Skitka, 2012; Rupp et al., 2013).

As shown in Figure 1, we follow prior work in the area (Vlachos et al., 2010) and control for the effect of suspiciousness on CSP perceptions by using a variable that captures salespeople's CSR-induced attributions about the motives of firms involved in CSR initiatives. Many researchers suggest that moral-related initiatives like CSR are likely to backfire, given that they are likely to generate public cynicism and suspicion (Porter and Lawler 1968).

Finally, besides testing for the proposed interaction effects, we were sensitive in testing for quadratic effects as well. The rationale is that misleading interactive effects may be obtained when quadratic terms are not modeled (e.g., Lubinski and Humphreys, 1990). Therefore, including the quadratic terms in our model allows for a more robust estimation of the hypothesized effects.

Hypotheses Development

CSP perceptions and Behavioral Outcomes

Building on the social identity theory (e.g., Collier and Esteban 2007) and needs models of organizational justice and morality (e.g., Rupp, Ganapathi, Aguilera, and Williams 2006), previous studies have suggested that favorable CSR/CSP perceptions positively influence employees' universal psychological needs such as security, self-esteem, belongingness, and meaningful existence, which, in turn, positively relate to key employee outcomes such as job satisfaction, organizational identification, organizational pride, commitment, and organizational citizenship behaviors, (e.g., Brammer, Millington, & Rayton, 2007; Jones, 2010; Kim, Lee, Lee, & Kim, 2010; Rupp et al., in press).

Based on this line of research, we predict that when employees perceive their company as being socially responsible, they may view it as more attractive and, consequently, it satisfy a set of important employee psychological needs. For example, if a firm's CSP functions as a central, distinctive, and enduring organizational-level attribute, this will lead to a more attractive perceived organizational identity which can help employees reinforce their self-concept and resolve identity conflicts. According to Berger, Cunningham, and Drumright (2006), CSR makes employees identify more closely with the organization "…while gaining greater senses of being whole, integrated persons" (p. 135).

It should be noted at this point that organizational members are likely to hold several viewpoints about the organization, besides the viewpoint of perceived organizational identity (i.e., who we are as an organization) described above. Brown, Dacin, Pratt, & Whetten (2006) introduced a unifying framework suggesting that organizational members (i.e., employees) can hold mental associations related to (a) intended corporate image (what does the organization want others to think about the organization) and (b) construed image (what does the organization believe others think of the organization). These types of mental associations

6

might include perceptions of CSP but can also include perceptions of several other organizational characteristics that influence employees' outcomes (i.e., perceptions of innovativeness, workplace reputation, product sophistication and quality, and overall expertise in producing and delivering outputs). According to corporate associations research (Brown and Dacin, 1997) though these (non-CSR related) corporate abilities are also likely to significantly influence employees' outcomes, there still remains significant variance to be explained by CSP (i.e., morality) related characteristics. Based on the above discussion, we hypothesize:

H1: Salespeople's CSP perceptions are positively related to (a) intentions to stay, and (b) positive recommendations.

Job Satisfaction and Employee Outcomes

Job satisfaction – the positive emotional state resulting from the appraisal of one's job – can be intrinsic, which derives from internally-mediated rewards such as the job itself, or extrinsic, which results from externally-mediated rewards such as satisfaction with pay (Brown and Peterson, 1993; Porter and Lawler, 1968; Walker et al., 1977). Theoretical and empirical evidence for the relationship between job satisfaction and salespeople's behavioral outcomes is abundant (see the meta-analysis by Brown and Peterson, 1993). Satisfied salespeople fulfill their intrinsic and extrinsic motives and they are therefore more likely to continue working for, feel committed to, and spread positive word-of-mouth about the organization (Churchill et al., 1974). Thus,

H2: Salespeople's satisfaction with pay is positively related to (a) intentions to stay, and (b) positive recommendations.

H3: Salespeople's satisfaction with the job itself is positively related to (a) intentions to stay, and (b) positive recommendations.

The Moderating Role of Job Satisfaction Facets

The emerging psychology of CSR literature acknowledges the possibility of interactive effects between CSR perceptions and job satisfaction on employee outcomes. Specifically, Rupp et al. (2013), drawing on deonance–based justice research, recognize that "justice for others" (i.e., CSR perceptions, a type of third-party justice delineating how the organization treats others) and "justice for self" (i.e., distributive justice, a type of first-party justice delineating how the organization treats the focal employee) are likely to interact and jointly influence employee outcomes. They find that employees react to first-party injustice (i.e., fair vs. unfair starting salary) in an egocentric fashion – that is, they give precedence to self-treatment compared to other-treatment (through CSR perceptions). Specifically, their findings indicate that distributive justice (operationalized using salary-related fairness perceptions) negatively moderates the effect of CSR perceptions on organizational citizenship behaviors and job pursuit intentions (i.e., a compensatory trade-off). In the same context, Auger et al. (2013) assert and find that (potential) employees evaluating job offerings usually trade-off utilitarian factors (e.g., salary, time demands, promotion opportunities) with reputation for corporate social responsibility.

Similarly, prior studies in the marketing and strategy domains note the existence of tension between CSR and economic-related dimensions of corporate evaluation, thus providing further evidence that the impact of CSR on outcomes is not universal; rather, the positive effects of CSR on key outcomes are contingent upon certain conditions (Berens, van Riel, and van Rekom 2007; Bhattacharya, Korschun, and Sen 2009; Luo and Bhattacharya 2006; Margolis, Elfenbein, and Walsh 2007). These studies focus on the moderating role of corporate abilities – that is, the various elements of a firm's expertise and competency – such as innovativeness, product quality, advertising, and R & D capabilities. Though there is some disagreement regarding the existence and directionality of these tensions, this stream of

empirical research suggests that self-interest/utilitarian-related variables moderate the effects of CSR rather than vice-versa. For example, Connelly et al. (in press) suggest that when consumers must choose between product attributes and CSR, then CSR generally loses. In another study, Berens et al. (2007) find that when firms do well in quality perceptions, CSR does not significantly affect consumers' attitudes; this is particularly true when quality perceptions are considered to be more personally relevant than CSR. Building on these results, Berens et al. suggest that CSR acts as the moderating variable when CSR is considered more personally relevant than corporate abilities and vice-versa. Similarly, Vlachos, Tsamakos, Vrechopoulos, and Avramidis (2009) find that service quality perceptions can weaken the effects of consumers CSR-induced egoistic-driven attributions on company trust. In another study, Luo and Bhattacharya (2009) find that, for firms with higher advertising and R&D spending, it is more likely that superior CSR can produce further decreases in firms' idiosyncratic risk. On the other hand, Handelman and Arnold (1999) find that CSR – rather than corporate abilities – is the moderating factor. In the same vein, Folkes and Kamins (1999) find that unethical actions weaken the positive effect of product quality perceptions on consumer attitudes.

Building on this stream of research as well as on more recent studies in the area (Berens et al., 2007; Vlachos et al., 2009; Rupp et al., in press), we examine whether the positive effect of CSR on customer-facing employees' behavioral outcomes is universal or contingent upon extrinsic and intrinsic job satisfaction facets.

Specifically, our predictions are that: (a) the extrinsic motivational factor of satisfaction with pay moderates the positive effect of CSR on intentions to stay and positive recommendations (i.e., we predict a non-compensatory effect) and, (b) the intrinsic motivational factor of satisfaction with the job itself and CSR compensate each other (i.e., we predict a compensatory effect). In particular, we posit that the utilitarian satisfaction with pay

variable is more personally relevant to employees than CSR is, since the former relates primarily to the satisfaction of lower-order needs (i.e., physiological needs) whereas the latter relates primarily to the satisfaction of higher-order needs (e.g., self-enhancement and identity-related needs; Herzberg 1968). We expect that this argument will be stronger during times of economic recession and distrust (Piercy, Cravens, and Lane ; Quelch and Jocz 2009), where people will probably give more priority to lower-order needs. Importantly, satisfaction with pay relates to self-interest (i.e., it is a type of first-party justice) whereas CSR relates primarily to other-centered interest (i.e., it is a type of third-party justice). This is an important distinction since according to justice theory and CSR research people are likely to approach job evaluation contexts in an egocentric fashion (i.e., place precedence to self-interest) (Auger et al., 2013; Rupp et al, 2013). In particular, we expect that employees will not be willing to trade-off low satisfaction with pay with high CSP of their employing organizations (Auger et al., 2013). They will arguably consider both social and utilitarian dimensions when evaluating their employer, but they will consider bad payment practices as being more threatening than bad performance in CSR. Our expectation is that when firms satisfy their employees by meeting their pay needs, the effect of CSR will still be important and positive. Conversely, we predict that when employees feel that their extrinsic need of payment is not satisfied, then the determinacy of CSR on job outcomes will be weakened. Simply put, when employees are not satisfied with their pay (i.e., a more personal, self-interest variable), they will tend to care less about the performance of their company on CSR actions. We therefore posit:

> **H4:** Satisfaction with pay moderates the positive effect of CSP perceptions on (a) intentions to stay, and (b) positive recommendations in that these relationships will be positive for high levels of satisfaction with pay, but weakened for low levels of satisfaction with pay.

Our prediction with regard to the interaction between satisfaction with the job itself and CSP perceptions is somewhat different. In particular, we expect a trade-off effect – that is, the two variables will compensate each other. Satisfaction with the job itself is more of an instrumental and self-interest nature variable directly impacting on oneself compared to CSR, which is less personal and more psychologically distant, in that it has to do primarily with helping others rather than helping oneself like, for instance, through psychological enrichment. Unlike satisfaction with pay, however, both CSR and satisfaction with the job itself share some common ground: they relate to and are capable of satisfying meaningfulness, a higher-order need that leads to increased psychological growth, life satisfaction, emotional wellbeing, and the build-up of positive legacy (Bauman and Skitka, 2012). In particular, satisfaction with the job itself involves challenging job tasks, learning, responsibility, achievement, and recognition (Herzberg 1968), whereas CSR involves morality, giving to others, and helpfulness – namely mood-altering states and actions that are likely to bring about true happiness and enrich oneself (Harbaugh, Mayr, and Burghart 2007; Liu and Aaker 2008). Furthermore, according to the emerging psychology of CSR literature, CSR impacts employees primarily through the satisfaction of higher-order needs like the need for esteem and distinct identity, belongingness, and meaningful existence (Bauman and Skitka, 2012). In the same vein, Aguinis and Glavas (2013) note that CSR has the potential to increase meaningfulness both *at* work (due to being member of a socially responsible organization) and *in* work (because of the things one does in his job). As such, we expect that when employees are satisfied with the job itself, the effect of CSP perceptions on behavioral outcomes, while still important and positive, is likely to be tempered. On the other hand, when firms perform poorly in providing employees with adequate levels of satisfaction with the job itself, the determinacy of CSR on job outcomes will be strengthened. Accordingly, we hypothesize:

H5: Satisfaction with the job itself moderates the positive effect of CSP perceptions on (a) intentions to stay, and (b) positive recommendations in that these relationships will be positive for low levels of satisfaction with the job itself, but weakened for high levels of satisfaction with the job itself.

The Moderating Role of Cross-National Context

Visser (2008) notes that not only the national context matters in CSR research but also current CSR models have primarily been developed in western economies thus rendering them partly inapplicable in the context of emerging economies. Importantly, he notes that there is a dearth of international research comparing CSR in developed versus developing countries. In addition, most of this literature has primarily focused on the macro (i.e., organizational or institutional) level of analysis and to a lesser extent on the individual level of analysis. One consistent theme across these studies, however, is that firms' CSR behaviors and consumers' or employees' CSR perceptions are influenced by the cultural context as this is operationalized using Hofstede's (2001) cultural dimensions (e.g., Egri et al., 2010; Ho, Wang and Vittell, 2012; Kim and Kim, 2010; Maignan and Ferrell, 2001; Ringov and Zollo, 2007; Waldman et al., 2006; Williams and Zinkin, 2006). In addition, the model of culture fit – introduced by Aycan, Kanungo and Sinha (1999) – postulates that the sociocultural environment affects the internal work culture, which in turn influences human resource management practices. Indeed, research in India has shown that many of the seemingly contradictory and inconsistent organizational behavior and managerial practices can be meaningfully explained by taking into account the cultural framework (Sinha 2002).

Building on this emerging literature, our prediction is that national context variables are likely to have an influence on how employees assess and respond to CSR initiatives. We build on previous studies that have identified cultural differences across countries as an important driver of *h*ow CSR is conceived and practiced (e.g., Visser, 2008; Williams and

Aguilera, 2008). Specifically, individuals' attitudes towards CSR are likely to be influenced by cultural differences that can range from cultural norms of work, institutional legacy (socialist vs. capitalist), economic stability, professional norms, personal values, religious beliefs, generational cohort to organizational culture (e.g., Egri et al., 2010; Nelson, 2004; Williams and Aguilera, 2008). Given the scope of our study, we selected the individualism dimension (Hofstede, 2001) and developed formal predictions about cross-national differences in how CSP perceptions interact with more utilitarian, self-centered aspects of an employee's job environment (i.e., job satisfaction facets) to influence employee behavioral outcomes. In particular, we examine whether predictions formulated in Hypotheses 4 and 5 – namely, that satisfaction with payment and CSR do not compensate each other and that satisfaction with the job itself and CSR compensate each other – may be altered when tested in two different countries scoring at the opposing ends of the individualism dimension (i.e., The Netherlands vs. India).

There are at least two reasons for selecting the individualism dimension. First, among the five dimensions in the Hofstede's framework, the individualism dimension is arguably the one more closely related to our goals. Individualism values self-reliance and self-interest (Lodge 1990) whereas CSR is primarily a "communitarian", accommodating construct, thereby indirectly impacting the employee (i.e., it is more psychologically distant and other-centered). Job satisfaction, in contrast, is a more self-centered construct, directly impacting the wellbeing of the employee. Second, compared to the remaining four dimensions, the issue addressed by the individualism dimension is an extremely fundamental one, with reference to any society in the world. It should be noted that this specific dimension has generated more research than any other dimension in the cross-cultural literature (Hampden-Turner and Trompenaars 1997; Lodge 1990). According to cross-cultural psychology researchers, the individualism dimension is one of the most prominent, useful, and heavily researched

constructs in cultural social psychology, and perhaps the most important dimension of cultural differences in social behavior (Christie, Kwon, Stoeberl, and Baumhart 2003; Triandis 1988; Vandello and Cohen 1999). Recently, Schimmack, Oishi, and Diener (2005), reported empirical results rendering the individualism dimension as a valid and reliable cultural characteristic, capable of explaining cultural differences.

According to Hofstede's (2001) cultural values framework, India scores lower (i.e., 48) than any other country in the world in the individualism dimension. This ranking is indicative of a society where the emphasis is on belonging, and decision-making is based on what is best for the group. In contrast, the Netherlands ranks fourth in the world on individualism (i.e., 80). This ranking is indicative of a nation that holds relatively more loose bonds with others, where everyone is expected to look after herself and her immediate family (Hofstede 2001). An "I" rather than a "We" mentality is prevalent and decision-making is based on individual needs. Whereas in high individualistic cultures people are inner-directed, believe in self-reliance, and seek to satisfy self-interest, in low individualist cultures people are outer-directed and are more concerned with what society thinks about their behaviors (Williams and Zinkin 2006).

Research in cross-cultural social psychology provides some interesting insights regarding how the more collectivist Indian populations compare with the more individualistic Western societies. For example, a comparison of perceptions about social responsibilities in India and in the US reveals that Indians regard responsiveness to the needs of others as an objective moral obligation to a far greater extent than Americans do (Miller, Bersoff, & Harwood, 1990). In the same vein, Miller (1994) finds that Indians are characterized by a duty-based interpersonal moral code whereas Americans are characterized by an individually-oriented interpersonal moral code.

Besides cultural factors, a complementary theoretical approach for examining possible cross-national differences in how CSP perceptions interact with more self-centered and utilitarian aspects of the job relates to the macroeconomic environment of a country. In this respect, the Human Development Index (HDI; see Klugman, Rodríguez, and Kennedy, 2009) appears as a promising framework in order to classify the two focal countries given that this framework provides a broad perspective on what constitutes well-being. The HDI for India – a relatively low-ranked country – is 0.612, which gives the country a rank of 134th out of 182 countries. On the other hand, HDI score for the Netherlands – a relatively high-ranked country – is 0.964, which gives the country a rank of 6th out of 182 countries. These rankings render CSR initiatives as more important in India rather than in the Netherlands. Put differently, Indian employees will arguably consider CSR and satisfaction with pay as stand-alone, job-related offerings rather than as job-related characteristics that interact with each other to influence job outcomes, something that is more likely to take place in the Netherlands. However, a different prediction is also tenable. It may be that due to the low ranking of India in the HDI, the factor of satisfaction with pay will be considered as being more personally relevant than CSR initiatives, rendering satisfaction with pay as a positive moderator of the effect of CSP perceptions on behavioral outcomes. As such, it could be argued that when satisfaction with pay is high, CSR is important, but when satisfaction with pay is low, then the effect of CSR on job outcomes is weakened (see H4). However, given that the Indians: (a) regard responsiveness to the needs of others as a moral obligation to a far greater extent than do individuals living in societies scoring high on individualism (Miller et al., 1990), and (b) follow a duty-based interpersonal moral code (Miller 1994), H4 and H5 are more likely to hold in the Netherlands rather than in India. This prediction is also supported by a recent study showing that individuals in cultures with low levels of economic development scored higher on factors related to individual ecological concern than

individuals living in more economically advanced nations (Montgomery and Stone, 2009).

Building on the above discussion, our prediction is that Dutch customer-facing employees will consider CSR as being a less decisive factor in their overall evaluation of their employing organization compared to Indian customer-facing employees:

H6: The CSP perceptions-satisfaction with pay non-compensatory interactive effect on (a) intentions to stay, and (b) positive recommendations will be stronger in the Netherlands compared to India. Specifically, satisfaction with pay will moderate the effect of salespeople's CSP perceptions on behavioral outcomes in the Netherlands, but this effect will be weakened in India.

H7: The CSP perceptions -satisfaction with the job itself compensatory interactive effect on (a) intentions to stay, and (b) positive recommendations will be weaker in India compared to the Netherlands. Specifically, satisfaction with the job itself will moderate the effect of salespeople's CSP perceptions on behavioral outcomes in the Netherlands, but this effect will be weakened in India.

Research Methods

Research Setting and Data Collection

Data were collected from business-to-business salespeople employed by two major companies in the Netherlands and India. The Dutch company is a large, global, Fortune 500 company, which operates in the consumer packaged goods industry. The Indian company is a large, popular English-language newspaper that operates in the media and entertainment industry. A partnership was established with companies' management that allowed us to conduct an internet-based survey among members of their sales forces. An identical data collection procedure was used in both companies to increase commensurability of results (Hult et al., 2008). Specifically, a link of the questionnaire was posted on the companies' portal and a message from senior management invited salespeople to participate in a research

study. Following prior work (Celsi & Gilly, 2010), respondents were exposed to a management-provided text describing in detail a real CSR initiative of each company in order to provide responses to CSR-related items (see Appendices A and B). Given previous findings in the literature pinpointing that the type of CSR act as an important influence of individuals' attitudes towards CSR across countries, we provided participants with descriptions of CSR initiatives that were particularly addressing social rather than environmental and/or economic issues. This selection was made for both theoretical and practical reasons. First, social issues – compared to economic and or/environmental issues – are particularly important for both developed and developing countries (Egri et al., 2010; Visser, 2008). Second, in order to establish data collection equivalence across the two national contexts and companies, we had to provide respondents with similar corporate responsibility activities (Hult et al., 2008). Both partnering companies had made similar investments in the social domain of CSR.

To minimize response-bias, respondents were assured that data will be analyzed by external researchers and that their anonymity is protected. We received 63 usable responses from a total of 300 salespeople (21% response rate) in the Netherlands and 48 usable responses from a total of 200 salespeople (24% response rate) in India. Given the fact that no incentive was given, the response rate is reasonable and compares well with similar studies (e.g., Larson, Flaherty, Zablax, Brown, and Wiener 2008). The Dutch sample can be described as follows: most salespeople were female (58.0%), most were between 25 and 44 years old (74.2%), 21% were in the 45–55 age group, 2.0% were between 18 and 24 years old, and approximately 2.0% were more than 55 years old. With respect to job tenure, 3.0% of the sample had been with the company for less than one year, 28.0% of the sample had been with the company for five years or less, and 69.0% had been with the sales organization for at least six years. Similarly, the Indian sample can be described as follows: most of the

salespeople were male (85%), most were between 25 and 44 years old (81%), 15% were in the 45-55 age group, and 4% were between 18 and 24 years old. With respect to job tenure, 6% of the Indian sample had been with the company for less than one year, 32% of the sample had been with the company for six years or less, and 62% had been with the sales organization for at least seven years.

To examine non-response bias, we discussed respondents' demographic profile with senior management in both companies. This procedure revealed that respondents are representative of the firm's sales force in all respects (i.e., age, gender, and tenure) and thus non-response bias is not likely to be a problem in the study.

Measures

We were sensitive in establishing construct equivalence across the two national contexts (Hult et al., 2008). Measures were adapted from the extant literature and checked for relevance and face validity from companies' management (see Appendices A and B). All constructs were operationalized using multiple-item scales and employing a seven-point Likert-type response format. 'Positive recommendations' and 'intentions to stay' measures were adapted from Zeithaml, Berry, and Parasuraman (1996). The 'CSP perceptions' measure was drawn from Sen et al. (2006), whereas the 'CSR-induced attributions' items were adapted from Ellen et al. (2006). Measures for 'satisfaction with pay' and 'satisfaction with the job itself' were drawn from Churchill, Ford, and Walker (1974).

Analytical Strategy

In order to establish construct and measurement invariance across the two national contexts we checked for unidimensionality, reliability, convergent and discriminant validity, and used multi-group confirmatory factor analysis (CFA) procedures (Hult et al., 2008). For testing hypotheses we used Partial Least Squares (PLS) — a component-based SEM approach — to estimate the parameters of the model. We chose PLS for two reasons. First,

we had to strike a balance between a complex model including many higher-order effects (see Fig. 1) and sample size limitations, which are usually confronted in studies surveying business-to-business customer-facing employees. Second, the use of PLS is considered appropriate in situations of low theoretical information (Fornell and Bookstein 1982) as is the case in this study. Indeed, ours is one of the very first attempts aimed at examining complex interactions between CSP perceptions, job satisfaction facets, and cultural factors in an employee setting.

The warpPLS 1.0 software was employed because it allows the identification and transformation ("warping") of existent U-curve relationship patterns before the corresponding path coefficients between each pair of constructs are calculated. Interaction effects were modeled using the orthogonalizing approach (Little, Bovaird, and Widaman 2006). Finally, Jackknifing re-sampling was used to estimate the standard errors of the estimates, given that Jackknifing performs better with relatively smaller sample sizes compared to bootstrapping (Nevitt and Hancock 2001).

Results

Measurement Model Results

A CFA using AMOS 7.0 was employed for assessing measurement models. The model for the Dutch sample had an acceptable fit, thereby establishing unidimensionality ($\chi^2_{(39)}$ = 46.3, p=.20; SRMR=.047; CFI=.98; RMSEA=.055). The model for the Indian data also had an acceptable fit, establishing unidimensionality ($\chi^2_{(39)}$ = 60.4, p=.02; SRMR=.064; CFI=.94; RMSEA=.11)[2]. In addition, all measures in both samples conform to widely accepted validity standards (Fornell and Larcker 1981). Tables I and II illustrate the intercorrelations as well as the reliability and convergent and discriminant validity coefficients for the Dutch and Indian sample, respectively.

Tables I and II near here

We next tested for measurement invariance – that is, we tested whether measures are culturally-invariant between the two samples (Chen, Sousa, and West 2005). The chi-square difference test was not significant [$\Delta\chi^2_{(\Delta df=6)}$ = 5.71; p=.45]. These results indicate that factor loadings are invariant between the Dutch and the Indian samples, thereby enabling us to proceed with comparing path coefficients between the two countries.

Hypotheses Testing Results

Consistent with standard practices in the PLS literature (Tennenhaus et al., 2005), the explained variance of latent variables and the significance of path coefficients are used to assess model performance. Tables III and IV report the beta coefficients and the R^2 for each endogenous variable, for the Dutch and Indian sample, respectively. Assessment of multicollinearity was done by calculating the variance inflation factors (VIF) for each independent variable. Although no formal, theory-based, cut-off value for VIF exists, several authors suggest that a VIF value exceeding 10 indicates severe multicollinearity (Neter, Wasserman, and Kutner 1990). The mean VIF value across the four independent variables in the Dutch and Indian sample is 2.1 and 1.2, respectively; these results provide evidence that multicollinearity is not a serious concern in this study.

Tables III and IV near here

Overall, in the linear-model specification, our predictors provide good explanation for the focal constructs in both samples. Specifically, the variance explained in intentions to stay and

positive recommendations is .58 and .27 in the Netherlands, and .43 and .58 in India, respectively. As predicted, CSP perceptions have a strong and positive influence on both intentions to stay (β=.39, p=.001 in the Netherlands; β=.36, p=.05 in India) and positive recommendations (β=.49, p=.001 in the Netherlands; β=.26, p=.001 in India), thus lending support to H1a and H1b. Interestingly, we do not find satisfaction with pay to significantly influence either of the two behavioral constructs in the Netherlands (γ=.14, p=.46 for intentions to stay; γ=-.20, p=.14 for recommendation intentions). In the Indian sample, satisfaction with pay does not influence intentions to stay (γ=.15, p=.11), but it influences positive recommendations (γ=.32, p=.001). Therefore, we find only marginal support for H2b. Consistent with our predictions, satisfaction with the job itself positively influences both behavioral constructs in the Indian sample (γ=.40, p=.001 for intentions to stay; γ=.51, p=.001 for positive recommendations). In the Dutch sample, we find support only for the positive influence of satisfaction with the job itself on intentions to stay (γ=.52, p=.001). Overall, these results provide strong support for H3a but only marginal support for H3b. Finally, as predicted, the effect of CSR-induced attributions on CSP perceptions is strong and negative in the Dutch sample (γ=-.51, p=.001), but not significant in the Indian sample (γ=-.16, p=.23).

The non-linear model specification analyses indicate that in the Dutch sample, satisfaction with pay moderates the effect of CSP perceptions on intentions to stay (β=.05, p=.01) but not on positive recommendations (β=-.01, p=.30). In the Indian sample, we find no significant moderation effect of satisfaction with pay on either intentions to stay (β=.28, p=.18) or positive recommendations (β=.10, p=.23). These results provide partial support for H4a whereas H4b received no support. It appears that – in the Indian context – CSP perceptions and satisfaction with pay are standalone business offerings – namely, the non-

compensatory moderating effect found in the Netherlands is null in India. As such, H6 received only partial support.

In H5, we predicted a compensatory effect between CSP perceptions and satisfaction with the job itself. We find strong support for H5a whereas H5b received no support. Specifically, in the Dutch sample, we find a compensatory effect on intentions to stay (β=-.20, p=.07) but not on positive recommendations (β=-.17, p=.12). In the Indian sample, we find similar results – namely, a compensatory moderating effect on intentions to stay (β=-.06, p=.03) but not on recommendations (β=.21, p=.12). Thus, H7b received no support. However, as predicted in H7a, the compensatory effect between CSP perceptions and satisfaction with the job itself (on intentions to stay) is significantly attenuated (β=-.20, p=.07 vs. β=-.06, p=.03; this represents a 70% decrease in the strength of the coefficient). We formally tested for this difference using the following formula: $(b1_{G1}-b2_{G2})/S.E._{\text{b-difference}}$ (Cohen, Cohen, West, & Aiken, 2003). Results indicate that the difference between the two coefficients is statistically significant (z=1.73). This finding suggests that though low levels of CSP perceptions can be compensated with more satisfaction with the job itself in the Indian context, this compensation strategy will be less effective at least when compared to the Dutch context (i.e., CSR is a more decisive factor in the less individualistic Indian culture).

We separately present the results for the linear and non-linear models in order to examine the practical significance – that is, R^2 changes between the two models, since a significant R^2 increase in the dependent variables indicates the possible existence of interaction effects, even in the absence of statistical significance in the relevant interaction effect coefficients (Ping 2004). With regard to the Dutch sample, the addition of the non-linear terms in the main effects model is empirically meaningful, since their addition increases R^2 by 4% for both intentions to stay and positive recommendations. Likewise, in the Indian sample, the addition of the non-linear terms in the main effects model is empirically meaningful, since

their addition increases R^2 by 12% for intentions to stay and by 7% for positive recommendations.

It should be noted that the addition of the quadratic effects provides some interesting results in the Indian sample (the quadratic effects were not found to be significant in the Dutch sample). Specifically, we find a positive asymmetry of satisfaction with the job itself on intentions to stay (γ=.41, p=.01) and a negative asymmetry of satisfaction with the job itself on positive recommendations (γ=-.42, p=.04) in the Indian sample. Consequently, satisfaction with the job itself is a motivating factor (i.e., an increase is more consequential than a decrease) with regard to intentions to stay, but acts as a hygiene factor (i.e., a decrease is more consequential than an increase) with regard to positive recommendations. In addition, analyses indicate a negative quadratic effect of CSP perceptions on intentions to stay (γ=-.04, p=.001), thereby indicating that CSP perceptions act as a hygiene factor; however, the quadratic effect on positive recommendations is not significant (γ=.10, p=.26) thereby indicating only a linear effect of CSP perceptions on positive recommendations. Finally, we find that satisfaction with pay has a significant negative quadratic effect on recommendation intentions (γ=-.11, p=.07).

Given the relatively small sample sizes, we conducted post-hoc power analyses using G*Power (Faul, Erdfelder, Lang, and Buchner, 2007)[3], in order to examine whether we had enough power to test hypotheses. Assuming a medium effect population size (f^2=.15, ρ=.30), calculated on a priori grounds – for instance in the study of Rupp et al., (2013) the effect size of CSR perceptions on job pursuit intentions and organizational prestige was ρ=.45 and ρ=44, respectively; in the study of Jones (2010) the effect size of attitudes towards a volunteering program on stay intentions and recommendation intentions was ρ=.23 and ρ=.36, respectively; in the study of Peterson (2004) the effect size of corporate citizenship on organizational commitment ranged between ρ=.28 and ρ=.49 depending on the type of

corporate citizenship considered – a significance level of .05 (one-tailed) and a desired power level of .80, the sample size for this study should have included 43 respondents (achieved power for the Indian sample was .84 and for the Netherlands .92). This figure is within the bounds of the sample sizes obtained in this study.

Discussion & Implications

Do the effects of CSR on employees take place in a vacuum or are there contextual variables that moderate such effects? Currently, research efforts which try to shed light to such research questions at the individual level of analysis are rare (Williams and Aguilera 2008). In particular, the moderating conditions that are likely to alter the CSR-outcomes link have received scant conceptual and empirical attention (Berens et al. 2007; Luo and Bhattacharya 2006). With specific reference to the context of customer-facing employees – an important internal stakeholder group – there is limited understanding of when job-related and culture-related contingencies change the way CSR relates to key employee behavioral outcomes. Against this background, we contribute to the emerging psychology of CSR literature by administering a study which relies on data from two different national contexts and which provides some preliminary empirical evidence that job satisfaction facets as well as individualism, as a unique aspect of national culture, can act as moderating conditions that render the effectiveness of employees reactions to CSR a context-specific issue. In this respect, the study is in line with prior calls for more research on the idiosyncratic linkage between CSR and outcomes (Barnett, 2007; Margolis et al., 2007; Morgeson et al., 2013) as well as with several calls for research regarding the role of national context in how employees assess and respond to CSR (e.g., Du et al., 2013).

Theoretical Implications

The present study contributes to the human resource management literature in three ways. Firstly, it incorporates and studies CSR as an employee's engagement practice. Secondly, it

extends the job satisfaction literature by adding CSR–related attributions in combination with job satisfaction elements and shows the compensatory effects of these different work environment aspects. Thirdly, it suggests a framework for studying the effects of different employees' engagement practices with social extensions, such as CSR, into different cultures. The present study expands the contingency logic in the CSR domain by positing that job satisfaction facets act as moderators in the CSR-outcomes linkage. The study finds that these moderating factors are likely to interact with national context, thereby adding complexity to efforts directed at examining the conditions under which the business case of CSR takes place. By so doing, the study extends the emerging psychology of CSR research in four important ways.

First, though prior studies have advocated the positive effects of CSR on employees' attitudinal and behavioral reactions (e.g., Collier and Esteban 2007; Turban and Greening 1997), our study is one of the first attempts to provide some preliminary evidence that important job-related contingencies (i.e., satisfaction facets) may temper or strengthen the positive effects of CSR on behavioral outcomes. Specifically, we find a non-compensatory effect between CSR and satisfaction with pay, and a compensatory effect between CSR and satisfaction with the job itself. Rupp et al. (2013) have examined the moderating role of perceived payment fairness on the CSR perceptions-behavioral outcomes linkage in the context of job candidates and full-time employees; they hypothesize and find a compensatory effect between CSR perceptions and perceptions of fair payment in both contexts. This finding is in contrast with our results which indicate the existence of a non-compensatory effect between satisfaction with pay and CSP perceptions. It seems that our results are more consistent with those of Auger et al. (2013) who find that job candidates place precedence to salary/compensation compared to social reputation when confronted with a job choice task. Our contribution warrants attention since we extend this discourse by suggesting that not only

extrinsic (e.g., satisfaction with pay) but also intrinsic (e.g., satisfaction with the job itself) utilitarian factors may (differentially) interact with CSP perceptions to influence employee outcomes.

Second, we examine these contingencies in light of an important moderator – namely, national context. We provide some preliminary evidence suggesting that national context may alter the strength and direction of job-related contingency effects. Our empirical evidence indicates that in India, a less individualistic society, CSR is likely to function as a more decisive factor when employees evaluate their employers' job offerings as compared to the Netherlands, a more individualistic society. Our results contribute to the ongoing dialogue in the cross-national CSR literature which, to date, is characterized by two important limitations. In particular, prior work has been conducted primarily at the organizational level of analysis whereas the results regarding the relationship between CSR and individualism are mixed. For example Ho et al. (2012) find a negative relationship whereas Ringov and Zollo (2007) find no effect. We contribute to this literature by focusing on the individual level of analysis and by providing some preliminary evidence that CSR is a more decisive factor in less individualistic countries. Our results are consistent with the findings of Waldman et al. (2006), indicating that in more collectivistic countries top management team members are likely to place more value on community/state welfare CSR attributes.

Third, this study contributes to the current psychology of CSR literature by examining the influence of CSR actions on customer-facing employees, an internal stakeholder group that plays an important role in developing and maintaining relational bonds with customers (Albers, Mantrala, and Sridhar 2008). Currently, there is only limited research devoted to investigating whether CSR has a positive or negative effect on employees that systematically contact customers and can therefore shape the formation of customers' attitudes towards

companies. The results of this study indicate that customer-facing employees positively view CSR, but the size of this positive effect depends on other critical contextual factors.

Finally, the results of the study indicate that the effects of CSR on employee behavioral outcomes may differ depending on the type of outcome examined. Specifically, our findings indicate that the interactions between CSP perceptions with job satisfaction facets are linked differently to intentions to stay and positive recommendations. This is an important finding, since each outcome relates to different managerial goals: intentions to stay pertain to efforts directed at improving employee retention, whereas positive recommendations relate to strategies of attracting talented employees. In our study, we found evidence for significant interactions that are related to employee retention rather than employee attraction.

Managerial Implications

In addition to these theoretical contributions, our study provides important implications for practicing HR managers. First, at the baseline level, our results indicate that positive perceptions of employees about their organization's CSP will help to improve the image of the organization among its employees as well as in the society since the employees would spread positive and favorable word of mouth about their employers. Further, it will also make them stick with their employers for a longer time. Thus, managers should recognize that CSP perceptions relate to important employee behavioral outcomes and must strengthen and reinforce these perceptions using relevant intervention and incentivizing tools. This also calls for line and HR managers to communicate to their sales employees using more targeted tools so that these positive employee perceptions can be leveraged regularly. Communication is important here since if these favorable employee perceptions are left on their own, it is possible that their impact on employees' intentions to stay in the organization or promote the company to external stakeholders may be weakened. They can be further leveraged if CSR is defined by the organizations to include welfare programs since it is likely that these programs

might be perceived more positively by sales employees. Also, because young employees are more likely to take a longer-term look at their careers, the impact of CSP perceptions is likely to be stronger among younger, generation-Y customer-facing employees.

Second, and perhaps more importantly, the results from our moderation analyses suggest that managers should acknowledge that customer-facing employees' reactions to CSR initiatives may differ depending on how firms perform with regard to satisfying the intrinsic or extrinsic aspects of their employees' job. Our findings, in some respects, appear antithetical with the views expressed by HR consultancies which suggest that employees are ready to sacrifice pay or promotion in order to work for organizations that are socially responsible (Auger et al., 2013). Such views imply that employees are ready to compensate, for instance, pay satisfaction (i.e., a utilitarian factor) with higher organizational performance on CSR (i.e., a more hedonic factor). Based on the results of this study, however, managers striving to reduce turnover rates should recognize that – though CSR is important for employees – it is likely not a priority when considered jointly with satisfaction with pay (i.e., in a trade-off fashion). Specifically, our findings indicate that CSR and satisfaction with pay are either important stand-alone job features or that satisfaction with pay takes precedence over CSR (see Table V). Therefore, to win the war for talent and reduce turnover rates of customer-facing employees, managers should invest in both work elements, and, depending on the national context, place priority on the element of satisfaction with pay and not on CSR. All in all, HR managers should embrace the evidence uncovered in our research in that hiring and retention policies may be more effective if these include an appropriate blend of the three elements (CSP perceptions, satisfaction with the pay, and satisfaction with the job itself) to accomplish the desired objectives of higher intentions to stay and positive word of mouth testimonials.

The managerial implications of our research are somewhat different when it comes to examining the investments in satisfaction with the job itself (i.e., a self-centered but more of an intrinsic/hedonic value when compared to extrinsic/utilitarian factor of satisfaction with pay) vis-à-vis CSP. In particular, our findings suggest that managers should invest in both elements when it comes to acquiring top talent; on the other hand, managers seem to have the opportunity to strategically use CSR in order to compensate employees' low levels of satisfaction with the job itself when the objective is to reduce turnover rates. This finding is especially useful in job contexts where there is not much room for offering employees challenge and meaningfulness in their work (i.e., routine-type jobs) (see Table VI).

Tables V and VI near here

Overall, these previously unexplored contingency effects indicate that firms in which employees feel satisfied with their pay are in a more advantageous position when they invest in CSR initiatives. Conversely, spending money on CSR initiatives when customer-facing employees are not satisfied with their compensation is probably an unwise decision, at least when it comes to increasing retention rates. We therefore suggest that organizations should choose to put the money where it gets the maximum 'bang for the buck'. On the other hand, since customer-facing employees are likely to trade-off CSR with job satisfaction, managers can compensate employees' poor job satisfaction with favorable CSP perceptions. To put it another way, spending on CSR initiatives is probably a wise strategic choice for firms whose employees are not highly satisfied with the job itself. At the same time, since CSR perceptions will depend also on the level of CSR spending, and that itself is a function of profit for most for-profit organizations, we suggest that it would be a good HR strategy to create positive CSR perceptions among its customer-facing employees in order to leverage

the suggested outcomes; however, for loss making organizations, it may be a challenge since CSR is generally considered an issue of secondary importance for organizations on a recovery path.

Third, given the role of the national context in influencing some of the relationships examined here, HR managers of multinationals may fritter resources on CSR investments if they treat employees in different countries in a similar fashion. For example, in India, managers of customer-facing employees should consider CSP perceptions and satisfaction with pay as stand-alone job offerings that have a universal impact on turnover intentions. However, in comparison with managers of Dutch customer-facing employees, managers in India should also recognize that though customer-facing employees trade-off between CSR and job satisfaction, this trade-off does not have the same effect in both countries. This indicates that managers of Indian customer-facing employees should be more cautious when they try to compensate poor CSP perceptions with satisfaction with the job itself, and vice-versa.

Finally, managers need to recognize that when recruiting talented and skillful customer-facing employees is the major concern, positive CSP perceptions and job satisfaction facets are stand-alone instruments with a universal positive impact. However, this is likely not to be the case when management is concerned with reducing customer-facing employees' turnover rates. Therefore, recruitment and retention strategies require a different mix of elements. It is therefore imperative for organizations to incorporate the findings of our study into their policies for recruiting, selecting, and retaining customer-facing employees.

Limitations and Further Research

Our study is not without limitations. First, due to data access limitations, we did not use "fully" matched samples across the two national contexts. This is something that diminishes the level of between country-comparability and therefore renders our cross-national findings

as tentative. Though we were sensitive in creating data equivalence (i.e., construct equivalence through the use of CFAs and the use of validated scales and qualitative feedback from companies management; measurement equivalence through multi-group CFA tests specifically checking for the invariance of factor loadings across the two contexts; and data collection equivalence through similar CSR initiatives and data collection procedures in the two national contexts), data were collected from two companies operating in different industrial settings. Future researchers should thus validate our findings by making cross-country comparisons between companies operating in the same industrial context or even better in the context of the same multinational company operating in different countries in order to control for industry or organizational culture.

A second limitation of the study has to do with the way we tested for the proposed cross-national contingencies. Specifically, spawned by restrictions imposed to us by senior management, we employed Hofstede's (2001) cultural framework and considered countries to act as cultural proxies of respondents' cultural orientations. In addition, our theoretical focus in this study was on the individualist dimension. It should be noted, however, that this approach to examining the role of individualism is by far the most influential research tradition (Schimmack et al., 2005) and is "…very acceptable when…culture is used as a contextual variable" (Yoo, Donthu, and Lenartowicz, 2011). That said, however, future researchers should consider measuring cultural orientations at the individual of analysis further examining the role of more cultural dimensions (i.e., power distance, uncertainty avoidance etc.) as possible moderators of the relationships examined in the present study.

Another limitation of the study is probably the relatively small sample sizes obtained. Post-hoc power analyses suggested that we had enough power to detect hypothesized effects. However, given the post-hoc nature of these analyses, there is always the possibility that our non-significant results were the outcome of inadequate power levels. Therefore, future

studies would benefit from larger samples, especially if one considers the well-known statistical difficulties of detecting significant moderation effects in non-experimental studies (McClelland & Judd, 1993).

Fourth, we focused on particular types of CSR initiatives. With the goal to increase between-country comparability we have selected two actual CSR initiatives that particularly focused on child care issues and related employee volunteering actions. Future studies should examine our hypotheses in more inclusive CSR communications (e.g., including issues of environmental protection etc.). Also, respondents were exposed to a management-provided description of these particular initiatives and provided responses to CSR-related items. The fact that responses are "situated" – as is, however, common in this type of research (see Celsi & Gilly, 2010) – might have influenced our results.

Finally, our study did not examine the role of direct supervisors in influencing employees reactions to CSR though several past studies have found that direct sales supervisors have an important effect on customer-facing employees' attitudinal and behavioral outcomes (e.g., Wieseke, Ahearne, Lam, and Dick 2009). Future studies could investigate relevant cascading effects using a multi-level research design. One could conjecture, for example, that the non-compensatory effect between CSP perceptions and satisfaction with pay found in the Dutch sample may depend on the size and the direction of the respective interactive effect at the direct supervisor level.

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Endnotes

[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. On the other hand, CSR refers to actions that appear to further some social good and over time, aggregate into CSP (Barnett, 2007).

[2] It should be noted that RMSEA is less preferable as a fit index when the sample size is relatively small, since it tends to over-reject the population model (Boomsma 2000; Hu and Bentler 1999). In such cases, the SRMR and Bollen's IFI index should be used (Bollen 1990). For the Indian data set, SRMR equals .064 and Bollen's IFI equals .94.

[3] We thank an anonymous reviewer for this suggestion.

APPENDIX A

Measurement Items and Factor Loadings (the Netherlands)

Please read the following text carefully.

In order to improve the nutrition and health of poor school-aged children, [Company Name] has formed a partnership with the UN World Food Programme (WFP). WFP is the United Nations frontline agency in the fight against global hunger. [Company Name] supports the WFP in strengthening their school feeding programme in Colombia, Indonesia, Ghana and Kenya, sharing its nutrition, R & D, marketing and communication expertise. Together with WFP, [Company Name] develops nutrition and hygiene educational campaigns and carries out a nutritional review of the school programme's food basket. [Company Name]'s brands, [Brand A] and [Brand B], raise awareness of child hunger with their consumers, thus raising funds for WFP's school feeding programme. [Company Name] engages its employees in a global event [Event Name], and local fundraising activities. [Company Name] employees are seconded to WFP to share their expertise and in a similar manner [Company Name] offers student internships at WFP country offices.

Please provide answers to the following questions taking into account the text you've just read

Item	Loading
CSR Attributions	
[Company Name] is taking advantage of the non-profit organization to help its own business.	.88
[Company Name] wants it as a tax write-off.	.67
CSP Perceptions	
[Company Name] is a socially responsible company.	.92
[Company Name] is a driving force behind social projects.	.90
Positive Recommendations	
Say positive things about [Company Name] to other people.	.92
Recommend [Company Name] to someone who seeks my career advice.	.84
Intentions to Remain	
Consider [Company Name] as my first employer of choice, If I had to choose again.	.87
Continue working for [Company Name]	.85
Satisfaction with the Job Itself	
My work gives me a sense of accomplishment	.91
I'm really doing something worthwhile in my job	.83
Satisfaction with Pay	
My pay is low in comparison with what others get for similar work in other companies (rc)	.73
In my opinion the pay here is lower than in other companies(rc)	.95

Notes: All constructs were measured on a 7-point scale, anchored from "1 = Strongly Disagree" to "7 = Strongly Agree". (rc) = reversely coded

APPENDIX B

Measurement Items and Factor Loadings (India)

Please read the following text carefully.

[Name of the Campaign] was launched in 2008 by [Company Name] as an all India social initiative. The concept is to bring in children who are in need of education and people who are willing to contribute their time to teach the children. To operationalize the concept and set of activities, NGOs are invited to participate and facilitate the execution.

This year's campaign has been introduced with modifications that have brought in more focus, reduced lag time and effective utilization of all resources. The month-long drive invites applications exclusively online via the Volunteer Application Form. Each participant needs to register with an individual username and password. Post registration, they have to select their preferred teaching location basis which the applicant can choose their induction centre, day and time. The induction sessions are used for interaction with the NGO and to map individual preferences with NGO needs.

This campaign is supported by the reach of [Company Name]. This campaign generates lot of interest among employees, readers, advertisers and business partners and they volunteer to be part of this campaign.

Please provide answers to the following questions taking into account the text you've just read

Item	Loading
CSR Attributions	
[Company Name] is taking advantage of the non-profit organization to help its own business.	.76
[Company Name] wants it as a tax write-off.	.80
CSP Perceptions	
[Company Name] is a socially responsible company	.91
[Company Name] is a driving force behind social projects	.74
Positive Recommendations	
Say positive things about [Company Name] to other people.	.82
Recommend [Company Name] to someone who seeks my career advice.	.96
Intentions to Remain	
Consider [Company Name] as my first employer of choice, If I had to choose again.	.91
Continue working for [Company Name]	.91
Satisfaction with the Job Itself	
My work gives me a sense of accomplishment	.87
I'm really doing something worthwhile in my job	.96
Satisfaction with Pay	
My pay is low in comparison with what others get for similar work in other companies (rc)	.87
In my opinion the pay here is lower than in other companies(rc)	.96

Notes: All constructs were measured on a 7-point scale, anchored from "1 = Strongly Disagree" to "7 = Strongly Agree". (rc) = reversely coded