The role of corporate investment in social responsible practices in the promotion of employees' organizational citizenship behaviour[1]

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Abstract

In the current scenario of economic uncertainty, where many organizations struggle harder for reducing costs while improving their competitiveness, employees' organizational citizenship behaviours might have an enhanced importance for organizational survival and success. A model proposing that corporate engagement in internal socially responsible practices enhances employees' job satisfaction and consequently increases employees' extra-role behaviours was tested. Using data obtained from a sample of employees from an airline company (n=133), the model was examined and supported. We have therefore concluded that organizations may foster employees' extra-role behaviours by investing in corporate socially responsible practices that signal corporate concern with employees and promote job satisfaction.

Keywords: Corporate social responsibility, job satisfaction, organizational citizenship behaviours, organizational behaviour.

Introduction

Employees have been documented to perform voluntarily a variety of work behaviours for which they are not paid and that go beyond formal performance requirements and expectations (Organ, 1988). These organizational citizenship behaviours (OCB) have been associated with positive outcomes for organizations, such as improvements in goals attainment, productivity and overall performance and effectiveness (Wright & Sablynski, 2008).

In today's uncertain economy, where many organizations struggle harder to reduce costs while improving their competitiveness, employees' OCB might have an enhanced importance for organizational survival and success. Therefore, encouraging employees to engage in OCB constitutes one major challenge for organizations.

This paper addresses this question and aims at achieving greater understanding of the antecedents of employees' OCB. A model proposing that corporate engagement in internal socially responsible practices enhances employees' job satisfaction and consequently

increases employees' OCB was examined. In the following section, we present the theoretical background of the study.

Organizational Citizenship Behaviours and Job Satisfaction

Although the definitional issues surrounding OCB (also referred to as extra-role or pro-social behaviour) continue to be debated among academics, most of OCB definitions imply that it comprise a set of diverse behaviours that do not represent routine job functions, are discretionary and contribute in some way to organizational functioning (Organ, Podsakoff, & MacKenzie, 2006).

OCB include behaviours such as persisting with enthusiasm and extra effort as necessary to complete one's own tasks successfully; volunteering to carry out tasks that are not formally part of one's own job; helping and cooperating with others; following organizational rules and procedures; and endorsing, supporting, and defending organizational objectives (Borman & Motowidlo, 1997).

Despite it multidimensional nature, in most researches the different types of OCB are highly inter-correlated and, for this reason, are often aggregated into an overall measure of employee citizenship (Bolino & Gilstrap, 2007). Thus, in this study we use an aggregated measure of OCB based on the assessment of employees' volunteering to carry out tasks outside their job requirements.

The identification of potential predictors of OCB has been the focus of prior research. Among the constructs found to be related with OCB are job attitudes, predominantly job satisfaction (e.g. Bateman & Organ, 1983; Bowling, 2010; Organ & Ryan, 1995; Williams & Anderson, 1991). Job satisfaction refers to "positive (or negative) evaluative opinion on one's job or work situation" (Weiss, 2002, p.6) which implies an appreciation of the work situation in different aspects and the extent to which this situation responds to an employee's expectations and aspirations (García-Montalvo, Peiró & Soro, 2003). Recent studies have provided evidences that employees' job satisfaction is related to perceived corporate engagement in socially responsible practices (Duarte & Neves, 2010; Valentine & Fleishman, 2008).

Corporate engagement in socially responsible practices mirrors the amount of an organization's commitment with corporate social responsibility (CSR). In recent years, and from an European approach, CSR has been defined as a concept whereby companies integrate

social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2001). This integration is made visible through the development of a diverse set of corporate practices that appear to further some social good and go beyond the explicit interests of the firm and the requirements of the law (McWilliams & Siegel, 2001).

Socially responsible practices have been organized around two dimensions (European Commision, 2001). The internal dimension comprises corporate practices related mainly with human resources and environmental impact management. Corporate initiatives to dignify employees and workplace conditions, foster work-family balance and equal opportunities as well as investment on environmental management systems are some of the practices that reflect internal CSR. The external dimension encompasses corporate practices related to external stakeholders, namely local community and consumers, amongst others. Some of the most widespread examples of practices that echo external CSR are the implementation of solidarity, corporate volunteer and environmental conservation projects.

Research about the impact of CSR on employees' attitudes and behaviours has been considered scarce and additional investment on the understanding of individual-level impact as been requested (Aguilera et al., 2007). Nevertheless, there are some initial indications pointing to a positive relationship between employees' perceptions of corporate engagement in socially responsible practices and job attitudes such as organizational commitment (Brammer, Millington & Rayton, 2007; Duarte & Neves, 2009b; Peterson, 2004; Rego, Leal, Cunha & Pinho, 2009) and, as already mentioned, job satisfaction (Duarte & Neves, 2010; Valentine & Fleishman, 2008). Higher levels of perceived engagement in CSR are related with higher levels of employees' commitment and job satisfaction.

To our best knowledge, there are no studies examining the relationship between CSR and employees job behaviours, such as OCB. Nonetheless, based on previous literature we propose that there is a positive relationship between these variables. Since corporate engagement in socially responsible practices, particularly practices aiming employees' well-being (i.e., internal practices), can improve the quality of work life, one can consider that employees will reciprocate with the engagement in OCB. So, employees' perceptions of corporate engagement in internal CSR can be positively and significantly related with their engagement in extra-role behaviours. This constitutes our first hypothesis.
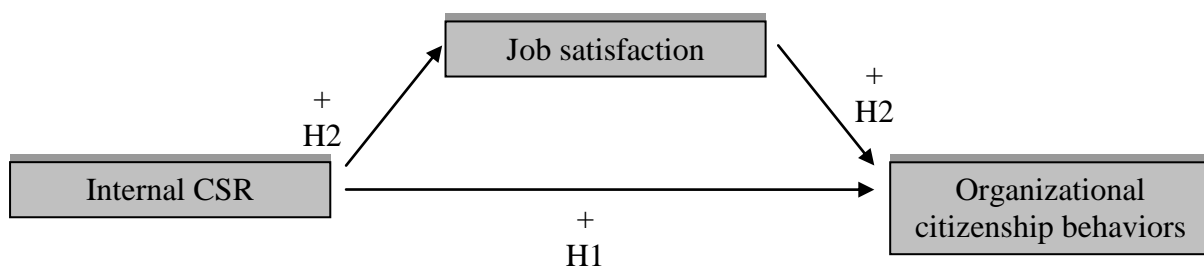
> *Hypothesis 1* – Perceptions of internal CSR are positively related with employees' organizational citizenship behaviours.

Employees' job satisfaction might help us to better understand the process underlying the proposed relationship. As we have previously mentioned, CSR literature suggests that corporate engagement in socially responsible practices is significantly related with a set of job attitudes, including job satisfaction. Additionally, OCB literature as long established job satisfaction as an antecedent of OCB. We hence propose that employees' job satisfaction mediates the relationship between their perceptions of corporate engagement in CSR and their engagement in OCB. This constitutes our second hypothesis.

> *Hypothesis 2* - Employees' job satisfaction mediates the relationship between perceptions of internal corporate social responsibility and organizational citizenship behaviours.

Figure 1 represents graphically our investigation model. In order to test the proposed model we have conducted a correlacional study, through a questionnaire to employees. The study's method and main results will be summarized in the next sections.

Figure 1 – *Investigation model*

Method

Sample and Procedure

A self-administered questionnaire was delivered to 400 employees of an airline company. The instructions indicated that there were no right or wrong answers and participants should answer questions as honestly as possible. Emphasis was also given to the confidentiality of responses since only the research team would have direct access to them. The procedural remedies highlighting respondent anonymity and reducing evaluation apprehension aim

reducing potential common method variance caused by collecting data in a single source (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

The sample is composed by 133 employees (response rate=33.3%) aged from 19 to 65 years (M=40.0; SD=10.5), being the majority female (54.3%). Regarding education, 7.0% of respondents have completed nine or less years of schooling, 47.3% have completed the 12th year of schooling and 45.7% have a higher education degree. Respondents tenure ranged from 3 months to 38 years (M=8.5; SD=9.1). The majority of respondents has a permanent employment in the organization (82%) and develops a non-managerial job (86.9%).

Measures

The questionnaire was composed by a set of questions regarding respondents' socio-demographic characteristics (gender, age, education, tenure, type of employment contract and type of job) and the following measures:

Internal CSR (predictor variable): Employees' perceptions of corporate engagement in internal social practices were measured using seven items developed by Duarte and Neves (2009a) and already applied by Duarte and Neves (2009b). Typical items include: "This Company invests in the promotion of equality between men and women"; "This Company invests in the promotion of work-family balance". Respondents were asked to express their level of agreement on a five-point Likert scale (1- "Totally disagree" to 5-"Totally agree"). All items were aggregated into a single index (α=.88).

Job satisfaction (mediator variable): Job satisfaction was measured using a 12-item scale based on Lima, Vala and Monteiro's (1994) work. This scale allowed us to measure employees' level of satisfaction with 12 job facets (e.g. organization, work itself). Typical items include: "Regarding cooperation and relationship with co-workers I would say that..." and "Regarding training opportunities I would say that…". Respondents were asked to express their level of satisfaction on a five-point scale (1-"I'm very unsatisfied" to 5-"I'm very satisfied"). All items were aggregated into a single index (α=.88).

Organizational citizenship behaviours: Employees' assessment of individual OCBs was measured using a five-item scale. Typical items include: "I often volunteer for extra-role tasks", and "I avoid extra-role tasks and duties" (reverse item). Respondents were asked to

express their level of agreement with the statements on a five-point Likert scale (1- "Totally disagree" to 5-"Totally agree"). All items were aggregated into a single index (α=.80).

Results

Table 1 presents means, standard deviations, reliabilities and correlations. Results of correlations among variables reveal that all variables in this study are positive and significantly associated. OCB have similar correlation with perceived internal CSR (r=.29, p<.01) and job satisfaction (r=.30, p<.01). The correlation between these two last variables is high (r=.65, p<.01).

In addition, respondents' gender and type of job are negative and significantly associated with job satisfaction (r=-.17, r=-.17, p<.05) and OCB (r=-.20, r=-.16, p<.05). Respondents' tenure is positive and significantly associated with these variables (r=.21, r=.42, p<.01). Respondents' age, education and type of employment contract are not significantly correlated with job satisfaction or OCB. Therefore, only gender, type of job and tenure were controlled for in the following analyses.

Table 1 - *Means, standard deviations, reliability, and inter-correlations*

	M	SD	1	2	3	4	5	6
1. Gender	-	-	-					
2. Type of Job	-	-	.03	-				
3. Tenure	8.48	9.08	.23**	.10	-			
4. Internal CSR	3.69	0.76	-.11	-.18*	.22**	(.88)		
5. Job Satisfaction	3.35	0.66	-.17*	-.17*	.21**	.65**	(.88)	
6. OCB	3.66	0.70	-.20*	-.16*	.42**	.29**	.30**	(.80)

Notes: Gender and type of job were coded as dummy variables (Gender: 0-*Women*; 1-*Men*; Type of job: 0-*Non-managerial job*; 1-*Managerial job*).*p<.05; **p<.01; one-tailed.

The hypotheses were tested using hierarchical regression analysis. To determine whether the job satisfaction is a mediator of the relationship between perception of CSR towards employees and OCB we followed the procedure recommended by Baron and Kenny (1986), and used Sobel test.

First, we have regressed the dependent variable OCB on the predictor variable internal CSR, controlling for socio-demographic variables. Satisfying the first requirement for mediation, respondents' perceptions of corporate engagement in socially responsible practices towards employees was positive and significantly related to OCB (β=.33, p.<000) (step 1, model 2 in Table 2). This result supports our first hypothesis. Additionally, all controlled variable have shown to be significantly related with the criterion variable. Model 2 explains 29% of variance in reported OCB.

Next, we have regressed the mediator variable job satisfaction on the predictor variable internal CSR, once more controlling for socio-demographic variables. As shown in step 2, model 2 in Table 2, respondents' perceptions of corporate engagement in socially responsible practices towards employees was positive and significantly related to job satisfaction (β=.64, p.<000), satisfying the second requirement of mediation. None of the socio-demographic variables helps to explains job satisfaction in the presence of internal CSR. This model explains 44% job satisfaction unique variance.

Finally, to test the third step of mediation, we have regressed the dependent variable OCB on the mediator variable job satisfaction, with the predictor variable internal CSR and the control variables included in the equation. The results show that respondents' job satisfaction is positive and significantly associated with reported OCB (β=.23, p.<01). The results also reveal that job satisfaction partially mediates the relationship between respondents' perceptions of corporate engagement in socially responsible practices towards employees and OCB. Sobel test shows that this is a significant partial mediation (Z=2.011, p<.05). In other words, although the magnitude of the beta coefficient was reduced (from β=.23 to β=.17), perceptions of CSR towards employees continued to be related to OCB in the presence of job satisfaction. Therefore, our second hypothesis was supported. This model explains 31% of the total variance of respondents' OCB.

Table 2 - *Regressions results*

| | Steps 1 and 3 | | | | Step 2 | | | |
| | Criterion variable: OCB | | | | Criterion variable: Job Satisf. | | | |
	β	R^2	R^2Adj	ΔR^2	β	R^2	R^2Adj	ΔR^2
Model 1		.211	.191			.067	.044	
Gender	-.21**				-.17*			
Tenure	-.18**				-.02			
Job Type	.38***				.19*			
Model 2		.311	.288	.101		.458	.440	.391
Gender	-.17*				-.10			
Tenure	-.17*				.00			
Job Type	.32***				.06			
Internal CSR	.33***				.64***			
Model 3		.342	.314	.031				
Gender	-.15*							
Tenure	-.17*							
Job Type	.30***							
Internal CSR	.17*							
Job Satisfaction	.23**							

Note: Gender and type of job were coded as dummy variables (Gender: 0-*Women*; 1-*Men*; Type of job: 0-*Non-managerial job*; 1-*Managerial job*). *p<.05; **p<.01; ***p<.000; one-tailed.

Discussion and Conclusions

The present study explored the relationship between employees' perceptions of internal CSR and their engagement in OCB, as well as the role performed by job satisfaction within this relationship. In so doing, it responds to a call for more research on the individual-level impacts of CSR (Aguilera, et al., 2007; Maignan & Ferrell, 2001).

The findings revealed a direct and positive effect of employees' perception of corporate engagement in socially responsible practices on reported OCB. Such results suggest that employees' are more likely to exhibit extra-role behaviours when they perceive their organization as engaged in sustainable HRM practices. Findings also revealed that employees' perceptions of internal CSR are positively related to their job satisfaction. These

results are consistent with previous research (Duarte & Neves, 2010; Valentine & Fleishman, 2008).

More importantly, our results showed that job satisfaction mediates the relationship between employees' perceptions of corporate engagement in socially responsible practices and the performance of extra-role behaviours. This suggests that perceived investment in human resource management and employee quality of life enhances employees' job satisfaction, which in turns promotes the voluntary performance of tasks outside job requirements. The mediating effect is only partial. Therefore further studies should examine additional factors that can help to better explain this relationship (e.g. perceived organizational support).

The findings should be interpreted in light of the study limitations. First, the data were collected in a single source raising the possibility of common method bias in the relationships between the variables (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). Second, the sample used is based on a single organization, limiting the potential generalization of the findings. The sample dimension required the examination of a parsimonious model and as such we could not include in our analysis additional variables. For instance, being CSR a multidimensional construct (Duarte & Neves, 2009a) it is important to examine the effect of other dimensions of CSR in employees' OCB. Prior studies indicate that corporate engagement in external socially responsible practices also has a positive effect on employees' job attitudes (Brammer et al, 2007; Duarte & Neves, 2009b; Duarte & Neves, 2010). One might wonder if it also has a positive effect on employees' OCB. Besides that, OCB literature has identified other antecedents of OCB beyond job satisfaction such as justice (Wright & Sablynski, 2008) that could help us to better explain the relationship between CSR and OCB. Future research could extend the model here examined by including some of these variables. Finally, the study had a correlacional research design, which means that firm conclusions cannot be draw about causality. Future studies might adopt a longitudinal or experimental design in order to explore this issue.

Nevertheless, a number of theoretical and practical contributions can be highlight, one of which follows from the direct relationship between employees' perceptions of CSR and OCB. To our knowledge there are no studies analysing the relationship between these two variables. So, the results of this study are innovative and extend earlier research showing that these variables are indeed associated. At a practical level, these results suggest that

organizations can make intentional use of their CSR portfolio to promote employees positive job attitudes and behaviours above and beyond the positive effect that might come from just having a good human resource strategy (Brammer et al., 2007). The relationship between CSR, job satisfaction and OCB uncovered in this study suggest the relevance of the former in fostering employees' extra-role behaviours. Thus, managers should pay more attention to actual CSR activities and develop CSR strategies that reflect employees' needs and expectations regarding business responsibility. Additionally, managers should invest in internal communication on the organization's CSR portfolio. This will allow employees to develop a more informed opinion about organization's stance regarding CSR. And, as our study shows, the more employees perceive corporate engagement in CSR, the more satisfied and volunteering they will be in the workplace. This will probably contribute for a better organizational performance in nowadays uncertain and competitive global economy.

Acknowledgment

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