Improve employee-organization relationships (EOR) and workplace performance through CSR: Insights from an electric and energy company in China

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Abstract

This study examined the impact of employee perceived corporate social responsibility (CSR) on their employee-organization identification (EOI), corporate ability (CA), employee-organization relationships (EOR), and organizational citizenship behavior (OCB). Results, based on a survey (N = 248) with employees from a large, private company in the electric and energy industry in China, revealed that employee perceptions of CSR were positively associated with EOI, CA, EOR, and OCB. In addition, there was a positive spillover effect between CSR and CA. Findings also indicated the positive associations between CA and EOR, and EOI and OCB. This study contributes to the scant research on employee-centered CSR and suggests CSR as an effective strategy to cultivate relationships with employees and to increase their work performance in the Chinese context.

Research Goals

The purpose of this study is to examine CSR from an employee perspective in the Chinese context. Specifically, this study aims to explore the effects of employee perceived CSR on the relational and behavioral outcomes in the workplace through mechanisms of employee-organization identification (EOI) and perceived corporate ability (CA).

Hypotheses

- *H1a*: Employee perceptions of organizational CSR will be positively related to their OCB.
- *H1b*: Employee perceptions of CSR will be positively related to EOR.
- *H1c*: Employee perceptions of organizational CSR is positively related to EOI.
- *H2a:* Employee-company identification is positively related to OCB.
- *H2b:* Employee-company identification is positively related to EOR.
- *H1d*: Employee perceptions of organizational CSR is positively related to CA.
- *H3a*: CA is positively related to OCB.
- *H3b*: CA is positively related to EOR.

Method

➢ Data Collection and Sample

- Data were collected from a leading electric and energy company in China.

- Participants include employees from varying positions, including lower-level employees and lower- and middle-level managers, from various departments, including production, marketing, research and development, and administration.

- The final sample consists of 248 participants. The average age is 28.9 years (SD= 14.12). The average working experience is 3.0 years (SD = 1.62).

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➢ Measures

Variable	Measures	Mean (SD)	Cronbach alpha
Employee CSR perceptions	11 items from Turker (2009b)	5.25 (1.48)	0.93
EOI	3 items from Dutton, Dukerich and Harquail (1994)	5.38 (1.28)	0.92
CA	6 items from Brown and Dacin (1997) & Kim and Rader (2010)	5.26 (1.40)	0.94
EOR	14 items from Huang (2001)	5.05 (1.51)	0.98
OCB	Lee and Allen (2002)	5.42 (1.32)	0.94

Note: All items were rated on a seven-scale Likert measure.

Results

➢ The measurement model fitting is satisfactory: $\chi 2$ = 1414.207 with 685 df, $\chi 2/df$ = 2.06 < 3, comparative fit index (CFI) = .905 and Tucker-Lewis index (TLI) = .897. Root mean square error of approximation (RMSEA) =.066 <0.08 (Kline, 2011).

➢ The structural model fitting is acceptable: $\chi 2$ = 1431.501 with 686 df, $\chi 2/df$ = 2.09 < 3, comparative fit index (CFI) = .903 and Tucker-Lewis index (TLI) = .895. Root mean square error of approximation (RMSEA) =.066 <0.08 (Kline, 2005).

➢ Hypothesis testing results

Figure 2. Estimated Standardized Effects in the Structural Modeling Equation.

➢ Reliability and Validity

Table 1. Discriminant and Convergent Validities of Constructs

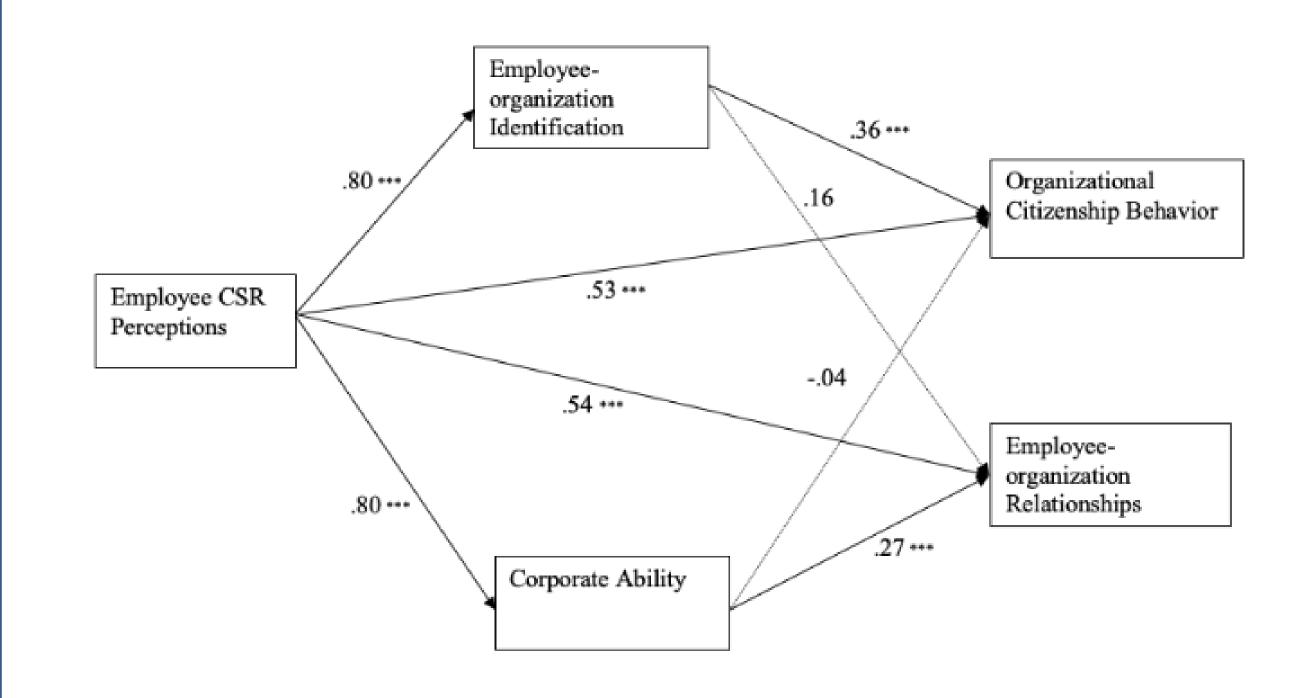| Constructs	CR	AVE	MSV	MaxR(H)
Employee perceived CSR	0.93	0.55	0.76	0.94
EOI	0.93	0.83	0.62	0.98
CA	0.94	0.73	0.67	0.95
EOR	0.98	0.74	0.76	0.98
OCB	0.95	0.75	0.74	0.96

Note: CR = composite reliability, AVE = average extracted, MSV = maximum shared variance,

MaxR(H) = maximal reliability.

Discussion

- Employees would internalize a corporate CSR behavior to their own workplace behavior. In addition, employees are more likely to reciprocate and maintain a high-quality relationship with the company that is favorable of CSR practices.

- The insignificant relationship between EOI and EOR could be due to that 1) EOR is a long-term measure of relationship quality, 2) the relationship between employees and their company is complicated, and 3) employees face power dynamics in relation to their company.

- This study contributes to the scant literature investigating employee CSR perceptions and their extra-role behaviors in China, arguing that CSR can effectively cultivate relationships between the organization and its employees. In addition, we also argue for a positive spillover effect from CSR to CA.

- Findings suggest that CSR investment can payoff internally. This is particularly important for private companies in China because they are challenged by high mobility and low loyalty of talents (Newman et al., 2015). These companies may benefit from CSR communication to employees.

Limitations and Future Research

- The generalizability of this study's findings is limited to the context. Future search may use random, national sample or recruit participants from more representative companies and industries.
- Future research may specify the different dimensions of CSR perception.
- Qualitative research is needed to further understand the drivers and outcomes of employee CSR perceptions in the Chinese workplace context.

1.   Kline, R. B. (2011). Principles and practice of structural equation modeling (3rd ed.). New York, NY: Guilford publications.
2.   Newman, A., Nielsen, I., & Miao, Q. (2015). The impact of employee perceptions of organizational corporate social responsibility practices on job performance and organizational citizenship behavior: Evidence from the Chinese private sector. The International Journal of Human Resource Management, 26(9), 1226-1242.