

Relating Corporate Social Responsibility and Employee Engagement: The Mediating Role of Perceived Organizational Support and Chinese Values

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ABSTRACT

Previous research suggested that Corporate Social Responsibility (CSR) is positively related to organization's attractiveness to potential employees. This paper tries to explore the effective dimensions of CSR on employee engagement and the mediating factors that lay between the two constructs. The author proposes that CSR has a direct impact on employee engagement, and that perceived organizational support (POS) and Chinese values mediate this relationship, so CSR may also contribute indirectly to employee engagement. Results support the hypotheses, as the relationship between CSR and employee engagement is fully mediated by POS and Chinese values. Implications to theory and practice, with limitations and future research are presented.

Keywords: Chinese Values, Corporate Social Responsibility, Employee Engagement, Perceived Organizational Support, Theory

INTRODUCTION

Businesses nowadays are striving to improve their performance. It is agreed that efficiency and productivity are demanded more than any other times in the history. Attracting and retaining talents thus become an important part of managers' job. Promoting corporate social responsibility (CSR) is an effective way organizations use to attract and retain large numbers of potential equality employees (Greening & Turban, 2000). Employers realize that efficiency

and productivity lie within employees' ability and affective commitment. By focusing on employee engagement, they can expect more intrinsically motivated and competent workforce (Markos & Sridevi, 2010).

The purpose of this paper is, therefore, to enrich the CSR literature by addressing the question whether CSR can contribute to the engagement of human resources in organizations, and whether other organizational factors such as perceived organizational support (POS) and personal trait such as Chinese values af-

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fect the relationship and to what degree. Most CSR research has been conducted to measure the relationship between financial performance and social performance (Backhaus, Stone & Heiner, 2002). Greening and Turban (2000) and a few researchers have looked at another type of competitive advantage provided by CSR: the ability to attract and retain quality employees, but little research has investigated whether firms' CSR influences employees' engagement in the organization. New insights might be gained on how organizations can engage committed employees through different means of CSR initiatives, and other management styles that employees cherish.

Corporate Social Responsibility (CSR)

Corporate social responsibility is defined as corporate behaviors that aim to affect stakeholders positively and that go beyond its economic interest (Turker, 2009). Stakeholders are "those groups or individuals who can affect or are affected by the achievement of the organization's objectives or are those actors with a direct or indirect interest in the company" (Verdeyen, Put, & Buggenhout, 2004). The concept of CSR has received increased attention. Both researchers and practitioners become more aware of the fact that firms are responsible to multiple stakeholders in addition to the more traditionally emphasized shareholder (Griffin & Mahon, 1997). As Carroll (1991) explained, an organization must meet its responsibilities at all levels, meaning not only its responsibilities to generate profitable returns for shareholders and to obey laws at the economic and legal levels, but also its responsibilities to protect the moral rights and meet the expectations of consumers, employees, and the community while promoting welfare and goodwill at the ethical and philanthropic levels.

Many firms now agree that attracting and retaining highly skilled, quality employees is an important component of their competitive advantage (Greening & Turban, 2000). Under competitive pressures, managers need to take

into consideration the effect of organizational actions (including responsibility for stakeholders, non-stakeholders, employees, and customers, etc.) on competitive advantages. The resource-based view of strategic management argues that a way to outperform competitors is to retain valuable and non-substitutable human resources (Barney, 2001). Some visionary firms have promoted their corporate social responsibility as a way to attract a large number of quality employees, and research suggests that firms with better CSR may be more attractive firms for whom to work (Greening & Turban, 2000).

Turker (2009) provides a comprehensive conceptual and operational definition of CSR which germane to four major facets of the construct: CSR to (a) community stakeholder, (b) employee, (c) customer, and (d) government. CSR to community (social and non-social) stakeholder describes a firm's CSR efforts toward the local community, natural environment, future generations, and non-governmental organizations (e.g., charity organizations). CSR to employee describes a firm's human resource practices in nurturing employees and fulfilling their needs. CSR to customers refers to a firm's marketing efforts in treating its customers in a fair and ethical way. Finally, CSR to government describes a firm's policies in compliance with government policies and regulations. This study adopts the CSR definition from Turker (2009) and conceptualizes CSR as a multidimensional construct with its four underlying facets: CSR-to-stakeholder, CSR-to-employee, CSR-to-customer, and CSR-to-government.

As this is an exploratory study, data on CSR are generated from employees' perception of their organization's CSR initiatives, rather than organization's CSR initiative per se. This makes the study to focus on employees' level only, and to present and discuss the results from employees' point of view.

Employee Engagement

Definitions of employee engagement vary from different researchers. It has been defined as emotional and intellectual commitment

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