

Title: “Psychology of Corporate Social Responsibility: The relationship between perceived CSR and employee attitudes, behavior, and happiness”

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Preface

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Abstract

In recent decades, Corporate Social Responsibility (CSR) has received increased attention from both managers and academics. However, there is a dearth of empirical evidence on how and why CSR perceptions influence employees. Drawing on propositions from Psychological Need Satisfaction Theory, Social Identity Theory, and Person-Organization Fit Theory, this study tested whether employees' CSR perceptions are positively related to their attitudes, behavior, and happiness. In support of my expectations, results of a cross-sectional survey ($N = 567$) showed that employees' CSR perceptions are positively related to their job satisfaction, job performance, and life satisfaction. These relations were explained by the underlying mechanism of basic psychological need satisfaction. Employees are more satisfied with their job, higher-performing, and happier at socially responsible organizations, because working at these organizations satisfies their basic psychological needs for meaning and belongingness in life. However, the indirect effect of achieved belongingness is conditional on an employee's desire for significant impact through work (DSIW). Furthermore, the findings indicated that the positive relationship between CSR perceptions and employee job performance only emerges in employees who experience a P-O fit, i.e. greater levels of value congruence and DSIW, with their organization. Overall, CSR has pervasive effects on employee attitudes, behavior, and happiness.

In 2000, the United Nations (UN) established the UN Global Compact (2014), the world's largest Corporate Social Responsibility (CSR) initiative. In making the case for CSR activities, – defined here as *“the company's engagement in actions that appear to further some social good, beyond the interests of the firm and that which is required by law”* (McWilliams & Siegel, 2001, p. 117) – proponents argue that it is not only in the interest of society, but important for the innovation, sustainability, and competitiveness of companies as well. For instance, the European Commission (2015) states that CSR provides important benefits to organizations in customer relationships, access to capital, risk management, cost savings, innovation management, and Human Resource Management (HRM).

In the past decades, interest in CSR has become widespread among both practitioners and scholars from diverse fields of study, including anthropology, economics, law, management, and sociology (Rupp, 2011; Rupp, Williams, & Aguilera, 2010; Serenko & Bontis, 2009; Wagner, Lutz, & Weitz, 2009). Despite its wide dissemination and potential relevance for the workplace (Brammer, Millington, & Rayton, 2007), HRM and Organizational Behavior (OB) researchers have only scarcely touched upon CSR (Aguilera, Rupp, Williams, & Ganapathi, 2007). Extant literature on CSR mostly focuses on the macro level of analysis, i.e. the institutional or organizational level, and tends to explore CSR's impact on financial and/or external outcomes, such as corporate financial performance of corporate attractiveness for prospective employees (Aguinis & Glavas, 2012; Arnaud & Wasieleski, 2014).

On the contrary, little attention has been given to the internal effects of CSR, i.e. the effects on employees (Aguilera et al., 2007; Lee, Park & Lee, 2013). The research stream that considers how employees perceive and subsequently react to CSR – known as the psychology of CSR – has only just begun to emerge (Rupp, Shao, Thornton, & Skarlicki, 2013; Vlachos, Panagopoulos, & Rapp, 2014). Consequently, theoretical and empirical knowledge on how and why CSR impacts employee outcomes is thin on the ground (George, 2014). However, because

CSR stresses the importance of actions towards employees, one can expect CSR to have pervasive effects on employees (Carmeli, Gilat, & Waldman, 2007). Initial research suggests that CSR can indeed impact a wide range of relevant employee outcomes, including their attitudes, behavior, and happiness (Aguilera et al., 2007; Aguinis & Glavas, 2012; Wood, 1991).

Although previous research does show that CSR can lead to increased job satisfaction (Valentine & Fleischman, 2007) and job performance (Carmeli et al., 2007), there is no empirical study to date that looks at the influence of CSR on employee's subjective well-being, also known as happiness or satisfaction with life. However, employee life satisfaction is an important outcome for OB scholars to consider, because it is strongly associated with several benefits to both individuals and groups in the workplace and has strong implications for fostering a more proactive workforce (Allen & McCarthy, 2015). Benefits include enhanced individual and unit performance, organizational citizenship behaviors, employee retention, customer satisfaction, and safety (Fisher, 2010).

Furthermore, there are few empirical papers that provide evidence of the underlying psychological mechanisms through which CSR positively influences employee job satisfaction and job performance (Aguinis & Glavas, 2012; Jones, 2010). The theory of psychological need satisfaction has often been used to explain the effects of CSR on employees (e.g., Bauman & Skitka, 2012). Specifically, authors propose that the effects of CSR on employees occur due to the gratification of employees' needs for meaning and belongingness (Aguilera et al., 2007; Rupp et al., 2010). However, this theoretical explanation still needs to be put to the empirical test.

Empirical evidence on the conditions under which CSR leads to psychological need fulfillment and, in turn, favorable employee outcomes is similarly scarce. Although Person-Organization (P-O) fit, i.e. the fit between the employee and the organization, has been shown

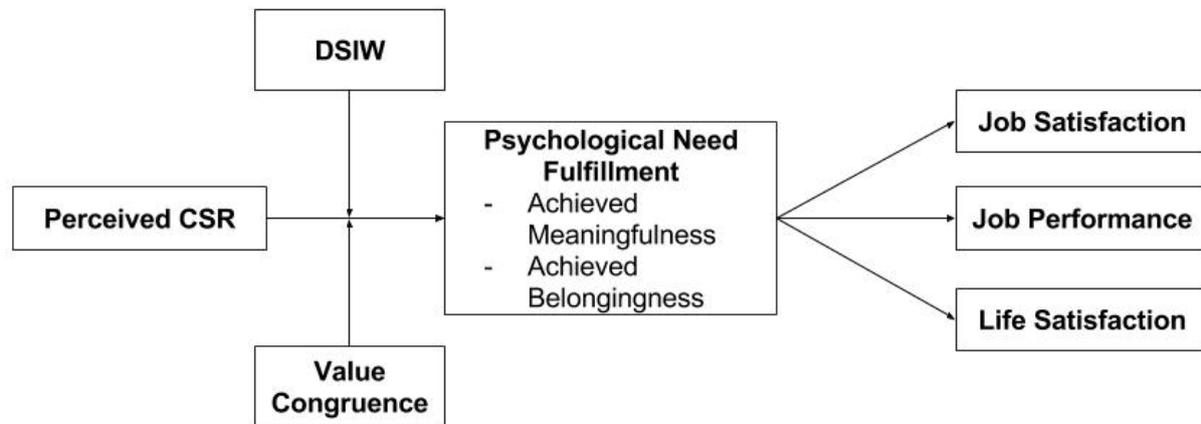
to lead to favorable attitudinal and behavioral outcomes for prospective employees of socially responsive organizations (Gully, Phillips, Castellano, Han, & Kim, 2013), these findings have not yet been replicated for incumbent employees.

To address the lack of research on the psychology of CSR and contribute to OB scholarship, I aim to (a) study the influence of perceived CSR on employee attitudes (i.e. job satisfaction), employee behavior (i.e. job performance), and employee happiness (i.e. life satisfaction) – the latter of which is an outcome thus far disregarded in the literature; (b) shed light on the underlying mechanism (i.e. the mediating effect) of psychological need fulfillment, an often proposed yet thus far untested theoretical explanation; and (c) go beyond the extant literature by examining the contingency effects of P-O fit (i.e. value congruence and desire for significant impact through work) on favorable incumbent, rather than prospective, employee outcomes. Figure 1 gives an overview of the conceptual model.

The findings of this study can be of practical relevance to both organizations and individuals. An important managerial implication from the relationship proposed in this paper is that a firm's CSR initiatives may positively affect employees' perception of the firm and, in turn, their attitudes, behavior, and happiness. Understanding the mechanisms by which employees are impacted can inform firm strategies of designing, implementing, and communicating CSR (Morgeson, Aguinis, Waldman, & Siegel, 2013). For example, it might lead firms to give more attention to CSR in their employee communications, thus increasing CSR perceptions among employees and allowing for the proposed relationship in Figure 1 to take place. Furthermore, understanding the conditions under which CSR initiatives may positively influence employee attitudes, behaviors, and happiness, can provide socially responsive organizations with important insights for the recruitment and selection of employees. In practice, this research can give employers a means of increasing their

employees' job satisfaction, job performance, and life satisfaction, thereby contributing to the wellbeing of their employees and organization in the long run.

Figure 1 Conceptual model



Perceived CSR and Employee Attitudes, Behaviors, and Happiness

Central to employees' reactions to CSR are their perceptions of CSR activities (Aguinis & Glavas, 2012). The perceptions of the company's CSR activities are tied to, yet often entirely distinct from, the absolute level of CSR initiatives at the company (Bhattacharya, Korschun, & Sen, 2009). Responses to these initiatives vary from person to person (Ibid.). Even though CSR perceptions might not correspond with the firm's actual, objective CSR activities, they may influence employees' attitudes and behaviors more directly and strongly than actual firm behavior of which the employee is unaware (Glavas & Godwin, 2013; Dijksterhuis & Van Knippenberg, 1998; Rupp et al., 2013). Therefore, I propose that perceived CSR is the key independent variable that influences employee attitudes, behavior, and happiness.

Previous research shows that perceived CSR can create positive employee attitudes. For instance, Esmaeelinezhad, Singaravelloo, and Boerhannoeddin (2015) detected a positive link between CSR perceptions and employee engagement – a fulfilling and positive work-related state of mind characterized by absorption, dedication, and vigor (Schaufeli, Salanova, González-Romá, & Bakker, 2002). This relation was found for both employees' perceptions of the company's internal CSR – concerning employees' needs and well-being – and employees'

perceptions of the company's external CSR – concerning the community and philanthropy contributions (Esmaeelinzhad et al., 2015). Maignan, Ferrell, and Hult (1999) uncovered a positive relationship between corporate citizenship and employee commitment – an attitude which comprises being fond of the organization; seeing the future tied to that of the organization; and being willing to make personal sacrifices for the organization. Similarly, Vlachos et al. (2014) found that CSR judgments related positively to affective organizational commitment – involvement in, identification with, and an emotional attachment to the organization. Valentine and Fleischman (2008) found that CSR perceptions related positively to job satisfaction. Perceived CSR mediated the positive relationship between ethics programs and job satisfaction: employees' beliefs about company involvement in CSR activities influenced job satisfaction more immediately than the presence of ethics programs (Ibid.).

Previous research also indicates that CSR can create positive in-role and extra-role behaviors. Jones (2010) found a positive relation between CSR attitudes and employee's organizational citizenship behaviors – extra-role, discretionary and cooperative behaviors that promote optimal organizational functioning (Ibid.). Similarly, Vlachos et al. (2014) concluded that employee CSR judgments relate positively to extra-role CSR-specific performance, i.e. behaviors that support the organization in achieving its CSR goals. Glavas and Piderit (2009) discovered that employees who perceived higher levels of corporate citizenship also reported more creative involvement in their work tasks. Finally, Carmeli et al. (2007) found that employees' perceived social responsibility was related to higher supervisor ratings of employees' job performance. I will now turn to a discussion of psychological need fulfillment as a mediator, i.e. the process underlying the positive effects of CSR perceptions on employees.

Psychological Need Satisfaction as a Mediator

Psychological Need Satisfaction (PNS) theory can be used to explain the process through which perceived CSR influences employee outcomes (Aguilera et al., 2007; Bauman & Skitka,

2012). PNS theory uses basic psychological needs – the core determinants of intrinsic motivation – to explain a wide range of human behaviors (Ryan & Deci, 2000; Fiske, 2010). Basic psychological needs can be defined as nourishments that need to be acquired by humans to maintain their health, growth, and integrity (Deci & Ryan, 2000).

PNS theory has been operationalized in many different ways and contexts (Rupp et al., 2010; Tuzzolini & Armandi, 1981). The multiple needs model of organizational justice, one of the operationalizations of PNS theory, focuses on employee justice perceptions in order to assess psychological need fulfillment in organizations and to identify organizational settings that can foster psychological need fulfillment. Because CSR perceptions are a special aspect of employees' general justice perceptions (Vlachos et al., 2014), the multiple needs model of organizational justice provides the most relevant and comprehensive needs model in the CSR context through its synthesis of several decades of research and theory on organizational justice and employee justice perceptions (Aguilera et al., 2007; Cropanzano, Rupp, Mohler, Schminke, 2001; Rupp et al., 2010).

The multiple needs theory of organizational justice introduces the needs for control, belongingness, and a meaningful existence as the central psychological needs of individuals that clarify why individuals care about fairness (Aguilera et al., 2007; Rupp et al., 2010). Individuals can satisfy their psychological needs and subsequently enrich the quality of their life through a wide range of means, including their work (Baumeister & Vohs, 2002). Certain organizational settings or climates, such as an ethical work climate, have the potential to foster psychological need satisfaction (Tuzzolini & Armandi, 1981). Applying need satisfaction theory to the CSR context suggests that CSR can contribute to positive employee outcomes through meeting the employee's basic psychological needs (Aguilera et al., 2007; Bauman & Skitka, 2012; Rupp, 2011). Several authors theorize that organizational contexts high on CSR can foster fulfillment of the basic psychological needs for control, belongingness, and a

meaningful existence (e.g., Aguilera et al., 2007; Bauman & Skitka, 2012). However, a side note is warranted. Research suggests that in high impact situations that are personally meaningful and engaging to individuals, such as CSR contexts, the need for a meaningful existence should be most salient, followed by the needs for belongingness (Aguilera et al., 2007; Lerner, 2003). The need for control is expected to be least salient in these contexts (Ibid.). Therefore, this paper will focus on the satisfaction of the psychological needs for meaning and belongingness.

The fulfillment of the psychological needs for meaning and belongingness through CSR perceptions should in turn contribute to a wide array of employee attitudinal and behavioral outcomes. Satisfaction of basic psychological needs enables individuals to live up to their potential, flourish, and be protected from maladaptive health and functioning; and is positively associated with optimal functioning in terms of attitudes, behavior, and happiness (Deci & Ryan, 2000; Van Den Broeck, Vansteenkiste, De Witte, & Lens, 2008). Thus, it is expected that satisfaction of psychological needs through CSR perceptions should in turn lead to increased employee job satisfaction, job performance, and happiness (Aguilera et al., 2007; Bauman & Skitka, 2012; Ilardi, Leone, Kasser, & Ryan, 1993; Lynch, Plant, & Ryan, 2005). In sum, this paper will empirically test the theoretical insights that satisfaction of the psychological needs for meaning and belongingness, but not the need for control, mediates the relationship between CSR perceptions and employee attitudes, behavior, and happiness. I will now go in more depth by discussing the potential of CSR perceptions to fulfill the needs for meaning and belongingness, and the consequences of such need satisfaction.

Achieved need for meaning. Humans have a basic psychological need for a meaningful existence, i.e. a need for purpose and significance in life beyond material comfort and social approval, derived from the need for a sense of self-worth and self-esteem (Bauman & Skitka, 2012; Wrzesniewski, Dutton, & Debebe, 2003). People are motivated to be involved

with initiatives that they feel are righteous and to derive a sense of meaning from the things they do, including their work (Aguilera et al., 2007; Wrzesniewski et al., 2003). Work can provide people with meaningfulness – with experienced purpose and significance – e.g. by making them feel that they are part of something greater and that they are living up to their potential (Michaelson et al., 2014).

Hackman & Oldham's (1976) job characteristics theory is useful in explaining how CSR perceptions can meet an individual's basic psychological need for a meaningful existence. Job characteristics theory argues that certain job characteristics can create changes in the psychological states of employees. Task significance, i.e. the degree to which the job has a significant impact on the work or lives of other people, can lead to (a) a critical psychological state of experienced meaningfulness, i.e. the degree to which an employee feels the job has value and importance; (b) perceptions of social impact, i.e. the extent to which employees feel that their actions at work benefit other people; and (c) perceptions of social worth, i.e. the extent to which employees feel that their work's contributions are valued by other people (Grant, 2008; Humphrey, Nahrgang, & Morgeson, 2007; Hackman & Oldham, 1976). Taken together, employees can derive a strong sense of significance, purpose, and value from their work when they feel that their work has a considerable positive impact on the lives of others, because benefiting others is a widely shared and deeply held core value in life (Michaelson et al., 2014).

CSR perceptions can lead employees to believe that their organization – and possibly, their work – actively contributes to other people's wellbeing, the community, or society in general. Thus, employees will experience higher levels of significance, and subsequently experience more meaningfulness in their work. Accordingly, CSR may facilitate meaningfulness at work and fulfill employees' needs for a meaningful existence. Work meaningfulness, in turn, is an important predictor of a wide array of positive organizational and personal outcomes, including attitudinal (e.g. job satisfaction), behavioral (e.g. job

performance), and well-being outcomes (Humphrey et al., 2007). According to Csikszentmihalyi (2003), these positive effects occur because people engaging in meaningful work enter a flow state through which they are more creative, productive, and engaged. In this condition, individuals make optimal use of their experience and achieve optimal results (Csikszentmihalyi, 1990). In sum, achieving the need for meaning through CSR perceptions should in turn lead to increased job satisfaction, job performance, and life-satisfaction (Bauman & Skitka, 2012; Hackman & Oldham, 1976; Michaelson et al., 2014).

Achieved need for belongingness. Individuals have a need to belong, which can be defined as the need to maintain a positive social identity by being a legitimate member of valued social groups (Aguilera et al., 2007). This definition encompasses, but is not limited to, the need for relatedness derived from self-determination theory, i.e. the need to feel connected to and cared about by others (Ryan, Huta, & Deci, 2008). Social Identity Theory (SIT) can be used to explain how CSR perceptions can satisfy employees' needs for belongingness through organizational identification, and in turn result in positive employee outcomes. SIT argues that people include social identities – i.e. identities derived from their membership of certain social groups, such as a social group based on race, gender, or tenure – in their self-concept (Dutton, Duckerich, & Harquail, 1994). In order to maintain a positive social identity, individuals self-categorize in groups that have the potential to reflect positively on the self (Van Knippenberg & Sleebos, 2006). This process of social identification can occur in many social settings, including the organizational context (Van Dick, 2004).

When an organization has the potential to reflect positively on the self-concept of employees, this can lead employees to include the organization in their self-concept. This is known as organizational identification: the extent to which employees perceive a certain oneness, a psychological linkage, with the organization and self-define as an organizational member (Ashforth & Mael, 1989). Employees tend to identify with organizations that are

perceived as attractive, e.g. organizations that can elevate their sense of self-esteem through high social status or socially desirable features (Bartel, 2001; Dutton et al., 1994).

Individuals identify more with organizations recognized for their social engagement and responsibility, because this can positively contribute to their self-esteem (e.g., Bartel, 2001). Several factors explain why CSR perceptions increase the identification with these socially responsible companies: (a) an organization's actions in the social realm are especially character-enhancing to individuals (Esmaeelinezhad et al., 2015; Carmeli et al., 2007; Dutton & Dukerich, 1991), which makes identifying with a socially responsible company a self-esteem bolstering activity (Aguilera et al., 2007; Bartel, 2001; Greening & Turban, 2000; Sen & Bhattacharya, 2001; Turban & Greening, 1997); (b) individuals attribute fairness and morality to an organization that exhibits acts of corporate social responsibility, which in turn strengthens the social ties between the individual and the organization and therefore increases identification with the organization (Ellemers, Kingma, Van De Burgt, & Barreto, 2011; Rupp et al., 2010); and (c) the external image, i.e. the reputation, of socially responsible companies is more positive, which makes the company more attractive – employees are proud to identify with organizations that have favorable reputations (Brammer et al., 2007). Being a member of, and identifying with, an organization high on CSR fosters the creation and strengthening of positive social relationships, within and between organizations and communities (Aguilera et al., 2007). Thus, working for and identifying with a socially responsive company can meet the psychological need for belongingness: one has obtained a positive social identity by becoming a legitimate member of a valued social group.

The process of meeting the psychological needs for belongingness through organizational identification due to CSR perceptions subsequently leads to a set of favorable employee outcomes. Employees that identify with an organization consider the reputation, successes, and failures of the organization as their own and include these factors in their self-

concept (Sims & Keon, 1997; Van Dick, 2004). As a consequence, their attitudes and behaviors will be governed by the (image of the) organization and they will strive for positive outcomes for the organization as a whole (Ashforth & Mael, 1989; Van Dick, 2004). In the case of employees that identify with organizations that are high on CSR, the positive image of the company will become part of their self-concept, which evokes positive feelings of identity. The strong sense of belongingness felt by employees in a highly regarded organization helps individuals to develop self-continuity, self-distinctiveness, and self-esteem, and is likely to lead them to exert more effort, contribute their best, and cooperate (Carmeli et al., 2007). Thus, achieved belongingness through CSR perceptions should result in greater job performance, life satisfaction, and job satisfaction (Bauman & Skitka, 2012; Van Dick, 2004; Van Knippenberg & Sleebos, 2006). In sum, the positive employee outcomes of CSR occur partly due to the mediating process of fulfillment of the psychological need for belongingness through organizational identification. I will now turn to a discussion of the conditions, i.e. the moderators, under which CSR perceptions are most likely to lead to favorable employee outcomes.

Value Congruence and Desire for Significant Impact through Work as Moderators

Interactional psychology looks at the interaction between the person and the situation, arguing that both the person and the situation together determine individual responses and outcomes, and that these responses and outcomes are positive when the situation corresponds with the needs; wants; or expectations of an individual (O'Reilly, Chatman, & Caldwell, 1991). This premise was famously summarized by Lewin (1951) in the following seminal equation:

$$\text{behavior} = f(\text{person, environment}).$$

Against this interactionist backdrop, theories of person-organization fit (P-O fit) have emerged, exploring the interaction between the person and the organization – its main premise being that different types of people are compatible with and attracted to different types of

organizations (Kristof-Brown, Zimmerman, & Johnson, 2005). P-O fit can be defined as the compatibility between people and organizations that occurs when (a) at least one entity provides what the other needs, also known as a complementary fit, or (b) they share similar fundamental characteristics, also known as a supplementary fit (Kristof, 1996). When an employee experiences P-O fit with their organization, this strengthens the potential of the organization to fulfill the employee's psychological needs (Edwards & Cable, 2009; Verquer, Beehr, & Wagner, 2003). In turn, the satisfaction of psychological needs through P-O fit should lead to several positive employee outcomes. People experience feelings of anxiety and incompetence when they do not fit their environment (Chatman, 1991). Conversely, when employees fit the organization, their outcomes will be optimized (Cable & Edwards, 2004; Chatman, 1991; Edwards, Cable, Williamson, Lambert, & Shipp, 2006; Kristof-Brown et al., 2005; Verquer et al., 2003). The favorable employee attitudinal and behavioral effects of P-O fit include increased job satisfaction (O'Reilly et al., 1991), job performance (Downey, Hellriegel, & Slocum, 1975), and life satisfaction (Chatman, 1991). I will now apply both types of P-O fit to the CSR context.

A complementary P-O fit occurs when (a) an individual's skills meet the organization's needs, also known as a demands-abilities fit, or (b) an individual's needs are met by what the organization provides, also known as a needs-supplies fit (Kristof-Brown et al., 2005). Organizations high on CSR have a strong potential for a needs-supplies fit with some of their employees. Employees differ in the extent to which they have a *desire to have a significant impact through their work* (DSIW; Gully et al., 2013). Employees high on DSIW have a strong preference to do work that can have a significant impact on the lives of others and on society. When an organization exhibits a strong social and environmental responsibility culture, then it will likely be perceived as an organization that will have a significant positive impact on its employees and the world around it (Ibid.). In effect, a needs-supplies fit occurs between

socially responsible organizations and employees with higher DSIW – what the socially responsible organization offers, the possibility to have a significant impact on society through work, complements what the employee needs. Thus, we can expect that employees high on DSIW will experience a needs-supplies fit with their organization. Thus, we can expect that the relationship between CSR and psychological need fulfillment will be stronger for employees high on DSIW, and, in turn, this needs-supplies fit will lead to positive job attitudes and behaviors (Kristof-Brown et al., 2005). Gully et al. (2013) have already shown that CSR messages appeal more to, and lead to more favorable outcomes for, prospective employees with higher levels of DSIW. Accordingly, I predict that CSR will also lead to more positive outcomes for incumbent employees with stronger DSIW, because organizations high on CSR can satisfy these employees' desire to have a significant impact through their work. Thus, I propose that DSIW has a moderating effect on the relationship between CSR and basic psychological need satisfaction: CSR has a stronger potential to meet employees' psychological needs when their DSIW is higher and, in turn, lead to higher job satisfaction, job performance, and life satisfaction.

A supplementary P-O fit occurs when organizations high on CSR and their employees share several characteristics, such as their values, goals, or norms. When individual and organizational values are compatible, value congruence occurs (Kristof-Brown et al., 2005). Value congruence is the most widely accepted operationalization of P-O fit (Ibid.). In accordance with person-organization fit theory, researchers have proposed that the influence of CSR on employees will be stronger for employees whose values are congruent with those of the organization (Bansal, 2003; Mudrack, 2007; Rupp et al., 2010). Value congruence allows employees to obtain psychological need fulfillment from their work roles: congruence between one's work and one's values increases the meaningfulness experienced at work, thus serving the need for meaning; and value congruence increases organizational attraction and

identification, thus serving the need for belongingness (Edwards & Cable, 2009; Michaelson et al., 2014). Consequently, when employees have higher levels of value congruence, organizational contexts high on CSR have a stronger potential to satisfy their psychological needs and in turn contribute to their job satisfaction, job performance, and life satisfaction. Accordingly, I predict that the relationship between CSR and psychological need satisfaction will be stronger for employees with higher value congruence.

In sum, I propose that perceived CSR positively relates to employee job satisfaction, job performance, and life satisfaction; that this relationship is mediated by the satisfaction of the psychological needs for meaning and belongingness; and that the relationship between CSR perceptions and employee job satisfaction, job performance, and life satisfaction through achieved meaning and achieved belongingness is moderated by the employee's desire for significant impact through work and value congruence. Consequently, the hypotheses are as follows:

Main relationship.

Hypothesis 1A: Perceived CSR positively relates to employee job satisfaction

Hypothesis 1B: Perceived CSR positively relates to employee job performance

Hypothesis 1C: Perceived CSR positively relates to employee life satisfaction

Mediation.

Hypothesis 2A: Satisfaction of the psychological need for meaning mediates the positive relation of perceived CSR with employee job satisfaction

Hypothesis 2B: Satisfaction of the psychological need for meaning mediates the positive relation of perceived CSR with employee job performance

Hypothesis 2C: Satisfaction of the psychological need for meaning mediates the positive relation of perceived CSR with employee life satisfaction

Hypothesis 3A: Satisfaction of the psychological need for belongingness mediates the positive relation of perceived CSR with employee job satisfaction

Hypothesis 3B: Satisfaction of the psychological need for belongingness mediates the positive relation of perceived CSR with employee job performance

Hypothesis 3C: Satisfaction of the psychological need for belongingness mediates the positive relation of perceived CSR with employee life satisfaction

Moderated mediation.

Hypothesis 4A: DSIW moderates the strength of the mediated relationship between perceived CSR and employee job satisfaction, job performance, and life satisfaction through satisfaction of the psychological need for meaning, such that the mediated relationship is stronger under higher DSIW

Hypothesis 4B: Value congruence moderates the strength of the mediated relationship between perceived CSR and employee job satisfaction, job performance, and life satisfaction through satisfaction of the psychological need for meaning, such that the mediated relationship will be stronger under higher value congruence

Hypothesis 5A: DSIW moderates the strength of the mediated relationship between perceived CSR and employee job satisfaction, job performance, and life satisfaction through satisfaction of the psychological need for belongingness, such that the mediated relationship is stronger under higher DSIW

Hypothesis 5B: Value congruence moderates the strength of the mediated relationship between perceived CSR and employee job satisfaction, job performance, and life satisfaction through satisfaction of the psychological need for belongingness, such that the mediated relationship will be stronger under higher value congruence

Method

Sample and Participant Selection

Cross-sectional data was collected through an online survey in three waves. Participants were recruited through crowdsourcing platform Prolific. I employed four prescreening criteria: individuals were only eligible to participate in the study if they (a) spoke English as their first language, (b) were currently employed full-time or part-time, (c) currently resided in the United States, and (d) didn't already participate in the study during one of the previous waves. Respondents were offered an incentive of \$1 to participate and were ensured respondent anonymity to reduce evaluation apprehension. In total, 567 employees completed the survey (50 in the first wave; 252 in the second wave; and 265 in the third wave). The mean age of participants was 32 with a standard deviation of 11 (participants' age ranged from 16 to 73). 59% of the respondents were men and 41% were women: 74% were Caucasian, 9% were Asian, 7% were African American, 5% were Hispanic, and 5% represented other races. The sample included both employees (62%) and managers (38%) and the average organizational tenure was 4.4 years. Convenience sampling through Prolific provided a wide range of employees in different organizations and industries, occupying a broad range of job types and levels. Thus, the sample was well suited to provide variation on the variables of interest and to strengthen the external validity of the findings.

Measures

Job satisfaction. Job satisfaction is measured with the validated 3-item Overall Job Satisfaction Questionnaire (Camman, Fichman, Jenkins, & Klesh, 1983) using a 7-point Likert scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. A sample item is "All in all, I am satisfied with my job". Cronbach's α was 0.92. Full measures are reported in Appendix A.

Job performance. Job performance is self-reported by employees through a 4-item validated job performance scale from the Health-Related Quality of Life and Work

Productivity Questionnaire (HQWP; Huang, 2008) rated on an 11-point scale from 0 (worst performance) to 10 (best performance). A sample item is “How would you rate your overall job performance on the days you worked during the past 30 days?”. Cronbach’s α was 0.89. The use of self-reported job performance measures is often a topic of debate. However, supervisor ratings of job performance are similarly viewed as poor measures of performance because they are influenced by a range of systematic nonperformance factors and intentional distortions (Murphy, 2008). Furthermore, when data is anonymously collected for research purposes through web-based surveys, self-reported job measures are not expected to bias the results, and are expected to give a good indication of actual job performance (Carlos & Rodrigues, 2016; Huang, 2008).

Life satisfaction. Life satisfaction is measured with a validated single-item measure from the World Values Survey (OECD, 2013). The question “All things considered, how satisfied are you with your life as a whole nowadays?” was rated on an 11-point scale from 0 (very dissatisfied) to 10 (very satisfied). Single-item life satisfaction measures are strongly reliable and similarly credible as multiple-item life satisfaction scales (Alwin, 2007; Schimmack & Oishi, 2005; Cheung & Lucas, 2014). I will perform a robustness check by replacing the life satisfaction measure with an alternative measure – the overall happiness measure available in the European Social Survey (“Taking all things together, how happy would you say you are?”; 2012). A robustness check can remove unique measurement error and indicate whether the findings originate from the specification of the achieved meaning variable.

Perceived CSR. Perceived CSR was measured using the bi-factor *Perceived Corporate Social Responsibility* (PCSR) scale (Glavas & Kelly, 2014). This scale is separated in two factors, social and environmental responsibility, with four items each, rated on 7-point scales ranging from 1 (completely disagree) to 7 (completely agree). A sample item is “Contributing

to the well-being of the community is a high priority at my organization”. Average scores on these items were used to create a scale of Perceived CSR. Cronbach’s α was 0.74 for the social scale, 0.94 for the environmental scale, and 0.87 for the congeneric scale (i.e. the two factors combined in one composite scale).

Achieved meaning. Achieved meaning was assessed with the 3-item meaning scale that is part of the psychological empowerment in the workplace construct (Spreitzer, 1995), rated on a 7-point Likert-type scale ranging from 1 (absolutely untrue) to 7 (absolutely true). A sample item is “My job activities are personally meaningful to me”. Cronbach’s α was 0.96.

Achieved belongingness. Achieved belongingness is assessed with the 12-item General Belongingness Scale (GBS; Malone, Pillow & Osman, 2012), rated on a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). The GBS has a 2-factor structure: *Acceptance/Inclusion* and lack of *Rejection/Exclusion*. A sample item is “I feel connected with others”. Cronbach’s α was 0.92 for acceptance/inclusion, 0.91 for lack of rejection/exclusion, and 0.95 for the congeneric scale.

Achieved control. To assess achieved control as an additional exploratory mediator, I included the 8-item internality subscale from Levenson’s (1981) internality, powerful others, and chance (IPC) scale in the final wave ($n = 265$). A sample item is “My life is determined by my own actions”. Cronbach’s α was 0.77.

Desire for significant impact through work. Desire for significant impact through work (DSIW) was assessed with the DSIW scale developed and validated by Gully et al. (2013). Gully et al. (2013) adapted Morgeson and Humphrey’s (2006) four-item task significance scale to focus on the preference to do work that has a substantial influence on society and the lives of others. For example, one original item states “The job itself is very significant and important in the broader scheme of things” and the reworded item states “I want

my job to be significant and important in the broader scheme of things”. Items are rated on a 7-point scale from 1 (completely disagree) to 7 (completely agree). Cronbach’s α was 0.93.

Value congruence. Value congruence is assessed with Cable and Judge’s (1996) validated scale of person-organization fit, using three items rated on a 7-point scale ranging from 1 (not at all) to 7 (completely). A sample item is “To what degree do you feel your values ‘match’ or fit your employer?”. Items were averaged to obtain a scale score. Cronbach’s α was 0.88.

Control variables. I controlled for mood, level of education, health, gender, and ethnicity.¹ These variables have been shown to play an important role in determining job satisfaction; job performance; and life satisfaction, and are expected to influence the importance one attaches to CSR and, consequently, one’s potential to experience basic need satisfaction through their CSR perceptions (cf. Brammer et al., 2007). Level of education, gender, and ethnicity were dummy coded, with primary education, males, and Caucasians as the respective reference categories.

Results

Preliminary Analyses

With the exception of the confirmatory factor analyses, all analyses were conducted using IBM SPSS Statistics 23. Because the sample scores of several variables of interest did not meet the assumptions of normality and homogeneity of variances (i.e. homoscedasticity), I conducted bootstrapping, a method robust to outliers and violations of assumptions, in all analyses. Table 1 provides bootstrapped means, standard deviations, correlations, and reliability estimates

¹ I also verified that the following variables did not have an effect: marital status, tenure, organizational size, type of industry, and income. Because these variables didn’t influence the findings, they were left out of all regression models.

(Cronbach's α) for the main variables of interest. To provide evidence of the bi-factor structures of both perceived CSR (comprised of social responsibility and environmental responsibility) and achieved belongingness (comprised of acceptance/inclusion and lack of rejection/exclusion), I conducted confirmatory factor analyses using IBM SPSS AMOS 22. To assess the goodness-of-fit of these models, I employed the following criteria: (a) a minimum CFI value of 0.90, and (b) a maximum RMSEA value of 0.08 (Kline, 1998). Confirmatory factor analyses of the bi-factor structure of perceived CSR indicated good fit, as evidenced by a CFI value of 0.99 and a RMSEA value of .06. Confirmatory factor analyses of the bi-factor structure of achieved belongingness yielded a CFI of .97 and a RMSEA of .08. To assess the loading of items on all other scales, which did not comprise separate factors, I conducted principal component analyses. To assess the loadings of items, I used a minimum cut-off value of 0.60 for all individual items (Field, 2013). Principal component analyses of the scales used indicated, for all individual items, item loadings above .91 for job satisfaction; .86 for job performance; .95 for achieved meaning; .89 for DSIW; and .80 for value congruence.

Table 1 Correlations and descriptive statistics

Variable	<i>M/%</i>	<i>SD</i>	1	2	3	4	5	6	7	8
1. Perceived CSR	4.01	1.21	(0.87)	.40**	.19**	.28**	.43**	.25**	.29**	.54**
2. Job satisfaction	4.79	1.59	.40**	(0.92)	.36**	.45**	.70**	.35**	.25**	.66**
3. Job performance	7.52	1.48	.19**	.36**	(0.89)	.36**	.29**	.39**	.18**	.28**
4. Life satisfaction	6.34	2.27	.28**	.45**	.36**	-	.43**	.54**	.17**	.34**
5. Achieved meaning	4.55	1.75	.43**	.70**	.29**	.43**	(0.96)	.34**	.36**	.65**
6. Achieved belonging	4.85	1.25	.25**	.35**	.39**	.54**	.34**	(0.95)	.18**	.29**
7. Desire for significant impact through work	5.40	1.29	.29**	.25**	.18**	.17**	.36**	.18**	(0.93)	.32**
8. Value congruence	4.64	1.38	.54**	.66**	.28**	.34**	.65**	.29**	.32**	(0.88)
9. Mood (0-10)	6.39	2.27	.24**	.41**	.35**	.76**	.36**	.46**	.14**	.31**
9. Secondary education (%)	10.1		0	-0.08	-0.01	-	-0.05	-0.03	-0.08	-0.03
10. Vocational education (%)	33.5		-0.04	.02	.04	-0.01	-0.02	-0.08	0	-0.03
11. Tertiary education (%)	55.7		.04	.04	-0.03	.08*	.07	.10*	.06	.04
12. Health (1-5)	3.66	0.90	.18**	.22**	.31**	.43**	.19**	.37**	.08*	.20**
13. Female (%)	41.3		-0.06	.08	.10*	-0.03	.06	.03	.07	.07

14. African American (%)	6.7	.02	-.04	-.01	-.03	.04	.03	.01	-.02
15. Native American (%)	0.7	-.02	.03	.01	.05	.06	.01	0	0
16. Asian (%)	9.3	.02	.01	-.05	-.06	-.02	-.04	-.01	-.02
17. Pacific (%)	0.5	-.02	.04	.07	.02	.03	.01	0	-.01
18. Hispanic (%)	4.6	.01	.09*	-.05	0	-.01	.03	-.02	.01
19. Middle Eastern (%)	1.2	0	-.01	-.02	0	-.01	-.06	-.01	-.03

Note. $N = 567$. The numbers from column 1-8 represent correlations. Where applicable, reliability estimates are in parentheses.

* $p \leq .05$

** $p \leq .01$

Hypotheses Testing

Examination of the correlations in Table 1 indicates that CSR is positively related to employee job satisfaction, job performance, and life satisfaction. To investigate the main relationship between perceived CSR and employee job satisfaction (*Hypothesis 1A*), job performance (*Hypothesis 1B*), and life satisfaction (*Hypothesis 1C*), I conducted Ordinary Least Squares (OLS) regression, controlling for the covariates specified above. Table 2 provides the results of the multiple regression analyses predicting job satisfaction, job performance, and life satisfaction. As shown in Table 2, perceived CSR is significantly related to employee job satisfaction ($\beta = 0.33, p < .01$), job performance ($\beta = 0.11, p < .01$), and life satisfaction ($\beta = 0.10, p < .01$). Thus, an increase of 1 point in CSR perceptions leads to a 0.33 increase in job satisfaction, a 0.11 increase in job performance, and a 0.10 increase in life satisfaction. The results of using an alternative measure for life satisfaction – general happiness – as a robustness check can be found in Table B1 in Appendix B. This robustness check indicates that the coefficients of CSR on life satisfaction ($\beta = .10, p < .01$) and overall happiness ($\beta = .08, p < .01$) did not significantly differ ($z = 0.34, p = 0.73$). In sum, the results support the conclusion that perceived CSR is positively related to employee job satisfaction, job performance, and life satisfaction: *Hypotheses 1A, 1B, and 1C* are supported.

Table 2 Results of regression analyses predicting employee job satisfaction, job performance, and happiness

Predictors	Job satisfaction	Job performance	Life satisfaction
	β	β	β
Mood	.32**	.26**	.67**
Education (ref. primary education)			
Secondary	-.03	.04	-.05
Vocational	.05	.08	.04
Tertiary	.02	.00	.01
Health	.05	.19**	.15**
Gender (ref. male)	.12**	.12**	-.01
Ethnicity (ref. Caucasian)			
African American	-.05	-.03	-.03
Native	.05	.03	.08**
Asian	.02	-.03	-.03
Hawaiian/Pacific	.03	.05	-.01
Hispanic	.09*	-.04	.00
Arabic	-.02	-.03	-.03
Perceived CSR	.33**	.11**	.10**
Total R²	.30	.20	.61

Note. $N = 567$. Standardized regression coefficients for the full model are shown.

** $p \leq .01$

* $p \leq .05$

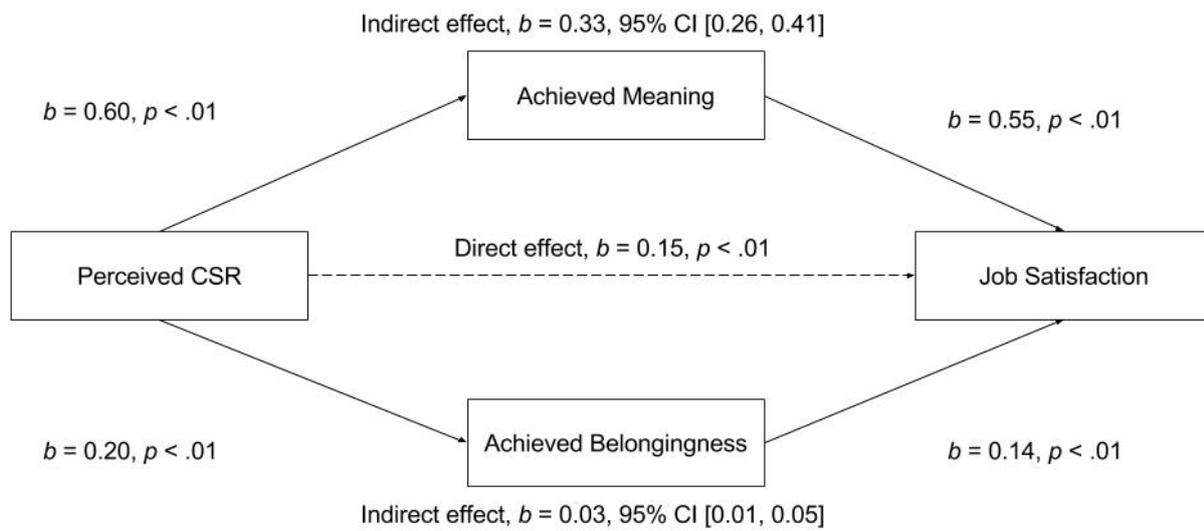
Mediation Effects: Satisfaction of the Psychological Needs for Meaning and Belonging

All mediation effects were tested with Preacher and Hayes' (2008) model for bootstrapped multiple mediated regression analyses, with perceived CSR as the independent variable; job satisfaction, job performance, and life satisfaction as the respective dependent variables; achieved meaning and achieved belonging as the respective mediators; and level of education, health, gender, and ethnicity as covariates. In order to establish mediation, the following conditions need to be satisfied: (a) the path from the independent variable (perceived CSR) to the mediator (achieved meaning and achieved belongingness, respectively) should be significant; (b) the path from the mediator to the dependent variable (job satisfaction, job performance, and life satisfaction, respectively) should be significant; (c) the direct effect – i.e. the effect of the independent variable on the dependent variable when controlling for the

mediator – should be non-significant to indicate full mediation, or significantly reduced to establish partial mediation; and (d) the bootstrapped confidence interval of the indirect effect – i.e. the effect of the independent variable on the dependent variable through the mediator – should not contain zero, indicating that the indirect effect is significant (Field, 2013; Preacher & Hayes, 2008).

Job satisfaction. Results of the multiple mediation tests for job satisfaction – *Hypotheses 2A* and *3A* – can be found in Figure 2. There was a significant indirect effect of perceived CSR on job satisfaction through achieved meaning, $b = 0.33$, bias-corrected and accelerated confidence interval (BCa CI) [0.26, 0.41]. This represents a small to medium effect, $\kappa^2 = .26$, 95% BCa CI [0.21, 0.31]. There was also a significant indirect effect of perceived CSR on job satisfaction through achieved belongingness, $b = 0.03$, BCa CI [0.01, 0.05]. This represents a fairly small effect, $\kappa^2 = 0.02$, 95% BCa CI [0.01, 0.04]. All paths – i.e. (a) the paths from perceived CSR to achieved meaning and achieved control, (b) the paths from achieved meaning and achieved control to job satisfaction, and (c) the direct effect of perceived CSR on job satisfaction when controlling for achieved meaning and achieved control - are significant. The direct effect of perceived CSR on job satisfaction is still significant, but significantly reduced from $b = .50$ to $b = .15$ ($z = 6.69, p < .01$). Thus, the model has met all the criteria for partial mediation. *Hypothesis 2A* and *Hypothesis 3A* are supported: achieved meaning and achieved belongingness are significant partial mediators of the relationship between perceived CSR and job satisfaction. Contrasting these indirect effects indicates that the indirect effect via achieved meaning is significantly greater than the effect via belongingness, $b = 0.31$, BCa CI [0.23, 0.38]. The total amount of variance (R^2) in job satisfaction accounted for by perceived CSR, the mediators, and the included covariates is 53%.

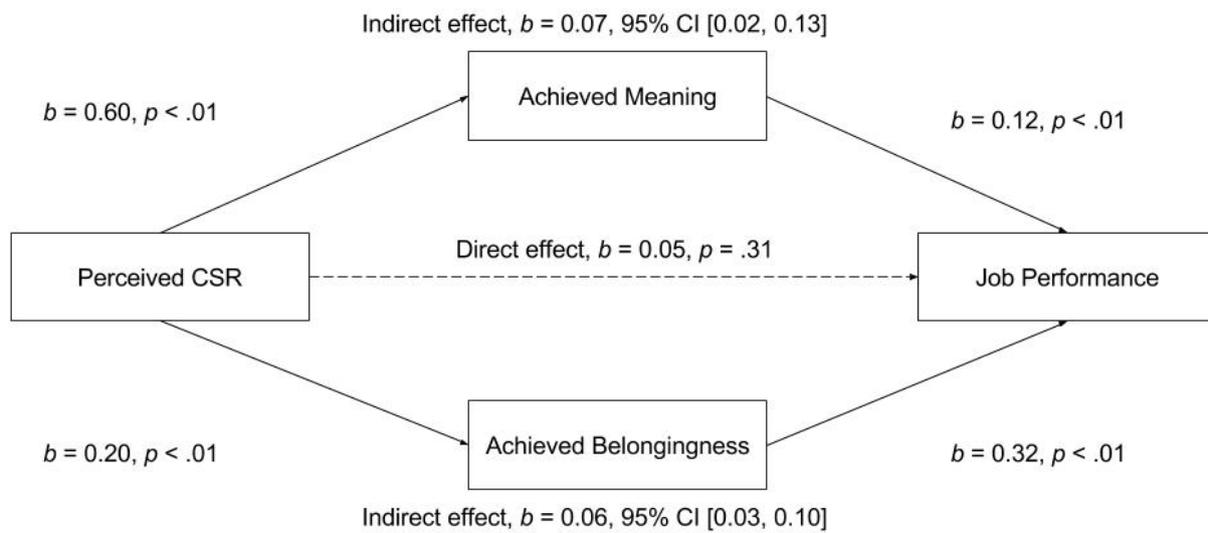
Figure 2 Model of perceived CSR as a predictor of job satisfaction, mediated by achieved meaning and achieved belongingness



Note. $N = 567$. The confidence interval for the indirect effect is a BCa bootstrapped CI based on 1000 samples. R^2 of the model is .53.

Job performance. Results of the multiple mediation tests for job performance – *Hypotheses 2B* and *3B* – can be found in Figure 3. There was a significant indirect effect of perceived CSR on job performance through achieved meaning, $b = 0.07$, BCa CI [0.02, 0.13]. This represents a relatively small effect, $\kappa^2 = .06$, 95% BCa CI [0.02, 0.10]. There was also a significant indirect effect of perceived CSR on job performance through achieved belongingness, $b = 0.06$, BCa CI [0.03, 0.10]. This represents a relatively small effect, $\kappa^2 = .05$, 95% BCa CI [0.03, 0.08]. All paths, except the direct effect – i.e. the effect of perceived CSR on job performance, when controlling for the mediators – are significant. Thus, the model has met all the criteria for full mediation. *Hypothesis 2B* and *Hypothesis 3B* are supported: achieved meaning and achieved belongingness are significant mediators of the relationship between perceived CSR and job performance. Contrasting these indirect effects did not indicate any significant differences. The total amount of variance (R^2) in job performance accounted for by perceived CSR, the mediators, and the included covariates is 23%.

Figure 3 Model of perceived CSR as a predictor of job performance, mediated by achieved meaning and achieved belongingness

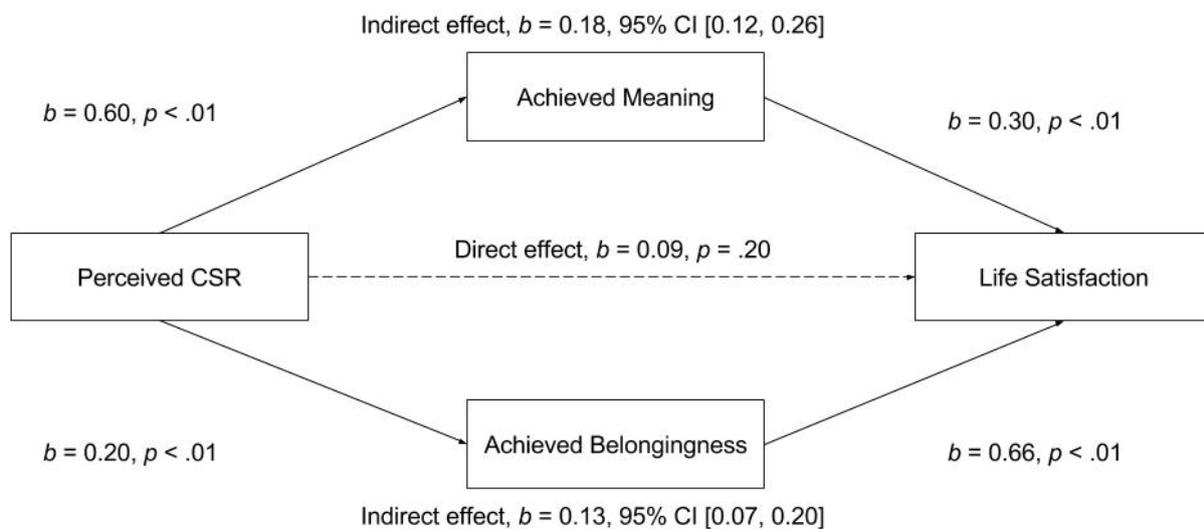


Note. $N = 567$. The confidence interval for the indirect effect is a BCa bootstrapped CI based on 1000 samples. R^2 of the model is .23.

Life satisfaction. Results of the multiple mediation tests for life satisfaction – *Hypotheses 2C* and *3C* – can be found in Figure 4. There was a significant indirect effect of perceived CSR on life satisfaction through achieved meaning, $b = 0.18$, BCa CI [0.12, 0.26]. This represents a relatively small effect, $\kappa^2 = .11$, 95% BCa CI [0.07, 0.15]. There was also a significant indirect effect of perceived CSR on life satisfaction through achieved belongingness, $b = 0.13$, BCa CI [0.07, 0.20]. This represents a relatively small effect, $\kappa^2 = .08$, 95% BCa CI [0.04, 0.11]. All paths, except the direct effect – i.e. the effect of perceived CSR on life satisfaction, when controlling for the mediators – are significant. Thus, the model has met all the criteria for full mediation. *Hypothesis 2C* and *Hypothesis 3C* are supported: achieved meaning and achieved belongingness are significant mediators of the relationship between perceived CSR and life satisfaction. Contrasting the indirect effects of achieved meaning and achieved belongingness did not indicate any significant differences. The total amount of variance (R^2) in life satisfaction accounted for by perceived CSR, the mediators and the included covariates is 43%. The results of using an alternative, general happiness measure

as a robustness check of the multiple mediation tests for life satisfaction can be found in Table C1 in Appendix C. The results indicate that the coefficients for the indirect effect of perceived CSR, through achieved meaning, on life satisfaction ($b = 0.18$) compared to overall happiness ($b = 0.14$) did not differ significantly ($z = 0.69, p > 0.5$). The coefficients for the indirect effect of perceived CSR, through achieved belongingness, on life satisfaction ($b = 0.13$) compared to overall happiness ($b = 0.14$) did not differ significantly ($z = -0.17, p = 0.9$).

Figure 4 Model of perceived CSR as a predictor of life satisfaction, mediated by achieved meaning and achieved belongingness



Note. $N = 567$. The confidence interval for the indirect effect is a BCa bootstrapped CI based on 1000 samples. R^2 of the model is .43.

Exploratory Mediation Effects: Satisfaction of the Psychological Need for Control

Results of exploratory multiple mediation analyses including satisfaction of the psychological need for control can be found in figures D6, D7, and D8 in Appendix D. As expected, results indicate that the indirect effects of achieved control are insignificant. Thus, achieved control is not a mediator of the relationship between perceived CSR and employee job satisfaction, job performance, and life satisfaction.

job performance; and happiness through achieved meaning and belongingness (i.e. the indirect effect) is expected to be moderated by DSIW and value congruence (i.e. the conditional effect).

Achieved meaning. The moderated mediation, i.e. the moderation by DSIW of the mediated relationship between perceived CSR and employee job satisfaction; job performance; and life satisfaction through achieved meaning as predicted in *Hypothesis 4A*, was not significant for all outcomes, $b = 0.03$, $p = 0.53$. The moderation of value congruence of the mediated relationship between perceived CSR and employee job satisfaction; job performance; and life satisfaction through achieved meaning as predicted in *Hypothesis 4B* was not significant for all outcomes, $b = 0.04$, $p = 0.22$. Thus, *Hypotheses 4A* and *4B* are not supported.

Achieved belongingness. The moderation of DSIW of the mediated relationship between perceived CSR and employee job satisfaction; job performance; and life satisfaction, through achieved belongingness as predicted in *Hypothesis 5A* was significant, $b = 0.07$, $p = 0.03$. Thus, the extent to which perceived CSR leads to increased job satisfaction; job performance; and life satisfaction through achieved belongingness is conditional on DSIW: *Hypothesis 5A* is supported. However, the moderation of value congruence of the mediated relationship between perceived CSR and employee job satisfaction; job performance; and life satisfaction through achieved belongingness as predicted in *Hypothesis 5B* was not significant for all outcomes, $b = -.01$, $p = 0.74$. Thus, *Hypothesis 5B* is not supported. I will now discuss the conditional indirect effects, i.e. the indirect effects of perceived CSR through achieved belongingness, conditional on DSIW, on employee job satisfaction, job performance, and life satisfaction.

Job satisfaction. When DSIW is low, there is a non-significant positive relationship between perceived CSR and job satisfaction through achieved belongingness, $b = 0.01$, 95% CI [-0.01, 0.03]. At the mean value of DSIW, there is a significant positive relationship between CSR perceptions and job satisfaction through achieved belongingness, $b = 0.02$, 95% CI [0.01,

0.05]. When DSIW is high, there is a significant positive relationship between perceived CSR and job satisfaction through achieved belongingness, $b = 0.03$, 95% CI [0.01, 0.07]. Thus, achieved belongingness mediates the effect of perceived CSR on job satisfaction, except among those low on DSIW.

Job performance. When DSIW is low, there is a non-significant positive relationship between perceived CSR and job performance through achieved belongingness, $b = 0.01$, 95% CI [-0.03, 0.05]. At the mean value of DSIW, there is a significant positive relationship between CSR perceptions and job performance through achieved belongingness, $b = 0.04$, 95% CI [0.02, 0.08]. When DSIW is high, there is a significant positive relationship between perceived CSR and job performance through achieved belongingness, $b = 0.07$, 95% CI [0.04, 0.12]. Thus, achieved belongingness mediates the effect of perceived CSR on job performance, except among those low on DSIW.

Life satisfaction. When DSIW is low, there is a non-significant positive relationship between perceived CSR and life satisfaction through achieved belongingness, $b = 0.03$, 95% CI [-0.06, 0.12]. At the mean value of DSIW, there is a significant positive relationship between CSR perceptions and life satisfaction through achieved belongingness, $b = 0.10$, 95% CI [0.03, 0.16]. When DSIW is high, there is a significant positive relationship between perceived CSR and life satisfaction through achieved belongingness, $b = 0.16$, 95% CI [0.08, 0.24]. Thus, achieved belongingness mediates the effect of perceived CSR on life satisfaction, except among those low on DSIW.

In sum, achieved belongingness only mediates the effects of perceived CSR on job satisfaction, job performance, and life satisfaction in employees with average or greater levels of DSIW. Now, rather than discussing the conditionality of the discovered indirect effect of achieved belongingness, I will discuss the interaction effects of DSIW and value congruence

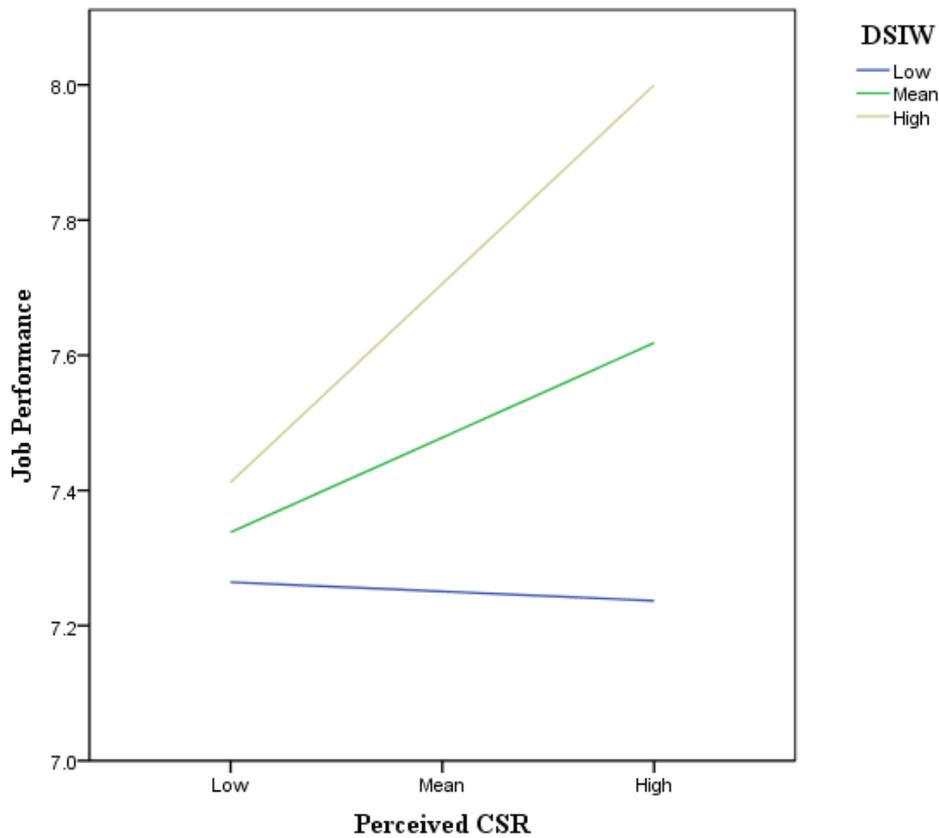
on the one hand and perceived CSR on the other hand on employee job satisfaction, job performance, and life satisfaction.

Moderation. I will now discuss, exploratively, the moderation effects of DSIW and value congruence, portrayed with blue arrows in Figure 5. These arrows represent interaction effects between perceived CSR on the one hand and DSIW and value congruence on the other hand on employee job satisfaction, job performance, and life satisfaction.

Job satisfaction. The interaction effect of CSR perceptions and DSIW on job satisfaction is insignificant ($b = 0.02, p = 0.61$). Likewise, the relationship between perceived CSR and job satisfaction was not significantly moderated by value congruence ($b = -.05, p = 0.08$).

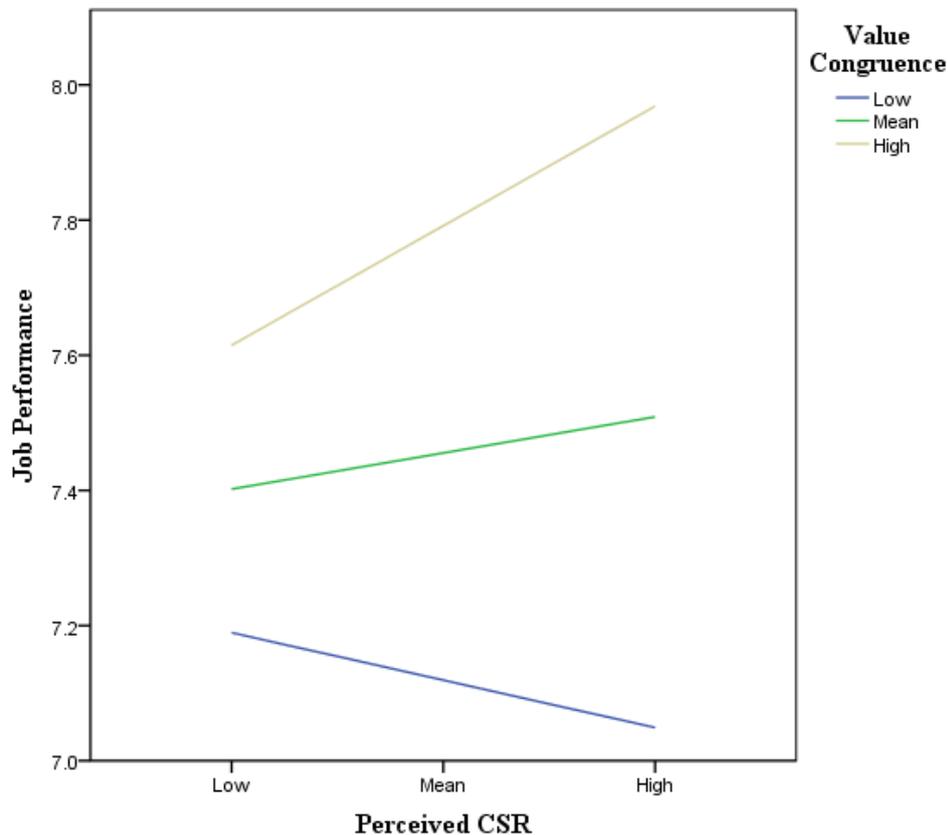
Job performance. The relationship between perceived CSR and job performance is significantly moderated by DSIW, $b = 0.18, 95\% \text{ CI } [0.03, 0.17], t = 2.74, p < .01$. When DSIW is low, there is a non-significant negative relationship between perceived CSR and job performance, $b = -0.01, 95\% \text{ CI } [-0.15, 0.13], t = -0.15, p = 0.88$. At the mean value of DSIW, there is a significant positive relationship between CSR perceptions and job performance, $b = 0.12, 95\% \text{ CI } [0.02, 0.21], t = 2.40, p < 0.05$. When DSIW is high, there is a significant positive relationship between perceived CSR and job performance, $b = 0.24, 95\% \text{ CI } [0.13, 0.36], t = 4.19, p < 0.01$. Thus, the positive relationship between perceived CSR and job performance only emerges in individuals with average or greater levels of DSIW. Figure 6 shows a graph of this interaction effect.

Figure 6 Moderating effect of DSIW on the relationship between perceived CSR and job performance



A significant interaction effect also occurs between CSR perceptions and value congruence on job performance, $b = .07, p < .05$. When value congruence is low, there is a non-significant negative relationship between perceived CSR and job performance, $b = -0.06$, 95% CI $[-0.22, 0.10]$, $t = -0.72, p = 0.47$. At the mean value of value congruence, there is a non-significant positive relationship between CSR perceptions and job performance, $b = 0.04$, 95% CI $[-0.07, 0.16]$, $t = 0.77, p = 0.44$. When value congruence is high, there is a significant positive relationship between perceived CSR and job performance, $b = 0.15$, 95% CI $[0.02, 0.27]$, $t = 2.35, p < 0.05$. Thus, the positive relationship between perceived CSR and job performance only emerges in individuals with greater levels of value congruence. Figure 7 shows a graph of the interaction effect. Contrasting the moderating effects of DSIW and value congruence indicates no significant differences between the two moderators ($z = 1.88, p = 0.06$).

Figure 7 Moderating effect of value congruence on the relationship between perceived CSR and job performance



Life satisfaction. The interaction effect of CSR perceptions and DSIW on job satisfaction is insignificant ($b = -0.02, p = 0.76$). Likewise, the relationship between perceived CSR and job satisfaction was not significantly moderated by value congruence ($b = -.06, p = 0.26$).

Discussion

Interest in CSR is widespread among both practitioners and scholars. The present study had three objectives: to be the first to (a) empirically investigate the relationship between CSR perceptions and employee life satisfaction, (b) provide a direct test of the proposition that the influence of perceived CSR on employee attitudes, behavior, and happiness is mediated by basic psychological need satisfaction, and (c) ascertain whether the effects of CSR on incumbent employees are moderated by P-O fit. Multiple regression analyses showed, in support of *Hypothesis 1A; 1B; and 1C*, that perceived CSR has a positive relationship with

employee job satisfaction, job performance, and life satisfaction. Furthermore, multiple mediated regression analyses indicated, as predicted in *Hypothesis 2A-3C*, that the relationships between perceived CSR and employee attitudes, behavior, and happiness are significantly mediated by satisfaction of the basic psychological needs for meaning and belongingness rather than the need for control. Achieved meaning and achieved belongingness partially mediated the relationship between perceived CSR and job satisfaction, and fully mediated the relationship between perceived CSR and both job performance and life satisfaction. As expected, satisfaction of the need for control played a negligible role in the CSR context. Moderated mediation analyses indicated that satisfaction of the basic psychological need for belongingness only mediated the effects of perceived CSR on employee job satisfaction, job performance, and life satisfaction in individuals higher on DSIW: a moderated mediation takes place. Additionally, moderation analyses indicated that P-O fit, operationalized as value congruence and desire for significant impact through work, influenced the relationship between CSR perceptions and job performance, in that the positive relationship between perceived CSR and job performance only emerges in individuals with greater levels of P-O fit. I will now discuss the theoretical contributions and practical implications of the study.

Contributions and Implications

This research provides important theoretical contributions. My results extend other work indicating that perceived CSR leads to increased job satisfaction (e.g., Valentine & Fleischman, 2007) and job performance (e.g., Jones, 2010) in two important ways. First of all, the results indicate that perceived CSR not only leads to positive intra-organizational outcomes for employees, i.e. concerning their job attitudes and job performance, but that the effects of perceived CSR also generalize to extra-organizational outcomes, i.e. increased satisfaction

with life. Thus, this is the first study to find that an organization's CSR initiatives relate to positive outcomes for employees that transcend the workplace.

Second of all, the results are able to provide support for the theoretical arguments underlying the effects of CSR on employee attitudes, behavior, and happiness. Although the theoretical argument underlying *Hypotheses 2A-3C* was already advanced in earlier theoretical analyses (e.g., Bauman & Skitka, 2012), my findings are important because they provide the first empirical evidence regarding the role of basic psychological need satisfaction in socially responsive organizations. Achieved meaning and achieved belongingness partially mediated the relationship between perceived CSR and job satisfaction, and fully mediated the relationship between perceived CSR and both job performance and life satisfaction. Future research is needed to ascertain potential complementary mediating mechanisms for job satisfaction. The need for control did not play a significant role. The need for control – i.e. an individual's need for a sense of security and safety that his or her material needs will be met – is an instrumental, transactional need; while the need for a meaningful existence is a moral need, and the need for belongingness is a relational need (Aguilera et al., 2007). The social exchange perspective, which gives a central role to transactional needs, is one of the most dominant frameworks in the analysis of the relationship between individuals and organizations (Van Knippenberg & Sleebos, 2006). However, the fact that the indirect effect of CSR perceptions on employee attitudes, behavior, and happiness via achieved meaning and achieved belongingness is significantly greater than the effect via achieved control indicates that the dominant social exchange perspective does not adequately capture the effects of CSR perceptions on employees. Rather, these effects may be better understood in terms of relational and moral perspectives on organizational behavior.

For job satisfaction, contrasting the indirect effects of the satisfaction of relational and moral needs indicates that the effect through moral needs, i.e. achieved meaning, is

significantly greater. Lerner (2003) and Aguilera et al. (2007) already proposed that in high impact situations, i.e. situations that are meaningful and personally engaging to employees, the need for a meaningful existence should be most salient to individuals. My results are the first to empirically suggest that this is indeed the case, i.e. satisfaction of the need for a meaningful existence is the strongest underlying psychological mechanism of the effect of the CSR context on employee's job satisfaction. However, similar results were not found for employee job performance and life satisfaction. In this case, the contrast effects were in the predicted direction (i.e. achieved meaning had a stronger indirect effect than achieved belongingness), but did not achieve conventional significance. Overall, the results suggest that moral perspectives have the highest credence in explaining the effects of CSR on employee's job satisfaction. For other favorable employee outcomes, further research is needed to confirm the supposed superiority of moral explanations.

The findings concerning the loftiness of moral explanations are striking in light of the extant literature on CSR and its effects on employees, because this literature mostly focuses on relational explanations. For instance, Esmaeelinezhad et al. (2015) explain the positive effects of CSR on employee engagement in terms of organizational identification. Similarly, Carmeli et al. (2007) explain the positive effects of CSR on employee job performance in terms of organizational identification and adjustment – i.e. being fully integrated into the organization's professional and social system. Finally, Jones (2010) uses mechanisms of organizational identification and organizational pride to elucidate the relation between CSR and employee organizational citizenship behaviors. On the contrary, my findings suggest that OB scholars should focus more on moral explanations of the effects of CSR on employees because these seem to hold more weight.

Furthermore, my findings seem to confirm once again that individuals have a stronger potential to achieve their basic psychological needs at work when they experience a fit with

their organization. Specifically, an individual's desire for significant impact through work enables achieving the need for belongingness in organizations high on CSR. Further research is needed to confirm this finding for other basic psychological needs and other dimensions of P-O fit.

A final theoretical contribution lies in the established interaction effects between CSR and P-O fit on employee job performance. Specifically, I show that the positive relationship between CSR perceptions and employee job performance only emerges in employees with greater levels of value congruence and desire for significant impact through work. Past research has already shown that applicants show more positive attitudes and behavior towards socially responsive organizations when they experience a fit with these organizations. For instance, Gully et al. (2013) show that CSR perceptions interact with applicants' desire to have a significant impact through work to influence job pursuit intentions. Similarly, Zhang and Gowan (2012) reported that individuals with higher levels of P-O fit showed higher levels of organization attraction towards a company when it exhibited CSR information. Now, I go beyond the extant literature by showing that the moderating effects of P-O fit also hold for incumbent rather than prospective employees. Future research is needed to determine why this interaction effect did not hold for the other two outcomes – i.e. job satisfaction and life satisfaction – and if there are other possible moderating mechanisms between CSR perceptions and employee attitudes and happiness.

In this paper, I explore two types of P-O fit. The first type of P-O fit, the complementary form of needs-supplies fit, occurs when the socially responsible organization is able to provide the employee high on DSIW with what they need, while the second type of P-O fit, supplementary fit, occurs when the socially responsible organization and its employee share a similar characteristic (in this case, their values). Kristof-Brown et al. (2005) propose that the complementary form of needs-supplies fit is a stronger and more direct way of affecting

employees' attitudes and behavior, than supplementary fit. In this case, it would mean that DSIW should have a somewhat stronger influence on the relationship between CSR and psychological need satisfaction than value congruence. Indeed, we did find that the contrast effect of DSIW and value congruence on job performance was in the predicted direction – i.e. the moderating effect of DSIW was stronger than the moderating effect of value congruence – , but this effect failed to reach conventional significance ($p = 0.06$).

The findings of this study also have important practical implications for organizations. The significant, positive relations between CSR perceptions and employee job satisfaction, job performance, and life satisfaction imply that making CSR integral to the firm's strategy is a fruitful avenue for corporations, and highlights a need for companies to increase their employees' awareness of CSR activities in able to maximize business benefits from these activities (cf. Du, Bhattacharya, & Sen, 2010). Thus, organizations may benefit from developing CSR initiatives that are clearly visible to employees or that actively engage employees, and from making existing CSR initiatives more salient to employees, e.g. by increasing the attention to these initiatives in employee communications.

In order to fully benefit from the psychological mechanisms underlying the favorable effects of CSR on employees, i.e. the mediation effects of achieved meaning and belongingness rather than control, the content of the CSR activities provided by organizations should speak to employees' moral and relational needs rather than their instrumental needs. An example of an intervention that would speak to employee's instrumental needs would be an intervention specifically aimed at the community in which the employee belongs, because these interventions may provide employees with a sense of security. Interventions serving employees' relational needs could be directed at fostering positive social relationships with the community as a whole, while interventions catering to moral needs could be targeted at the values and norms deemed most important by employees. Overall, the results put forward that

CSR interventions should be aimed at the community as a whole and at the values and norms deemed most important by employees, rather than at the specific social group – such as women or minorities – to which an employee belongs. Companies can invest in building CSR efforts from the ground up – i.e. in consultation with employees and in alignment with their needs, norms, and values – to fully benefit from the positive effects of CSR on their employees.

Furthermore, the moderating effect of P-O fit shows, once again, that companies should pay attention to the fit between the organization and employees. The fit between employees and the organization is important for both prospective employees – i.e. job applicants – and incumbent employees. Specifically, socially responsible companies should pay attention to the congruence between the organizational values and the employee's values. DSIW, a relatively new concept in OB research, appears to be especially relevant for organizations acting as corporate citizens. This personal characteristic can be used for the recruitment, selection, and training of employees in socially responsive organizations. I will now discuss the limitations of these findings and the directions for future research.

Limitations and Directions for Future Research

There are some limitations to my findings. First and foremost, the nature of the study – i.e. the use of a cross-sectional survey rather than longitudinal data or an experiment – limits my ability to show a causal relationship between perceived CSR and employee attitudes, behavior, and happiness. A positive “feedback loop” may occur, consisting of two paths (cf. Akinin, Dunn, & Norton, 2012): (a) CSR perceptions lead to higher levels of job satisfaction, job performance, and life satisfaction, and (b) higher levels of job satisfaction, job performance, and life satisfaction may in turn increase CSR perceptions. It is beyond the scope of the present study to show whether this positive feedback loop actually occurs or if the results can be attributed to only one of the two paths. Thus, it could be the case that a process opposite from the one proposed in this study occurs: more satisfied, productive individuals recognize more positive

aspects of their work organizations and, consequently, report higher ratings on CSR. Rather than serving as consequences of CSR perceptions, employee job satisfaction; job performance; and life satisfaction could actually function as antecedents of these perceptions. I expect that perceiving high levels of CSR both requires high levels of life satisfaction, job satisfaction, and job performance, and, at the same time, builds it. A related, key obstacle is the subjective nature of the measures and the challenge of linking these, especially in the case of self-reported job performance. A prevalent belief about common method bias in self-reported measures is that relationships between self-reported variables are routinely upwardly biased. However, Conway and Lance (2010) make a compelling case in arguing that this is a misconception. To further support the findings and establish a causal effect, future research should focus on the use of experiments; the collection of longitudinal data; and/or the inclusion of objective rather than self-reported, subjective measures for CSR and employee behavior. A possibly fruitful direction for future research is to conduct an experiment to assess whether a positive feedback loop between CSR and favorable employee outcomes occurs.

Second of all, the data collection method attracted a certain type of people that was (a) experienced in taking surveys through Prolific and self-selected in taking the survey, and (b) located in the United States, predominantly Caucasian, and highly educated. Therefore, caution is needed when generalizing the results outside of American, Caucasian, and highly educated samples. CSR may work differently for employees from other cultures and education systems. Aguilera and Jackson (2003) hypothesized that national and transnational frameworks, such as culture and education systems, may moderate the relationship between CSR and its respective outcomes. It could be possible, for instance, that some basic needs are of higher or lower importance in different cultures. The United States has a highly individualistic culture (Glavas & Piderit, 2009). In a collectivistic culture, the need for belongingness could play a greater role than in the sample employed in this study. Thus, comparative cross-national research – i.e.

research looking beyond Western and educated samples – is recommended in order to generalize the findings and empirically examine whether national and transnational frameworks indeed moderate the relationship between CSR and favorable employee outcomes.

Conclusion

Complementing previous research on the effects of CSR perceptions on employees, this paper shows that perceived CSR is positively related to employee job satisfaction, job performance, and life satisfaction. Consistent with psychological need satisfaction theory, achieved meaning and achieved belongingness were shown to be the underlying psychological mechanisms of this relationship. Employees in socially responsible organizations are more satisfied with their jobs, higher-performing, and happier, because working at these organizations fulfills their needs for meaning and belongingness in life. Furthermore, I confirmed the importance of P-O fit by showing that (a) the mediation effects of achieved belongingness are moderated by employee's desire for significant impact through work (DSIW) and (b) the positive relationship between CSR perceptions and employee job performance only emerges in employees who experience greater levels of value congruence and DSIW. Overall, CSR has pervasive effects on employee attitudes, behavior, and happiness.

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Appendix A

Job satisfaction

1. All in all, I am satisfied with my job
2. In general, I don't like my job
3. In general, I like working here

Job performance

1. How would you rate your overall job performance on the days you worked during the past 30 days?
2. How would you rate your job performance during the past 7 days?
3. How would your peers rate your job performance during the past 7 days?
4. How would your supervisor rate your job performance during the past 7 days?

Life satisfaction

1. All things considered, how satisfied are you with life as a whole nowadays?

Overall happiness

1. Taking all things together, how happy would you say you are?

Perceived CSR

Perceived Social Responsibility.

1. Contributing to the well-being of employees is a high priority at my organization
2. Contributing to the well-being of customers is a high priority at my organization
3. Contributing to the well-being of suppliers is a high priority at my organization
4. Contributing to the well-being of the community is a high priority at my organization

Perceived Environmental Responsibility.

1. Environmental issues are integral to the strategy of my organization
2. Addressing environmental issues is integral to the daily operations of my organization
3. My organization takes great care that our work does not hurt the environment

4. My organization achieves its short-term goals while staying focused on its impact on the environment

Achieved meaning

1. The work I do is very important to me
2. My job activities are personally meaningful to me
3. The work I do is meaningful to me

Achieved belongingness

1. When I am with other people, I feel included
2. I have close bonds with family and friends
3. I feel like an outsider
4. I feel as if people do not care about me
5. I feel accepted by others
6. Because I do not belong, I feel distant during the holiday season
7. I feel isolated from the rest of the world
8. I have a sense of belonging
9. When I am with other people, I feel like a stranger
10. I have a place at the table with others
11. I feel connected with others
12. Friends and family do not involve me in their plans

Achieved control

1. Whether or not I get to be a leader depends mostly on my ability
2. Whether or not I get into a car accident depends mostly on how good a driver I am
3. When I make plans, I am almost certain to make them work
4. How many friends I have depends on how nice a person I am
5. I can pretty much determine what will happen in my life

6. I am usually able to protect my personal interests
7. When I get what I want, it's usually because I worked hard for it
8. My life is determined by my own actions

DSIW

1. I want my job to be significant and important in the broader scheme of things
2. I want to do work that is likely to significantly affect the lives of other people
3. I want my job to have a large impact on people outside the organization
4. I want to have a positive impact on the world through my work

Value congruence

1. To what degree do you feel your values 'match' or fit those of your organization?
2. To what degree do you feel your values 'match' or fit those of your colleagues?
3. To what degree do you think the values of this organization reflect your own values?

Appendix B

Table B1 Robustness check of regression analyses – Overall happiness as the dependent variable

Predictors	Overall happiness β
Mood (0-10)	.73 ^{**}
Education (ref. primary education)	
Secondary	-.10
Vocational	-.08
Tertiary	-.08
Health	.13 ^{**}
Gender (ref. male)	.02
Ethnicity (ref. Caucasian)	
African American	-.03
Native	.09 ^{**}
Asian	.00
Hawaiian/Pacific	.00
Hispanic	.02
Middle Eastern/North African	.00
Perceived CSR	.08 ^{**}
Total R ²	.67

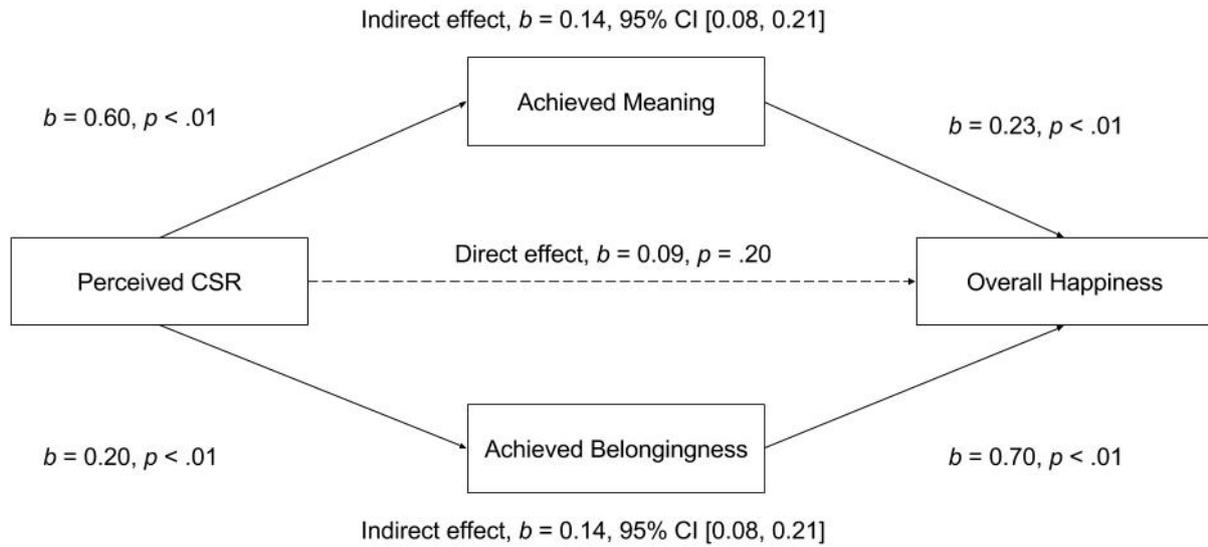
Note. $N = 567$. Standardized regression coefficients for the full model are shown.

^{**} $p \leq .01$

^{*} $p \leq .05$

Appendix C

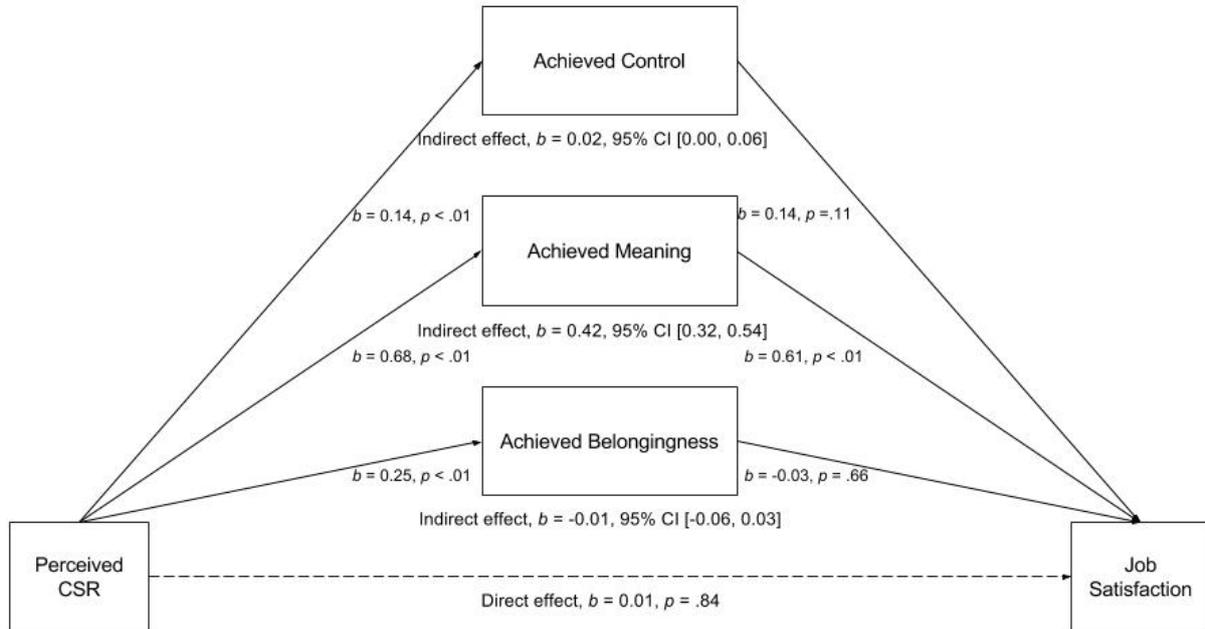
Figure C1 Robustness check of perceived CSR as a predictor of general happiness, mediated by achieved meaning and achieved belongingness



Note. $N = 567$. The confidence interval for the indirect effect is a BCa bootstrapped CI based on 1000 samples. R^2 of the model is .42.

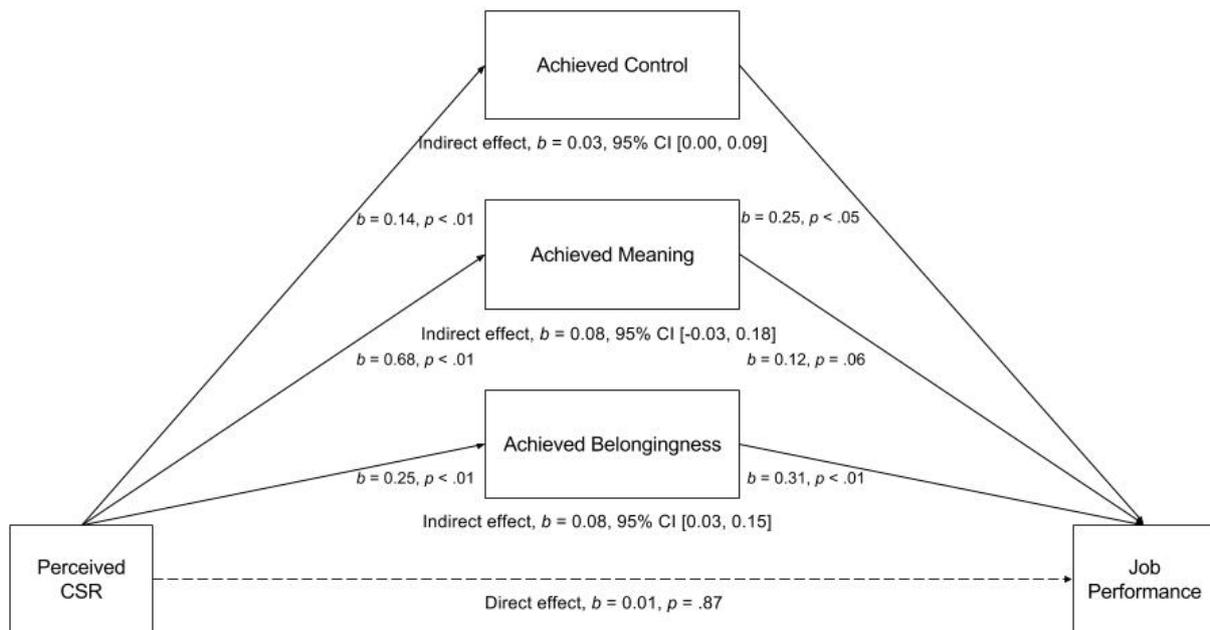
Appendix D

Figure D1 Model of perceived CSR as a predictor of job satisfaction, mediated by achieved control, achieved meaning, and achieved belongingness



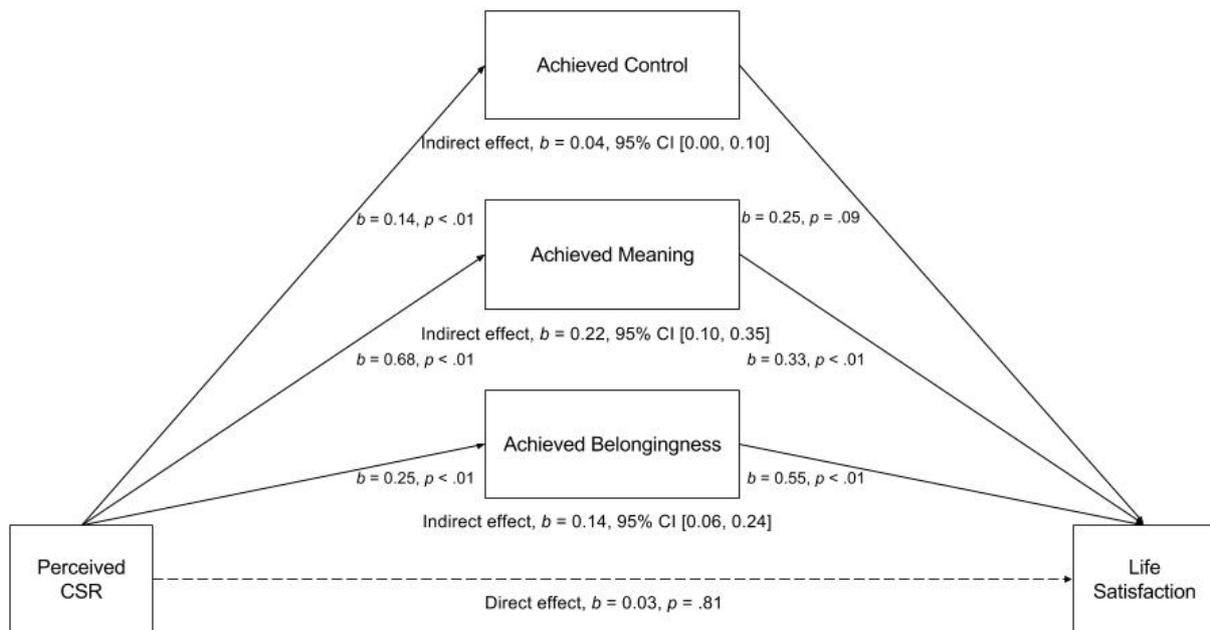
Note. $n = 265$. The confidence interval for the indirect effect is a BCa bootstrapped CI based on 1000 samples. R^2 of the model is .56.

Figure D2 Model of perceived CSR as a predictor of job performance, mediated by achieved control, achieved meaning, and achieved belongingness



Note. $n = 265$. The confidence interval for the indirect effect is a BCa bootstrapped CI based on 1000 samples. R^2 of the model is .26.

Figure D3 Model of perceived CSR as a predictor of life satisfaction, mediated by achieved control, achieved meaning, and achieved belongingness



Note. $n = 265$. The confidence interval for the indirect effect is a BCa bootstrapped CI based on 1000 samples. R^2 of the model is .45.