

Employees want genuine corporate social responsibility, not greenwashing

By Magda B.L. Donia 30 Jan 2020

Described as the "moral face of globalisation," corporate social responsibility (CSR) initiatives focused on solving societal and environmental concerns are increasingly expected by society, especially younger generations.



Image source: Gallo/Getty

Millennials are particularly principled, with some studies suggesting they <u>care more about purpose than a paycheque</u> when it comes to work. <u>A report by Hewitt and Associates</u> found that "corporate social responsibility can improve (the) ... bottom line, in part by giving ... the most engaged employees a reason to stay and work harder."

That means organisations have an additional reason to engage in CSR — it has a positive impact on their own employees.

In fact, companies that engage in CSR report positive consequences on important outcomes such as the <u>appeal of the organisation to job applicants</u>, employee <u>commitment to the organization</u>, <u>job satisfaction</u> and <u>job performance</u>.

Don't fake it

But companies should take notice of additional emerging research — <u>employees don't respond well</u> if they believe their organisation is using CSR to give a false impression of virtue.

Organisations, therefore, must be careful to engage in CSR for the right reasons. Employees make judgments about why their organisations engage in CSR, and they distinguish between authentic efforts and what's known as greenwashing — CSR that is more focused on appearances than true commitment to a cause.

These judgments are so powerful that they affect employees' characterisations of the organisation as a whole.

Specifically, when employees judge their organisations' engagement in CSR as authentic, they tend to describe it as a "giver." Employees see these organisations as being driven by values such as helpfulness and compassion.

In contrast, when CSR is judged as inauthentic and self-serving, employees tend to characterise the organisation as a "taker." Employees of these organisations are more likely to see them as being driven by a focus on dominance and doing better than competitors. Employees trust organisations that engage in genuine CSR but distrust those that engage in greenwashing.

Bottom line advantage

Research I conducted with <u>organisational behaviourist Sigalit Ronen</u> of California State University, <u>sustainability researcher</u>

<u>Carol-Ann Tetrault Sirsly</u> of Carleton University and <u>workplace psychologist Silvia Bonaccio</u> of the University of Ottawa sought to delve deeper into these findings to understand the impact of CSR on employees.

Specifically, we focused on important employee attitudes and performance at work, and sought to understand the underlying mechanism leading to employees' positive reactions to CSR judged as authentic only. We also looked at whether the importance employees attach to CSR explains these findings (spoiler alert: it doesn't, really). We instead found that employees' judgments of the motives underlying CSR initiatives explain important workplace outcomes.

We found that how employees feel about their companies' CSR initiatives has an influence on important workplace attitudes, including trust in top management, pride in the organisation, job satisfaction and the meaning they ascribe to their work in a positive way.

Their perceptions were also related to job performance, including whether employees focused on doing well on tasks, going out of their way to help others or not engaging in behaviours that were counterproductive and detrimental to the organisation. This behaviour was only present when CSR initiatives were judged as genuine.

We found that when employees view their organisations as engaging in CSR for genuine reasons, they feel that they work in a place that is compatible with their values and shares their goals. We call this type of compatibility <u>person-organisation</u> fit.

Employees care about authenticity

Organisations should pay attention to our results.

In fact, we found positive outcomes resulted from genuine CSR and negative outcomes stemmed from greenwashing, regardless of whether employees personally cared about CSR.

We expected employees who find organisational engagement in CSR to be important would react positively and strongly when judging their organisation as genuine in their efforts, and negatively when not. But we were surprised to find similar results when employees did not attach high importance to CSR.

Even if employees don't care about a particular cause to begin with, they will react to the reason they believe their organisation is choosing to engage in that cause. After all, "people care less about what others do than about why they do it " — and employees, apparently, have little appetite for inauthenticity.

The author would like to acknowledge the work and friendship of the late Carol-Ann Tetrault Sirsly of Carleton University. She passed away in 2016.

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