Building employee relationships through corporate social responsibility: the moderating role of social cynicism and reward for application

Article

Accepted Version

Building Employee Relationships through Corporate Social Responsibility: The

Moderating Role of Social Cynicism and Reward for Application

Bettina West, Carola Hillenbrand and Kevin Money

Abstract

We explore the role of deeply held beliefs, known as social axioms, in the context of employee–organization relationships. Specifically, we examine how the beliefs identified as social cynicism and reward for application moderate the relationship between employees' work-related experiences, perceptions of CSR (corporate social responsibility), attitudes, and behavioral intentions toward their firm. Utilizing a sample of 130 retail employees, we find that CSR impacts more positively on employees low on social cynicism and reduces distrust more so than with cynical employees. Employees exhibiting strong reward for application are less positively impacted by CSR, while their experiences of other work-related factors are more likely to reduce distrust. Our findings suggest the need for a differentiated view of CSR in the context of employee studies and offer suggestions for future research and management practice.

Keywords: corporate social responsibility, social cynicism, reward for application, beliefs, employee studies

Building Employee Relationships through Corporate Social Responsibility: The

Moderating Role of Social Cynicism and Reward for Application

Scholars and practitioners agree that a key component of an organization's competitive advantage and ultimate success relates to its responsibility to employees (Bhattacharya, Sen, & Korschun, 2008). Traditional strategies for demonstrating responsible employee practices and building strong employee relationships include providing attractive wages, good benefits packages, and opportunities for training and promotion within the organization (Dysvik & Kuvaas, 2008; Rynes, Gerhart, & Minette, 2004). In addition, a growing area of interest lies in the potential advantages gained through a firm's corporate social responsibility (CSR) efforts (Carmeli, Gilat, & Waldman, 2007; Hillenbrand, Money, & Ghobadian, 2013). For example, a study by Kim, Lee, Lee, and Kim (2010) suggests that employees' participation in CSR activities can have a direct impact on their identification with the firm. Employees' identification with a firm can then lead to a variety of positive outcomes, including organizational commitment (Dutton, Dukerich, & Harquail, 1994), job satisfaction (Wheeler, Richer, Tokkman, & Sablynski, 2006), and organizational citizenship behaviors (Bergami & Bagozzi, 2000).

While employees generally react favorably to a firm's positive initiatives, researchers have also noted inconsistencies in some employees' responses (e.g., McShane & Cunningham, 2012; Rodrigo & Arenas, 2008). These individual variations leave open a number of important questions. Why do the same inputs (such as a firm's employee policies and practices or its CSR initiatives) often lead to varied outcomes (including the responses of individual employees)? Which specific employee characteristics contribute to these variations in how employees define, evaluate, and respond to a firm's initiatives? How can managers address these nuances in order to nurture their internal stakeholder relationships? Recent theory advanced by Mishina, Block,

and Mannor (2012) suggests that perceptions of and responses to a firm's actions are tempered by socio-cognitive processes, in particular, individuals' prior beliefs through which new information is then filtered, and the authors call for future inquiry into individual differences within a stakeholder group. Our study addresses this call by delving further into the socio-cognitive literature and suggesting that a likely contributor to the variations among employee stakeholders lies in the moderating impact of their individual-specific beliefs, known as social axioms (SA).

We contribute to the organizational literature by investigating the underlying theoretical mechanisms that explain and predict employee stakeholders' diverse responses to the same stimuli. In so doing, we answer calls for more micro-level studies on corporate responsibility in relation to employees (Carmeli et al., 2007), and propose hypotheses to understand the moderating impact of SA on employee responses to work-related and CSR-related initiatives. From a practical perspective, we also seek to contribute by offering new insights into what has traditionally been viewed as the unforeseeable consequences of a firm's activities (Money, Hillenbrand, Henseler, & da Camara, 2012). These insights may ultimately lead to improvements in corporate strategic planning and employee management practices.

Theoretical Background

Waddock (2004) defines the broader concept of corporate responsibility as "the degree of (ir)responsibility manifested in a company's strategies and operating practices as they impact stakeholders and the natural environment day to day" (p. 10). While this definition invites a wide range of interpretations of company strategies and practices that could impact employee stakeholders, we differentiate between work-related activities, equating to the firm's day-to-day treatment of employees, and those aimed at achieving broader societal goals, often labeled its

CSR efforts. This classification of activities is in line with recent theory advances by Matten and

Moon (2008), who offer a distinction between implicit and explicit CSR. Implicit CSR is

embedded in the norms, values, and rules of a society and its expectations for corporations as a

whole. It is thus often reflected in a company's workplace environment, including its traditional

human resource systems and its performance management practices. As a result, there is

considerable overlap between employees' regular work-related experiences and the notion of

implicit CSR. Explicit CSR involves discretionary decisions made by companies that respond to

selective societal interests, usually with both social and business gains in mind. These decisions

may include initiatives such as corporate donations to charities, community relations,

environmental initiatives, employee volunteer programs, or becoming compliant to explicit

ethical guidelines and codes of conduct (Ellen, Webb, & Mohr, 2006). Explicit CSR is in line

with a long tradition of CSR literature that suggests that firms have a responsibility to society

beyond legal obligations and their own economic interest and should be held responsible for

those behaviors that affect society as a whole (Carroll, 1979; Wartick & Cochran, 1985; Wood,

1991). We thus build on work by Godfrey and Hatch (2007) and Pirsch, Gupta, and Landreth

Grau (2007) to define explicit CSR as actions that appear to further some social good, extend

beyond the economic interest of the firm, and are not required by law. We distinguish it from

another important aspect of corporate responsibility, that is, the work-related strategies and

practices directly linked to employees.

CSR and Employee Relationships

Some scholars suggest that CSR can impact employee relationships positively by

enhancing organizational trust (Hansen, Dunford, Boss, Boss, & Angermeier, 2011), compliance

(Houghton, Gabel, & Williams, 2009), and commitment (Collier & Esteban, 2007). CSR can

also serve to ease recruitment of qualified personnel (Greening & Turban, 2000) as well as promote employee innovation and success in the development of new products (Ahmad, O'Regan, & Ghobadian, 2003). Other benefits include a reduction in negative consequences, such as labor disputes (Hopkins, 2005) and feelings of discomfort or role conflict among workers (Sims & Keon, 2000). Moreover, studies indicate that employees prefer to be associated with organizations that stand for honesty, transparency, and accountability (Luce, Barber, & Hillman, 2001).

In developing a conceptual model of how CSR impacts employee–organization relationships, we build on the framework developed by Hillenbrand et al. (2013) to explore how employee experiences and perceptions influence their affective attitudes (such as trust and distrust) and behavioral intentions (such as advocacy and intent to remain with the organization).

We also incorporate employees' day-to-day work-related experiences to understand how they impact the development of trust, distrust, and behavioral intentions alongside the impact of explicit CSR-related experiences and perceptions. We include a measure of work-related experiences to account for the influence of issues related to work design, training, and compensation on the outcome measures in our model, in line with other studies in the management literature (Greenwood, 2007; Pare & Tremblay, 2007; Whitener, 2001).

While the proposed framework described above offers a way to understand the impact of a firm's actions on employee attitudes and behaviors toward the organization, employees do not respond to such efforts in a uniform manner. Prior research suggests that employee attitudes and behaviors may be moderated by a variety of individual characteristics, such as corporate identification (Chong, 2009), personality traits (Glomb, Bhave, Miner, & Wall, 2011), and attributions (Nishii, Lepak, & Schneider, 2008). In a Latin American study, Aqueveque and

Encina (2010) report that certain employees are more inclined than others to respond favorably to particular aspects of CSR, based on their underlying cultural beliefs or as a result of the attributions they make for the company's actions. Given the variations observed among employees, it is imperative to deepen the understanding of individual differences in relation to the impact of CSR on employee–firm relationships.

The Moderating Impact of Social Axioms

Social axioms are part of a wider category of individually held beliefs. Fishbein and Ajzen (2010) define beliefs as a cognitive association between two concepts, whereby the strength of the belief depends on how the association was formed. Building on this premise, Leung et al. (2002) describe SAs as "generalized beliefs about oneself, the social and physical environment, or the spiritual world, [stated] in the form of an assertion about the relationship between two entities or concepts" (p. 289). Grounded in expectancy theory (Vroom, 1964), we acquire these deeply-held SA beliefs naturally through a combination of unique life experiences and the socialization process, which, in turn, is influenced by the cultural context to which one is exposed (Bond et al., 2004b).

SAs are rooted in an individual's cultural upbringing and may therefore appear to be similar to the concepts of norms or values, which have been widely studied in the context of understanding cultural differences (e.g., Hofstede, 1984; Schwartz, 1992). Scholars in psychology have examined SAs in relation to a range of established psychometric measures, such as Costa and McCrae's Five-Factor Inventory (Chen, Fok, Bond, & Matsumoto, 2006b), Rotter's Interpersonal Trust Scale and Locus of Control Scale (Singelis, Hubbard, Her, & An, 2003), and Schwartz's Values Survey (Leung et al., 2007). While some correlation has been found between social axioms and these measures, they remain largely independent concepts with

distinct characteristics. Norms tend to be interpreted at the aggregate societal level in terms of the shared expectations of reference groups (Stankov, 2007). Values, by contrast, are generally stated as individual endorsements that reflect what is good or bad, important or unimportant, desirable or undesirable. SAs differ from norms and values in that they represent an assertion about a causal or a correlational relationship between two entities (Bond, Leung, Au, Tong, & Chemonges-Nielson, 2004a, 2004a). For example, a value may be stated as: "It is important to work hard," while a SA would elaborate on this statement by claiming: "Hard work leads to positive outcomes." The latter statement implies a relationship between hard work and some form of reward, thereby offering a more concrete interpretation of how one object relates to another. While SA research is a relatively recent field of study, there is an emerging consensus among scholars that it plays a critical role in predicting human perception, attitudes, and behavior in a range of social contexts and explains often overlooked individual differences arising from human beliefs (Bond, 2005; Bond et al., 2004a; Singelis et al., 2003). Since work-related experiences, including those of a CSR nature, form part of one's social world, it is reasonable to expect that an individual's SA beliefs may moderate the effects of these experiences.

Since individuals have a diverse range of socio-cultural and life experiences, the depth to which SAs are held varies from one individual to the next. As a result, they can be usefully investigated independently of one another as discrete moderator variables, with either high or low belief levels (Leung & Bond, 2009). Thus, each SA may account for differences in the strength of path links between work-related or CSR-related experiences of employees and subsequent outcomes. Despite their potential to be used as a tool for exploring the varied

responses of individual employees, SAs have yet to be applied in a CSR–employee response context.

Leung et al.'s (2002) development of the SA construct was intended to offer a cognitive interpretation of how individuals relate to others and to their environment as well as to examine the relevance of beliefs in different social contexts (Leung & Bond, 2004). Incorporating reviews of over 300 belief scales as well as studies involving multiple cultures and continents, they identified five SA dimensions: social cynicism, fate control, religiosity, reward for application, and social complexity. While each of these dimensions has the potential to impact a range of human perceptions, attitudes, and behaviors in a workplace context, two SA dimensions are of particular relevance in the context of CSR and employee relationships: *social cynicism*, the belief that institutions and people in positions of power cannot be trusted, and *reward for application*, the belief that hard work and effort pays off in the long run. We focus on social cynicism and reward for application in this study, since from an organizational management perspective, it is reasonable to assume that employees who do not hold cynical beliefs would be more desirable from a hiring perspective. The same could be said about employees who hold beliefs that hard work will result in positive outcomes. In the paragraphs below we examine these two SA dimensions in more depth and consider how they may moderate the impact of experiences of explicit CSR and perceptions of CSR alongside other work-related experiences on employee attitudes and behavioral intentions.

Social cynicism. Studies examining the relationship between beliefs, values and personality characteristics suggest that individuals who report having cynical beliefs are also likely to be distrustful of others (Singelis et al., 2003), meaner and less helpful (Chen, Bond, & Cheung, 2006a), and exhibit an external locus of control (Singelis et al., 2003). While the impact

of social cynicism among employees in the context of CSR remains unexplored, previous

research has examined this belief dimension to better understand employee responses in related

workplace contexts. For example, researchers have identified cynicism as a useful predictor of

employee commitment (Gelade, Dobson, & Gilbert, 2006; Remo & Kwantes, 2009), of conflict

management style preferences (Bond et al., 2004a), of organizational change resistance (Qian

and Daniels, 2008), and for understanding attitudes related to organizational citizenship behavior

(Kwantes & Karam, 2009).   Interestingly, Andersson and Bateman (1997) found that while

employees who exhibited high levels of cynicism tended to be less inclined to engage in

organizational citizenship activities, they were also less inclined to comply with management

requests to perform unethical behaviors. Hence, the nature of the relationship between social

cynicism and CSR may require further consideration to understand its impact in specific

contexts.

Hypothesis 1: Social cynicism moderates the relationship between (a) employee work-related

experiences, and their ensuing attitudes (trust and distrust) and behavioral

intentions, (b) experiences of explicit CSR of the firm, perceptions of CSR, and

their ensuing attitudes (trust and distrust) and behavioral intentions.

Reward for application. Individuals with high belief levels in reward for application

maintain that effort and hard work will bring about long-term rewards (Leung et al., 2002). Not

surprisingly, such individuals have been found to possess high levels of conscientiousness (Chen

et al., 2006b) and an internal locus of control (Chen et al., 2006a). Furthermore, Leung et al.

(2007) found an inverse relationship between reward for application and hedonistic tendencies,

as measured by Schwartz's values inventory (1992), suggesting individuals who exhibit strong

beliefs in reward for application are also focused on achieving personal success through work rather than on pleasure-seeking activities.

According to Hui and Hui (2009), reward for application relates closely to several prosocial values, including respect and equity. As a result, individuals who demonstrate strong reward for application tendencies tend also to respond more favorably to a firm's positive work-related and CSR-related initiatives, compared with their low reward for application counterparts. Another related concept found in the management literature is participation effort, defined as the amount of effort or energy invested in a particular behavior (Ellen et al., 2006). Studies suggest that individuals who become directly engaged in a firm's CSR initiatives are not only more likely to develop positive firm associations, but they also tend to view these prosocial activities as a demonstration of significant effort and initiative on the part of the firm and thereby deem the firm worthy of their trust and commitment (Bhattacharya et al., 2008).

In the organizational management context, Remo and Kwantes (2009) found reward for application to be a positive predictor of organizational commitment among employees, though only in relation to human resource policies designed to facilitate career development. This finding suggests that high reward for application employees focus on and respond more positively to personal career advancement opportunities. In the context of organizational citizenship behaviors, Kwantes et al. (2008) reported employees with high levels of reward for application who engage in volunteerism are more inclined to perceive their actions as in-role rather than extra-role, perhaps because they view these "extra" activities as contributing to their performance appraisals and therefore are likely to be rewarded in the long run (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). However in a CSR context, it is not clear whether these same employees, when responding to the activities of the firm rather than to their own actions,

are likely to respond as positively to the firm as those who exhibit low reward for application

tendencies, since there is no direct personal benefit to them.

Hypothesis 2:   Reward for application moderates the relationship between (a) employee work-

related experiences, and their ensuing attitudes (trust and distrust) and

behavioral intentions, (b) experiences of explicit CSR of the firm, perceptions of

CSR, and their ensuing attitudes (trust and distrust) and behavioral intentions.

The proposed model is presented in Figure 1.

- Figure 1 about here -

Method

Participants and Procedure

The participating firm is a well-established, Canadian retailer whose history stretches

back to the early 20th century. The retailer has 33 locations across the country, and has recently

developed an e-commerce site in order to establish an international presence. The senior

management team demonstrates a proactive commitment to CSR through ongoing support for

employee volunteer programs, environmental initiatives, and established partnerships with youth

agencies and government agencies involved in community-serving projects. The selection of an

organization within the retail industry, while not a requirement for the purpose of this research,

provides useful insights to a growing sector of the Canadian economy that represents 16% of

domestic jobs (Simmons & Kamikihara, 2009) and contributes approximately CAN$75 billion to

annual gross domestic product (Industry Canada, 2012).

With management's permission, an email explaining the nature of the project was sent to

all 420 employees with a link to an online survey. Employees were informed that the research

project was university-sponsored and that the company would receive only summary statistics of

aggregated data. A total of 130 employees consented to participate, representing a 31% response

rate, comparable to similar studies in management literature (Baruch, 1999). Employee ages

ranged from 19 to 67 with a mean of 37 years, and 58% were male. Over 90% of respondents

lived and worked in Ontario, which is where the majority (27) of the company's outlets and its

corporate headquarters is located.

Measures

The development of the survey instrument was based on work by Rossiter (2002). We

followed suggestions by Podsakoff, MacKenzie, Lee, and Podsakoff (2003) to address issues

related to common method bias through the study design, including taking steps to reduce

respondent evaluation apprehension, ensuring anonymity of answers, and incorporating reverse

scored items in the final instrument. In addition, Harman's single factor test revealed distinct

factors in the unrotated factor solution. Scales for measurement of constructs were sourced from

literature and pre-tested with employees to ensure they effectively represented the context of the

participating retailer and its workers. This procedure led to inclusion of six reflective and two

formative scales in the final instrument, all of which utilized a 7-point Likert-type scale. A brief

description of each scale is provided below. Refer to Appendix 1 for the full list of scale items.

Reflective scales. Employee perception of CSR is operationalized based on Fombrun,

Gardberg, and Sever's (2000) widely used 3-item measure, which examines the extent to which

employees agree or disagree that they perceive the retailer to "support good causes", "be

environmentally responsible", and "maintain high standards in the way it treats people."

The independent constructs of trust and distrust are operationalized based on Cho (2006).

In the case of trust, the construct includes three items measuring the extent to which employees

agree or disagree that the retailer "operates its business in a dependable manner", "is responsible

when dealing with employees", and "promotes employees' benefits as well as its own". Distrust

is represented by a four-item measure to identify employees' feelings of the extent, for example,

to which their employer "will take advantage of employees' vulnerability" and "deals with

employees in a deceptive way".

The construct of behavioral intentions, based on the established scale developed by

Mowday, Steers, and Porter (1979) as well as more recent adaptations used by MacMillan,

Money, Downing, and Hillenbrand (2004) and Whitener (2001), is operationalized as

employees' future commitment (e.g., willingness to maintain the relationship in the long run) and

advocacy behaviors (e.g., would recommend the firm as a good employer). While this 13-item

construct is comprised of multiple theorized dimensions, prior research suggests considerable

overlap exists between them (Hillenbrand et al., 2013).

The two SA dimensions are measured following suggestions offered by Leung et al.

(2002). The extent to which individuals believe or disbelieve in social cynicism is measured

using items such as "Powerful people tend to exploit others" and "Kind-hearted people are easily

bullied." Items measuring reward for application include "People will succeed if they really try"

and "Good deeds will be rewarded, and bad deeds will be punished."

Formative scales. Employee experiences of explicit CSR relate to the ways in which an

organization treats its various stakeholders. Seven items adapted from Hillenbrand et al. (2013)

were used to measure employee experiences of explicit CSR of the firm, including the extent to

which employees agreed or disagreed that the firm "cares about its customers" and "puts

something back into local communities."

Measures to represent employee work-related experiences, such as work design, benefits,

and training are based on measures in other employee studies (Hillenbrand et al., 2013;

Whitener, 2001), including employee experiences that the firm "rewards them fairly for their work," and "provides opportunities for self-development."

Analysis

A partial least squares structural equation modeling approach (PLS-SEM) using SmartPLS (Ringle, Wende, & Will, 2005) was adopted to examine the relationships among the study constructs, mainly due to the existence of both reflective and formative indicators (Chin, 1998). Following the procedure outlined by Hair, Ringle, and Sarstedt (2011), a two-stage assessment of the proposed model was undertaken before testing for moderating impacts of social cynicism and reward for application.

Stage one assessed validity and reliability of the measurement model. For reflective indicators, this assessment refers to evaluation of composite reliabilities against the expected score of .7 (Nunnally & Bernstein, 1994). It also refers to evaluation of convergent validity through average variance extracted (AVE), expected to be at least .5, and evaluation of discriminant validity through indicator cross-loadings and the Fornell–Larcker criterion, which suggests a latent construct should share a greater level of variance with its associated indicators than with any other latent variable present in the model (Fornell & Larcker, 1981). For formative indicators, assessment of the measurement model included testing for significance of the indicators' weight coefficients, accomplished through bootstrapping, as well as testing for significance of the indicators' loadings. Together, these tests provided a measure of each indicator's relative usefulness in explaining the latent construct (Cenfetelli & Bassellier, 2009).

Stage two assessed the structural model. We examined the following four areas: (a) R^2 values for each latent variable in the model (Chin, 1998), (b) sign, magnitude, and significance of path coefficients (Henseler, Ringle, & Sinkovics, 2009), (c) effect size (f^2) of predictor

variables (Cohen, 1988) and (d) predictive relevance of the model (Q^2), using blindfolding (a

sample reuse estimation technique that excludes every dth data point to predict the excluded

portions of the data) to obtain cross-validated redundancy measures described by Stone (1974)

and Geisser (1974).

To test for moderating effects of the social cynicism and reward for application

dimensions, we began by dividing the summated scale for each dimension at its mean value to

create a high and low group respectively. We then followed suggestions offered by Henseler et

al. (2009) to conduct group comparisons with the dichotomized moderators. The path

coefficients for high and low subsamples were compared using bootstrap analysis and significant

differences identified by pair-wise t-tests were interpreted as moderating effects. While the

division of the sample may be a drawback of this method (Eberl, 2010), the approach is

nevertheless well suited for our study, since it allows for testing of overall model effects, rather

than only isolated effects of specific paths. The illustrated approach is also deemed appropriate,

since the alternative approach of creating interaction terms can be problematic when

investigating the impact of multiple exogenous and endogenous variables within a model (Baron

& Kenny, 1986).

Results

Results of the measurement model analysis revealed significant ($p < .01$) loadings for all

reflective indicators. However, three items fell below the threshold of .7 and were removed from

subsequent analysis. All remaining items showed satisfactory loadings ranging from .733 to .921,

and composite reliability scores from .868 to .975 (Nunnally & Bernstein, 1994). The AVE

values of reflective scales ranged between .686 and .749, thereby exceeding minimum

requirements of .5 (Hair et al., 2011). Discriminant validity was deemed satisfactory, as each

latent construct's AVE emerged greater than its highest squared correlation with any other latent

construct in the model, as shown in Table I. Also, the analysis of cross-loadings revealed higher

loadings for a given indicator on its associated latent construct than for any other constructs in

the model. All but one of the 16 formative indicators were retained in the model as the

assessment of weights and loadings confirmed all were significant on at least one if not both

criteria. The one item removed had a variance inflation factor (VIF) value outside of the

acceptable range of five or less (Hair et al., 2011).

- Table 1 about here -

Results of the structural model revealed moderate (.32) to substantial (.47 to .57) effect

sizes for endogenous latent variables (Chin, 1998). According to Henseler et al. (2009), moderate

R^2 values are acceptable when the inner path's endogenous latent variables are explained by only

a small number (e.g., one or two) of exogenous latent variables, as was the case in this study.

Analysis of path coefficients revealed that all seven relationships were supported at $p < .01$, as

shown in Figure 2. Assessment of the model's explanatory power utilizing f^2-tests suggested

moderate to large effect sizes of predictor variables (Chin, 1998). Application of the sample

reuse measure Q^2 confirmed predictive relevance of all exogenous constructs on their related

endogenous constructs.

- Figure 2 about here -

Having established reliability, validity, and predictive relevance of the overall model, we

proceeded with an examination of the moderating impacts of social cynicism and reward for

application. Results of an initial exploratory factor analysis confirmed two dimensions analogous

to the conceptual development of the original theoretical dimensions found within the SA

construct (Leung et al., 2002). Subsequent reliability tests led to the exclusion of one item,

resulting in a four-item scale of social cynicism and a five-item scale of reward for application (see Appendix 1 for measures). Finally, group comparison analysis revealed significant group differences for both dimensions. Table 2 provides a summary of the results.

- Table 2 about here -

Significant differences exist in two path linkages between employees identified as either high or low in social cynicism: from experiences of explicit CSR of the firm to perceptions of CSR (β_{low} = .87, β_{high} = .68, p < .01) and from perceptions of CSR to distrust (β_{low} = -.43, β_{high} = -.06, p < .05). These findings provide partial support for hypothesis 1b, but not for hypothesis 1a.

The results further revealed significant differences in path linkages between employees identified as high and low in beliefs about reward for application from work-related experiences to trust (β_{low} = .45, β_{high} = .23, p < .1), and from work-related experiences to distrust (β_{low} = -.28, β_{high} = -.54, p < .1), thereby partially supporting hypothesis 2a. Finally, significant differences in high versus low reward for application employees existed in the path from perceptions of CSR to distrust (β_{low} = -.42, β_{high} = -.18, p < .1). Hence, hypothesis 2b is partially supported.

Discussion

The empirical data support the validity and predictive relevance of the core research model used to explore how work-related experiences, experiences of explicit CSR of the firm, and perceptions of CSR impact employee trust, distrust, and behavioral intentions toward an organization. This model is used as the foundation for exploring the role of SAs as moderators of the links within the model. Our overall findings suggest that employee beliefs in relation to social cynicism and reward for application have a moderating impact within the model, though not on all identified paths as originally hypothesized. The moderating effects of each axiom operate in different ways and upon different links, the nature of which are now examined.

Social Cynicism

The results support our first hypothesis that social cynicism moderates some of the relationships in the research model. Specifically, the findings suggest that perceptions of CSR play a greater role in reducing distrust among employees who exhibit low levels of social cynicism. These employees seem to respond more positively overall to a firm's socially responsible activities, not only giving the firm credit for its efforts but also perhaps being less suspicious of its motivations (Godfrey, 2005). The impact of social cynicism as a moderator is particularly striking when considering that the link between perceptions of CSR and reduced employee distrust is only significant for the low, and not the high, social cynicism group. Despite the participating firm having a history of engagement in CSR, high social cynicism employees remain indifferent in terms of mitigating distrust.

It is also interesting to contrast the findings related to employee trust and distrust. For high and low cynics alike, positive work-related experiences are found to increase employee trust and reduce distrust, suggesting that employees tend to respond in a consistent and similar manner when it comes to experiences directly related to their personal work environment.

When it comes to examining how experiences of explicit CSR of the firm impact employee perceptions of CSR, our findings suggest that experiences of explicit CSR of the firm are significantly stronger drivers for low cynics. In other words, employees with low levels of social cynicism seem to rely more on explicit CSR of firms than their high social cynicism counterparts in deriving their perceptions of CSR.

These findings provide managers with important evidence that the firm's socially responsible activities that reach out to customers and communities will positively impact less cynical employees, without having a negative impact upon more cynical employees. So while

high and low cynics alike respond favorably to a broad range of positive experiences (i.e., both work-related and explicit CSR), it seems high cynics are somewhat less strongly influenced by explicit CSR experiences that bear little relevance to their immediate work environment.

Reward for Application

Our results also confirm the second hypothesis that reward for application moderates some of the relationships in the research model. As described earlier, individuals who exhibit high levels of reward for application believe hard work and effort will be rewarded in the long term (Leung & Bond, 2004). Our findings sit well with this description in that reward for application moderates both links in the model that are concerned with traditional work-related experiences of employees, rather than the link for experiences of explicit CSR of the firm. This lends additional credence to the notion that CSR experiences are indeed a distinct category of experiences for employees, and that reward for application is focused largely on the self or one's personal efforts in relation to desired outcomes.

Our findings indicate that work-related experiences play a larger role in reducing distrust among high reward for application employees compared with their low reward for application counterparts. This suggests employees who believe that they will be rewarded for their efforts are less likely to distrust the organization when they are working in a positive environment. However, when exposed to negative work-related experiences, these same employees would also likely take greater exception and become even more distrustful of their employer than would low reward for application employees.

Consequently, with regard to reducing distrust, defined as the active expectation that the employee will be harmed by the firm, high reward for application employees are more likely to be impacted by positive work-related experiences because they have stronger expectations of not

being harmed in the future. Those employees who possess lower reward for application beliefs are less likely to reduce their expectations of future harm as a consequence of positive self-related experiences.

Our final findings related to the moderating effects of reward for application appear to be somewhat counter-intuitive at first glance. They suggest that employee perceptions of CSR have a significantly larger impact on reducing distrust among low reward for application individuals compared to high reward for application employees. One explanation for this finding is that the low reward for application group do not believe they will be rewarded fairly for their efforts. With such a starting position, rewards could be seen to flow by chance or circumstance. However, it also seems reasonable that certain individuals or firms are consistently more likely to either provide rewards or to harm others, whether deservedly or not. If an organization engages in socially responsible activities, it may be viewed as an entity that is well-intentioned, philanthropic, and giving toward its stakeholders. As such it is likely to be seen as acting in less harmful ways toward employees—a conclusion that is borne out by the fact that CSR reduces distrust for both high and low reward for application groups. CSR could have a more substantive impact on distrust in the low reward for application group because, believing that they will not always get what they deserve, they are less likely to be harmed by a firm that engages in social responsibility because this firm is generally less likely to harm anyone.

In this case, by engaging in CSR, the firm has demonstrated that it can act caringly for community stakeholders, regardless of whether their efforts are rewarded in a business or financial sense. High reward for application individuals are perhaps less impacted by this form of CSR, because they may be more likely to believe that the firm should focus on how its efforts will result in measurable outcomes, as this is how success is defined in a business context.

Practical Implications for Personnel Management

Our study offers several useful implications for practice. First, it provides much needed evidence that individual differences exist in how employees respond to the CSR activities of firms, and establishes social cynicism and reward for application as useful ways to understand the nuances in these responses. Thus, perhaps the most useful contribution of our study for the day-to-day management of employees is the application of SAs as a tool for managers to anticipate the range of ways in which employees could respond to a particular experience. For example, if a manager understands that cynical employees are impacted more by benefits that relate to them directly than they are by CSR initiatives that relate more to other stakeholders, they can adopt a more transactional approach with these employees. At the same time, they may opt for a more transformational approach with less cynical employees by embracing a wider set of social issues.

In practical terms, firms can utilize the SA instrument to identify departments, divisions, or regions that vary according to social cynicism and reward for application. This information could be applied to develop differentiated relationship-building strategies that are guided to increase factors such as employee engagement. Data-driven insights of this nature can allow managers to use resources more effectively and make strategic choices in terms of the impact that actions are likely to have on employee responses.

Multinational organizations, or organizations wishing to expand internationally, may also benefit from previous research suggesting that both social cynicism and reward for application vary across national cultures. For example, in the Canadian context in which this study was conducted, social cynicism tends to be relatively low within the general population and reward for application in the moderate to high range when compared with other nations such as

Germany, which exhibits moderate to high levels of social cynicism, or Britain, whose

population tends to have moderate to low levels of reward for application (Leung & Bond,

2004). If multinational firms were to incorporate measures of social cynicism and reward for

application in their employee surveys, these measures would provide a further tool to explore the

heterogeneity of employees in conjunction with additional demographic variables. As a result, an

opportunity exists to develop more effective regional strategies to maximize employee support

for the firm.

Our findings also add to the growing body of evidence that suggests both work-related

and CSR-related experiences are important in developing positive employee–organization

relationships (Hillenbrand et al., 2013). In the employee context, it is interesting to reflect on the

fundamental importance of work-related experiences for all employees, with explicit CSR-

related experiences becoming more critical for less cynical employees and employees less driven

by reward for application. The results provide organizations with valuable evidence to justify

social responsibility programs and the impact that outreach programs ultimately have on

employee engagement independently of the impact of their wider work-related experiences.

Limitations and Areas for Future Research

Our study has limitations that should be considered when developing future research. It

has been conducted from the perspective of employees of a single retailer in a Canadian context,

with two out of several possible SAs. When testing the impact of SAs on organization–employee

relationships in future, it may be useful to consider other dimensions such as types of employees,

stakeholders, firms, industries, and cultural contexts. As a first step, the study could be replicated

using employees of other firms in a retail context to explore whether the results are consistent

within this industry and stakeholder group. Thereafter, other opportunities may be considered in

order to adapt and apply this area of research in other industries and/or with other stakeholder groups (e.g., customers, community partners, or members of the media). As well, there may be certain contexts whereby other SA dimensions, such as social complexity, fate control, and religiosity would be meaningfully considered. For example, in the case of social complexity, where individuals vary in their belief that several solutions can exist for a given problem, it could be useful to explore whether different approaches to CSR are met with varying levels of acceptance in relation to a belief in social complexity.

Furthermore, our study focuses on a long-established retailer with a positive reputation for CSR. It would be useful to test the model across a range of firms based on their relative ages and with varying levels of CSR engagement. This approach would provide a more representative range of responses with respect to employee experiences and outcomes. The inclusion of negative corporate examples would provide additional insights into the impact of how explicit CSR-related experiences may adversely impact employee responses. Such results may also have useful insights for employee–customer interaction in a service setting.

Finally, while the moderating effects of reward for application reveal several noteworthy differences in employee outcomes within the model, some caution should be exercised when interpreting these results, since they do not meet traditional levels of statistical significance. Nevertheless, they provide evidence of the potential merit of SAs as a useful approach to differentiate employee responses to a company's actions. In addition, it would be useful in future studies to test the moderators simultaneously, an option that our current method did not allow. Repetition of this study utilizing a larger sample size may provide more information regarding reliable interpretation of the results.

Conclusion

In this study, we respond to calls for a deeper understanding of how the CSR activities of firms impact employees. More specifically, we distinguish between the roles of work-related and explicit CSR-related experiences in driving employee relationships, as well as through critical exploration of how employee responses are moderated by beliefs of social cynicism and reward for application. We build on an established conceptual model of CSR in order to explore the impact of two SA dimensions on employee–organization relationships and find significant differences between individuals with low and high belief levels of social cynicism and reward for application. Importantly for managers and organizations, we provide insights into the underlying reasons why employees may respond differently to the same CSR-related experiences. The study provides relevant new insights into the impact of CSR on employee relationships with the firm as well as the moderating role of individual beliefs in this context, especially at a time when employees increasingly express a desire to be treated as unique individuals, and while firms struggle to understand the diverse range of expectations placed upon them (Preuss, Haunschild, & Matten, 2009). Given the significant role that SAs play in influencing decision-making and behavior, we provide fertile ground for future management research and practice.

References

Ahmad, S. J., O'Regan, N., & Ghobadian, A. (2003). Managing for performance: Corporate responsibility and internal stakeholders. *International Journal of Business Performance Management, 5*, 141–153.

Andersson, L. M., & Bateman, T. S. (1997). Cynicism in the workplace: Some causes and effects. *Journal of Organizational Behaviour, 18*, 449–469.

Aqueveque, C., & Encina, C. (2010). Corporate behavior, social cynicism, and their effect on individuals' perceptions of the company. *Journal of Business Ethics, 91*, 311–324.

Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology, 51*, 1173–1182.

Baruch, Y. (1999). Response rate in academic studies: A comparative analysis. *Human Relations, 52*, 421–438.

Bergami, M., & Bagozzi, R. T. (2000). Self-categorization, affective commitment and group self-esteem as distinct aspects of social identity in the organization. *British Journal of Social Psychology, 39*, 555–577.

Bhattacharya, C. B., Sen, S., & Korschun, D. (2008). Using corporate social responsibility to win the war for talent. *MIT Sloan Management Review*, *49*(2), 37–44.

Bond, M. H. (2005). *A cultural-psychological model for explaining differences in social behavior: Positioning the belief construct.* Paper presented at the Ontario Symposium on Personality and Social Psychology, London, ON, Canada.

Bond, M. H., Leung, K., Au, A., Tong, K., & Chemonges-Nielson, Z. (2004a). Combining social axioms with values in predicting social behaviours. *European Journal of Personality, 18*, 177–191.

Bond, M. H., Leung, K., Au, A., Tong, K., de Carrasquel, S. R., Murakami, F.,…Lewis, J. R. (2004b). Culture-level dimensions of social axioms and their correlates across 41 cultures. *Journal of Cross-Cultural Psychology, 35*, 548–570.

Carmeli, A., Gilat, G., & Waldman, D. A. (2007). The role of perceived organizational performance in organizational identification, adjustment and performance. *Journal of Management Studies, 44*, 972–992.

Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review, 4*, 497–505.

Cenfetelli, R. T., & Bassellier, G. (2009). Interpretation of formative measurement in information systems research. *MIS Quarterly, 33*, 689–708.

Chen, S. X., Bond, M. H., & Cheung, F. M. (2006a). Personality correlates of social axioms: Are beliefs nested within personality? *Personality and Individual Differences, 40*, 509–519.

Chen, S. X., Fok, H. K., Bond, M. H., & Matsumoto, D. (2006b). Personality and beliefs about the world revisited: Expanding the nomological network of social axioms. *Personality and Individual Differences, 41*, 201–211.

Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In G. A. Marcoulides (Ed.), *Modern methods for business research* (pp. 295–358). Mahwah, NJ: Lawrence Erlbaum Associates.

Cho, J. (2006). The mechanism of trust and distrust formation and their relational outcomes. *Journal of Retailing, 82*(1), 25–35.

Chong, M. (2009). Employee participation in CSR and corporate identity: Insights from a

    disaster-response program in the Asia-Pacific. *Corporate Reputation Review, 12*, 106–

    119.

Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.). Hillsdale, NJ:

    Lawrence Erlbaum Associates.

Collier, J., & Esteban, R. (2007). Corporate social responsibility and employee commitment.

    Business Ethics: A European Review, 16, 19–33.

Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational images and member

    identification. *Administrative Science Quarterly, 39*, 239–263.

Dysvik, A., & Kuvaas, B. (2008). The relationship between perceived training opportunities,

    work motivation and employee outcomes. *International Journal of Training &*

    Development, 12(3), 138–157.

Eberl, M. (2010). An application of PLS in multi-group analysis: The need for differentiated

    corporate-level marketing in the mobile communications industry. In V. E. Vinzi, W. W.

    Chin, J. Henseler, & H. Wang (Eds.), *Handbook of partial least squares* (pp. 487–514).

    Heidelberg: Springer.

Ellen, P. S., Webb, D. J., & Mohr, L. A. (2006). Building corporate associations: Consumer

    attributions for corporate socially responsible programs. *Academy of Marketing Science*

    Journal, 34, 147–157.

Fishbein, M., & Ajzen, I. (2010). *Predicting and changing behavior: The reasoned action*

    approach (1st ed.). New York: Psychology Press.

Fombrun, C. J., Gardberg, N. A., & Sever, J. M. (2000). The reputation quotient: A multi-

    stakeholder measure of corporate reputation. *Journal of Brand Management, 7*, 241–255.

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research, 18*, 31–50.

Geisser, S. (1974). A predictive approach to the random effects model. *Biometrika, 61*, 101–107.

Gelade, G., Dobson, P., & Gilbert, P. (2006). National differences in organizational commitment: Effect of economy, product of personality, or consequence of culture? *Journal of Cross-Cultural Psychology, 37*, 542–556.

Glomb, T. M., Bhave, D. P., Miner, A. G., & Wall, M. (2011). Doing good, feeling good: Examining the role of organizational citizenship behaviors in changing mood. *Personnel Psychology, 64*, 191–223.

Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *Academy of Management Review, 30*, 777–798.

Godfrey, P. C., & Hatch, N. W. (2007). Researching corporate social responsibility: An agenda for the 21st century. *Journal of Business Ethics, 70*, 87–98.

Greening, D. W., & Turban, D. B. (2000). Corporate social performance as a competitive advantage in attracting a quality workforce. *Business and Society, 39*(3), 254–280.

Greenwood, M. (2007). Stakeholder engagement: Beyond the myth of corporate responsibility. *Journal of Business Ethics, 74*, 315–327.

Hair, J. F. J., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice, 19*, 135–147.

Hansen, S. D., Dunford, B. B., Boss, A. D., Boss, R. W., & Angermeier, I. (2011). Corporate social responsibility and the benefits of employee trust: A cross-disciplinary perspective. *Journal of Business Ethics*, *102*(1), 29–45.

Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least squares path modeling in international marketing. *Advances in International Marketing, 20*, 277–319.

Hillenbrand C., Money, K., & Ghobadian, A. (2013). Unpacking the mechanism by which corporate responsibility impacts stakeholder relationships. *British Journal of Management, 24*, 127–146.

Hofstede, G. (1984). *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.

Hopkins, M. (2005). Measurement of corporate social responsibility. *International Journal of Management and Decision Making, 6*, 213–231.

Houghton, S. M., Gabel, J. T., & Williams, D. W. (2009). Connecting the two faces of CSR: Does employee volunteerism improve compliance? *Journal of Business Ethics, 87*, 477–494.

Hui, C.-M., & Hui, N. H.-H. (2009). The mileage from social axioms: Learning from the past and looking forward. In A. Marsella, K. Leung, & M. H. Bond (Eds.), *Psychological aspects of social axioms: Understanding global belief systems* (pp. 13–30). New York: Springer.

Industry Canada (2012). State of retail: The Canadian report 2010. Retrieved from http://www.ic.gc.ca/eic/site/retra-comde.nsf/eng/h_qn00281.html?Open&pv=1

Kim, H.-R., Lee, M., Lee, H.-T., & Kim, N.-M. (2010). Corporate social responsibility and employee-company identification. *Journal of Business Ethics, 95*, 557–569.

Kwantes, C. T., & Karam, C. M. (2009). Social axioms and organizational behavior. In A. Marsella, K. Leung, & M. H. Bond (Eds.), *Psychological aspects of social axioms: Understanding global belief systems* (pp. 31–50). New York: Springer.

Kwantes, C. T., Kuo, B. C. H., & Towson, S. (2008). Culture's influence on the perception of

OCB as in-role or extra-role. *International Journal of Intercultural Relations, 32*, 229–

243.

Leung, K., & Bond, M. H. (2004). Social axioms: A model for social beliefs in multicultural

perspective. In M. P. Zanna (Ed.), *Advances in experimental social psychology* (Vol. 36,

pp. 119–197). San Diego: Elsevier Academic Press.

Leung, K., & Bond, M. H. (Eds.) (2009). *Psychological aspects of social axioms: Understanding*

global belief systems. New York: Springer.

Leung, K., Bond, M. H., de Carrasquel, S. R., Muñoz, C., Hernández, M., Murakami,

F.,…Singelis, T. M. (2002). Social axioms: The search for universal dimensions of

general beliefs about how the world functions. *Journal of Cross-Cultural Psychology, 33*,

286–302.

Leung, K., Au, A., Huang, X., Kurman, J., Niit, T., & Niit, K. (2007). Social axioms and values:

A cross-cultural examination. *European Journal of Personality and Individual*

Differences, 21, 91–111.

Luce, R. A., Barber, A. E., & Hillman, A. J. (2001). Good deeds and misdeeds: A mediated

model of the effect of corporate social performance on organizational attractiveness.

Business and Society, 40, 397–415.

MacMillan, K., Money, K., Downing, S., & Hillenbrand, C. (2004). Giving your organization

SPIRIT: An overview and call to action for directors on issues of corporate governance,

corporate reputation and corporate responsibility. *Journal of General Management,*

30(2), 15–41.

Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a

comparative understanding of corporate social responsibility. *Academy of Management Review, 33*, 404–424.

McShane, L., & Cunningham, P. H. (2012). To thine own self be true? Employees' judgments of the authenticity of their organization's corporate social responsibility program. *Journal of Business Ethics, 108,* 81-100.

Mishina, Y., Block, E. S., & Mannor, M. J. (2012). The path dependence of organizational reputation: How social judgment influences assessments of capability and character. *Strategic Management Journal*, *33*, 459–477.

Money, K., Hillenband, C., Henseler, J., & da Camara, N. (2012). Exploring unanticipated consequences of strategy amongst stakeholder segments: The case of a European revenue service, *Long Range Planning*, *45*, 395–423.

Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of Vocational Behaviour, 14*, 224–247.

Nishii, L. H., Lepak, D. P., & Schneider, B. (2008). Employee attributions of the "why" of HR practices: Their effects on employee attitudes and behaviors, and customer satisfaction. *Personnel Psychology, 61*, 503–545.

Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). New York: McGraw-Hill.

Pare, G., & Tremblay, M. (2007). The influence of high-involvement human resources practices, procedural justice, organizational commitment, and citizenship behaviors on information technology professionals' turnover intentions. *Group & Organization Management, 32*, 326–357.

Pirsch, J., Gupta, S., & Landreth Grau, S. (2007). A framework for understanding corporate

    social responsibility programs as a continuum: An exploratory study. *Journal of Business*

    Ethics, 70, 125–140.

Podsakoff, P. M., MacKenzie, S. B., Paine, J. B., & Bachrach, D. G. (2000). Organizational

    citizenship behaviors: A critical review of the theoretical and empirical literature and

    suggestions for future research. *Journal of Management, 26*, 513–563.

Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method

    biases in behavioral research: A critical review of the literature and recommended

    remedies. *Journal of Applied Psychology, 88*, 879–903.

Preuss, L., Haunschild, A., & Matten, D. (2009). The rise of CSR: Implications for HRM and

    employee representation. *International Journal of Human Resource Management, 20*,

    953–973.

Qian, Y., & Daniels, T. D. (2008). A communication model of employee cynicism toward

    organizational change. *Corporate Communications: An International Journal, 13*, 319–

    332.

Remo, N., & Kwantes, C. T. (2009). *Normative commitment and generalized social beliefs in*

    generation Y. Paper presented at the 117th Annual Convention, American Psychological

    Association, Toronto, ON, Canada.

Ringle, C. M., Wende, S., & Will, A. (2005). SmartPLS (Version 2.0). Hamburg, Germany.

Rodrigo, P., & Arenas, D. (2008). Do employees care about CSR programs? A typology of

    employees according to their attitudes. *Journal of Business Ethics, 83*, 265–283.

Rossiter, J. R. (2002). The C-OAR-SE procedure for scale development in marketing.

    International Journal of Research in Marketing, 19, 305–335.

Rynes, S. L., Gerhart, B., & Minette, K. A. (2004). The importance of pay in employee

      motivation: Discrepancies between what people say and what they do. *Human Resource*

      Management, 43, 381–394.

Schwartz, S. H. (1992). Universals in the content and structure of values: Theoretical advances

      and empirical tests in 20 countries. In M. P. Zanna (Ed.), *Advances in experimental and*

      social psychology (Vol. 25, pp. 1–65). New York: Academic Press.

Simmons, J., & Kamikihara, S. (2009). *Commercial activity in Canada: 2008*. Toronto,

      Centre for the Study of Commercial Activity, Ryerson University.

Sims, R. L., & Keon, T. L. (2000). The influence of organizational expectations on ethical

      decision-making conflict. *Journal of Business Ethics, 23*, 219–228.

Singelis, T. M., Hubbard, C., Her, P., & An, S. (2003). Convergent validation of the social

      axioms survey. *Personality and Individual Differences, 34*, 269–282.

Stankov, L. (2007). The structure among measures of personality, social attitudes, values, and

      social norms. *Journal of Individual Differences, 28*, 240–251.

Stone, M. (1974). Cross-validatory choice and assessment of statistical predictions. *Journal of*

      the Royal Statistical Society, 36, 111–147.

Vroom, V. H. (1964). *Work and motivation*. New York: Wiley.

Waddock, S. (2004). Parallel universes: Companies, academics, and the progress of corporate

      citizenship. *Business and Society Review, 109*, 5–42.

Wartick, S. L., & Cochran, P. L. (1985). The evolution of the corporate social performance

      model. *Academy of Management Review, 10*, 758–769.

Wheeler, A. R., Richer, R. G., Tokkman, M., & Sablynski, C. J. (2006). Retaining employees for

    service competency: The role of corporate brand identity. *Brand Management*, *14*, 96–

    113.

Whitener, E. (2001). Do "high commitment" human resource practices affect employee

    commitment? A cross-level analysis using hierarchical linear modeling. *Journal of*

    Management 27, 515–535.

Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review,*

    16, 691–718.

Table 1

Descriptive Information and Latent Variable Correlation Matrix

Latent Variables	Mean*	Standard deviation	Composite reliability	Experiences of explicit CSR	Work-related experiences	Perceptions of CSR	Trust	Distrust	Behavioral intentions
Experiences of explicit CSR	*5.84*	*0.88*	(formative)	(formative)					
Work-related experiences	*5.36*	*1.11*	(formative)	0.705	(formative)				
Perceptions of CSR	*5.81*	*0.90*	0.868	0.756	0.478	**0.828****			
Trust	*5.99*	*0.70*	0.872	0.620	0.532	0.635	**0.835****		
Distrust	*1.80*	*0.94*	0.909	-0.576	-0.473	-0.495	-0.640	**0.845****	
Behavioral intentions	*6.13*	*0.98*	0.975	0.761	0.657	0.620	0.692	-0.673	**0.866****

* Mean scores for each summated scale are based on a Likert-type scale ranging from 1 to 7.

** Values represent square-root of AVE.

Table 2

Group Differences in Path Coefficients

Model paths	Social cynicism			Reward for application		
	b Low	*b High*	*p*	*b Low*	*b High*	*p*
Experiences of explicit CSR → Perceptions of CSR	**0.871**	**0.681**	***	0.772	0.804	
Work-related experiences → Trust	0.461	0.283		**0.446**	**0.226**	*
Work-related experiences → Distrust	-0.374	-0.489		**-0.277**	**-0.539**	*
Perceptions of CSR → Trust	0.358	0.452		0.480	0.459	
Perceptions of CSR → Distrust	**-0.431**	**-0.061**	**	**-0.415**	**-0.179**	*
Trust → Behavioral intentions	0.410	0.464		0.453	0.381	
Distrust → Behavioral intentions	-0.519	-0.310		-0.386	-0.379	

$*p < .1; **p < .05; ***p < .01$

Figure 1

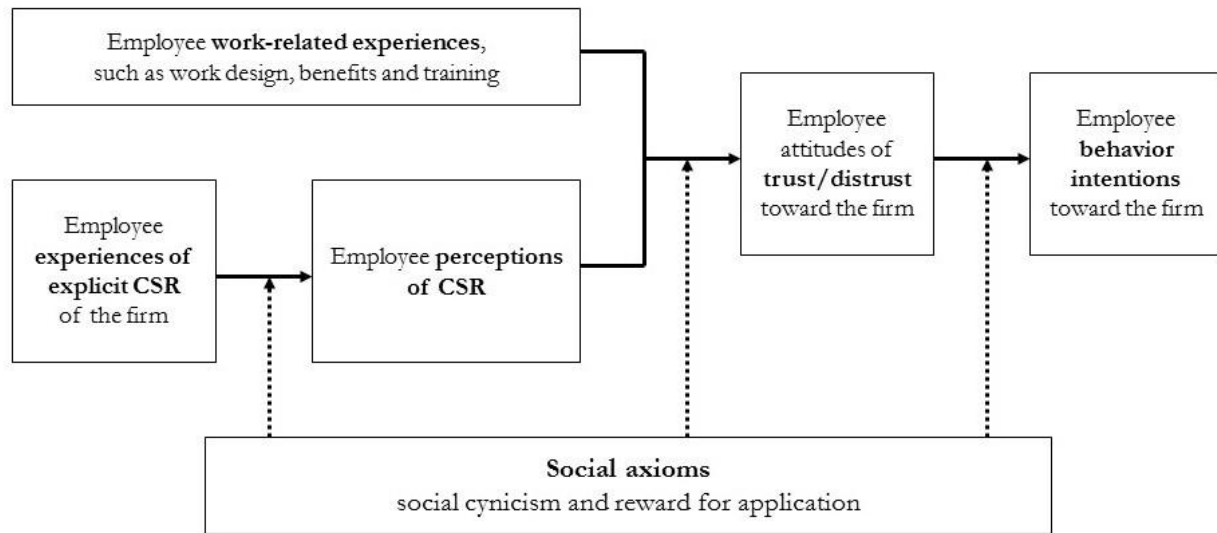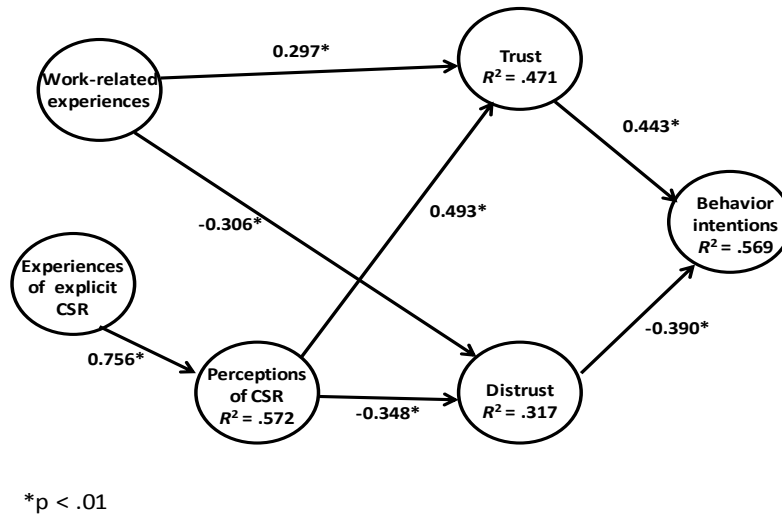*Conceptual model for understanding CSR in the context of employee–organization relationships*

Figure 2

R² values and path coefficients for the overall model

*p < .01

Appendix 1. Scale Items

Formative Variables	Work-related experiences: ($\alpha = .91$)	**In my experience, my employer (X)…** provides me with a stable job …has always rewarded me fairly for my work …keeps me informed about new developments that are relevant to me …communicates its community relations initiatives well …does its best to listen to me …provides me with opportunities to develop myself …provides me with the support I need to get my job done properly …has always been open when dealing with me
	Experiences of explicit CSR of the firm: ($\alpha = .88$)	**In my experience, my employer…** cares about its customers …cares about the communities in which it operates …takes its impact on society into consideration …operates its business in an honest and ethical manner …puts something back into local communities …works toward long-term success …treats everyone equally and fairly
Reflective Variables	Perceptions of CSR: ($\alpha = .76$)	**My employer has a reputation for…** supporting good causes …being an environmentally responsible company …maintaining high standards in the way it treats people
	Trust: ($\alpha = .77$)	**My employer…** operates its business in a dependable manner …will be responsible and reliable when dealing with employees …promotes employees' benefits as well as its own
	Distrust: ($\alpha = .85$)	**My employer…** will take advantage of employees' vulnerability given the chance …will engage in harmful behavior to employees to pursue its own interests …operates its business in an irresponsible and unreliable way …deals with employees in a deceptive way
	Behavioral intentions: ($\alpha = .97$)	I'm willing to go the extra mile to maintain my relationship with X I am willing to remain loyal to X My relationship with X is something I intend to maintain in the long term My relationship with X is something I will put a lot of effort into maintaining I would avoid commitments to X if I could (rev) My relationship with X is something I am very committed to I would recommend X to friends and family members I would recommend X as a good employer I will talk positively about my experiences with X in the future I would defend X if it were criticized (e.g., by the media or other groups) I will end my relationship with X as soon as I can (rev) I am likely to continue working for X for the foreseeable future I intend to make sure my work at X has a positive impact
SA Variables	Social cynicism: ($\alpha = .65$)	Powerful people tend to exploit others Power and status make people arrogant Kind-hearted people are easily bullied Generous people are easily taken advantage of
	Reward for application: ($\alpha = .63$)	People will succeed if they really try Adversity can be overcome by effort Every problem has a solution Good deeds will be rewarded and bad deeds will be punished Hard-working people will achieve more in the end