

An Analysis of the Relationship between Corporate Social Responsibility and Employee Satisfaction

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Abstract

This study explores the relationship between Corporate Social Responsibility (CSR) and employee satisfaction. The research examines the theoretical foundations of CSR and employee satisfaction, including stakeholder theory, social identity theory, and organizational support theory. Through comparative analysis, the study constructs a theoretical framework for how CSR influences employee satisfaction. The research finds that CSR may affect employee satisfaction through multiple theoretical mechanisms: based on social exchange theory, CSR practices can be viewed as an organizational investment in employees, thereby increasing employee satisfaction; according to social identity theory, positive CSR performance can enhance employees' organizational identification, thus improving satisfaction; based on signaling theory, CSR can signal organizational values and culture to employees, influencing their evaluation of the organization. The study also points out the complexities in the relationship between CSR and employee satisfaction, such as the differential impacts of various types of CSR activities, and the moderating effects of individual and organizational factors. To address these complexities, the research proposes a multi-level, dynamic theoretical model, emphasizing the importance of considering contextual factors. The study also discusses the theoretical connections between CSR and other organizational behavior variables (such as organizational commitment and work engagement), providing directions for future research.

Keywords

Corporate Social Responsibility, Employee Satisfaction, Social Identity Theory, Organizational Support Theory, Stakeholder Theory

1. Introduction

Corporate Social Responsibility (CSR) as a strategic management concept and practice has received widespread attention from academia and industry in recent years. With the deepening of sustainable development concepts, an increasing number of enterprises are incorporating CSR into their core strategies, focusing not only on economic benefits but also actively taking responsibility for society and the environment. The rapid pace of globalization has significantly influenced the evolution and implementation of CSR. As businesses expand across borders, they face diverse stakeholder expectations, regulatory requirements, and cultural contexts, making CSR an essential tool for managing global operations. Globalization has also increased transparency and stakeholder awareness, compelling companies to adopt more comprehensive and culturally sensitive CSR strategies. Meanwhile, as one of the core stakeholders of enterprises, employee satisfaction has a significant impact on organizational performance. Therefore, exploring the relationship between CSR and employee satisfaction is of great significance for understanding the internal effect mechanisms of CSR. Existing research suggests that CSR may influence employee satisfaction through various channels, such as enhancing organizational reputation, strengthening employee identification, and improving the work environment (Baruch et al., 2021). However, the specific mechanisms of this relationship and its boundary conditions still require further investigation. This study aims to systematically review the theoretical foundations of the relationship between CSR and employee satisfaction, construct a multi-level theoretical framework, and explore potential moderating factors. The research will integrate multiple theoretical perspectives, including stakeholder theory, social identity theory, and organizational support theory, to analyze in depth how CSR affects employee satisfaction through direct and indirect pathways (Zhao et al., 2022). At the same time, this study will examine the differential impacts of different types of CSR activities, as well as the moderating effects of individual and organizational level factors, to more comprehensively understand this complex relationship. Through a systematic review of existing literature and theoretical integration, this study aims to provide a theoretical basis for future empirical research and practical guidance for enterprises implementing CSR strategies and enhancing employee satisfaction.

2. Theoretical Foundations of Corporate Social Responsibility and Employee Satisfaction

2.1. The Concept and Development of Corporate Social Responsibility

Corporate Social Responsibility (CSR) as a multidimensional concept has seen its connotations deepen with social development. The implementation of CSR activities is influenced by multiple interconnected factors that organizations must carefully consider and manage. At the organizational level, leadership commitment and strategic vision are primary drivers, in determining the scope and depth of

CSR initiatives (Liu, 2024). Resource availability and allocation decisions directly affect the scale and sustainability of CSR programs, while corporate culture and values shape how these initiatives are integrated into daily operations (Sulaymonov, 2020). External factors also play crucial roles: stakeholder expectations and pressure increasingly drive CSR agenda-setting, particularly in the age of social media and heightened public awareness. The regulatory environment and compliance requirements establish baseline standards that organizations must meet, though many choose to exceed these minimums for competitive advantage. Market competition and industry norms create peer pressure and benchmarks for CSR performance, while economic conditions and business performance influence the resources available for CSR initiatives. Additionally, technical and operational capabilities determine an organization's ability to implement and measure CSR impacts effectively. The interplay of these factors creates a dynamic context within which organizations must navigate to develop and maintain effective CSR programs (Carroll, 1991).

In practice, CSR activities cover multiple areas including environmental protection, employee rights, community involvement, and product responsibility. Notably, CSR has evolved from mere philanthropic behavior to a management concept integrated into the core strategy of enterprises. The concept of "Creating Shared Value" (CSV) proposed by Porter and Kramer further emphasizes the close association between CSR and corporate competitive advantage (Porter & Kramer, 2011). This strategic CSR perspective suggests that by innovatively solving social problems, enterprises can fulfill their social responsibilities and create economic value, achieving a win-win situation for both the company and society.

2.2. The Connotation and Influencing Factors of Employee Satisfaction

Employee satisfaction refers to the overall evaluation and emotional response of employees towards their work and work environment. This concept originated from the human relations school in the early 20th century and has since been deeply studied in the field of organizational behavior. Locke defined employee satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (Locke, 1976). Employee satisfaction is a multidimensional construct involving various aspects such as the work itself, compensation and benefits, promotion opportunities, work environment, leadership style, and colleague relationships. Factors influencing employee satisfaction can be broadly categorized into personal factors, job factors, and organizational factors. Personal factors include employee personality traits, values, and career expectations; job factors involve job design, work pressure, and work-life balance; organizational factors include organizational culture, leadership style, and human resource practices. In recent years, with changes in the work environment and the entry of new generations of employees, the factors affecting satisfaction have been constantly evolving. For instance, factors such as the sense of meaning in work, autonomy, and development opportunities are increasingly valued (Judge et al.,

2020). Employee satisfaction is closely related to several important organizational behavior variables, such as organizational commitment, job performance, and turnover intention. Research shows that employees with high satisfaction typically demonstrate stronger organizational commitment, higher job performance, and lower turnover intentions.

2.3. CSR and Employee Satisfaction from the Perspective of Stakeholder Theory

Stakeholder theory provides an important perspective for understanding the relationship between CSR and employee satisfaction. This theory posits that enterprises should balance and meet the needs of various stakeholders, rather than focusing solely on shareholder interests. Within this theoretical framework, employees, as key internal stakeholders, should be an important focus of corporate CSR practices in terms of their satisfaction. CSR activities can influence employee satisfaction through multiple pathways. CSR practices aimed at employees, such as improving working conditions, providing training opportunities, and health benefits, directly meet employee needs, thereby increasing satisfaction. External CSR activities of enterprises, such as environmental protection and community involvement, although not directly targeting employees, can enhance employees' sense of identification and pride in the organization, indirectly improving satisfaction. CSR can also improve employee satisfaction by enhancing corporate reputation and increasing employees' sense of work meaning and belonging. However, the impact of CSR on employee satisfaction may have a non-linear relationship. Excessive CSR investment might raise employee concerns about resource allocation, especially when CSR activities potentially conflict with employee interests. Therefore, enterprises need to seek a balance among various stakeholders, ensuring that CSR practices can simultaneously meet external social responsibilities and internal employee needs (Raub & Blunschi, 2014). Stakeholder theory also emphasizes the importance of employee participation in CSR decision-making and implementation, which can not only improve the targeting and effectiveness of CSR activities but also enhance employees' sense of ownership, further improving satisfaction.

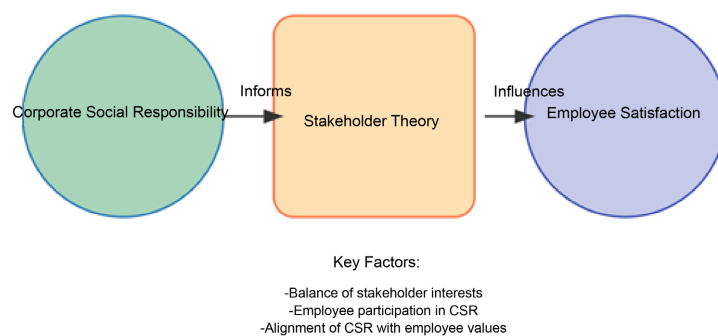


Figure 1. CSR and employee satisfaction relationship from the stakeholder theory perspective.

As shown in **Figure 1**, stakeholder theory provides an important framework for understanding the relationship between CSR and employee satisfaction. CSR practices, through the lens of stakeholder theory, influence how enterprises meet employee needs, which in turn affects employee satisfaction. Key factors in this process include balancing the interests of various stakeholders, employee participation in CSR decision-making, and the alignment of CSR with employee values.

3. Theoretical Mechanisms of CSR's Impact on Employee Satisfaction

3.1. Social Identity Theory and the Impact of CSR

Social identity theory provides an important theoretical basis for explaining how CSR influences employee satisfaction. This theory posits that individuals tend to define themselves by categorizing themselves as members of specific social groups and derive self-esteem and a sense of belonging from this membership. In an organizational context, when employees identify with their company, the company's achievements and image become part of the employees' self-concept. CSR activities, as an important manifestation of corporate image and values, can significantly influence employees' level of identification with the organization. Positive CSR performance can enhance employees' organizational identification, thereby improving their job satisfaction. For example, when a company actively engages in environmental protection or community service CSR activities, employees may feel proud, considering themselves members of a responsible organization. This sense of identification can not only improve employees' self-esteem but also enhance their work engagement and satisfaction. Strong organizational identification is associated with higher job satisfaction, stronger organizational commitment, and lower turnover intention (Farooq et al., 2014). However, the impact of CSR on employee identification may vary depending on the type of CSR activities and individual employee differences. Internal CSR activities (such as improving employee benefits) may have a more direct impact on employee identification than external CSR activities (such as charitable donations). Moreover, employees' personal values and social responsibility awareness also moderate the impact of CSR on their identification. Therefore, when formulating CSR strategies, companies need to consider how to enhance employees' organizational identification through CSR activities, thereby improving employee satisfaction.

3.2. Organizational Support Theory and the Role of CSR

Organizational support theory provides another important perspective for understanding how CSR influences employee satisfaction. This theory posits that employees form comprehensive beliefs about the extent to which the organization values their contributions and cares about their well-being, known as perceived organizational support (POS). CSR activities can be viewed as organizational support and investment in employees and the broader society, thereby influencing employees' POS levels. High levels of POS are typically associated with higher job

satisfaction, organizational commitment, and job performance. CSR influences POS through multiple pathways: First, internal CSR practices (such as work-life balance policies, career development opportunities) directly demonstrate the organization's concern for employee well-being. Second, external CSR activities (such as environmental protection, community involvement), although not directly targeting employees, can enhance employees' identification with organizational values, indirectly improving POS. Additionally, CSR can improve POS by enhancing organizational reputation and strengthening employees' sense of pride and belonging. The relationship between CSR and employee satisfaction is partially mediated by POS (Glavas & Kelley, 2014). However, the impact of CSR on POS may be moderated by multiple factors, such as the authenticity of CSR activities, employee participation, and the effectiveness of CSR information dissemination. For instance, if employees perceive CSR activities as merely superficial or marketing strategies, it may not improve POS and might even have a negative impact. Therefore, when implementing CSR, companies need to ensure its authenticity and consistency, and effectively communicate CSR information to employees to maximize the positive impact of CSR on POS.

3.3. CSR and Employee Satisfaction from the Perspective of Social Exchange Theory

Social exchange theory provides another important theoretical framework for explaining how CSR influences employee satisfaction. This theory, based on the principle of reciprocity, posits that social interaction is an exchange process where individuals adjust their behavior based on the rewards they receive. In an organizational context, CSR activities can be viewed as a company's investment in employees and society, which may elicit positive reciprocation from employees. When employees perceive that the organization provides value to them and the broader society through CSR activities, they may reciprocate by increasing their job satisfaction, enhancing organizational commitment, and improving job performance. For example, when a company provides high-quality career development opportunities or implements environmental protection measures, employees may feel the organization's investment and care, thereby generating a sense of obligation to reciprocate. This reciprocal relationship can explain the positive correlation between CSR and employee satisfaction. However, the impact of CSR on employee satisfaction may be moderated by multiple factors, such as the type of CSR activities, employees' personal characteristics, and organizational culture. Internal CSR activities (such as improving working conditions) may have a more direct impact on employee satisfaction than external CSR activities (such as charitable donations). Moreover, employees' values and perceptions of CSR also influence this relationship. If employees highly value social responsibility, then the company's CSR activities may have a stronger positive impact on their satisfaction. Conversely, if employees perceive CSR activities as diverting organizational resources or conflicting with their personal interests, it may decrease satisfaction.

Therefore, when designing and implementing CSR strategies, companies need to consider how to balance different types of CSR activities and effectively communicate the value and significance of CSR to employees, thereby maximizing the reciprocal effects in the social exchange process (Rupp et al., 2018).

As shown in **Figure 2**, social exchange theory provides a cyclical model to explain the relationship between CSR and employee satisfaction. CSR activities influence employees' perceptions of the organization, thereby enhancing employee satisfaction. Improved satisfaction, in turn, motivates employees to exhibit positive reciprocal behaviors, which reinforces the organization's motivation to implement CSR, forming a positive cycle.



Figure 2. Social exchange theory: a cyclical model of CSR and employee satisfaction.

4. Factors Influencing the Relationship between CSR and Employee Satisfaction

4.1. Differential Impacts of CSR Types

The types of CSR activities have a significant impact on their relationship with employee satisfaction. Generally, CSR can be divided into internal CSR and external CSR. Internal CSR primarily focuses on employee well-being, including aspects such as career development, work-life balance, diversity, and inclusivity. External CSR focuses on the company's responsibilities to external stakeholders, such as environmental protection, community involvement, and charitable donations. Research indicates that internal CSR typically has a more direct and strong positive impact on employee satisfaction. This is because internal CSR directly improves employees' working conditions and benefits, meeting their immediate needs. For example, providing flexible work arrangements or comprehensive

health insurance plans can directly enhance employee satisfaction. In comparison, the impact of external CSR might be more indirect, mainly influencing satisfaction by enhancing employees' organizational pride and identification. However, external CSR should not be overlooked, especially for employees who highly value social responsibility; the company's environmental initiatives or community contributions may significantly improve their satisfaction. It's worth noting that the impact of CSR types may vary across industries and cultural backgrounds. For instance, in environmentally sensitive industries, environment-related CSR might have a more significant impact on employee satisfaction. Moreover, the scale and visibility of CSR activities also affect their effectiveness. Large-scale, high-exposure CSR projects might produce a stronger "halo effect", but if disconnected from daily operations, they might be viewed by employees as superficial. Therefore, when designing CSR strategies, companies need to balance internal and external CSR, ensure coordination among various activities, and align them with core corporate values and employee expectations (Farooq et al., 2017).

4.2. Moderating Role of Individual Factors

Individual employee characteristics play an important moderating role in the process of CSR impacting satisfaction. These individual factors include, but are not limited to, employees' values, personality traits, career stages, and educational backgrounds. Firstly, employees' personal values have a significant impact on their perception of and response to CSR. Those who highly value social responsibility and sustainable development may show stronger identification with and satisfaction towards the company's CSR activities. Conversely, if employees focus more on personal interests or short-term returns, CSR activities may not significantly impact their satisfaction. Secondly, employees' personality traits also play a moderating role. For example, employees with high prosocial tendencies may respond more positively to CSR activities. Moreover, employees' career stages influence their views on CSR. Employees in early career stages may be more concerned with career development opportunities, while senior employees may place more value on the company's social impact. Additionally, educational background may influence employees' understanding and evaluation of CSR. Highly educated employees may have a more comprehensive cognition of CSR and thus higher expectations for the company's CSR performance. It's worth noting that the influence of individual factors may change over time and with environmental changes. For instance, major social events may increase employees' emphasis on CSR. Therefore, when formulating and implementing CSR strategies, companies need to consider the diversity of their employee groups and design differentiated CSR programs and communication strategies for employee groups with different characteristics. At the same time, companies should also pay attention to the dynamic changes in individual employee characteristics and adjust CSR strategies in a timely manner to meet the constantly changing expectations and needs of employees (Rupp et al., 2013).

4.3. Organizational Factors and CSR Effectiveness

Organizational-level factors play a crucial role in moderating the relationship between CSR and employee satisfaction. These factors include organizational culture, leadership style, the authenticity and consistency of CSR implementation, and CSR communication strategies. Organizational culture has a significant impact on the effectiveness of CSR. In an organizational culture that emphasizes social responsibility and sustainable development, CSR activities are more likely to gain employee recognition and support, thus having a stronger positive impact on satisfaction. Conversely, if the organizational culture overly emphasizes short-term benefits, CSR activities might be viewed as a waste of resources, reducing employee satisfaction. Leadership style is also an important factor. Managers with transformational leadership styles are more likely to effectively convey the value and significance of CSR, inspiring employee enthusiasm for CSR participation. In contrast, transactional leadership might tend to view CSR as a compliance requirement, making it difficult to inspire employees' intrinsic motivation. The authenticity and consistency of CSR implementation are crucial to its effectiveness. If employees perceive CSR activities as consistent with the organization's core values and daily operations, they are more likely to respond positively. Conversely, if CSR is seen as superficial or "greenwashing", it may evoke employee skepticism and dissatisfaction. Lastly, CSR communication strategy is key. Effective internal communication can enhance employees' understanding of and participation in CSR activities, thereby improving satisfaction. However, excessive promotion may cause employee resentment, especially when CSR activities do not align with employees' actual experiences. Therefore, in the process of formulating and implementing CSR strategies, companies need to fully consider these organizational factors, ensure that CSR aligns with overall organizational strategy and culture, and maximize the positive impact of CSR on employee satisfaction through appropriate leadership and communication methods (Aguinis & Glavas, 2019).

As shown in **Figure 3**, the relationship between CSR and employee satisfaction is influenced by multi-level factors. Individual factors such as values and personality traits moderate employees' responses to CSR, organizational factors such as

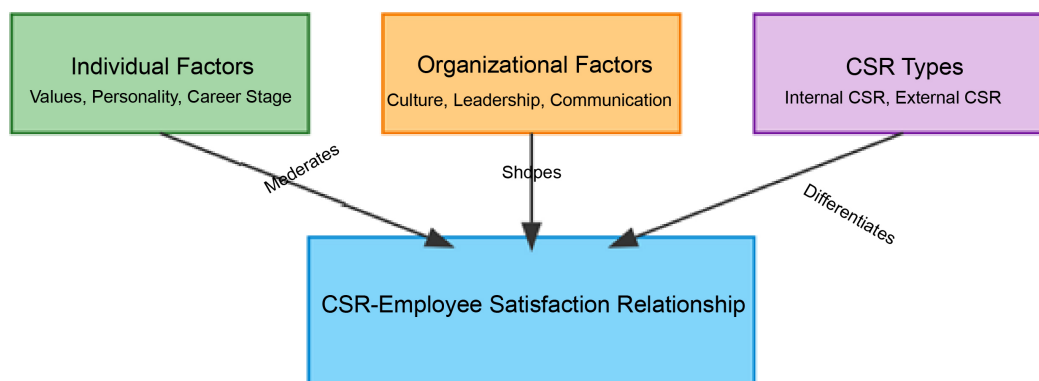


Figure 3. Multi-level factors influencing the relationship between CSR and employee satisfaction.

culture and leadership style shape the implementation environment of CSR, while differences in CSR types affect its direct impact on employee satisfaction. This multi-level influence mechanism highlights the complexity of the relationship between CSR and employee satisfaction.

5. Conclusion

The study of the relationship between Corporate Social Responsibility (CSR) and employee satisfaction provides us with a new perspective for in-depth understanding of organizational behavior and human resource management. By integrating stakeholder theory, social identity theory, organizational support theory, and social exchange theory, we have constructed a multi-level theoretical framework that reveals the complex mechanisms through which CSR influences employee satisfaction. CSR positively impacts employee satisfaction by enhancing employees' organizational identification, increasing perceived organizational support, and stimulating reciprocal behaviors. However, this relationship is not simply linear but is moderated by multiple factors. The differences in CSR types, individual employee characteristics, and organizational-level factors collectively shape the effect of CSR on employee satisfaction. These findings not only enrich theoretical research in the fields of CSR and organizational behavior but also provide important implications for corporate practice. Future research should further explore the relationship between CSR and other organizational behavior variables, such as work engagement and innovative behavior, as well as examine the long-term effects of CSR. Furthermore, cross-cultural comparative studies will help us understand the cultural differences in CSR effects. For corporate managers, this study emphasizes the need to adopt a comprehensive and differentiated approach when designing and implementing CSR strategies, balancing internal and external CSR activities, and considering the diversity of employee groups. At the same time, ensuring the authenticity and consistency of CSR, as well as effective internal communication, is crucial for maximizing the positive effects of CSR (Zhao et al., 2022). In conclusion, as societal expectations for corporate responsibility continue to rise, a deep understanding of the relationship between CSR and employee satisfaction will help enterprises enhance organizational effectiveness and competitive advantage while fulfilling their social responsibilities.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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