Does CSR improve employees’ perception of their workplace?


In times of fierce competition for skilled labor, it has become increasingly difficult for corporations to attract, motivate and retain qualified employees. Organization researchers concur that CSR can give a company a crucial edge in this “war for talent”.

The prerequisite, however, is that it is done adequately: Employees need to be convinced that their organization is serious about CSR.

What are the benefits of CSR on work behavior?

While a lot of studies examined the impact of CSR on external stakeholders’ perceptions, comparatively little research has been devoted to employees’ attitudes towards CSR. Overall, researchers view the impact of CSR on employees’ work behavior as positive. Generally speaking, it appears that employees value their organization’s engagement in CSR. A large-scale academic survey conducted in a major consumer-goods company in 2008 showed that 90% of the employees view their company’s engagement in CSR as important.[1]

A more recent survey carried out by the HEC S&O Institute showed that 59% of managers in French companies consider CSR to be an important factor for employee motivation. This is reflected in what researchers call “favorable employee outcomes”, such as increased job satisfaction and work commitment, more creative work involvement, and higher retention rates.

Several studies show that there is a link between employees’ perception of their company’s CSR performance and stronger organizational engagement, such as a higher willingness to voluntarily participate in organizational life (so-called “organizational citizenship behavior”).

What are the underlying mechanisms?

Extant research suggests that thanks to the positive effects of CSR on employees’ working morale, CSR can foster employees’ “organizational identification” (i.e. help people identify with the organization they are working for). According to a recent research, organizational identification is strongly correlated with the perceived CSR performance of the firm in question, increasing on average by 32% for each additional point in terms of perceived corporate social responsibility on a 4 point Likert-scale. (3)

Three mechanisms are worth being emphasized in this context:

- CSR can help employees find a purpose in their professional occupation, by facilitating the reconciliation between personal values and their professional roles. In this sense, CSR appears as a possible organizational means for responding to “Millennials’” aspiration for more meaningful and fulfilling work.
- Besides, CSR can serve as a “reputational shield”, i.e. help employees respond to external criticism about their company.
- More incidentally, CSR initiatives can also help employees connect with their colleagues from other departments and geographies, and thereby contribute to fostering a sense of belonging to a wider corporation and to society as a whole.

What’s the catch?

Overall, researchers concur that a firms’ engagement in CSR is beneficial to the motivation of their employees. However, a closer look reveals that attitudes can vary considerably from one initiative to another.

A few studies suggest that CSR can also be ineffective, if not even counterproductive, in raising employee motivation. Hence, the question is not so much whether CSR improves motivation at work, but when, and under what conditions.

A recent academic work suggests that a determinant factor is whether employees perceive their organization’s engagement in CSR as “substantive”, i.e. as motivated by a genuine desire to help others, or as “symbolic”, i.e. as driven by mere profit-seeking.

To ensure that the former is the case, researchers recommend companies to:

- Make sure that their good intentions become manifest, first and foremost, in the way they manage their own employees. In fact, surveys suggest that people consider fair employee treatment as the litmus test of CSR.
- Communicate on their CSR initiatives in a clear and accurate manner.
- Enable their employees to get themselves involved in CSR activities.

[1] Source: Reference (3)

[2] Source: Viavo ce S&O Barometer 2018

[3] Source: Reference (3)

59%  of managers in French companies consider that CSR is important for employee motivation

+32%  is employees’ average increase of organizational identification for each additional point in perceived corporate social responsibility

It appears that employees who are satisfied with their organization’s CSR performance tend to have significantly lower turnover intentions than those who are dissatisfied with it.

A recent empirical study provides a tangible example: In the aftermath of the 9/11 attacks, many U.S. American attorneys, who were personally affected by the tragedy, reconsidered their vocational choice and eventually left the profession. (2)

In law firms that were investing in pro bono activities, (i.e. the most common form of CSR in this industry)this was significantly less the case (by 3.6% for firms ranking 50 slots higher in a pro-bono industry classification encompassing the 200 largest law firms in the U.S.).