Does Doing Good Mean Doing Better?

Influence of CSR Implementations on Employee Work Motivation in Organizations

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Abstract

The issue of corporate social responsibility (CSR) is a highly prominent on the international business stage. CSR is present in almost any organization regardless of its size or the industry in which it is operating. This thesis aims to examine the unconventional link of CSR and employee work motivation, considering how prominent the issue is today. It seeks to explore employee awareness of the issue in the workplace and its influence on motivation of employees on both managerial and subordinate levels. Interviews and surveys were conducted among employees from a variety of departments in organizations that are highly involved with CSR. The goal was to learn about the influences that CSR has on the individuals who have a close connection with it and predict whether making more emphasis on social responsibility in organizations could have a practical benefit resulting in an increased employee motivation.

The analysis of the findings showed that CSR can indeed contribute to increased employee motivation. Training and development programs based on CSR can have a positive effect on motivation of employees with some dependency on several factors: level of intrinsic motivation, initial interest in and the level of awareness about CSR and/or the presence of needs of achievement and affiliation.

Key Words

Corporate Social Responsibility, Employee Motivation, Management, Subordinate
Thanks

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1 Introduction

“Goodness is the only investment that never fails” – Henry David Thoreau, American writer

1.1 Issue Overview

Corporate social responsibility (CSR) is an ever changing and topical issue in the modern business world. As the societies are going through more economic, social, and environmental crises, the importance of CSR is accelerating (Freeman & Auster, 2011). The debates about the value and necessity of this ambiguous concept are never ending. Despite the breadth of discussions and perhaps even due to it, the task of summarizing and defining the issue of CSR uniformly is challenging. There are multiple definitions given in academic literature. For the purposes of this work a few definitions from different points of CSR development will be mentioned. In his book “Social Responsibilities of a Businessman” that has become a classic in the field of CSR, Bowen (1953, p. 6) provided early contributions to its development and defined the ‘social responsibilities’ as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. In 1979, Carrol defined CSR as an issue that “encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll 1979, p. 500). Later in 1996, Mosley et al. give a more targeted definition by making it specifically a “management’s obligation to set policies, make decisions and follow courses of action beyond the requirements of the law that are desirable in terms of the values and objectives of society” (Mosley et al. 1996, p. 141). The 21st century, the era of drastic acceleration of CSR industry added new dimensions to the issue such as integration social and environmental concerns, ethical behavior, human rights, and many more. The definition by the World Business Council for Sustainable Development (2008) reflect the new dimensions in its definition of CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” (Rahman 2011, p. 172).
CSR has changed its face and value throughout the timeline of evolution of the business world, based on the views held by society and scholars through the decades of existence of business responsibility (Rahman, 2011). Today, the issue of CSR is all-embracing. It concerns all the possible stakeholders, and society as a whole. The application of CSR in organizations can play a crucial role in B2C and B2B relations development. Often, reputation of businesses is at stake if their CSR implementations are not sophisticated enough. The various concerns of CSR activities emerging at different points of the timeline are summarized in Elkington’s (1997) definition of CSR that describes three spheres that it is based upon: profit, people, and planet. The organizations that provide benefits to and minimize negative impact on these three spheres along with their daily operations are involved with CSR.

“Responsibility is the price of greatness”, this quote by Winston Churchill uncovers the value of corporate social responsibility (CSR) in its full regard, considering the scope of influence that corporations have gained in the past century. For a long time, businesses have been influencing most aspects of daily lives of individuals. Information is being delivered by the means of large social networks and news organizations. One can debate whether for the good or bad, but products, services, and brands have infiltrated every sphere of human existence and the connection between an individual and business is almost unavoidable. It has been a long time since corporations began to be considered as entities to some extent separate from its owners. In the end of the 19th century, they have become their own “persons” with distinct identities, names, rights and obligations, ability to conduct business, defend themselves in courts and pay taxes (Bakan, 2004, p.16). As the corporations in the Western world were becoming more detached from an individual, appearing more dehumanized, yet gaining more influence on lives of every individual, they started to be seen by the general population as soulless behemoths with the only goal of profit gain (Bakan, 2004, p.20). Their power was perceived as threatening towards social institutions and governments. After the hardships of the Great Depression in the United States, some put the blame on the greed and evil of corporations for the crisis (Hopkins, 2004). Along with the further major global shocks, including the end of the World War II that accelerated the process of globalization, business leaders began to realize the need for new public relations strategies. As a
response to the public distrust to recover the damaged reputation they began to embrace corporate social responsibility.

Today, CSR has become a buzzword often due to the increasing necessity of the responsible implementations and good deeds of the businesses in the areas of sustainability, environmental protection, community support, etc. But sometimes the issue of CSR is brought to the spotlight by the examples of great corporate irresponsibility such as the cases that shook the business sphere in the early 2000s. Such examples include Enron and Worldcom, organizations with seemingly had crystal clear CSR reputation and that disproved it by the internal unethical actions (Kallio, 2006). The classical case of Enron, the organization that falsely leveraged its revenues through illegal accounting schemes and fraudulent bookkeeping, still initiates conversations about CSR today. When the scheme was discovered in 2001, Enron’s stock quickly dropped in value and many stakeholders, including employees and investors, have suffered as a result of the scandal losing their investments, savings and pensions (Petrache, 2009). Ironically, Enron had built its reputation on branding the organization as an eco-friendly producer of green energy, winning multiple awards for their CSR initiatives (Wheat 2006, Petrache 2009).

As previously mentioned, the subject of CSR stays ambiguous, hence difficult to study. The cases such as Enron uncovered the naïveté of the perception of corporate social responsibility initiatives as acts of genuine goodness (Kallio, 2006). CSR has served well to corporations as a strategic marketing instrument that is used for reputation establishment and financial gains. It is difficult to separate CSR from the positive or negative financial consequences that an organization may incur as a result of responsible initiatives. Despite the increase of organizations concerned with CSR today and the seeming emphasis on the green and sustainable business development, the topic of CSR has to be researched carefully and critically, with consideration of its peculiarities and ambiguities. The arising limitations of the study due to these factors will be discussed later in the chapter.
1.2 Business Responsibility and Organizations

CSR and its impact in organizations has been discussed from a variety of points of view. Particularly countless studies exist on the external and tangible influences of CSR implementations in organizations such as CSR as a financial burden or an opportunity for financial success (Friedman, 1962; Arrow, 1973, Margolis & Walsh, 2003), and sustainability implementations as a strategic marketing tool for gaining consumer trust and establishment of reputation (Den Brink, Odekerken- Schröder, & Pauwels, Daudigeos & Valiorgue, 2011; Sheikh& Beise-Zee, 2011). The effects of CSR on customer loyalty and economic prosperity have been found to vary depending, for example, on the point of reference, context or timeframe. Positive or negative, CSR implementations have been established to have significant effects on financial results and organizations’ reputation among customers, and the scientific discussions regarding these issues starting with the emergence of business responsibility as a phenomenon. Throughout its development looking from political, social, and business perspectives, most of the discussion on CSR implementations are concerned with profitability.

Unlike with the discussions of external and measurable effects of CSR, limited research exists on the topic of internal effects of similar business responsibility implementations in organizations such as effects on behavior, particularly on work motivation of employees. The connection between incentivization and responsible business practices has not been thoroughly studied. Only recently has the issue emerged into the academic research field resulting in a limited number of studies (Delmas & Pekovic 2013; Graafland & Van de Ven 2006). The existing studies indicate that CSR can have some positive effect positively employees’ effectiveness. With this thesis work I hope to contribute to the emerging conversation about the issue and attempt to narrow this knowledge gap further, concerning myself with the subject of CSR as a tool for employee motivation. I am looking at the subject based on both leadership and subordinate levels which provides originality and value to this work.

The work will include several analyses of existing models that concern the subject of motivation, its intrinsic and extrinsic differentiation and psychology. The literature review will be concerned with how the implementation of business responsibility practices can affect autonomous intrinsic motivation of various players on the organizational stage. The focus of this work is corporate social responsibility as a non-
material motivator for employees, hence the non-monetary motivational factor is in the spotlight in this work. Several theories will be discussed to uncover what drivers play a role in employee behavior and delve into the importance of non-financial rewards. The self-determination theory (SDT), which addresses human motivation, self-regulation, development and wellbeing (Deci and Ryan, 2008) is relevant to both secondary and primary research for understanding the particular influences on motivation. McClelland’s Theory of Needs (1961) framework that determines three motivators for individuals that include a need for affiliation, a need for achievement, and a need for power will serve as the basis for creating links between employee motivation and CSR’s impact on it. Adams’ Equity Theory (1963) considers fairness establishment as a major motivational driver, while Herzberg’s Two-Factor Theory (1968) offers a classification of motivational factors that can either cause satisfaction or dissatisfaction in the workplace. Vroom’s Expectancy Theory (1964) explains that the variances in behavioral choices are caused by the desire to maximize pleasure and minimize pain and the performance of an individual employee depends on personal traits such as personality, knowledge, and abilities. All of these theories are highly relevant to this study because they consider that employee motivation is not only driven by the mere desire for monetary rewards. By establishing the theoretical basis on motivation, this paper will provide the connections between the issue of motivation and the potential of CSR of affecting human behavior. The linkages will be drawn on how CSR can be reflected in human behavior with regards to intrinsic and extrinsic motivation.

First, the thesis with be unravel motivation as a separate subject, outside of the business context to delve into the specifics of psychological mechanisms and establish general cause and effect relationship between “doing good” and motivation. Then the theoretical findings will be put into the context of business organizations adding the component of corporate social responsibility to find out its influence on leadership behavior and potential effectiveness in incentivizing employees.

The choice of the topic was not spontaneous. For me, Larisa Beresneva, the issue of business ethics and sustainability is important on personal and global levels. These topics have always interested and fascinated me. Sustainable practices and responsible business are the major factors that influence my decision of support of a certain brand. And I believe that development of sustainable business development is highly dependent on
leadership initiatives which makes these topics highly intertwined. I am utilizing the process of accomplishing this thesis as an opportunity to learn more about the issues of CSR and sustainability in order to apply this knowledge in my further professional and academic development.

1.3 Objectives, Purposes, and Research Questions

During the past 20-30 years the globalizations processes changed the world economy completely. The world became a global market. The companies have access to the global sales market and an abundance of resources (labour, capital, land, information). With the broadening of new possibilities and opportunities, organizations also acquire new responsibilities. The types of responsibility and their importance are changing with time as well. If in the early times of its existence business responsibility was perceived as a voluntary act, today the success of CSR implementations is determining the overall reputation of organizations.

CSR has greatly influenced mostly external success factors, such as financial indicators and customer relations. However, it can be argued that many business leaders may not consider CSR to be a possible tool for employee motivation. This thesis is not concerned with the internal CSR factors that increase employee welfare, the financial and tangible benefits that motivate employees. This kind of motivators are present in most organization, small or large, and it is a part of CSR that concerns employees as major stakeholders. Here, CSR is considered as a moral factor of increasing employee effectiveness and includes external efforts of organizations such as sustainability, philanthropy, ecological concern, etc.

In order to make a holistic analysis on the research issue, this thesis will focus on the following the research questions:

- How aware are employees of the CSR related activities of their organization?
- What effects of CSR on employee motivation are there on both subordinate and leadership levels, if any?

The first research question serves a supportive purpose to find the answer to the second one, which is in the focus of this study.
To ensure clarity of this work, it is necessary to establish some boundaries and contexts within which this thesis is based. The issue of CSR has a rich history and the contexts of work can be dependent on the time frame, industry, location, etc. This study is conducted in the context of European markets, where innovation is thriving, and the possibilities for implementation of new business practices are visible.

1.4 Employee Motivation Defined

Employee motivation can vary in its definitions for each individual person. It can be seen as a driver that enables employees to perform their job as successfully as possible having a particular organizational goal in mind. It can also be seen as a level of commitment, creativity, and energy that employees contribute to their job. For the purposes of this thesis, it is assumed that a high level of these factors leads to successful performance of employees’ duties, whereas the lack of these inputs often leads to poor performance. Motivation in the context of organizations can also consider such aspects as desire to come to work, and favor one position over the other.

Many definitions of the concept of motivation exists in modern literature. Kreitner (1995) defined it as the “psychological process that gives behavior purpose and direction”. Buford, Bedeian, & Lindner (1995) defined it as a “predisposition to behave in a purposive manner to achieve specific, unmet needs”. Higgins (1994) simply said that it is “an internal drive to satisfy an unsatisfied need” (Lindner 1998). For the purposes of this paper, motivation in organizations is defined as an inner force that serves as a driver for individuals to fulfill goals, yet it is not limited in sub-meanings when it comes to organizational context.

1.5 Research Limitations

The major limitations for this thesis arise from the ambiguity of the main issues of this study: CSR and motivation. It has already been mentioned that the subject of corporate social responsibility does not easily succumb to research efforts. It happens because of the difficulty of exploring the issue objectively as the requirements for corporate greening and responsibility become increasingly prominent in the business world. Kallio (2007) looks at CSR from a critical perspective and discusses several taboos that arise as a result of avoidance of sensitive issues around the topic of corporate social
responsibility. He identifies the three ‘grand’ “taboos of amoral business, continuous economic growth, and the political nature of CSR”. The taboo of business amorality stems from the Friedmanite orientation of “one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits” (Friedman 1962, Kallio 2007). The different views on CSR throughout history will be discussed in detail in chapter 1. The taboo of economic growth is based upon the continuous economic growth being the only rational approach in a capitalist economic system today, and any attempt to interfere and question its rationality can be devastating. Hence, any sustainable and environmental efforts are seen as irrational and damaging to the growth (Kallio, 2007). And lastly, the taboo of the political nature of CSR considers the pursuit of responsible image by corporations for the purposes of gaining social legitimacy (Kallio, 2007). It is not possible to determine the rightness of one view or the other, however, in the views on which the three taboos are based were the ultimate truths, the current pro-CSR discourse would mean its vainness. As a result of these taboos influencing the discourse around the issue of CSR, it only produces “empty rhetoric” about the topic, which is masked by the seemingly alluring motives of corporations.

The issue of motivation is no less ambiguous and complicated for an empirical study. Because of the magnitude and ambiguity of the topic, the direction which will be taken within the scope of motivation must be outlines. Motivation of what or motivation to do what is being considered in this study? For constructing a frame of reference for the reader, this thesis considers work motivation without limiting it to a certain activity. To make it clear, motivation to come to work, stay in the particular workplace, and do the best work possible are considered under the term “work motivation”. This thesis does not seek to resolve the ongoing debates on the issue of motivation. It rather seeks to explain and draw connections between CSR and employee motivation through the motivational theories chosen for this study.

It is necessary to point out, that as this thesis is based on a qualitative approach of data gathering and analysis, discovering trends and patterns or drawing correlations will not be among its goals. This study will attempt to uncover some connections between CSR and motivation based on experiences of a limited sample of individuals whose place of employment is characterized by high involvement with CSR. The discussion in this
thesis will not provide definite conclusions, but it may add to the emerging theoretical and empirical discourse regarding CSR and motivation.

The chosen methods of data gathering are interviewing and surveying which add to the limitations for this study. Managers and CEO’s understandably find it difficult to get involved into a discourse about some controversial issues that involve organizations’ CSR activities. Many things that involve the political, financial, and moral sides of corporate social responsibility in an organization stay unsaid even within the organization. They stay “taboo” topics even for the colleagues, so the scholars who are attempting to gather empirical evidence on the taboos or CRS in general are left with an alluring coating of ‘pro-CSR’ opinions (Kallio, 2007). In order to minimize the methodology related limitations and reduce the differences of the discourse between what is said and what is done by businesses, the empirical study has to be carefully designed to avoid the trigger terms that may skew employee’s perceptions, opinions, and shared stories and facts. For this reason, the academic side of the discourse about CSR needs to be taken with especially careful consideration (Kallio, 2007). The results of interpretative research, which was chosen as an approach for this study, has been often regarded as problematic because of lack of validity and credibility if its limitations are not properly considered (LeCompte & Goets, 1982). The analysis must be done with a critical view and consideration of all of the limitations to diminish the level of naiveté that often surrounds the issue of CSR.

In addition, the participants of the study should be carefully considered and the choice of them must be justified. As many of businesses of every scale and in every industry are involved to an extent with some CSR activities. For the purposes of the study it necessary to consider organizations whose representatives can provide the most relevant and full observations and data in the empirical part of this work. It is also clear that corporations in different parts of the world, for example in developed versus developing countries, consider the issue of CSR differently for a variety of reasons. While international consideration of the issue would be an interesting addition to the study, for a more precise focus on the research purpose and questions, it will be limited to a European context.
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Therefore, diving into this journey of a study it is necessary to consider the existence and approach it realistically and critically.

1.6 Projected Findings

Projected findings of this study may further the emerging discourse about the link between corporate social responsibility activities and implementations in organization and employee work motivation. Both theoretical and empirical implications will be drawn. It may lead to theorization of the new visions and perceptions of corporate social responsibility. This study is expected to provide a deeper understanding and analysis of the future of business responsibility, which may be practically beneficial for business strategy development and for research continuation.

1.7 Thesis Structure and Chapter Outline

This work consists of five chapters that will gradually uncover the answers to the research questions of this study.

The intention of this introductory chapter is to familiarize the reader with the concept of corporate social responsibility, provide the relevant background of the modern-day CSR and give several examples of major shocks that had a drastic impact on its evolution in since the 19th century until now. The first chapter also contains the discussion on the current scope of studies on the issue of CSR, further discussing the problem and objectives of the current study and outlining the research questions and limitations.

The second chapter contains the literature review based on the research issue that formulates the theoretical framework of this study. It contains analysis of the origins of CSR, its roots and a variety of views on the issue that were prominent throughout various timeline periods. Several motivation frameworks are introduced and the theoretical linkages between CSR and motivation are made. In addition, the distinction between the differences and similarities of perception of CSR of leaders and subordinates are determined.

The third chapter provides the description and rationale for the choice of methodological approaches for the empirical part of this study. Due to the many limitations of studying the chosen ambiguous issues of CSR and motivation, the careful selection of methods
will be justified in detail. This chapter also provides the empirical data analysis, results, and the answers to the research questions from the empirical study.

In the fourth chapter the connections between the theoretical framework and empirical findings are made. The research questions will be addressed once more, and the answers will be provided based on the results of both theoretical and empirical studies. The prospects for further studies will be addressed.

And the last fifth chapter summarized the findings of the study providing theoretical and practical implications as well as suggestions for further research.

2 Literature Review

2.1 The Development of CSR

The prerequisites for the emergence of corporate social responsibility (CSR) were formed in the development of the capitalist economy. At the beginning of the XIX century it became clear that the development of capitalism not only contributes to scientific and technological progress, but also leads to an inequitable distribution of economic benefits (Duane Hansen et al. 2018). The leaders of that time began to look for ways to reduce the growing social tension, but these attempts initially had a local character, far from the understanding of the CSR that we know today.

CSR initiatives began appearing inside of the organizations with the goal of improvement of workplaces. One of the first businessman who tried to improve the life of his workers was Robert Owen (Crowther & Martinez 2004). He was not only a utopian socialist but also a practitioner who tried to give his enterprises a social character that elevates the effectiveness of workforce. From 1800, Owen ran as a co-owner of a large textile enterprise in New Lanark (Scotland). Owen's activities in New Lanark brought him the wide fame of the manufacturer-philanthropist. Owen introduced a relatively short working day at that factory, at 10.5 hours, created a day nursery, a kindergarten and an exemplary school for children and workers, and carried out a number of measures to improve the working and living conditions of workers. Owen made a draft law that limited the working day for children and established compulsory schooling for working children. By 1820, Owen's social ideas had finally taken shape: he came to the conviction
about the need for a radical restructuring of society on the basis of common ownership, equality in rights and collective labor (Podmore 1906). However, Owen's activities did not result in the trend of mass implementation of CSR in the business world, but his ideas and projects created the first prerequisites for the formation of the CSR (Crowther, Martinez 2004).

In the first half of the XIX century, the social responsibility of businesses was existent mainly through charity (philanthropy), which meant the voluntary activity of employers to improve the lives of those in need (Duane Hansen et al. 2018), hence we can see the rise in importance of the social aspect of CSR. The charity was not systemic and depended solely on the initiative of the entrepreneurs, while employees of enterprises receiving material and moral benefits were not allowed to participate in the management of the company, leaving all the administrative levers completely under the employer's control.

The next stage on the way of CSR development started in the middle of the 19th century when the concept of "social state" was introduced into scientific use by Lorenz von Stein (Carroll 2008). This theory reflected the most innovative ideas about a purposeful and planned state policy aimed at bridging the gap between wealth and poverty. The idea turned out to be unclaimed in due measure, because it was rejected by the growing entrepreneurial community, which, in pursuit of profit, rejected any need to help the poor. Only at the end of 19th century the term "corporate social responsibility" appeared. The essence of this concept was explained in the book "Gospel of Wealth" by the founder of the company "U.S. Steel" Andrew Carnegie (1906). He expressed the opinion that the owners of enterprises should consider themselves not as owners, but as managers who work for the benefit of society (Carnegie 1906). The First World War and the subsequent economic crisis further exacerbated the social contradictions between entrepreneurs and employees, so the issue of the need to implement the CSR began to rise more confidently (Carroll 2008). An important step towards the formation of a system of corporate social responsibility was the creation in 1919 of the International Labor Organization (ILO), which consolidated the need to achieve social justice in economic relations. Further development of the concept of social responsibility (in fact, its inception in a modern form) can be classified by breaking it into several stages.
The first stage was present in the 30's and 40's of XX century in the developed capitalist countries where the formation of the so-called "primary social state" began, the main characteristics of which was the formation of a legal basis for a social state, the formation of a social budget, and passive social policies aimed at improving the quality of life of the population (Carroll 2008). A peculiar breakthrough in the implementation of CSR in countries with a market economy occurred in the United States during the Great Depression, which occurred in the 1930s. President Theodore Roosevelt, who won the elections in 1932, created the Administration of the Restoration of National Industry to oversee the preparation of "codes of fair competition". This department of government control monitored the fulfillment by business structures of their obligations to the state and society. For the first time in the history of the capitalist countries, at the legislative level, comprehensive mechanisms for interaction between the state, business and employees, ensured the coherence of their interests (Carroll 2008). After the Second World War, following the United States, the concepts of a "social state" are legislatively fixed in a number of countries at the level of constitutional norms - in Germany, France, Sweden, Switzerland, Greece, Spain, etc. Surprisingly, after the Second World War, in the US, which were the locomotive of introducing principles of social responsibility, there was a temporary pullback from these values, caused by a change in political attitudes. As a consequence of this policy in the United States, the leading positions in the establishment of CSR principles were transferred to European countries (Carroll 2008). It should be noted that the concept of social responsibility at that time was significantly different from what we have today. Thus, opponents of the CSR concept believed that the social responsibility of business should be achieved, first of all, by ensuring that the company receives high profits, accompanied by the conscientious payment of all taxes and maintaining a decent level of workers' wages. Any other social activity of the company was not mandatory and could not be imposed by the state.

The second stage of the CSR development occurred in the 40s and 50s of the 20th century and is associated with the growth of state expenditures on health, education, social security, which have assumed a comprehensive nature (Carroll 2008).

From the late 1950s to the mid-1970s, a new stage in the achievement of corporate social responsibility, named by a number of researchers as the "welfare state", is being traced. In this period, the principle of total distribution of economic benefits began to spread, implying a radical revision of the population's incomes towards reducing the gap between
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the poor and the rich. It is worth noting that the attitude to social responsibility has changed for the better. Previously, the question was raised that the propertied strata should support the poor by providing a wide range of social services, and now it is already about a fair redistribution of income. Moreover, a new understanding of the purpose of business development arose. It was believed that the social responsibility undertaken by business, contributes to the economic development of the enterprise, while the opposition of corporate interests to the public interests leads the company to losses and is counterproductive. Within the framework of these concepts, an increase in the level of wages and social investments contributes to the development of a positive image of the company, which leads to an increase in sales. In the 1970s, crisis situations causing damage to large businesses, forced to talk about CSR as an integral part of the management of companies. Here it is worth highlighting two main trends - the global energy crisis and the aggravation of the environmental situation. Public interest in the problems of ecology led the demand for solution of the problems created by corporations. At this stage, the social responsibility of business has become firmly linked with the environment. Business were held responsible for the preservation of the environment. Environmental movements, as well as various non-governmental organizations, forced the company to inform the public about its actions or inaction in the environmental sphere.

The process of deepening the social role of entrepreneurship entailed an increase in the tax burden on business structures, which was the result of the development of mechanisms for social interaction responsibility. Owners of enterprises faced a decrease in profits, which gave rise to a response. In 1970, an American economist-neo-liberal Milton Friedman, a future Nobel laureate, published in The New York Times a historical article in which the responsibility of the corporation, not related to income generation, was found to be harmful and contrary to the essence of the business: profit (Friedman 1962). His view may very well be demonstrated on practical examples of corporate social irresponsibility of Enron and Worldcom that were discussed in the introductory chapter. Friedman believed that the burden of social responsibility must lay on the government and non-profit organizations. Noteworthy that Friedman wasn't against helping those who are in need, from his perspective managers that feel a responsibility to society or want to take part in charity, they are free to do it privately, spending their own money, but not the
money of the company (Friedman 1962). Thus, again entering into an obvious contradiction with the principles of social responsibility, based on moral principles and leveling conflicts between the employee and the employer. The words of the neo-liberals did not differ from practice. Thus, a significant part of the business community, which is experiencing financial difficulties due to the growth of taxation, preferred to act within the framework of traditional philanthropy and charity, discarding the evolution of the CSR. In the entrepreneurial environment in the 1960s, the practice of distinguishing between business and social activity was again observed, when assistance to employees was carried out on the basis of the employer's personal decisions.

The next stage of the implementation of this concept occurred in the mid-1970s and early 1980s, when the social responsibility of business was viewed not as a combination of tactical measures to improve the reputation of the company, but as long-term, initially planned activities. Entire industries began to represent CSR as a necessary element of development, inseparable from the activities of companies (Crowther & Martinez 2004). In the late 1980s, the concept of "social investment" came into economic use. The business community not only began to plan socially significant events at a strategic level, but switched to the practice of investing in society, while expecting to receive a return on investment in the form of growing reputation and developing the company's image. If earlier the task was to reduce the difference between the high-income and low-income segments of the population, in the late 1980s the task expanded, and the business community came to understand the need to invest in human development - in science, culture, sports, and art.

From the timeline it is visible that early ideas of CSR have been based upon financial focus of the outcome, its profit. Today, however, its social and environmental impact gained its spotlight. In this work, we are concerned with the second component of CSR, the people, particularly the individuals inside of the organizations.

2.2 Strategic and Moral Views: People, Planet, Profit

The timeline of CSR evolution shows a variety of opinions on the issue, from the most optimistic that portray CSR as the necessary element of every business, to the controversially negative, where CSR play the role of a distractor from the main business responsibility in the view of some scholars – profit. Regardless of the varying views, it is
possible to distinguish two reasons why businesses involve themselves with implementation of CSR policies: strategic and moral. It is difficult to deny the importance of profit factor in organizations no matter how much or little of pure moral intentions they put in their CSR strategy. This importance is taken into consideration with the strategic view, which implies a positive relationship between CSR and profitability (Ven & Graafland 2010). The strategic influence of CSR can be seen through the feedback of direct stakeholders such as customers that react accordingly if a business acts against their moral expectations. The reputational factor, which can be significantly influenced by organization’s stance on CSR implies the positive correlation between CSR and business revenues, if isolated from other factors.

On the other hand, profitability is not the only motive to invest in CSR since such implementations can be costly for a business. Hence, from the deontological point of view, morality of establishing CSR policies is more important than the profit motive of their implementation. Deontological theory separates the rightness or wrongness of an action form the consequences of that action. The morality of it is determined by the action itself (Etzioni 1988). The moral motive of CSR can be observed in the times of economic hardships when organizations stay loyal to their responsible policies regardless of the profitability results.

This discussion on CSR can be summarized by the ‘triple bottom line’ and its three dimensions proposed by John Elkington (1994) – profit, people, planet – as an alternative to the common “bottom line” used in accounting that refers to profit or loss (Ven van de & Graafland 2006).

- **Profit** is the *economic* dimension that refers to good production, creation of employment and gaining income.
- **People** is the *social* dimension that refers to a multitude of aspects affecting welfare of individuals inside and outside of the organizations.
- **Planet** is the *ecological* dimension that is concerned with how operations of organizations affect the natural environment.
Environmentalists have struggled to expand and add the human and environmental welfare factors to the ‘bottom line’ and consider the full cost accounting. With the uprise of CSR trends it was able to become relatively mainstream (Alhaddi 2015).

2.3 Motivation Frameworks and Approaches

What do people want to gain from their place of employment? Is it just high pay, or is it also established security, relationships and growth opportunities? What affects one’s decisions when they choose to pick one job over another? The connection between employee motivation and monetary incentives have been thoroughly studied (Kvaloy, Nieken & Schottner 2015, Matsumura & Kobayashi, 2008, Hong et al. 1995). Such factors directly impact employees’ welfare and benefit them directly. These factors are created by organizational activities and include pay, health and life insurance, retirement benefits and many more. One of the first scholars that has changed managerial approach to become motivation and needs focused was Elton Mayo who conducted famous Hawthorn Studies from 1924 to 1932. These studies had a groundbreaking effect for their time and started the new management approach of human relations that focused on employees’ needs and motivation (Bedeian 1993). Mayo’s study became a catalyst for further research on the issue and a number of scholars created other motivational approaches.

In the organizational context, workers are considered to be motivated by the non-financial factors, and not only by the need for money (Frey 1997). The focus of this work is corporate social responsibility as a non-material motivator for employees, hence the non-monetary motivational factor is in the spotlight in this work. Several theories will be discussed further to uncover what drivers play a role in employee behavior and discuss these drivers and factors in relation with CSR:

- Self-Determination Theory;
- Adams’ Equity Theory
- Herzberg’s Two-Factor Theory
- Vroom’s Expectancy Theory
- McClelland’s Theory of Needs.
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These frameworks will explore how CSR can fit in as a motivational factor, providing the basis for this study and aiding with further analysis of the results of the empirical study.

2.3.1 Self-Determination Theory (SDT)

SDT is a theory that explains the interconnection between behavior, motivation, and human development based on the human’s innate psychological needs (Ryan, Deci 2008). According to the theory, the psychological needs that influence one’s motivation are autonomy, competence, and relatedness (Ryan & Deci 2000; Ryan & Deci 2008).

Edward L. Deci and Richard M. Ryan highlight that, based on the theory, one’s wellbeing and psychological health depends on the amount and quality of motivation experienced by the person. The theory differentiates between autonomous and controlled motivation. Autonomous motivation is fueled by intrinsic motivation as well as by the realization of the value of the task itself, whereas controlled motivation is dependent on external regulation such as punishment and reward, approval, and shame avoidance (Ryan & Deci, 2008). The motivation, in turn, regardless of its type, depends on the level of satisfaction of the three basic psychological needs: competence, autonomy, and relatedness (Ryan & Deci 2000; Ryan & Deci 2008).

Here it is necessary to make a differentiation between intrinsic and extrinsic motivation. Intrinsic motivation is based on the desire to accomplish something for the sake of the task itself, the enjoyment of doing it. While extrinsic motivation is based on attainment of some external goal (Hennessey et al. 2015). Some examples of intrinsically motivated state are self-determination, satisfaction, and control which can be fostered by certain motivators such as favorable view of organization, positive relationships with peers, and positive emotions at the workplace (Hennessey et al. 2015).

Deci and Vansteenkiste (2004) explain the need for competence roots from people’s desire to reach effectiveness in dealing with environmental issues. The need for relatedness concerns the desire to provide care and to be cared for by others, as well experiencing the sense of belongingness and shared experiences. And lastly, the need for autonomy stems from the urge to be the cause of events, acting upon the power of one’s own will, and acting out of the sense of self (Deci & Vansteenkiste, 2004).
2.3.2 Adams’ Equity Theory

Adams’ equity theory explains how fairness of resource distribution between relational partners affects their behavior. The theory suggests that employees either under- or over-rewarding will cause their distress which will lead to increased motivation to restore equity in the relationship (Adams 1965). The theory assumes two factors, inputs and outcomes, that relationship between which affects individuals’ behavior. Inputs are one’s contributions to the relational exchange that can either be considered as rewards or costs. The examples or inputs are time, manual labor, education, experience, tolerance, commitment, etc. Outcomes include job security, salary, reputation, praise, sense of achievement, etc. Taking into consideration that both inputs and outcomes include tangible and intangible factors, it is possible to study CSR through the lens of this motivational theory.

There are four propositions that define this theory:

- **Self-inside:** individuals try to maximize their own outcomes, where outcomes are rewards less costs.
- **Self-outside:** groups create systems of equitability by which they aim to maximize collective rewards. Groups will punish members who treat others inequitably or otherwise reward them.
- **Others-inside:** participation in inequitable relationships causes individuals to become distressed. Getting “too much” may cause guilt or shame; getting “too little” may cause anger or humiliation.
- **Others-outside:** the distress from participation in an inequitable relationship will force an individual to behave in a way that will restore equity within the parties (Adams, 1965).

2.3.3 Herzberg’s Two-Factor Theory

The two-factor motivational theory was developed by psychologist Frederick Herzberg. It is also known as the motivation-hygiene theory. Herzberg explored the sources of employees’ satisfaction as he saw it as the root of motivation (Herzberg 2003). By asking workers to explain what work-related situations made them feel really good and really bad about their jobs, Herzberg was able to see a significant difference between answers of
employees who generally felt really good about their work and those who generally felt bad.

Figure 1 shows the job characteristics that were revealed by the study that either led to employee satisfaction or dissatisfaction.

<table>
<thead>
<tr>
<th>Factors for Satisfaction</th>
<th>Factors for Dissatisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Achievement</td>
<td>• Policies</td>
</tr>
<tr>
<td>• Recognition</td>
<td>• Relationship with leaders</td>
</tr>
<tr>
<td>• Responsibility</td>
<td>and peers</td>
</tr>
<tr>
<td>• Advancement</td>
<td>• Security</td>
</tr>
<tr>
<td>• The work itself</td>
<td>• Status</td>
</tr>
<tr>
<td></td>
<td>• Salary</td>
</tr>
</tbody>
</table>

The dissatisfaction factors were considered extrinsic while the factors for satisfaction are intrinsic. Herzberg’s study concluded that satisfaction and dissatisfaction do not exclude each other, elimination of one will not create the other because they are not opposites. In fact, the opposite of satisfaction is no satisfaction, and the opposite of dissatisfaction is no dissatisfaction (Herzberg 2003). The dissatisfaction factors were named hygiene factors because according to the results of the study, simply eliminating them, employers will not necessarily motivate employees. It will only bring peace to them other than enhance their performance.

2.3.4 Vroom’s Expectancy Theory

Victor Vroom emphasized on the “the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients” (Montana, Charnov & Bruce 2008). Vroom’s expectancy theory (Vroom 1964) of motivation explains the process of individual choice of one behavioral pattern over the other. The theory is based on three variables, expectancy, instrumentality, and valence. It claims increased motivation when an individual sees a positive correlation between effort and performance (expectancy). Favorable performance, in turn, results in reward (instrumentality), which contributes to need satisfaction (valence) (Vroom 1964).
- Expectancy: effort → performance
- Instrumentality: performance → outcome
- Valence: outcome → reward

This theory can be easily applied to direct employee performance and tangible benefits. However, rewards in their nonmaterial sense can also fall into consideration of this theory as well as indirect effort, or commitment to working for an organization valuing CSR can be assumed as the expectancy variable.

2.3.5 McClelland’s Theory of Needs

McClelland’s theory of needs of human motivation theory differentiates between different motivating drivers of individuals. The theory identifies three basic motivational drivers: a need for achievement, a need for affiliation, and a need for power (McClelland 1961, 1975). Other scholars also argued that these factors are do not only play the role of drivers for motivation, but they also address many of the essential human goals and concerns (Winter 1992).

According to McClelland, such factors as age, gender, education, or culture, every individual has all three of these motivational drivers, and one of them will dominate over the others.

Figure 2 summarizes some personal characteristics of an individual for each motivational factor as dominant.

<table>
<thead>
<tr>
<th>Dominant Factor</th>
<th>Personal Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement</td>
<td>• Has a need for challenging goals</td>
</tr>
<tr>
<td></td>
<td>• Is a risk-taker</td>
</tr>
<tr>
<td></td>
<td>• Enjoys receiving regular feedback on their progress</td>
</tr>
<tr>
<td></td>
<td>• Prefers working alone</td>
</tr>
</tbody>
</table>
This division between motivating factors highlights McClelland’s argument that workers are motivated by factors other than money (Kim & Scullion 2013). Achievement is the distinct motive that is related to performance, and it is reflects the ‘efficiency’ motive because efficiency is often considered as a measurement of doing a job well. (McClelland 1975, Kim & Scullion 2013). The affiliation motive is based on the human desire to be with and relate to other people. The need for power arises from the impulse to be assertive and controlling, to gain status, but it does not necessarily imply aggressiveness (Kim & Scullion 2013).

2.4 Results of Previous Studies

As the behavioral analysis plays an integral part in this paper, it is important to explore the behavioral aspect of the CSR concept itself, the issue of responsibility and accountability and its relation to workers in organizations. Responsibility and accountability are fundamental factors to social interactions, so much so that interaction might not be possible without it (Royle 2012, Lerner & Tetlock 1999). Multiple studies have been appearing that address the issue of the sense of responsibility for others, even if they are not formal subordinates (Royle & Fox 2011, Royle 2012). This notion is very relevant to the issue of this thesis.

In literature, accountability is defined as “the implicit or explicit expectation that one might have to justify one’s beliefs, feelings, and actions to others” (Lerner & Tetlock 1999). Taking the business context into consideration, employees can be feel accountable for the actions of their organizations even though they are not direct participants of those...
actions. It is also possible that one feels accountable and receives reward for their diligence without the presence of any prior wrongdoing (Royle 2012).

Royle et al. (2009) provide a concept of informal accountability for others (IAFO) and define it as “a public demonstration that one is willing to answer for the attitudes and behaviors of individuals in an organization regardless of formal position within the firm, rank, or mandate by the organization”. The feeling or informal accountability for organizations’ stakeholders that are affected by the business’ actions may make CSR serve as a major motivational driver for some. This notion can be further argued for with the O’Driscoll and Beehr’s (1994) assertion that employees seek social approval. If they feel that their gestures will be noticed in their environment, e.g. customers, general population, they pursue stronger responsibility and accountability, which in turn could lead to higher commitment.

Royle (2012) explored responsibility and informal accountability taking McClelland’s motivation theory as the basis for the study. The findings showed some relationship between responsibility and IAFO and the needs for achievement and affiliation (Royle 2012). It has been indicated that employees who showed high need for achievement identify with tasks on a personal level, showing higher levels of responsibility. Individuals who showed high affiliation need are concerned with establishing and maintaining personal relationships with others, and so also showed higher levels of responsibility and IAFO (Royle 2012).

Another study conducted by B. Ven van de and J. J. Graafland (2006) showed that there is no strong correlation between a positive strategic view on CSR and CSR performance, while there is a stronger correlation between CSR performance and moral views on CSR. These findings go against a common assumption that the CSR implementations in organizations are primarily inspired by and based on the strategic importance of CSR and the management’s awareness about it. The study concludes that the moral aspect of CSR which is intrinsically motivated holds a stronger involvement with CSR that the strategic aspect that is motivated extrinsically and assumes CSR’s contribution to financial success in the long run.
2.5 External Consequences and Employee Motivation

Actions resulting from organizational activities can make positive or negative impact on employees’ performance and motivation at the workplace. Fashakin and Odumade (2007) define a consequence as “any action that occurs as a result of another action”. Their study showed that positive consequences of organizational activities will affect individual’s approach towards job and issues arising on the job, eventually having a positive effect on their motivation, while negative consequences hold negative effects.

Today, there is no such managerial practice that deals specifically with management of consequences, yet their effects on employee work behavior, commitment and motivation is very high. Fashakin and Odumade (2007) suggest that it is important for organizations to engage in activities and processes that create environment favorable for motivation and commitment to work. In this context, corporate social responsibility can serve such a system that may create such environment.

2.5.1 Positive External Consequences

- **Vocal/societal.** Such consequences are expressed and delivered in the form of comments or actions. It is the most common and direct type of consequences as it is delivered at the time of occurrence of the event or directly after. Examples of such consequences include gratitude and encouragement that causes one to continue good performance.

- **Work-related.** Examples of this type of consequences include awards, such as financial or other material benefits for one’s success in work related mission. This incentivizes higher achievements on the job.

- **Goodwill.** This includes intangible assets that provide organization with competitive advantage in the form of reputation, good rapport with customers, high employee morale, and it boost workers’ (Fashakin & Odumade 2007). This intangible asset can also me related to CSR which affects all of the other factors listed prior.

2.5.2 Negative External Consequences

- **Bad publicity.** Often it is unfair and is not fact-based, and it negatively affects reputation of the organization and consequently the employees of the organization. They may lose motivation and commitment to the workplace.
- Bad reputation. It can be caused by unfair media treatment, or as a result of mistakes made by the organization’s actions. A word about unmet quality or unfulfilled promises travels especially fast through the social media causing loss of customer trust and potential diminishment of employee commitment.

- Social responsibility. Fashakin and Odumade (2007) highlight CSR as a separate type of consequence that an organization and its employees may face. They state that failure to fulfill such responsibilities “may affect workers’ motivation because the company they work for is not taking up its responsibilities”.

2.6 Motivational Factors of Leaders and Subordinates

Motivation of followers is highly dependent of the effectiveness of their leaders. A lot of leadership research is focused on this leader-follower influence (Yukl 1998, Barbuto & Scholl 1999).

A leader has a challenge of self-motivation while simultaneously making efforts to increase motivation of their followership. Barbuto and Scholl (1998) operationalized a typology (Fig. 3) that conceptualizes leader’s motivation and its effect on followers.

**Instrumental motivation.** The followers are motivated my instrumental rewards, when they are anticipating that certain kinds of behavior will result in tangible outcomes such as pay or promotions (Barbuto & Scholl 1998). This is consistent with Vroom’s Expectancy Theory that proposes that favorable performance (effort) leads to rewards, which in turn results in valence (need satisfaction). Adam’s equity theory also suggests that individuals try to maximize their own outcomes, where outcomes are rewards less costs. The leaders who are instrumentally motivated are more likely to utilize Exchange, Pressure, and Legitimizing influence tactics on their followers (Barbuto & Scholl 1998).

**Self-concept external motivation.** Motivation stemming from leader’s external self-concept when they are interested in gaining favorable feedback from reference group of people (Barbuto & Scholl 1998). Such leader is likely to have a high need for affiliation explained by McClelland’s Theory of Needs. They are more likely to utilize such motivational tactics as Personal Appeal, Ingratiation, and Coalition. They leaders will likely make emphasis on the follower’s self-concept and their possibilities to obtain recognition.
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**Self-concept internal motivation.** Leaders motivated by their internal self-concept will align their behaviors with their internal traits, values, and competencies. Such leaders will utilize Consultation, Ingratiation, and Inspirational Appeals (Barbuto & Scholl 1998). Based on how strong the concept of values is for these leaders, it is possible to say, that such leaders will be most likely to utilize corporate social responsibility as an instrument for their followers’ motivation, they themselves are likely to gain motivation from the CSR related concepts and initiatives.

**Goal-internalization motivation.** Values of leaders who have goal-internalization motivation are aligned with those of organizations. Their primary source of motivation is pursuit of organizational goals (Barbuto & Scholl 1998). Such leaders are most likely to use Rational Persuasion and Inspirational Appeals as major motivational tactics for their followers.

<table>
<thead>
<tr>
<th>Leader’s Motivation and Leader’s Perception of Target’s Motivation (LPT)</th>
<th>Influence Tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader’s Instrumental Motivation</td>
<td>Legitimizing Tactics</td>
</tr>
<tr>
<td>LRT Instrumental Motivation</td>
<td>Exchange Tactics</td>
</tr>
<tr>
<td>Leader’s Self-concept External</td>
<td>Pressure Tactics</td>
</tr>
<tr>
<td>LPT Self-concept External Motivation</td>
<td>Personal Appeal Tactics</td>
</tr>
<tr>
<td>Leader’s Self-concept Internal</td>
<td>Coalition Tactics</td>
</tr>
<tr>
<td>LPT Self-concept Internal Motivation</td>
<td>Ingratiation Tactics</td>
</tr>
<tr>
<td>Leader’s Goal Internalization</td>
<td>Consultative Tactics</td>
</tr>
<tr>
<td>LPT Goal Internalization Motivation</td>
<td>Inspirational Tactics</td>
</tr>
<tr>
<td></td>
<td>Rational Tactics</td>
</tr>
</tbody>
</table>

Fig. 3. Hypothesized leader-follower relations.

Another type of leader’s motivation that is likely to have its roots in CSR is *intrinsic process motivation* when the task is being accomplished solely for the fun of it. Such leaders truly enjoy the task itself, which is one of the factors of satisfaction in Herzberg’s Two-Factor Theory. In case of one’s initial interest and involvement with CSR activities an employee is likely to be highly driven and motivated by the CSR activities in their organization.

Tu and Lu (2014) conducted a study on effects of ethical leadership on followers’ performance which revealed that such leadership, although with a time-lag, had a positive effect on followers’ extra-role performance and increased general self-efficacy. In addition, the researchers state that “intrinsic motivation also moderated the indirect effect of ethical leadership on extra-role performance via general self-efficacy” (Tu and Lu 2014). Several studies support the notion that monetary rewards are not the primary source of motivation (Paalanen & Hyypia 2008, McLean & Mallett 2012).

### 3 Methodology

This work is concerned with exploring a link between the two major issues: corporate social responsibility and employee work motivation. Considering the aforementioned limitations of this work, the methodology must be carefully considered to overcome these limitations as much as possible and be appropriate in the circumstances of the given study. In order to approach the objective of the study, the data will be collected from both secondary and primary sources. The secondary data collection involves a comprehensive literature review in order to understand the extent of existing discourse on the issues at hand and providing a theoretical basis for further analysis of the empirical data. The primary data collection involves an empirical study that will be conducted through a questionnaire and interviewing, which will aid with discovering answers to the giver research questions. The rationale for the chosen research design and methods is given below.

#### 3.1 Actors View

The choice of a methodological view is very important for an academic work as it determines the direction of work, the collection of data and observations made during
the process (Arbnor & Bjerke 2009, p. 19). From the existing methodological views, for the purposes of this work the actors view has been chosen. It has already been established that the projected findings are not aimed to quantifiable results and correlations which is usually the outcomes of the analytical and systems view (Arbnor & Bjerke 2009). This thesis is not concerned with studying isolated systems or conducting quantitative research, which may extend the already long list of limitations that was discussed in Chapter 1. Given the subjective and ambiguous nature of the issues at hand, it is unreasonable to attempt drawing a perfectly objective picture. Instead, this study is aiming to expand the possible outcomes of knowledge by using the actors view. This view implies the dependence of reality on the actors: the interviewees and the researcher. The reality is a social construction (Arbnor & Bjerke 2009). With this view, the limitations of the study are easily considered as some level of ambiguity is desired in this approach as it is thought to be the main driver for knowledge creation (Arbnor & Bjerke 2009). The contributions from previous actors investigations is an essential part of the actors approach therefore the secondary data collection is very important for the purposes of this study. Arbnor & Bjerke (2009, p. 152) elaborate on this view, “When we talk about metatheories we refer to the background theories in the conception of science that are held by creators of knowledge that, in general terms, guide their practical research/consulting/investigation and are therefore related to the paradigm. These are the guiding theories in the actors view, which means that creators of knowledge use them to develop not only an understanding of their object of study – understanding others – but also for understanding themselves”. This is highly relevant because one of the two issues studies, the issue of motivation, demands the researcher’s personal analysis and involvement in order to be understood. It is also important as the qualitative research has an interpretative nature where a researcher will to an extent use personal frames of reference in order to understand the data collected from the other actors in the study.

3.2 Interpretative Research Design: Qualitative Approach

The interpretative research is based on the assumption that “social reality is not a singular or objective but is rather shaped by human experiences and social contexts”, so it is appropriate to conduct the study based on such a research by providing subjective interpretations of various participants (Pelz 2015). In interpretative research, the reality is being interpreted through “sense-making” rather than hypothesis testing (Pelz 2015).
Given the abstract nature of the phenomena under consideration, CSR and motivation, the choice of interpretative research deems appropriate for this work. The data gathered in this study is non-numeric and does not aim to gain any quantifiable results and discover any patterns. Instead, its goal is to elaborate on the phenomena through interpretation of individual cases. Therefore, the data that is gathered in this study holds qualitative nature.

Qualitative approach is the chosen research method for this study, as the goal of this thesis is to provide deeper understanding about and elaborate on the potential connection of corporate social responsibility and employee work motivation and seek explanations and answers to the given research questions. Strauss and Corbin (1990) highlight the goals of explanation seeking and elaboration as the major aims of qualitative research. They define qualitative analysis as “a process of examining and interpreting data in order to elicit meaning, gain understanding, and develop empirical knowledge” (Strauss & Corbin 1990, p.1).

The major advantage of this approach for this particular study is that it allows for fewer restrictions in the choice of the method. Qualitative approach offers a variety of methods such as interviews, questionnaires with open questions, observation, documentation through analysis of external and internal files. It does not demand a large sample, as in qualitative research, but instead the fullness and elaborateness of the data gathered has its importance in quantitative approach. It is very beneficial for the study as this approach eliminated the external limitation of gaining a profound access for a large sample of employees in organization, and the fullness of the data will depend on the carefulness of questionnaire design, which is an internal easier-to-deal-with issue in this study.

3.3 Literature Review and Primary Research

There are two parts to the study in this thesis. First part is built through the review of existing literature, which attempts to establish a theoretical framework for the discussed phenomena. Secondary data is data that has been previously collected by other sources (Pelz 2015). The secondary data is collected from books, scholarly articles, research reports etc. that already exist on the topic. The use of such data is beneficial for gaining understanding of what has already been done for the research of the issue and building a
basis for analysis of gathered primary data. Given the limited timeframe of approximately two months for primary data collection and the costs and limitations that are involved with primary data gathering, the secondary data analysis is the integral part of this thesis. The secondary data is collected and analyzed in the Chapter 3, Literature Review section of this thesis.

3.3.1 Methods of Data Collection: Survey and Interview

The interpretative research design implies “sense-making” of the gathered qualitative data from the research participants. The chosen methods of data collection that would allow for such interpretation are survey with open questions and face-to-face interview. These two methods were chosen for several reasons. With the given limitation of gaining access for getting the primary data from the representatives of organizations, it was necessary to accommodate the potential participants and give them the opportunity to choose the most convenient for them method of response to increase the chances of possibility of data collection. Some participants have chosen interviews and others preferred being surveyed. Another reason for the choice of both methods was the benefits of both research methods for avoiding bias of the respondents while the data was being gathered.

On the one hand, a semi-structured interview can provide a more holistic response allowing for follow-up questions and a deeper interest of the interviewee to provide examples, stories, and cases through the built personal rapport between them and the interviewer. On the other hand, the survey allows for more convenience of the respondent, which partially eliminates the time pressure and variances in the mood of the respondent. Most importantly it guarantees anonymity of the respondent, which results in less biased responses, allowing to touch upon the ‘taboos’ discussed in the limitations section. The respondent does not feel personally judged by the interviewer which allows for less bias and more openness and honesty. The interviews are conducted individually to diminish additional pressures that a respondent might experience participating in a group interview. Individual interviews will encourage participants to provide their own thought on the matter without feeling the need to agree with other participants unlike un the case of group interviews. Both of these methods were kept as viable for this study in order to gain a fuller picture from the gained data.
The topic of the research was described briefly first in the research participation request (Appendix A), and then directly before the beginning of the survey in the consent form (Appendix B) and before the start of the interviews. It was important to not give away that the concept of CSR is a part of the research as it would trigger the participants to speak in the frames and under the influence of the “taboos” furthering the limitations of the research. The study was first introduced as simply one on factors influencing employee work motivation.

3.3.2 Questionnaire Design

A questionnaire for the purposes of both interview and survey is constructed to measure the link between CSR and employee motivation. The interview method of data gathering will be semi-structured as it allows for follow up questions. Given the limitations discussed in the introductory chapter of this thesis, the questionnaire design must be such that it diminishes the limitations as much as possible.

The questionnaire consists of ten questions, 9 of which are open-ended. The questionnaire is constructed in such a way that it avoids the use of trigger words, such as CSR or corporate social responsibility, at the start, as they may cause lead the respondents to biased answers. The purpose of the first three questions in the questionnaire is to get acquainted with the respondent, find out the exact place of employment, which position they occupy, managerial of subordinate, and what department they are a part of. This part of the questionnaire will allow to distinguish between leaders’ and followers’ views on the matter. The next two questions are concerned with general views of the respondent of motivation, and the factors that lead them to choose current workplace and commit to the tasks there. The issue of CSR is introduced in later questions of the questionnaire, so it is possible to compare the general motivating factors in prior questions and factors concerning CSR in particular.

The survey is constructed to answer the research questions, how aware are employees of the CSR related activities of their organization? and what effects of CSR on employee motivation are there on both subordinate and leadership levels, if any? The table below shows how the questionnaire fulfills the research questions and addresses the research issues throughout its progression. It also relates the theoretical framework to the empirical study and suggests possible analysis of the empirical data.
### Does Doing Good Mean Doing Better?

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In order to approach the limitations and minimize them as much as possible, information before the interview, the consent form (Appendix A) and beginning questions do not address the issue of CSR. Given that the major motive of the interview is introduced as employee motivation, the finishing questions concerning CSR are presented non-leading way so the respondents are able to share their honest opinions. The survey method was conducted in a complete anonymity, which benefited towards the openness and honesty of the respondents.

Questions 4 is constructed to with the purpose to learn what primary motivational factors a respondent might have that make them choose their current place of employment. It will help to learn about the balance of inputs and outcomes that are defined in Adams’ Equity theory (Adams’ 1965). Based on the Herzberg’s Two-Factor Theory (Herzberg 1968), through this question along with question 5 it is possible to explore what respondents initially highlight as their satisfaction factors at work, along with what may be their dissatisfaction factors derived by the means of latent analysis from the responses to question 4.

Question 6 allows to discover general awareness of the respondents about the corporate social responsibility initiatives in the organizations of their employment. This question will directly contribute to the answer of the first research question if employees are aware of CSR initiatives in their organizations. This question is also serving as a transitional question preparing the respondents to enter the part of the questionnaire that concerns CSR.

Questions 7, 8, and 9 are exploring the views of respondents on CSR. This is a particular issue that can be explored through McClelland’s Theory of Needs and Self-Determination Theory that are addressing causes of motivation (McClelland 1965, Deci & Ryan 2008). McClelland’s Theory of Needs is particular highlights need for achievement, affiliation, and power, and allows to analyze the issue of CSR through these dimensions. Self-Determination Theory adds three additional dimensions of autonomy, competence, and relatedness.

3.3.3 Participant Profiles

For the purposes of the study, the participants are chosen from organizations that are highly involved with CSR. There are four organizations that have been selected: Kalmar
Energi, Scania, DSV, and Hall Van Larenstein University of applied Sciences. These organizations are operating in varied industries, which allows for a more well-rounded results without a concentration on a certain industry, as it is not an objective of this work. The respondents were sampled from a variety of departments without a focus on a particular work area.

- **Kalmar Energi.** The organization operates in energy industry. It is a leading power company in the Kalmar region. According to their mission and vision, they offer climate-friendly energy solutions and have a focus on people and the environment (Kalmar Energi 2018).

- **Scania.** The organization is operating in vehicle manufacturing industry. Elimination of waste is one of the of the company’s core values. Corporate focus is on fuel efficiency and manufacturing of transport that is sustainable, with lower emissions (Scania 2018). Scania has operations in multiple countries. Responses were received from employees in Sweden.

- **DSV.** The organization operates in transportation industry. DSV’s CSR efforts are said to be focused on environment and climate, business ethics, and employees (DSV 2018). The organization is transparent in regards with their CSR performance. Their CSR reports are published annually. This is a multinational corporation, but the responses were received from participants from Denmark and Sweden.

- **Hall Van Larenstein University of Applied Sciences.** This educational institution has a focus on sustainability, climate change, globalization and growing world population (VHL University 2018). In 2018, the university has gained the status of the most sustainable University of Applied Sciences in the Netherlands.

All four organizations are demonstrating high involvement with corporate social responsibility initiatives so were deemed appropriate for the purposes of this study. In total, 3 interviews were conducted, and 14 survey responses were received from the employees of the given organizations. 9 participants are in managerial level and 8 are in subordinate level.

### 3.3.4 Qualitative Content Analysis: Conventional and Summative Approaches

In order to transform the primary data further into information and knowledge, qualitative content analysis will be used. Content analysis is a qualitative research technique. It is used to give context and gain meaning from text data. The three major
approaches of such analysis are conventional, directed, and summative (Hsieh & Shannon 2005).

Conventional approach is generally used when there is a need for a description of a certain phenomenon, and when there is limited research regarding the phenomenon. In this approach there are no predetermined categories, instead the categories are extracted from the data with the progression of the analysis (Hsieh & Shannon 2005). The data is usually gathered by the means of open-ended questions, which are not used to check the viability of some preexisting theories or assumptions.

The researcher is highly immersed in the data looking for more insights, which is consistent with the actors view of the current study. The data is analyzed through capturing key concepts from the text (Hsieh & Shannon 2005). With the summative approach, latent content analysis will be completed. Latent content analysis refers to the process of content interpretation and discovery of hidden meanings of the word data (Hsieh & Shannon 2005). This approach also allows for derivation of key concepts not only from the data but also from the literature review, which is appropriate from for the study at hand.

For the purposes of this work, a mix of conventional and summative approaches to qualitative content analysis are chosen as it is the most fitting with the research objectives and the methodology, unlike the directed content analysis which uses a more structured approach based on the previous research and theories on the matter and predetermined codes (Hsieh & Shannon 2005).

In order to be analyzed, the primary data was first fully read through to gain the understanding of the big picture. Then it was sorted based on the key words extracted from the findings, in order to place conceptualize the data. Then the found concepts were analyzed and compared to the findings in the literature review. Lastly, conclusions were made based on the findings.

4 Empirical Findings and Analysis

This section is devoted to the analysis of the data received by the means of surveys and interviews. The answers to the research questions will be provided from an empirical perspective. As this study is qualitative, it will not be possible to provide any empirical
conclusions. Instead, this analysis will attempt to offer some theoretical generalizations. The individual cases that were received will provide insight on the phenomena being studied, that is CSR, employee motivation and the potential link between the two. The findings should be explored with the consideration of the limitations discussed in the Introduction section of this work.

The data was analyzed by a mix of conventional and summative approaches to qualitative content analysis. The data was sorted by the main emerging themes. Along with the direct meanings that were extracted from the text, a fair share of latent content analysis was necessary to understand what the hidden notions of the responses are, which uncovered underlying sentiments of the survey and interview participants. During the interview process, a particular attention was paid to participants’ emotional state, their shifts in attitude when the direct questions about corporate social responsibility were asked. These aspects will be discussed in this chapter.

The list of the organizations and the justification for their choice is discussed in the Methodology section for the sake of following the guarantee of anonymity of the respondents, the names of the organizations will be emitted from the quotations of participants presented in this chapter. All chosen participants are employed by organizations that are highly involved with CSR. The particularities of the industries and the organizations themselves are not variables in the study at hand.

The empirical findings showed that the employees may indeed be motivated by CSR related concepts, which could be potentially used in training and development programs. However, some employees may not at all be aware of the CSR related initiatives in organizations, which may be disadvantageous to an organization as it is an unutilized opportunity for motivation stimulation.

4.1 General Motivational Factors

What are the major factors for the participants to choose and stay at their workplaces? Was corporate social responsibility at all mentioned as one of them? The analysis of responses to questions 4 and 5 (Appendix B) will help to provide some insight to answer these questions. The two-factor motivational theory developed by Frederick Herzberg proposes that employee satisfaction is supported by the such satisfaction factors as achievement, recognition, responsibility, advancement, or the work itself (Herzberg,
From the received data four major motivating factors of satisfaction can be extracted. Below are the factors that stood out from the collected data.

*Job security and employee welfare.* As proposed by the Adam’s Equity theory, security at work has proven itself to be one of the major outputs that an employee wishes to maximize (Adams 1965). Several respondents highlighted the factor of security as a major one that made them choose the organization that they are currently a part of.

“I feel that this job is very secure. There is a lot of care about employees and their comfort and happiness in the workplace. Also, there are multiple opportunities for development. I wouldn’t want a job that didn’t offer me that”.

(Subordinate, Customer Service)

Stability of an organization was mentioned as a factor that provided the necessary sense of security.

“This is an interesting job in an interesting field, and I’m luckily to have the opportunity to be a part of [it]. Secondly, the fact that this is a stable company”.

(Manager, Production)

In addition, one of the respondents felt that the sense of familiarity with the organization was prominent when choosing the current workplace. They made an emphasis on the community that they wish to still be a part of in their professional career. The community contributes to a sense of belongingness. Deci and Ryan (2008) propose that the need to relate is one of the three major needs which determines one’s pattern of behavior. It is also consistent with McClelland’s Theory of Needs that proposes that the need of affiliation determines the behavioral pattern (McClelland 1975).

“This place is familiar to me because I studied there. I enjoyed my time as a student and really wanted to contribute to the school professionally. I didn’t want to lose the community that I [had] built during my school years”.

(Subordinate, Animal Management)
Does Doing Good Mean Doing Better?

The work itself. It is also visible that the simply the interest in the professional tasks contributes to the motivation of some respondents. Such respondents show strong intrinsic motivation which is stemmed from the work itself.

“The main reason for me is that the content of the job is interesting. I cannot work in a place that does not interest me with its tasks and challenges”.

(Manager, Services)

Challenging work has been mentioned by several participants. This motivational factor is described in Two-factor Motivational Theory as it mentions achievement. While the participants are overcoming new challenges, they are also feeling the sense of competence which is a one of the three needs in SDT theory.

“I think the professional challenge in itself, it was something that caught me right away and after I joined the company and now I can only repeat that”.

(Manager, Finance)

This individual shows interest in the tasks of the job combined with the enjoyment of having the social aspect of dealing with people in the workplace:

“I am working in the university, so working with and for people (students) is the main reason I am here”.

(Subordinate, Animal Management)

The importance of organization’s prosperity and success was also mentioned. This factor contributes to the feeling of pride and job satisfaction which are the themes contributing to satisfaction of achievement need (McClelland 1975). The following participant mentioned the importance of successful organic growth along with the availability of opportunities for self-development, which is also a contributor to the need of achievement:

“It is a successful company, growing organically. We have been on a tremendous journey, and the employees are offered to be a part of that journey. It is very exciting because if you are on board of a company that is growing and changing
all the time you also learn a lot yourself and you have a chance to develop yourself”.

(Manager, Finance)

The respondents whose major motivator is the work itself have strong intrinsic motivation and they find joy in completing the task because of the interest in the task itself. It is possible to propose that if such employee gain interest in CSR activities and implementations, it will be likely to serve as a motivational factor at the workplace. It therefore can be suggested that training related to CSR and promotion of CSR related achievements among such employees could be especially beneficial.

_Opportunities for development._ Self-development is mentioned as a motivational factor in multiple motivational theories including the Self-Determination Theory, Herzberg’s Two-Factor Theory, and McClelland’s Theory of Needs (Deci & Ryan 2008, Herzberg 2003, McClelland 1975). Professional development contributes to the need of competence. One feels achievement when seeing self-progress. Several respondents stated that development opportunities drive them forward at their workplace, and they contributed to the choice of work initially.

“...Development opportunities and interesting context are also the reasons [why I chose this company]”.

(Subordinate, Business Support)

The following interviewee enjoys the responsibility that is delegated to them through which he can grow professionally, demonstrating the need for achievement (McClelland 1965) and the desire to satisfy it through taking up the responsibility and new challenges:

“…also, the fact that in order to grow the senior management has to delegate tasks and responsibilities to middle management which I belong to. It motivates staff, inspires them to own the company, to act with responsibility with all these challenges that are thrown onto you. We have another saying, “The tasks tend to flow in the direction of the people that solve them”. Then it is enormously demanding but it’s also enormously stimulating because you really test yourself. It is very satisfactory to be able to develop and grow”.

(Subordinate, Business Support)
One of the respondents underlined that their job involves a contact with people and this contact stimulates them to do better in their workplace, because they know that they are contributing to the lives of others. This does not only increase the sense of relatedness but also contributes to the need of affiliation.

“This work offers development opportunities and the work is interesting for me. There are interesting processes to be dealt with on a daily basis”.

(Manager, Human Resources)

Ethics and CSR. Indeed, corporate social responsibility related concepts were mentioned as major drivers for the preference of current workplace. The individuals who initially have involvement and interest with CSR were the ones who stated that ethics and sustainability were important factors in the choice of a workplace. These employees desire to align their own values with the values of the organizations they work for. The following interviewees and survey participants mention ethics and sustainability which are related to CSR themes:

“I have always been interested in technology and automatization, and it was very important for me that it is done through sustainable ways”.

(Subordinate, Business Support)

“I was proud to start working here because it is a green school (sustainable) with good conditions for employees.”

(Subordinate, Animal Management)

At this stage of the questionnaire there was no mention of CSR or any related concepts. These participants’ statements were not lead to by the questions 4 and 5 that asked for the
reasons for the choice of the particular workplace and motivational factors to do best there. These questions aimed to receive responses with initial factors that may come to mind of the participants. These findings demonstrate that some employees do indeed make a primary connection between CSR and their motivation considering it as their main motivational factor at the workplace. These respondents show initial familiarity and interest with the concept of CSR, which demonstrates that they can be likely to intrinsically motivated to participate in the CSR initiatives. The awareness about the organizations involvement with such initiatives could potentially be a motivating factor to commit and contribute to the workplace as well.

**Social environment.** Human behavioral patterns are sometimes determined by the desire to fulfill the need of affiliation (McClelland 1975). Individuals who demonstrate high need of affiliation are characterized by their preference in team work, desire to be liked, and following along with group decisions. The respondents who provided quotes below state that their choice of work was determined by the community that they would be a part of at the workplace.

“When I had my first interview at [Organization] I was amazed by how nice people were. I knew right away that it was the right place for me, there is a great social scene and environment. And another important factor is that it is close to home”.

(Subordinate, Facility Services)

Some of them also expressed that it is their own internalized motivation as well as coworkers who drive them to do better at work:

“Management expectations, my colleagues and my own strive towards performing a great job. I really enjoy that I have the opportunity to be involved with the colleagues and customers”.

(Subordinate, Communication)

“Working with a team [is why I strive to do my best]. My colleagues make me even more professionally competent”.


Does Doing Good Mean Doing Better?

(Subordinate, Business Support)

*Opportunities to influence.* Several respondents stated that they enjoy the opportunities to exercise their influence over decisions, people, and processes. This excitement for this is based on the desire to fulfill the need of power (McClelland 1975). Such people enjoy control over others, competition and they strive for status and recognition. The following responses show the desire to fulfill this need:

“Ability to influence during the decision-making processes. It is important to contribute to something big and important”.

(Manager, Business Support)

“[I value] the possibilities to have influence in the development of the company”.

(Manager, Production)

None of the respondents mentioned monetary benefits at a motivational factor for them, which supports the results from previous studies discussed in the Literature Review section that salary or other tangible benefits serve as a major factor when choosing an organization for employment. One of the respondents particularly emphasized that it was important for them to work for a non-profit organization.

“I wanted to be a part of non-profit organization in my professional career, and the [organization] is non-profit”.

(Subordinate, Facility Services)

These results show peculiarities and differences in interests, values and expectations from the workplace that different individuals may have. Having been asked to state major motivational factors to do best at work and reasons to have chosen that workplace, ethics and CSR were indeed mentioned by several respondents, which supports the point that it can serve as a motivational factor. Yet, it depends on the individual’s initial interest and involvement with CSR. As further analysis will show, the individuals who did not mention any CSR related aspects as their initial motivators may still be intrinsically positively affected by them when combined with other aspects on when put emphasis on them.
Among the given sample of respondents, no significant difference in attitudes and motivational factors that determined the choice of organization were noticed after the analysis of both explicit and latent meanings of the responses.

4.2 Employee Awareness of CSR in Organizations

If employees are not aware of organizational activities and initiatives in the sphere of corporate social responsibility, it is hardly possible to say that CSR can at all serve as a motivational factor for them. Therefore, it was important to understand the respondents’ level of awareness of CSR initiatives in their organizations. The goal of question 6 was to explore exactly that. It should be pointed out that the change of attitude of the interviewees was not noticed when the issue of CSR was introducing, even of those who went into a great detail describing CSR initiatives in their organizations. It is difficult to make any assumptions based on this fact. The reactions are based on individual cases and personalities and these particular individuals demonstrated neutrality when the interview had an introduction of a new theme.

From the latent meanings of the received responses it is visible that many participants were not deeply aware of the CSR initiatives. It is especially noticeable in the answers of some subordinate employees. A couple of subordinate respondents from customer service and animal management departments that participated in the survey directly stated that they are not aware of such initiatives in their organizations simply stating “no” without any further elaboration. It is an unfortunate limitation of a survey that it is not possible to gain any more insight to understand reasons for certain responses. It is possible to suggest that the respondent from the animal management department simply did not make a connection between the concepts of CSR, sustainability and green development as, interestingly, one of the reasons for the choice of their workplace they listed that the organization is green and sustainable. That might be showing that the employee is aware of the CSR initiatives in practice but does not get exposure to it form management on technical, theoretical level.

Other subordinate respondents were aware of presence of CSR activities in the organizations but experienced difficulties to elaborate what exact activities there are once again showing that there may not be enough exposure to the information about the organizations’ CSR initiatives.
“I know just a little. For example, [Organization] engages people with employment limitations”.

(Subordinate, Facility Services)

“I’m somewhat aware about it. Cannot really elaborate on the examples”.

(Subordinate, Customer Service)

It is possible to assume that the level of CSR awareness of employees may depend on the department in which each employee is operating. Some departments certainly require and promote more knowledge regarding corporate social responsibility policies in an organization than the others. However, it is not possible to gain empirical evidence to support this claim from the current research.

Respondents who are taking up managerial positions were highly aware of CSR in their organizations. This respondent’s statement is suggesting that employees in subordinate positions may be less likely to be aware of CSR initiatives:

“I'm in a management position so I'm aware of it. We get a lot of trainings and information regarding this issue”.

(Manager, Services)

The other study participants who are taking up managerial positions also were aware of their organization’s CSR initiatives and some demonstrated excitement to share information about them. Some had gone into a great detail describing the CSR related activities in the organization:

“[We provide] financial support to different organizations such as football clubs etc. Also, there is financial support and participation in different events like Pride [that stands] for equal rights, and participation in environmental events”.

(Manager, Business Support)

“[Organization] works closely with schools and young people. It sponsors multiple philanthropic associations”.

(Manager, Human Resources)
“Being aware of the company believing after certain CSR principles is inevitable. We as employees have to take course in the code of conduct. Everything has to be transparent. I am responsible for producing a financial report and there is a whole section dedicated to the CSR report. We are following the UN requirements on how we go about anti-corruption, the environment, how we treat our employees, customers and suppliers”.

(Manager, Finance)

This participant also pointed out that “This is something we as managers very aware of because we have to teach this to the staff. It is not just because we want to, we do want to, but there are also some legal requirements for the companies to conduct themselves in certain ways”.

It can be assumed that some management is not giving enough information or assigning enough importance to the information about CSR that subordinates would be left with little knowledge on the issue.

One of the respondents that takes up a subordinate position has a high initial interest in social and environmental issues, therefore the response about their awareness of CSR in the organization on employment was elaborate. If one has a strong intrinsic motivation to learn and follow CSR issues, involvement and CSR based motivation may be higher as this respondent earlier emphasized that the initial motive to join the company because of “ethical reasons”. It is visible that employee is involved with the issue, and enthusiastic about it:

“In terms of environmental issues, we are involved in investing of Törneby & Nöbbe solar parks, giving people a chance to partake in solar power. Also, we took part in celebrating Pride, supporting the LGBTQ Community”.

(Subordinate, Business Support)

There were respondents for whom CSR related aspects of their work served as a motivational factor for the choice of that workplace and as a driver to do their best at that workplace. There were also those who were just slightly or not at all aware of CSR initiatives in their organizations, despite the sample of organizations constructed being ones that have high CSR involvement. That could mean that organizations are not putting enough emphasis on CSR activities causing their employees to lack knowledge about the
good deeds of the organization. That could be a sign of unutilized potential of CSR as a motivational tool in organizations. Generally, the awareness of CSR of subordinate respondents was lower than of those who are taking up managerial positions. This could indicate that in order to utilize this potential management should put more effort in making their subordinate employees aware of the CSR activities in organizations.

4.3 CSR and Its Effect on Motivation

The 7, 8, 9, and 10 questions overtly involved the concept of CSR and had the goal of seeing the change in respondents’ tone when the questions were openly concerning CSR issues. The tone and attitude of the respondents who had not mentioned that the CSR related issues are important for them had indeed changed. Most respondents were very willing to share what they believe, providing fuller and longer responses. It might be because of the discussed limitations, and the pressure to speak under the pressure of the existing taboos, putting on a mask of enthusiasm, or the respondents were simply reminded that there is a concept such as CSR, so they became willing to speak more on the issue that may genuinely excite them. McClelland’s Motivation Theory of Needs will be used to explore the responses in detail. McClelland suggests that the main motivational drivers are the need for achievement, affiliation, and power (McClelland 1975).

Achievement. CSR provides employee with a necessity to achieve certain goals motivating them to work. It gives the need to meet expectations through effectiveness and efficiency. Several themes can be considered when discussing achievement including the sense of pride once something is achieved, happiness, joy, and self-development. The concept of pride was mentioned multiple times by the respondents. Engagement with CSR initiatives may give employees the sense of purpose and serve as a factor that increases job satisfaction. As one study participant points out:

“CSR is advantageous. It is important for the environment, it is important for our brand image, and it is important for the people who work here. I think it is something that everyone who works here can be proud about. It is important for me because when I share what company I work for, I can be proud to say that it is a green and sustainable place. Together with other things, I think it definitely motivates me to come to work every day, I’m happy to know that I work for a company that does not harm but helps the society at large”.

(Subordinate, Marketing and Communications)
This respondent points out however that it is “with other things” that corporate social responsibility makes the most impact on his motivation, so as a sole motivator it may not necessarily work for this respondent. In connection with Herzberg’s Two-Factor theory, it can be said that CSR serves as hygiene factor (Herzberg 2003). To some it may not act as a factor that eliminates negative aspects of the workplace and serves as a sole motivator, but instead is a factor that can bring emotional peace to the employees and enhance their positive feelings about the workplace.

Another participant holds a similar opinion:

“It can never stand alone, obviously. But combined with the other things: strong, financially successful, expanding company, attractive place to work, where people are given responsibility, it has a positive benefit. It works if you have a real policy, that you not only talk about actually live by it”.

(Managerial, Finance)

CSR can also contribute to employees’ general happiness and satisfaction with the job they are doing. For example, one respondent stated that “It is highly advantageous. We want to make our student professionals to help them improve the world which I think is very important. I am happy that we are making the world a greener place to live on”. (Manager, Services) However, despite holding a positive view on CSR initiatives of the organization, this participant stated that CSR provides no personal value and meaning to them.

Sometimes, during the interviews it was difficult to get away from the material aspects of CSR. Even though they see it as a reason for pride or satisfaction, some respondents see it as mostly a benefit to a company in the long run affecting reputational and financial aspects. For example:

“I think as an employee, whether you are low middle higher ranking it gives you some satisfaction that you work for a company that takes it seriously how you conduct yourselves. No one would get attracted to a company that has a bad reputation. It may be financially successful but if it goes along with bad reputation in terms of how you deal with these matters then you will only be successful in the short run. You can be financially successful but never at the cost of these soft parameters that concern CSR”.

(Manager, Finance)
Does Doing Good Mean Doing Better?

This study participant’s opinion is an example that CSR can serve as a contributor to employees personal learning and development, once more mentioning that there the initiatives make them feel proud to be a part of the organization:

“It is advantageous towards our image/brand, customers. The initiatives that [Organization] has made me more aware of new ways on how to affect our future through my personal social responsibilities as well. Of course, makes me proud of the company and what we represent.”.

(Subordinate, Communication)

Affiliation. CSR can also contribute to the satisfaction of the need of affiliation. It is the human desire to be and belong with others (McClelland 1975). There are several key aspects that can be discussed in consideration with the need of affiliation. The themes that can be highlighted from the data are unity, active participation, fun. One of the subordinate respondents in a facility services department stated that when CSR activities were emphasized in the organization it “enriched the company culture”.

It was also determined that CSR can contribute to personal satisfaction on the basis of contribution to the respondent’s own community. This individual sees CSR as a reason to be involved with colleagues and strive for common good. However, they state directly, that CSR is not a strong motivational factor.

“It is always a balance of how much you shall be involved in. I think we have a good balance of different events and organizations which give us the possibility to be a part of the development in Kalmar. This is in my opinion advantageous for us both in HR and business aspects. I can be [a] part of a positive development in the city I live in, which is satisfying for me personally. It is always positive to see that we participate in different activities but is not a strong motivation factor for me.”.

(Manager, Production Department)

Once again it seems that CSR is a just a part of a bigger picture, which all together, not separately, works as a driver to job satisfaction and motivation.

Another respondent emphasizes on the value that CSR provides when creating a common value base that all of the employees have to follow. It can unify them in their stance and values. One respondent states:
“It is valuable to have a clear value base that shows what [Organization] stands for. For me it is important to work in a company that has a clear value base. It is important to live and show society that [Organization] is an example of what we do.”.

(Manager, Human Resources)

Another respondent emphasized on the importance of the managerial example:

“I’m very pleased to see that our senior management is dedicated so committed to being a responsible citizen of the world. So, for me it means something positive. You have to be a good citizen”.

(Manager, Finance)

CSR may not only unify the employees of an organization around a common goal, but it can also unite people with the same values in the organization that is involved with CSR. One respondent states:

“[CSR implementations] are advantageous because when the community becomes aware of these implementations, it will draw people with the same values to our organization. They are important to me. I can proudly represent the company which is important to me. Working here gives me insights into many different ways of supporting the environment.”.

(Subordinate, Marketing and Communications)

Here they once again mention the importance of pride for the deeds of the organization and possibilities of learning and development about sustainability issues.

*Power.* Curiously, there were not any themes regarding the need for power surrounding the issue of CSR that could be distinguished from the respondent’s answers. Perhaps, people do not tend to consider CSR as a tool for aggressive influence in the organization.

In the process of analysis of the link between CSR and motivation is possible to say that CSR activities have certain motivational benefit for some employees. To some who are initially involved with the CSR related issues it can serve as a direct motivational factor. But to others, it serves as a component to a larger recipe that makes an employee proud, satisfied and motivated at the workplace.
In this particular sample of respondents there was no particular difference in the attitudes towards CSR activities and their influence between subordinates and managers. However, it is possible to say that the managers have the power to involve their employees with the CSR issues and provide information about it. Some respondents in managerial positions found it important to make emphasis on CSR and educate employees on more of its aspects:

“I do not want to change anything but it's important to constantly train the employees to work according to our basic values”.

(Managerial, Human Resources)

“We can become clearer in our sustainability work that does not concern the environment. We are naturally strong on the environmental issue because it dominates”.

(Managerial, Business Support)

This empirical analysis shows that CSR can affect at least two out of the three basic motivational needs of McClelland’s Theory of Needs (McClelland 1965): affiliation and achievement. Therefore, it is possible to presume that there is potential of the concept of CSR being a motivator for employees because it contributes to satisfaction of these needs. It provides a sense of belongingness and purpose for employees increasing work satisfaction. Taking that into consideration, it can be used as a part of organizational development programs.

5 Implications and Conclusions

5.1 Discussion of the Findings
This master’s thesis was initially inspired by the curiosity to find out whether one can value the concept of corporate social responsibility enough for it to become a sole motivating factor in the workplace, as its prominence in the modern business world undoubted, yet constantly debated. The link between CSR and motivation appeared to have been under little prior investigation, so this paper attempted to add to this so far subtle conversation with new empirical findings.

All in all, the findings revealed that the connection between CSR and employee motivation is observable, yet the strength of it depends on several factors:
1. Employee’s initial interest with CSR and related concepts. The employees who have initial involvement with corporate social responsibility are likely to seek employment on the basis of CSR factor, which makes them the primary group who could be motivated by the concept.

2. Awareness about CSR. Employees who are not aware of their organization’s involvement and achievements in CSR sphere may not have high involvement with the issue therefore lacking an opportunity to utilize CSR as a motivational factor.

3. Intrinsic motivation. Employees who are have high levels of intrinsic motivation and those who find joy in accomplishing tasks for the task itself are potentially more likely to be motivated by CSR initiatives of their organizations in the case of their interest in the concept. These employees can potentially benefit from training and development programs with a basis of CSR, as such programs could develop awareness and interest of the concept for these individuals.

4. Level of affiliation and achievement needs. As the findings showed, CSR can have a satisfactory effect of one’s affiliation and achievement needs. If an employee demonstrates two of these needs, CSR could be an influencing factor on the employee’s work motivation.

Another curious discovery was that even if the CSR was not considered as a major motivational factor, it could still serve as a motivator together with other aspects such as organization’s financial success and opportunities for development.

The results also showed that employees in managerial positions can have an effect on the involvement of subordinates with CSR in organizations, influencing their awareness and interest and therefore likelihood to acquire CSR as a motivational factor. It is possible to suggest that if management does not use the opportunity to increase awareness and involvement of subordinated with CSR related issues, it can be considered as an unutilized potential of the benefits that corporate social responsibility could provide for the
organization, as it has been determined that it indeed can be a motivational factor for employees.

5.2 Theoretical and Practical Implications

This work has its theoretical contribution in the form of the additional empirical findings to the limited prior investigation of the CSR-motivation link. The factors that can determine this link are explored.

The findings of this thesis could be useful for strategizing employee development in organizations. The work suggests that the businesses, particularly businesses that are highly involved with CSR could utilize the benefit of the presence of CSR in an organization for employee work motivation. The management of such organizations could promote CSR activities present in the organizations, involving such information in employee training and development programs, or perhaps building the programs with the concept at the base. By doing this, the factors making CSR more likely to have impact can be triggered or acquired.

Lastly, this work held a goal to interest the ones who would be reading it with the issue of social responsibility of businesses and provoke thoughts and ideas that the reader may not have considered before. In the process of exploring this thesis, the reader hopefully had reflect upon the questions asked and answers given by others comparing them to their own beliefs. Hopefully, reader could discover something new through this work.

5.3 Recommendations for Future Research

As it was pointed out in the study, there is still limited research on the issue at hand. The problematic issue with such research is the number of limitations one would incur when attempting it. This study is not able to make any empirical conclusions on the issue, it could only draw some theoretical conclusions. In order to make the conversation on the issue more complete, there is a need for qualitative research that could produce measurable results, even though empirical exploration of motivation and CSR is challenging.

Also, there is a potential to further the exploration of CSR influence which suggests further research on the links of CSR and other stakeholders’ perceptions on CSR initiatives.
References


Does Doing Good Mean Doing Better?


The management challenge (2nd ed.). New York: Macmillan.


Does Doing Good Mean Doing Better?


Appendices

Appendix A. Research Participation Request

Dear [Organization],

My name is Larisa Beresneva. I am a student at Linnaeus University studying Leadership and Management in International Contexts. Currently, I am writing a master’s thesis work on the issue of Corporate Social Responsibility and its potential as a tool for employee motivation.

The purpose of this letter is to ask for participation of a few [Organization]’s employees in the research study that will measure the impact of internal organizational activities on the employees’ motivation. [Organization]’s participation in this research will be of the highest value to this study and the results may be of interest to the organization.

The value of this research is in its novelty as CSR has not been thoroughly studied from an employee perspective. The results will potentially uncover new strategic tactics for talent development and improvement of workforce effectiveness.

I am hoping to get a chance to survey/interview several [Organization]’s employees on both managerial and subordinate levels. The survey/interview will not take longer than 15-20 minutes. I fully realize the value of your time and will be extremely grateful for your participation. This study is planned to be conducted in April. The published results will not contain information that will personally identify any participants.

I am looking forward to hearing from you and hope to cooperate with you in this study.

Thank you for consideration and understanding.

Sincerely,
Larisa Beresneva
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+46 76-933 70 49
Appendix B. Questionnaire Consent Form

Welcome to the research study!

The purpose of this study is to deepen understanding about motivational factors of employees in organizations.

The study should take you around 20 minutes to complete. It contains 7 open questions. Please, try to answer them as fully as possible. Be assured that your responses will be kept completely anonymous. The published results will not contain information that will personally identify any participants. Your participation in this research is voluntary. You have the right to withdraw at any point during the study, for any reason, and without any prejudice.

If you would like to discuss this research or have any questions or concerns about it, please e-mail Larisa Beresneva at larisberesneva@yahoo.com.

By clicking the button below, you acknowledge that your participation in the study is voluntary and that you are aware that you may choose to terminate your participation in the study at any time and for any reason.

I consent, begin the study

I do not consent, I do not wish to participate
Appendix C. Questionnaire

5. What is the name of the place of your employment?

6. What position do you occupy?
   - Managerial
   - Subordinate

7. What department are you a part of?

The following questions will give you an opportunity to share more about your experience. Please answer openly and truthfully.

8. State 1-3 main reasons why you have chosen this company for your current employment?

9. What motivates you to do your best in your workplace?

10. How aware are you of your organization’s corporate social responsibility (CSR) initiatives? What examples can you give?

11. In your opinion, CSR implementations are advantageous or a disadvantageous for your organization? Why?

12. Do CSR activities of your organization mean anything to you personally? Please, explain.

13. Would you like to change anything about CSR in your organization? Why?

14. For you, does CSR serve as a motivational factor for work in your organization? Why?