

Corporate Social Irresponsibility as a Threat to Work Identity: How Employees react to Greenwashing Scandals in their Organization

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Bachelor of Science

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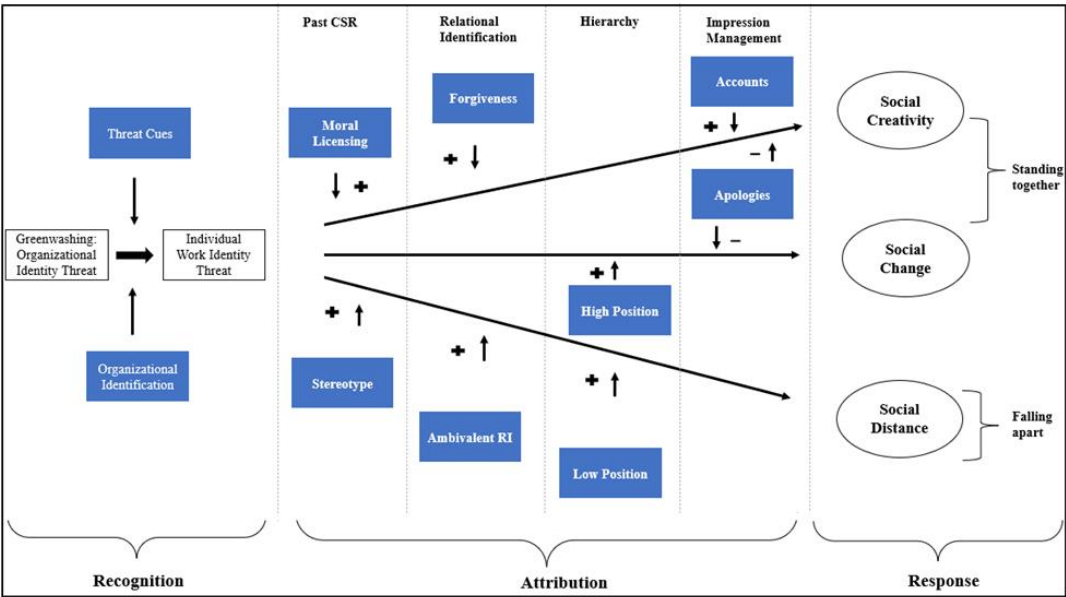
Purpose/Motivation: The impact of greenwashing is a highly rewarding object of study since it combines irresponsible environmental behaviour as a form of corporate social irresponsibility (CSI) and the active claim of being environmentally conscious (Delmas & Burbano, 2011). However, only restricted literature exists that focuses on linking employees to greenwashing scandals (Hericher & Bridoux, 2021; Kang, Germann & Grewal, 2016). Researchers investigated under which circumstances employees support an organization or dis-associate themselves from it in times of scandals (Piening, Salge, Antons & Kreiners, 2020) There are no studies specifically addressing this question in the greenwashing context as of yet. Therefore, I investigated how employees respond to greenwashing threats in the context of social identity theory, with the aim of identifying which of the examined responses are most likely to occur.

Theories/Hypotheses: After employees appraise greenwashing as a substantial threat to their individual work identity, they choose from varying responses, depending on their attribution of the situation (Piening et al., 2020). Past CSR is presented by two theories. Moral licensing theory elaborates how employees may choose social creativity due to past CSR, whereas the concept of stereotype results in social distancing (Miller & Effron, 2010; Shea & Hawn, 2019). The impact of relational identification is also differentiated into two concepts. It may result in social distancing via the concept of ambivalent identification (Sluss & Ashforth, 2007). But forgiveness implies that employees opt for social creativity (Thompson & Korsgaard, 2019). Third, hierarchy plays a role insofar as the higher the rank of the employee is, the more likely they are to respond with social change. In contrast, low-ranked employees respond with social distancing due to their limited power (Magee & Galinsky, 2008). Lastly, impression management by the culpable managers also moderates this process. After justifications, employees might react with social creativity, while apologies diminish the occurrence of social creativity and social change (Wood & Mitchell, 1981).

Approach/Methodology: I applied the conceptual model of organizational identity threat of Piening and colleagues to my research question. This model links identity theory with

attribution theory. I derived three possible reactions from their model: social change, social distancing, and social creativity (Piening et al., 2020). Subsequently, I added four relevant moderators, which influence the response mechanisms: past CSR of the company, relational identification of employees with the culpable managers, employees' hierarchical standing, and the impression management of the organization. For each moderator I applied two theories each, which led to one of the three possible outcomes.

Findings: The literature review uncovered that the response process of employees regarding greenwashing scandals is moderated by the four examined moderators. Instead of one clear answer, my study gave three possible reactions to greenwashing, see figure below.



Research Limitations: Employees might react to the greenwashing revelations in ways which deviate from the examined responses, since every individual differs in character and personality. Furthermore, it is unlikely that employees do not know anything at all about the greenwashing in their firm before it comes to light. Third, other simultaneously occurring framing processes might clash with the examined effects. Lastly, neither empirical testing nor an exploration how the four moderators might impinge in conjunction was included.

Research Implications: A complex link between greenwashing and employees is suggested, which exceeds the generally recognized negative effects of greenwashing. The results demonstrate the manifold impact of greenwashing on the workforce, which cascades down to organizational performance. Several individual and organizational moderators are responsible for these outcomes.

Practical Implications: Organizations should take employees' sensitive reactions to greenwashing into account while deciding to integrate green practices and other CSR

activities. They should keep in mind that the potential responses to identity threats are strongly influenced by diverse factors to protect the employees' work identity. This should further incentivize to avoid false claims about green practices.

Contribution: My paper contributes to existing literature by specifically applying greenwashing as an identity threat and linking it with individual work identity. Further, it shares further insights for companies in which way greenwashing affects consequences for the organization through such employee reactions.

Paper type: Conceptual

Further readings:

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