Inconsistencies in Corporate Social Responsibility Efforts and Employee Organizational Identification: A Moderated Mediational Model through Perceptions of Hypocrisy

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Purpose/Motivation: Evolving stakeholder demand for improved green business standards and converging research findings of benefits of Corporate Social Responsibility (CSR) lead firms to adopt CSR Initiatives (CSRI). However, two main problems emerge. First, firms actively engage in inconsistent CSR practices to benefit. Second, firms are generally underinformed about CSR implementation, additionally fostering inconsistencies. Employees, as a key stakeholder group are closest to the firm's daily operations and much of their organizational identification (OI), a highly beneficial employee attitude, builds on the firms CSRI (Lyon & Montgomery, 2015; Scheidler, Edinger-Schons, Spanjol & Wieseke, 2019). Any inconsistency arising can therefore undermine and threaten employees' OI. This paper proposes a distinction between potential forms of inconsistencies for increased realism. Additionally, it analyses so far poorly understood respective identification reactions by employees in a granular way, while discussing an attribution process and attribution paths explaining each connection.

Theories/Hypotheses: This paper builds on Social Identity Theory (SIT) and Attribution Theory and adopts construct definitions proposed by other scholars. First, Attribution Theory states that employees try to interpret and to understand the underlying motivations of and to assign causal meaning to the behaviour of the organization, in order to deduct an appropriate reaction (Kelley & Michela, 1980). Second, OI is an extension of SIT, created through an identification process of employees with an organization implying partial adaptation of the firms' values and morals as well as social comparison processes with other firms (Ashforth & Mael, 1989). Additionally, I integrate two forms of organizational hypocrisy. Moral hypocrisy is the discrepancy in the moral and value integrity of an organization, whereas behavior hypocrisy is the discrepancy in the organization's behaviour unrelated to any ethical/moral/value component (Wagner, Korschun & Troebs, 2020).

Approach/Methodology: I first apply SIT and OI to the context of CSR and CSRI and explain their positive relationship. As a main contribution, I theoretically distinguish three forms of

inconsistencies (Talk-Action, Action-Action, Motive), that can arise and undermine or threaten this relationship. Because of this, employees are expected to engage in sensemaking processes about the reason for and cause of the inconsistency. I further explain in detail how the attribution process unfolds together with some moderating factors. With the assignment of causal and/or moral responsibility the process results in behaviour hypocrisy or moral hypocrisy as the respective cause or reason behind each form of inconsistency (Piening, Salge, Antons & Kreiner 2020). Following the ideas of both theories, I lastly discuss how the respective attribution outcome (i.e. the form of hypocrisy) determines the employee's identity reaction (social creativity, social change, social distancing) to the IiCSRI.

Findings/Propositions: Inconsistencies in CSRI that are attributed to a) external/situational factors b) internal/dispositional but uncontrollable factors result in perceptions of behaviour hypocrisy of employees about their organization and further lead employees to react with social creativity. Inconsistencies in CSRI that are attributed to internal/dispositional and controllable factors result in a) unstable b) stable perceptions of moral hypocrisy among employees about their organization and further lead employees to react with a) social change b) social distancing. For the moderation of hypocrisy perceptions, I propose that a firms CSR reputation, the gap between and the time and space distance between inconsistent elements moderate the attribution process as a whole.
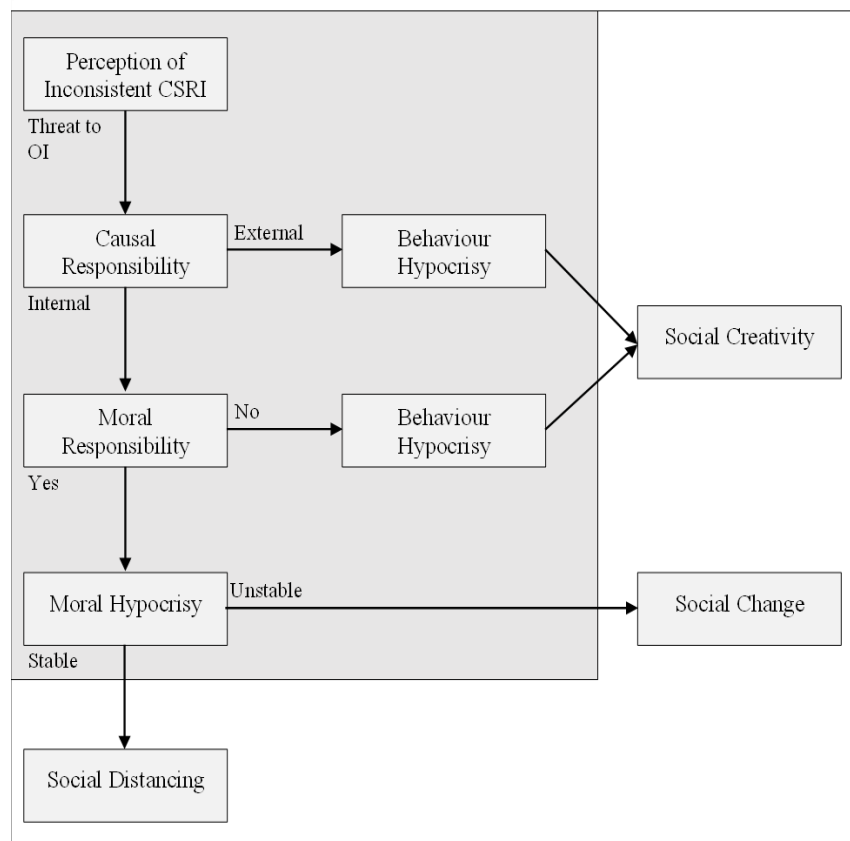

Figure 1. Overview of Attribution Process and Identity Reaction (figure is own original content)

Research Limitations: A major limitation emerges in the form of nested heterogeneity. Due to many potential contingency factors concerning inconsistencies as well as the attribution process, I remain rather broad and general throughout the paper.

Research Implications: Despite researchers' agreement on the beneficial nature of CSR the questions of "how" and "what" to implement have been disregarded so far. First, theory needs to provide more guidelines for the practical implementation of CSR. Second, to better understand employees' reactions, it seems necessary to create more fine-grained theories and multi-disciplinary research to puzzle together a more realistic bigger picture.

Practical Implications: Actively engaging in CSRI inconsistencies has highly negative outcomes for employee identification and the firm in extension. In any case, a deep understanding of ones CSR engagement is essential as inconsistencies can also arise as side effects in areas often overlooked.

Contribution: First, I propose a new unique distinction of inconsistencies in CSR efforts. Second, I suggest and provide insight into employees' micro-level processes while connecting a current understanding of hypocrisy with employees' identification following CSR inconsistencies. Both, in connection may improve the general understanding of so far rather black-boxed employee behavior reactions to different types of CSR inconsistencies.

Paper type: conceptual

Further readings:

Ashforth, B. E., & Mael, F. (1989). Social Identity Theory and the Organization. *The Academy of Management Review*, *14*(1), 20–39.

Kelley, H. H., & Michela, J. L. (1980). Attribution Theory and Research. *Annu. Rev. Psychol.*, *31*, 457–501.

Lyon, T. P., & Montgomery, A. W. (2015). The Means and End of Greenwash. *Organization & Environment*, *28*(2), 223–249.

Piening, E. P., Salge, T. O., Antons, D., & Kreiner, G. E. (2020). Standing Together or Falling Apart? Understanding Employees' Responses to Organizational Identity Threats. *Academy of Management Review*, *45*(2), 325–351.

Scheidler, S., Edinger-Schons, L. M., Spanjol, J., & Wieseke, J. (2019). Scrooge Posing as Mother Teresa: How Hypocritical Social Responsibility Strategies Hurt Employees and Firms. *Journal of Business Ethics*, *157*(2), 339–358.

Wagner, T., Korschun, D., & Troebs, C.-C. (2020). Deconstructing corporate hypocrisy: A delineation of its behavioral, moral, and attributional facets. *Journal of Business Research*, *114*, 385–394.