EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES:

WHY DOES DOING GOOD MATTER?

by

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To my wife...
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I never chose a PhD program, I chose Case Western Reserve University. Although that sounds like a marketing commercial, I really never was interested in a PhD program for the sake of it. What I wanted was to learn how to learn and also how to bring others along with me on that learning journey. To do so is an art. It means being able to master the art of the question, to be able to hone in on what is the core question(s) that is igniting my fire to learn. Furthermore, it means being able to find out how to spark the fire in others – for I never cared only about learning for my own sake but rather how to catalyze others.

For the burning fire in me, I thank my parents as well as the circumstances in my life for which I originally thought I was unlucky. Besides the values that my parents instilled in me, besides the quest for knowledge that they nurtured which led me to read an entire encyclopedia at the age of seven, it was really their unconditional love for me and for others, especially our homeland Croatia that influenced me the most. Because my parents were at the heart of the Croatian revolution, I never had the chance to grow up an ordinary kid. Due to their roles in working towards the freedom of Croatia, our lives were constantly in danger and we often came close to death while growing up. Most of the people that my family associated with were killed or put in jail on false charges. The danger of our lives was present every day as I personally heard death threats to my family many times a week, witnessed numerous assassination attempts, and thanked each day that my family was alive. At first, I was angry at the world and those that wanted to hurt us, I questioned how humans can be capable of such harm. But most importantly, I began
to question why it is that we as humans have constructed such a world. It was through the constant questioning of everything around me that I became a social constructionist. Even though I did not know at that time what social constructionism was nor do I even today classify myself as an academic social constructionist, I was able to learn a valuable lesson which is that it is humans who created most of the mess we are in – and it is humans that can also get us out of this mess.

As Margaret Wheatley, a friend and someone who mentored me through my 20’s, often said, if you take out any species out of the ecosystem, our ecosystem would be worse off; however, the only species that would make the ecosystem better if it went extinct is the human race. Despite such a statement being depressing, I realized that we have such power in our hands: power for harm but also power to create infinite love. It is through this realization that I learnt that we as humans do not need to solve anything else on this planet other than our own problems; and that is when my love for organizational behavior was born, even though I did not necessarily call it organizational behavior at that time.

I then embarked on a journey in which I tried to fix the human race. Through my time in AIESEC, then founding Horizon – a leadership non-governmental organization in Croatia – to the founding of CBA, the first private graduate business school in Croatia, I constantly tried to change others. But it was through the mentoring of one of my closest friends and colleagues, Robert Duras, that I learnt what has become the most valuable lesson in my life: everything begins with ourselves. We are not separate from the world and we cannot change the world without changing ourselves first. Furthermore, the only person we can truly influence is ourselves. The point was further driven home by Peter
Senge, who along with Margaret Wheatley, Toke Moller, and Rinaldo Brutoco, mentored me in setting up CBA and has continued to play an important role in my life. I remember seeking advice from Peter on how to grow the school and his advice was that the best I could do is nurture myself; that all of life is just a game and the more we can nurture ourselves, the better off the planet will be.

So instead of my mission to change everyone, I began a business together with Zeljko Mavrovic which on the surface became Croatia’s largest eco business, but deep down our purpose was to help others and ourselves get back in touch with nature and our universe. For our time together, I deeply value Zeljko’s influence on my life as well as his urging to leave the business after the offer came through from Case to join the doctoral program. He was right, the type of business we had set up was not enough for me, I knew that there had to be some way for myself and other humans to truly get back in harmony with ourselves and the universe. It was at that time that Bauback Yeganeh, who is now one of my closest friends, talked me into joining the doctoral program at Case Western Reserve University (which by the way is the only program I applied for and ever intended to apply for). Furthermore, he really fought for me to get in and without him, I would not even be writing this dissertation right now.

But it was only during my doctoral studies that I realized the power of business to shape us and to shape the world. I have David Cooperrider and Ron Fry to thank for their guidance and inspiration in realizing this, but even more for their courage to let such a young person as myself become the Executive Director of the center they founded, the Center for Business as an Agent of World Benefit (now known as the Fowler Center for Sustainable Value). They also supported me in becoming a faculty member (and I also
am thankful of the support of the rest of the Organizational Behavior department) before my dissertation was complete. The journey that ensued has been such a whirlwind – so much so that it is only now that I am writing this acknowledgement while on a long plane trip that I have had time to reflect on the past few years. But most importantly, I am grateful especially to David Cooperrider who has been my advisor and mentor through my doctoral studies and my work in our Center, helping not only shape my thinking but also to nurture that which is within me that wants to come out.

I feel blessed to have the opportunities that rarely any doctoral student has had. In addition to my research and the work in our center, it was Susan Case who threw me into the fire of teaching in my second year. She decided that I would not be a typical Teaching Assistant but rather a co-instructor and partner of hers. She had the courage to put her course evaluations at risk by allowing me to teach half of the classes in the course and to be a true partner. It was through this course that I realized how much I love teaching which is one of the reasons that I desire to stay in academia. My relationship with Susan has continued to this day as she puts in endless hours helping nurture both my dissertation and also my personal development.

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More recently, I especially would like to thank Garima Sharma who spent hours helping me sift through data, learn the ins and outs of structural equation modeling and other stats.

But above all - well except for my wife and that part is coming – I would like to thank my committee and also the Chair of our department, Ron Fry for their guidance. Ron was my sage, not saying much, but knowing which questions to ask, what advice to give when, and I really enjoyed co-teaching one of the most important courses for our school. Susan Case has nurtured and cared for me both emotionally but also intellectually. Not only did she go through the many pages of my dissertation with care and precision, offering valuable recommendations, but throughout the years, she has provided guidance and support. Chris Laszlo has been a guiding force in my life helping shape my thoughts and also apply them to practice. He is someone who bridges academia with practice and has opened up both tangible and also intellectual opportunities for me to grow. But it was really David Cooperrider who shaped my thoughts and my life. It was
the conversations with him on beaches, in planes, in the office, and in hallways that shaped the models in my dissertation but also the model of my life that ultimately led me to want to be a scholar. More than being my advisor on paper, he has been a mentor, a friend, and someone with whom I have worked daily which has been the biggest blessing – to learn from and with him has been the greatest blessing of the years at Case.

But there are two people I would like to thank the most for this dissertation and I have saved them for last. The first is my dissertation chair, Sandy Piderit, who has gone far and beyond any possible dream I had of a chair. Even when she moved out of state and had to leave the department, she continued as my chair. I feel like she has been such a mentor and at times it almost felt like a co-author; that is probably why we are co-authoring many articles that are resulting from this dissertation. It is through her guidance that I have not only been able to write this dissertation but also to use this dissertation as a learning journey. Although, it was David Cooperrider who helped me grow into a scholar, it was Sandy Piderit who really brought the scholar out. Although I knew I was a scholar deep at heart, due to my mixed professional background, I often questioned whether I could become a scholar. It is through her nurturing that I have grown to appreciate the art of scholarship. It is through her guidance that I have learnt how to learn as a scholar. Even though I realize with every day that there is more that I do not know, Sandy has given me the skills and courage to begin my learning journey as a scholar. Just as importantly, she has given me practical advice. Every conversation with her is a learning experience. At no point did I feel like she made me do work for the sake of it. Instead everything I did was to improve the quality but also a learning experience for me.
She took great time out to explain the reasoning and logic behind everything which helped turn my dissertation into a true learning journey.

Most importantly, I would like to thank my wife to whom I have dedicated this dissertation. I know that it is common to say that it is our life partner to whom we really give credit for our work. However, in this case, it is not just a saying. She brought out the best in me and continues to do so increasingly every day. When I doubted myself the most, she was there nurturing me. When I could barely make it through periods in my life, she unconditionally provided support; and it is that unconditional support which cannot be faked. Never did I feel any guilt for spending so much time or energy on my studies, but only felt her joy when she knew she was allowing that which is within me to emerge. But probably the most important part of my doctoral journey that I am grateful for is that being here in Cleveland allowed me to meet my wife and that has been by far the best thing that every happened to me.

Throughout my dissertation, I realized a very powerful lesson. Nothing would have emerged without my wife or others. It was all co-emergence. All of knowledge is co-emergence in one form or another.

I realize this is a long acknowledgement and it partially shocked me at how long it is – but I have a lot to be thankful for!
Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?

Abstract

by

ANTE GLAVAS

Previous studies have examined the dynamics and consequences of corporate citizenship behavior at the organizational level of analysis without considering how corporate actions impact individual employees. This study explores how an employee’s perception of their company’s corporate citizenship influences their experiences at work.

Drawing on research in corporate social responsibility, sustainability, and corporate citizenship, I develop four hypotheses. I expect that employees who perceive higher levels of corporate citizenship will report higher levels of engagement, high-quality connections, and creative involvement. In addition, the importance of corporate citizenship to the employee should moderate those relationships.

Two surveys were constructed and validated to measure an employee’s perception of their company’s corporate citizenship, and the importance of corporate citizenship to the employee. The surveys are the first scholarly instruments for measuring individual
level variables for corporate citizenship. They were pilot tested and show reliability and validity in the dissertation data.

Survey responses from 347 employees in six companies were analyzed with regression and structural equation modeling. The results supported the hypotheses that employees who perceive higher levels of corporate citizenship will report higher levels of engagement, high-quality connections, and creative involvement. However, the moderator hypothesis was not supported.

I conclude that employees are more engaged, develop higher quality relationship, and are more creatively involved when they perceive their company to be a good corporate citizen.
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

Chapter 1 - Introduction

The 19th century marked the birth of the corporation as an individual entity that served to protect the well-being of its stakeholders. The 20th century saw the evolution of the corporation into an entity whose main purpose was to generate profit for its shareholders. Now, the 21st century could blend both the purposes from the 19th and 20th century into a new model in which the corporation is an entity that will both create profit for its shareholders as well as take care of the well-being of all its stakeholders, the broader community, and the planet.

As leading business executives, recognized scholars, and covers of magazines and newspapers are propagating the increasing positive contribution of corporations in society, the old trade-off illusion seems to be disappearing. The old perception that doing good for society leads to giving up profit is beginning to be replaced by the notion that corporations can make a profit while also being an agent of world benefit. Increasing evidence shows that corporations can be even more profitable if they contribute to the well-being of people and the planet.

After nearly two decades of debate of whether it is profitable to “do good”, new data supports the case that companies can do well financially by doing good. Previous studies found inconclusive evidence linking social performance to financial performance (Margolis & Walsh, 2003; Roman, Hayibor, & Agle, 1999; Waddock & Graves, 1997; McGuire, Sundgren, & Schneeweis, 1988; Aupperle, Carroll, & Hatfield, 1985). In other studies, the evidence was considered inconclusive due to methodological issues (Schuler & Cording, 2006; Gardberg & Fombrun, 2006; Margolis & Walsh, 2001; Griffin
& Mahon, 1997). However, a meta-analysis of 52 empirical studies conducted by Orlitzky, Schmidt, and Rynes (2003) seemed to resolve the debate by showing that social/environmental performance is positively associated with corporate financial performance.

New studies by Baruch Lev show that reputation and corporate citizenship impact the overall value of a business through market capitalization (Webber, 2007). Furthermore, John Kendrick previously showed that the impact of intangible value is increasing (Kendrick, 1997). Whereas in 1929, the impact of tangible business value on the economy was two times greater than intangible value while in 1990, the influence of intangible value was 60% greater than tangible value.

One of the reasons why corporations may profit from working for societal benefit is due to the positive impact such work has on the employees of the corporation through increased employee engagement, high-quality connections, and creativity. Employees often value working for such a company and as a result are more engaged in their work. In addition, they create stronger relationships based on deeper shared values than just making money. Finally, due to an increased desire to find innovative ways to serve both society and the company, employees are inspired to be creative.

Employee engagement, creativity, relationships and teamwork are topics many managers will need to pay attention to because they improve their business. Thus, if working towards societal benefit can improve their business, managers are more likely to create companies that benefit society. Even if managers might only work for societal benefit to increase the bottom line, as long as the planet is better off, the end justifies the means.
The case for corporate citizenship is growing. Having personally been a senior executive in a Fortune 500 company, it was clear that many managers deeply care about their own families, their communities, and the world in general. However, it seems that these same managers leave their values at the door when they enter the workplace. They turn into profit-making machines. It is as if we have been conditioned by society to live a separate life in the workplace.

My personal motivation behind this study is to bridge this divide between personal values and business by providing a case for why it pays to allow employees to integrate their personal values into the workplace. I chose corporate citizenship because I believe good corporate citizens allow people to bring deeply rooted values of caring for others into the workplace.

My interest in this topic is rooted in experience prior to coming to Case Western Reserve University. My work always focused on finding ways that humans can feel human in the workplace. After leaving my post in the Fortune 500 company that I used to work for, I created a non-profit that worked with thousands of youth in helping them discover their personal passion as well as to live out their dreams. Following that, I led the development of a private graduate business school which is now the fastest growing business school in Central/Eastern Europe. The purpose of the school was to help the top business and political leaders in the region create a new society which was more humane.

Through all of my work, I sought out different approaches, primarily based around systems thinking; but it was not until coming to Case Western Reserve University that I realized the true power of business to shape the world. Most people are aware of the power of business to shape markets, politics, the environment – but what many overlook
is the power of business to shape us. Not only is a good portion of the population employed by business, but their behavior is greatly influenced by business. For example, I can count numerous examples of colleagues that I went to school with that I do not recognize today – they seem to have been shaped into emotionless money-making machines by their work. Most of their lives revolve around doing anything to make a profit. It seems that we are often not aware of who we have become. Whether we like to admit it or not, we are often shaped by our work.

Therefore, this study, which examines the effects on employees when they work for a company that is a good corporate citizen, addresses a question that is guiding my overall research agenda: what is the impact of creating a business culture that supports us showing up whole and as human(e)? What would people be like in such a world? What would the world look like as a result? How would our work be different as a result?

I personally believe that every human has an innate desire to care and love others. On the other hand, I feel as if we are conditioned, especially in Western society, to ignore our true selves in the workplace. We blindly focus on our short-term goals of generating profit for our business. However, I trust that most managers would, if presented the opportunity, gladly work as agents of world benefit if doing so did not hurt the bottom line.

The irony is that not only does it not hurt the bottom line, but by being an agent of world benefit, the business can usually profit even more. It is my hope that this study will show reasons why corporations can profit. Any manager who cares about employee engagement, employee turnover, teamwork, relationships at work, and creativity might not be able to afford to not become a good corporate citizen.
Corporate Citizenship

What would happen if corporations did not become good corporate citizens? Climate change alone seems to be such a serious threat that it cannot be addressed solely by governments and non-profit organizations. However, as with any scientific statement, academics have found holes in scientific research showing that we have an increasing climate crisis (Lindzen, 2006).

Perhaps the discourse should be shifted from debating whether there is a climate change problem and if business needs to help and rather shift to focusing on the argument that it makes good business sense to help the climate. Addressing environmental and societal problems actually creates value for the business (Drucker, 1984; Lash & Wellington, 2007; Strom, 2007). Therefore, even if my personal reasons for why business should focus on societal benefit are ideological in nature, for purposes of this study, I would like to focus on the business benefits of working for the benefit of society. It is my belief that managers will listen when scholars find methods for improving their business, especially if those methods are aligned with their personal values.

Therefore, the focus of this paper is not on corporate citizenship as an academic construct but rather on the study of the effects on employees when their corporation engages in activities that benefit society. I chose to stay away from the debate of choosing the best definition in the field and rather focused on the definition that is best for my study. As a result, I decided to choose Waddock’s (2004) definition of corporate citizenship because it most closely represents what I am exploring.

In addition, the body of literature associated with corporate citizenship is arguably the most important field within which I could potentially have an impact on the literature.
Corporate citizenship has been the focus of numerous studies for over 30 years and has recently been gaining increasing interest from prominent scholars. Notable management scholars such as Peter Drucker have focused on the topic. In 2006, the Academy of Management held an official meeting on the topic of corporate citizenship called *Business as an Agent of World Benefit*\(^1\) and has since then focused its 2008 and 2009 annual meetings on the topic. Yet the field is still in its scholarly infancy with little agreement on what the field is and little understanding of the processes that result from corporate citizenship behavior.

Previous studies have mostly analyzed the effects of corporate citizenship at an organizational level, primarily analyzing organizational outcomes and making the case for why corporate citizenship is important to companies without shedding much light into understanding the underlying processes. Therefore, I seek to understand the underlying processes of corporate citizenship at the employee level in order to understand how corporate citizenship behavior impacts employees which in turn leads to increased individual and organizational outcomes.

Whereas it is not possible to completely explain the mechanisms of corporate citizenship in one study, my intention is to expand the domain of our understanding. I hope to contribute to the literature by shifting the debate beyond the question of whether corporate citizenship is necessary to the question of *how* it works. In particular, I hope to contribute to the understanding of the underlying dynamics of corporate citizenship at the individual level. How are employees impacted by working for a good corporate citizen?

\(^1\) The first official Academy of Management meeting, *Business as an Agent of World Benefit: Management Knowledge Leading Positive Change*, dedicated solely to the topic of corporate citizenship, was held in Cleveland, Ohio from October 22-26, 2006 and was convened by the Academy of Management, United Nations Global Compact and Case Western Reserve University.
How do these employees impact the company? Do employees make increased contributions to the value of the company because they work for a good corporate citizen? These are some of the questions I seek to understand.

1.1 Research Focus

**Corporate Citizenship**

Extensive literature exists describing the contribution of corporations to the betterment of society; however, to date, there is little agreement on a clear construct that adequately defines the field. In chapter 2, I provide an overview of the literature in the field showing that there is no clear construct for the field.

For purposes of this study, I am choosing to use Waddock’s (2004) definition of corporate citizenship: “Corporate Citizenship is manifested in the strategies and operating practices a company develops in operationalizing its relationships with and impacts on stakeholders and the natural environment.” (p.9). Such a definition combines other definitions such as stakeholder theory which involves all stakeholders (Freeman, 1984; Jones, 1995) and sustainability which focuses on the company’s impact on nature (Hawken, Lovins & Lovins, 1999). Another reason for choosing corporate citizenship is because it is becoming a construct that encompasses the whole field of business and society (Waddock, 2004; Matten and Crane, 2005).

**Consequences of Corporate Citizenship**

Corporate citizenship is important for corporations due to its potential impact on profitability. As previously mentioned, contributing to society and the environment may lead to increased financial results (Orlitzky, Schmidt, & Rynes, 2003; Margolis & Walsh,
2003; Roman, Hayibor, & Agle, 1999; Waddock & Graves, 1997; McGuire, Sundgren, & Schneeweis, 1988; Aupperle, Carroll, & Hatfield, 1985).

1.2 Research Objective

This study examines the relationship between corporate citizenship and potential outcomes such as employee engagement, creative involvement, and high quality connections among employees.

This study benefits the field of organizational behavior by contributing to our understanding of the dynamics of corporate citizenship companies, specifically the effects of corporate citizenship at the individual employee level. In a literature review most of the articles relating to corporate citizenship were conducted at the organizational level. A few articles linked corporate citizenship to employee behavior (McGuire, Sundgren, & Schneeweis, 1988; Turban & Greening, 1997; Waddock & Graves, 1997; Orlitzky, Schmidt, & Rynes, 2003), but none of them empirically measured the effects on engagement, high-quality relationships, and creative involvement. This study contributes to the literature by (a) showing that part of the reason why good corporate citizens can have economic benefits is due to the impact of corporate citizenship on employees; (b) explaining dynamics of how corporate citizenship influences employees; and (c) advising how practitioners can use the model in this study for their business.

1.3 Structure and Content

The remainder of this dissertation is organized into five chapters. Chapter 2 presents a systematic literature review of corporate citizenship explaining the history of
corporate citizenship, varying definitions in the field and concludes with a working
definition that will be used for this research. Chapter 3 reviews the literature on
engagement, high-quality connections, and creative involvement as they relate to
corporate citizenship. Chapter 4 describes the research questions, hypotheses, methods,
and survey instruments. Chapter 5 consists of the results of data analysis. Finally, Chapter
6 concludes the dissertation with a discussion of the findings and recommendations for
future studies.
Chapter 2 – Corporate Citizenship

Recently, increasing interest has been shown in the field commonly known as business and society. In 2006, Muhammad Yunus received the Noble Peace Prize for his work on transforming business into a mechanism for societal benefit (Prasso, 2007). Notable management scholars such as Warren Bennis, Clayton Christensen, David Cooperrider, Peter Drucker, Charles Handy, Stuart Hart, Rosabeth Moss Kanter, Philip Kotler, Henry Mintzberg, Michael Porter, C. K. Prahalad, and Peter Senge have all focused on the topic. The first time the Academy of Management ever decided to hold an official meeting with external partners, outside of its regular meeting structure, it was on the topic of corporate citizenship. The interest in the meeting was high with over 450 scholarly papers being submitted for the conference. Furthermore, the title of the 2007 Annual Academy of Management meeting was *Doing Well by Doing Good* and the 2009 title is *Green Management Matters*.

In addition, scholarly journals have been established on the topic such as the *Journal of Corporate Citizenship* and *Business and Society*. Top journals such as the *Academy of Management Journal, Academy of Management Review, and Administrative Science Quarterly* are publishing papers on the topic. In the popular press, *Business Week* featured a cover story on the topic (Engardio, 2007), *Fortune* has featured two cover stories and a special issue on the topic (Gunther, 2006, 2007), and the *New York Times* featured a cover story in the Business Section as well as a cover story in its *New York Times Magazine* (Strom, 2007; Friedman, 2007). Companies such as Coca-Cola, General Electric, Microsoft, Unilever, and Wal-Mart are finding ways for how contributing to the betterment of society can become much more than a simple public relations strategy –
many are actually planning on societal benefit becoming the basis of their entire companies (Gunther, 2006; Engardio, 2007). Sixty-four percent of the largest 250 multinationals have published reports on the topic in 2005 (Porter and Kramer, 2006). Centers dedicated to business and society currently exist at many universities including Berkeley, Boston College, Case Weatherhead School of Management, Cornell, Harvard, INSEAD, North Carolina, Oxford, Stanford, University of Michigan, USC, Warwick, and Yale. Many schools, such as the Case Weatherhead School of Management, are developing methods in which business and society topics can become an integral part of the curriculum that is woven through all aspects of their MBA program as well as other programs and courses.

Perhaps the greatest sign of a shift in interest in the topic is that students and youth are demanding that societal betterment become the basis of both management education and business practice. In a study of 2100 MBA students in the US and Canada, 78% said that corporate citizenship should be a core part of the MBA curriculum (Knight, 2006). Furthermore, 80% of the respondents said they would seek jobs that are socially responsible at some point with 59% saying they will immediately seek a socially responsible job right after graduating. The trend is not only evident among youth, but also among business leaders. In a study conducted by McKinsey of 4238 executives in 116 countries, 84% believed that business should contribute to the public good while also making a profit (McKinsey, 2006). With many business leaders, management schools, students, influential scholars, thought leaders, journals, and publications focusing on the topic, business and society is arguably becoming one of the major streams of management.
The field is still in its scholarly beginnings with little agreement as to what is the content of the field. In addition, a lack of clarity exists as to constructs that define the field. Finally, there is even less understanding of the dynamics of how business and society can be integrated into practice.

2.1 Prior Research

Despite extensive literature that exists on the topic, little agreement has been reached on conceptual definitions and theoretical frameworks. A plethora of constructs and theories exist such as corporate social responsibility (Davis, 1973), stakeholder theory (Freeman, 1984; Jones, 1995), corporate social performance (Carroll, 1979), business ethics (Goodpaster, 1985), and sustainable development (Gladwin, Kennelly, & Krause, 1995). In the five parts of this section, I review these relevant literatures, including the definitions of their core constructs and theories. Then, in section 2.2., I explain why I chose corporate citizenship as the focal construct for this study. Finally, in section 2.3., I suggest an enrichment of Waddock’s (2004) definition of corporate citizenship.

Other related terms exist such as business citizenship, corporate reputation, corporate social responsiveness, corporate social rectitude, issues management, public responsibility, stakeholder management. But I will only focus on the terms that have gained the most attention in literature since this chapter is meant only to provide a general overview as it relates to my study and is not meant to provide an extensive review of the business and society literature.
Corporate Social Responsibility

It is difficult to trace the roots of corporate social responsibility (CSR), but in US literature, it was most likely Bowen’s book Social Responsibilities of the Businessman (1953) that spurred the CSR movement (Carroll, 1999; Garriga & Mele, 2004). Bowen (1953) defined CSR – which he actually called social responsibility – 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” (p.6). CSR further developed over the decades, going through many transformations as well being the focus of many debates as to its meaning.

After Bowen, the most significant contribution was made by Keith Davis who first began writing about the concept in 1960 and later wrote a landmark piece in the Academy of Management Journal (Davis, 1973). In the article, the author described CSR as

the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm. It is the firm’s obligation to evaluate in its decision-making process the effects of its decisions on the external social system in a manner that will accomplish social benefits along with the traditional economic gains which the firm seeks. It means that social responsibility begins where the law ends. A firm is not being socially responsible if it merely complies with the minimum requirements of the law, because this is what any good citizen would do. A profit maximizing firm under the rules of classical economics would do as much. Social responsibility goes one step further. It is a firm’s acceptance of a social obligation beyond the requirements of the law. (p. 312-313)
One of the most influential thinkers in the field of business and society, Carroll (1979), took the definition a step further and defined CSR as follows: “The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (p. 500). The economic dimension is defined as the responsibility to produce goods and to sell them for a profit – where increasing economic viability can be of benefit to society as well. The legal responsibility is defined by law. The ethical responsibilities are perhaps not as clear as the legal but are still widely known. As for discretionary expectations, these are all the other expectations society has of the responsibilities of a company that go beyond economic, legal, and ethical. Discretionary responsibilities are defined by social norms.

With the addition of discretionary responsibilities to previous definitions, Carroll’s (1979) approach reveals why it is so hard to define CSR. If discretionary responsibilities are affected by social norms and if social norms are constantly changing, it is logical to conclude that the definition of CSR will constantly be changing. It is no wonder that authors have not been able to agree to a common definition. Often the debate of the meaning of CSR was most likely a debate of the social norms and expectations of corporations. Sometimes this debate went as far as to question the very base of capitalism and the purpose of companies. This debate caught fire with Friedman’s (1962) famous argument that “few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholder as possible” (p. 133). In the time since Friedman’s comments other authors have constantly provided counter-arguments keeping the debate still alive. The Economist devoted a whole issue to the debate in its January
20th, 2005 edition providing different – and often opposing - views of the socially responsible company.

However, today it is almost commonly agreed that a company needs to be socially responsible. Over 80% of business executives (McKinsey, 2006) and MBA students (Knight, 2006) believe that companies should be socially responsible. The disagreement now is not in whether a company should be socially responsible but rather in regards to the extent and manner a company should be socially responsible. The disagreement today is in regards to what is corporate social responsibility.

As a result, recent definitions still lack clarity. For example, McWilliams and Siegel (2001) have defined CSR similarly to Davis: “actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (p. 117). However, this definition leaves room for a lot of questions: (1) what is social good, (2) how deeply and how far should a company go beyond its interests, and (3) why does a company need to go beyond its interests - is it possible that a company might be able to provide social good while also satisfying its own interests?

In addition, most definitions of CSR are quite broad and defined at the organizational level. None of the definitions that I came across in a literature review mentioned that all of the key stakeholders had to be treated well. By keeping definitions at a broad level, there is too much room for one of the stakeholders to be mistreated. For example, it is quite conceivable that a company could be publicly heralded for being socially responsible while at the same time internally treating its employees poorly. This suggests that strategists must address the relative importance of different stakeholders as they manage their companies.
By leaving CSR at a broadly defined organizational level description, corporations could even proactively pursue the creation of an image of being a good corporate citizen in order to cover up for activities which are not considered to be in the service of various stakeholders, society at large, and the planet. This practice is known as greenwashing and it seems that much of the activity in CSR is in fact along these lines (Laufer, 2003; Ramus & Montiel, 2005). Therefore, it is important to go beyond measuring CSR as an aggregate assessment at the organizational level to one in which a corporation is judged based on how it treats all of its key stakeholders.

**Corporate Social Performance**

Corporate Social Performance (CSP) took CSR a step further. Carroll (1979), who was one of the first to propose a definition, stated that CSP “requires that (1) a firm’s social responsibilities be assessed, (2) the social issues it must address be identified, and (3) a response philosophy be chosen (p. 504).” The concept continued to evolve with contributions from numerous scholars including Wartick and Cochran (1985) who expanded on Carroll’s definition (1979) proposing that CSP become a paradigm for the field of business and society.

CSP increasingly received considerable notice after Wood (1991) reviewed Wartick and Cochran’s work (1985) as well as previous literature and proposed a concept of her own. Wood (1991) defined CSP as “a business organization’s configuration of principles of social responsibility, process of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships” (p. 693). The model was proposed as an umbrella under which corporate social
responsibility, stakeholder theory, corporate social responsiveness and other theories combine to form a comprehensive framework that will allow researchers to analyze the actions of companies in the field of business and society.

Swanson (1995) however argues that previous models of CSP can create an apparent trade-off illusion between economic and duty-aligned perspectives. For example, corporations can find it economically costly to accept positive duties to society. This is due to the apparent hierarchical nature of models where (1) individual, (2) organizational, and (3) societal levels are seen as hierarchical. Instead, Swanson (1995) proposes a new model which goes beyond the trade-off illusion, suggesting that all elements be integrated across levels so that principles, processes, outcomes all are focused on both societal and organizational benefit. The two – society and business - go hand in hand and are not separate. This argument is similar to Waddock’s (2004) assertion that the field should be renamed from business and society to be business in society.

However, CSP still does not seem to be clearly defined. In a review of the literature, I was not able to find a clear and distinct definition of CSP. The clearest definition seems to be by Wood (1991) but her definition still does not clearly define the various constructs within it such as corporate social responsibility. In addition, the line between other constructs can seem hazy. Carroll (1999) saw Wood’s (1991) model as substantively overlapping with CSR. Other authors such as Waddock (2004) found CSP lacking in that it did not focus enough attention on the company’s responsibilities towards its stakeholders. Perhaps one of the reasons for not being able to find a clear definition of CSP is that it is not meant to be a definitional term but rather meant as a
process model for linking CSR with corporate performance overall, and more specifically a model for guiding corporate actions in regards to social issues (Wood, 1991).

**Stakeholder Theory**

Stakeholder theory began with Freeman (1984) who outlined that stakeholders have the power to affect the firm’s performance and therefore should become a focal point of the business. As a result, the theory brought into perspective the interests of stakeholders. Stakeholders are those groups that have an interest in the company – and ones that a company has interest in also; stakeholders could be investors, customers, employees, suppliers, government, political groups, communities, or trade associations (Donaldson & Preston, 1995). Jones (1995) takes the theory one step further, positing that firms that show trust and cooperation with their stakeholders have a competitive advantage over other companies. Stakeholder theory according to Jones (1995) is not instrumental but, if the concept is truly applied, such altruistic behavior will lead to increased profit.

Cornell and Shapiro (1987) suggest that a company must satisfy those with implicit claims - such as socially responsible products or creating a reputation as a socially responsible company - in addition to those whose claims are more explicit such as demands from stockholders and bondholders. Implicit claims tend to be less costly than explicit claims such as wage demands or other demands from stockholders and bondholders. However, if the implicit claims are not met, they can result in increased explicit claims (Cornell & Shapiro, 1987; Bowman and Haire, 1975; Alexander & Bucholz, 1978).
Similarly, to CSR, stakeholder theory has a lack of clarity (Donaldson & Preston, 1995). The authors argue that this lack of clarity could be due to the differing views of the purpose of stakeholder theory. For many writers, stakeholder theory was intended to be descriptive, describing the relationship between a firm and its stakeholders, while others approach the theory as normative, proposing that a firm should have mutually beneficial relationships with its stakeholders.

One crucial aspect where clarity is lacking is in the defining of what is the value that both the firm and stakeholders seek to create? Stakeholder theory has been attacked because ethics was separated from the theory (Sundaram & Inkpen, 2004). Stakeholder theory was viewed as primarily focusing on the interests of stakeholders, especially shareholders, regardless of whether those interests can be pursued ethically or not. Freeman, Wicks, and Parmar (2004) counter that ethics is integral to the theory and that creating value for all stakeholders is a central component to the theory. However, it is most common to interpret that value within this theory -- stakeholder and especially shareholder value – means creating solely financial value. The sole focus on business value without including societal/environmental as an integral component is too narrow a frame within which to situate the current study.

**Business Ethics**

The field of business ethics was primarily spurred by the writings of Goodpaster (1985) taking a more philosophical and ideological approach than theories which aim to highlight the competitive advantage of social responsibility. Instead, business ethics focuses on the moral obligation for a company to keep societal interests at the forefront.
At times, business ethics has been viewed as complementary to stakeholder theory. Freeman (1994) proposed that ethical principles need to be clearly outlined in managing relationships with stakeholders. Without an ethical framework, for example, a company might not realize that pursuing the short term interests of stakeholders could be potentially detrimental in the long term to the natural environment and of society as a whole.

The challenge of convincing business managers to move away from a short-term and financially motivated decision-making framework, however, is that they may not respond to direct arguments about the moral obligations of businesses. Therefore, this study does not draw on the business ethics literature, but is instead focused on finding pragmatic reasons for businesses to become more involved in contributing positively to society.

**Sustainable Development**

The field of sustainable development is quite similar to previously mentioned constructs in the business and society literatures. However, sustainability is typically more focused on environmental concerns. The concept was popularized by *Our Common Future* (1987), or commonly known as *The Brundtland Report*, which defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (p.8). Even if such a definition could be broadly interpreted, the report primarily focused on environmental concerns.

In a special issue of the *Academy of Management Review* on sustainable development, Gladwin, Kennelly, and Krause (1995) review the literature on sustainable
development. This literature tends to focus mostly on the environment, human systems, and other macro level issues. Based on a content analysis of the varying definitions, they propose that “sustainable development is a process of achieving human development in an inclusive, connected, equitable, prudent and secure manner” (United Nations Development Program, 1994, p.878).

For purposes of this study, I chose not to focus on sustainable development because most of the literature in the field places more focus on the environment than it does on the business itself.

2.2 Situating This Study with Respect to the Related Literatures

Literature reviews in the field concur that definitions of the core concepts of corporate social responsibility (CSR), corporate social performance (CSP), and corporate citizenship lack clarity. In a review of the business and society literature, Waddock (2004, p. 109) explains that “to some extent, parallel and sometimes confusing universes exist even with the scholarly domain, not to mention between scholarship and the world of practice.” Garriga and Mele (2004, p. 52) make a similar point, citing Carroll’s (1994) view of the field: “an eclectic field with loose boundaries, multiple memberships, and differing training/perspectives’ broadly rather focused, multidisciplinary; wide breadth; brings in a wider range of literature; and interdisciplinary”. Part of the reason for lack of clarity is due to the rapid evolution of the field: “in the 1990s, the CSR concept transitioned significantly to alternative themes such as stakeholder theory, business ethics theory, CSP, and corporate citizenship.” (Carroll, 1999, p. 292). Another reason for lack of clarity is due lack of clear definitions: “one needs to be reminded of the permeability
of the boundaries that have defined earlier stages of business and society through. As many have pointed, the distinctions between responsibility, responsiveness, and rectitude have been, and remain, elusive, and ill defined.” (Carroll, 1999, p. 55)

As shown in Table 1, scholars have argued that there are no clearly agreed upon common definitions in the field. Broad descriptions do exist. But even for the descriptions, there is little convergence around the descriptions of corporate citizenship, CSR, CSP, stakeholder theory, business ethics, and sustainable development. However, what really stands out is that none of the definitions imply a “both/and” view of business and society in which the business does well by doing good for society and/or the environment. The closest to a “both/and” stance is Waddock’s (2004) assessment of corporate citizenships which integrates CSR and stakeholder theory, thus taking into account the well-being of stakeholders, including the community and environment, while also contributing to business.
Table 1. Review of the Field by Other Authors

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<tr>
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<tbody>
<tr>
<td>Corporate Citizenship</td>
<td>Integrates CSR and stakeholder theory</td>
<td>Could be distinct area of study but also could overlap with CSR; not sure - time will tell</td>
<td>some convergence of authors around strong sense of business responsibility towards the local community and environment</td>
<td>Not addressed</td>
</tr>
<tr>
<td>Corporate Social Responsibility</td>
<td>Company’s efforts to improve the societies within which it operates, including the environment (e.g. philanthropy)</td>
<td>Four basic social responsibilities: economic, legal, ethical and philanthropic</td>
<td>Meant to be descriptive - takes long-term profits as the main goal for being socially responsible</td>
<td>CSR’s time has passed and the concept needs to be redeveloped</td>
</tr>
<tr>
<td>Corporate Social Performance</td>
<td>Provides framework for implementing CSR principles</td>
<td>Is a recasting of CSR</td>
<td>Performance model with guidelines for action based on principles of CSR</td>
<td>Irrelevant to what is going on in today’s world</td>
</tr>
<tr>
<td>Stakeholder Theory</td>
<td>Relationships with stakeholders and environment is core to understanding how a company operates and adds business value</td>
<td>Overlaps with CSR</td>
<td>Balances the interest of the stakeholders of the firm</td>
<td>Is a theory that has died out</td>
</tr>
<tr>
<td>Business Ethics</td>
<td>Social contract with society</td>
<td>Part of the definition of CSR</td>
<td>Primarily normative</td>
<td>Does not integrate contemporary social science and natural science into the analysis of business operations</td>
</tr>
<tr>
<td>Sustainable Development</td>
<td>Not addressed</td>
<td>Not addressed</td>
<td>Mostly focused on environment without much focus on business</td>
<td>Not addressed</td>
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Spending additional time arguing and coming up with a clear definition of the field distracts from the need for corporations to care more for society and the planet. As
argued by numerous authors (Intergovernmental Panel on Climate Change, 2001; Friedman, 2007; Lash & Wellington, 2007) and in Al Gore’s documentary, An Inconvenient Truth, the planet is facing a severe crisis. We are probably worse off each year that passes if we do nothing to address the problems the human race has caused on the environment. Corporations and management theory can play a huge role in addressing issues and problems facing the planet. Therefore, corporations need to start shifting their management practices in order to help the environment and society while scholars need to step up to the plate and help corporations shift their practices.

Even though part of the scholarly work in the field will still need to focus on key concepts and theoretical frameworks, this study focuses on helping corporations create and implement strategies so that the creation of societal value is as important as benefiting the business’ bottom line. Without bringing the notion of betterment of society to the core of business and management, the field of business and society will remain peripheral, continuing down a path of philanthropy and random green solutions to products and use of energy.

At the Business as an Agent of World Benefit Global Forum, co-convened by the Academy of Management, Case Western Reserve University, and UN Global Compact from October 22-25, 2006, Ken Smith, the 2006-2007 President of the Academy of Management announced in his closing remarks that the Academy of Management cannot afford to remain scientifically neutral to what is going on in the world. He specifically suggested that the Academy of Management should in the future clarify its direction to include “the creation and dissemination of management and organization knowledge for world benefit”.
As scholars, there is a need to be directly involved in helping management contribute to society. There is a responsibility to educate and produce research that shifts management to be of world benefit. If we remain neutral and allow the current management system to exist as it has, we might not have much of a world left to teach and write to about management.

2.3 Corporate Citizenship

The concept of corporate citizenship has existed for many decades (Carroll, 1999). Corporate Citizenship reemerged and gained increasing popularity in the 1990s (Carroll, 1999; Waddock, 2004; Garriga & Mele, 2004). It was actually practitioners who sparked the popularity (Altman & Vidaver-Cohen, 2000; Matten and Crane, 2005) with academics following suit.

As with other definitions within the business and society field, there are various definitions of corporate citizenship (Waddock, 2004; Matten & Crane, 2005) with some of the definitions overlapping with other constructs in the field (Carroll, 1999; Waddock, 2004; Matten & Crane, 2005). However, corporate citizenship has the clearest defined term found in the literature with many scholars proposing corporate citizenship as the encompassing term for the field. In addition, corporate citizenship best defines the business phenomena being researched in this study.

Defining Corporate Citizenship

The definition of corporate citizenship used in this research is Waddock’s (2004) statement: “Corporate Citizenship is manifested in the strategies and operating practices a
company develops in operationalizing its relationships with and impacts on stakeholders and the natural environment.” (p.9). In comparison to other terms, this definition of corporate citizenship best fits the construct being studied. This approach builds on past research in corporate social responsibility and stakeholder theory (Waddock, 2004).

But since stakeholder theory is primarily defined in terms of financial value, and CSR by itself might be too narrow because it did not take into account all the key stakeholders, the definitions of CSR allow a company to be viewed as a socially responsible company while at the same time treating certain stakeholder groups poorly, such as occurs by treating employees poorly or polluting the environment in developing countries. By combining stakeholder theory and CSR in her definition, Waddock draws attention to the overall well-being of all stakeholders, including the planet.

In comparison to sustainable development, there are some definitions that might overlap with Waddock’s (2004) definition of corporate citizenship. However, most definitions are focused more on the environment and less on the company itself.

Furthermore, corporate citizenship, as defined by Waddock (2004), differs from business ethics in that it is generally not ideological in its roots and therefore does not relate to Goodpaster’s (1985) more ideological definition. Corporate citizenship does not imply whether it is morally good or bad to act in a certain way; rather it implies that it is good business to treat your stakeholders and the environment well.

**Enriching Waddock’s (2004) Definition**

The definition used in this research adds the words “well-being” to Waddock’s (2004) definition. In that way, no room is left to merely look after increasing short term
profit of a company. Also included is the notion that corporate citizenship needs to be practiced with all key stakeholders. Currently, as corporate citizenship is defined, companies can engage in activities defined to be good corporate citizenship practices, but at the same time perform other activities which are detrimental to different stakeholder groups.

Furthermore, an explicit link to company profit is included. It seems that the field of business and society has been so focused on lobbying and persuading managers to focus on more than narrow-minded profit-making, that profit has actually been omitted from many definitions and conversations. Profit is still what allows for companies to continue operating. Furthermore, many managers will not find corporate citizenship relevant if they do not see how corporate citizenship is connected to creating profit.

Finally, the definition developed goes beyond how corporate citizenship is manifested but also states what corporate citizenship is. In this definition, corporate citizenship is about caring for others where others are defined as the stakeholders of a company which also includes the environment.

The modified definition drawn from Waddock’s (2004) definition of corporate citizenship used is: Corporate Citizenship is caring for the well-being of others and the environment resulting in the creation of value for the business. It is manifested in the strategies and operating practices that a company develops in operationalizing its relationships with and impacts on the well-being of all of its key stakeholders and the natural environment.
Chapter 3 – Effects of Perceived Corporate Citizenship on Employees

Despite increasing attention paid to corporate citizenship, it is not a normal part of day-to-day management. Only 18% of 2100 surveyed MBA students felt that business was currently socially responsible (Knight, 2006), while only 3% of 4,238 business executives surveyed by McKinsey believed that their companies were doing a good job of being socially responsible. For corporate citizenship to become completely implemented in day to day business practice, managers will have to be convinced of the ways corporate citizenship can benefit their business practice. Therefore, for purposes of this study, corporate citizenship is examined to see how it influences three aspects of business that managers most likely deeply care about: employee engagement, high quality connections, and creativity.

In this chapter, prior research and literature is used to develop a model of the effects of corporate citizenship on employees. First is an explanation of the effects of corporate citizenship on employees, followed by the logic for the model. To illustrate components of the model, quotes from interviews (Glavas & Piderit, 2009) are interwoven.

Twenty-two interviews were conducted over a period of one year in five countries: Croatia, the Netherlands, Slovenia, the United Kingdom, and the U.S.A. The interviews were originally done as part of a grounded theory study in order to generate a theory of wholeness in the workplace using the approach outlined by Glaser and Strauss (1967).

After the first round of data analysis, it was clear that it would be difficult to generate a theory of wholeness in the workplace. The concept of wholeness was too
general and encompassing of a construct. However, useful information was received about how employees are affected when they work for more than only the bottom line.

Therefore, quotes are woven into the following text, not as empirical data, but rather as examples illustrating components of the proposed model.

3.1 Alignment between Corporate Values and Employees’ Values

Pfeffer and Veiga (1999) argue that employees are a company’s most valuable asset. If managers can learn to tap into the potential of employees, their company will have a competitive advantage above others. Could corporate citizenship allow for companies to tap into the potential of their employees?

Studies such as those in Built to Last (Collins & Porras, 1994) show compelling evidence that when employees and company’s values are aligned, companies profit soars well above the market and their peer group. Graves and Waddock (2000) take Collins & Porras’ (1994) study one step further showing that Built-to-Last companies are not only corporate citizens, but the way they care for their key stakeholders leads to increased profit as a result.

Employees have values besides working so a company can make a profit when they work for a company that demonstrates caring for key stakeholders, employee alignment is high and the company profits. The reason why profitability increases in such companies might be that employees find meaning in such work. As Csikszentmihalyi (2003) proposes, when people engage in meaningful work, they enter a flow state through which they are more engaged, creative, and productive, thus leading to superior results. Willard (2002) makes a similar case: companies that are good corporate citizens provide
for meaningful work that in turn attracts the best employees, increases retention of top talent, and increases employee productivity. Zappala (2004) reviews various surveys and literature that make the link between corporate citizenship and employee behavior such as motivation, morale, and commitment. One of the interesting surveys that they cite is a 2002 survey by Environics International that surveyed 25,000 people across 25 countries and found “that 80 percent of people who worked for large companies stated that they felt greater motivation and loyalty towards their jobs and companies the more socially responsible their employers became” (p. 188).

The link between corporate citizenship and its effects on employee behavioral outcomes was further studied by the World Business Council for Sustainable Development (2005) which published a comprehensive report of numerous surveys and case studies which made the argument that companies that were good corporate citizens attract better talent and have employees who are more motivated, loyal, and innovative. Other authors have found similar relationships (Gardner, Csikszentmihalyi, & Damon, 2001; Willard, 2002). In Firms of Endearment (Sisodia, Wolfe, & Sheth, 2007), the authors make a compelling case that people search for higher meaning and when they engage in meaningful work, they are more motivated and loyal to the company.

However, empirical studies in major academic journals are still lacking. One of the rare empirical studies was conducted by Turban and Greening (1997) in which the authors concluded that good corporate citizens are able to attract better talent. Therefore, this study seeks to contribute to the existing literature by providing empirical data to further strengthen the argument that corporate citizenship leads to improved employee behavioral outcomes.
3.2 Perceived Corporate Citizenship

In order to measure the impact of corporate citizenship on employee behaviors, it was important to measure the employee’s perception of whether they consider their company to be a good corporate citizen. Just because a company is publicly considered to be a good corporate citizen overall, it cannot be assumed that every individual employee will be positively affected. Employees need to be aware, feel, and/or think that their company is a good corporate citizen. For example, having worked for the number one ranked company on Fortune’s Most Admired Company list, the activities related to corporate citizenship were conducted by three people at the corporate headquarters; on the other hand, the author, as a regional manager, had no awareness in his day-to-day work of the corporate citizenship activities of the company. Therefore, the corporate citizenship activities had no effect on this author’s leading to an increased perception of corporation citizenship of the company – and as a result, no positive influence on the author’s behavior at work.

For employees to become more engaged, creative, and have high-quality connections because of corporate citizenship, they need to perceive that their company is a good corporate citizen.

In the ensuing sections, the literature defining each of the dependent variables is presented as well as the rationale for the relationships proposed between perceived corporate citizenship and the dependent variables.
3.3 Effects of Corporate Citizenship on Employee Engagement

“Employee engagement has emerged as one of the most vital concepts underlying workforce motivation and productivity” (Gubman, 2004, p. 42). An estimated $300 billion is lost in the US economy due to disengaged employees (Saks, 2004). Engagement has been shown to lead to increased self-efficacy and a 28% increase in work-related performance (Luthans & Peterson, 2001). Studies with data entry personnel showed a ten-fold increase in productivity by engaged employees (Buckingham & Coffman, 1999). Employees that are engaged were found to have 38% higher probability of success on productivity measures and 44% higher success on customer loyalty and employee retention (Harter & Schmidt, 2002).

On the other hand, only 29% of the workforce in the US is engaged according to extensive studies by Gallup (Fleming, Coffman, & Harter, 2005). Given the influence of engagement on profit (Harter, Schmidt, & Hayes, 2002), there is a huge missed opportunity in not engaging the remaining 71% of the workforce. Perhaps corporate citizenship could be one of the key enablers for engaging employees and thus helping companies to profit even more.

For purposes of this study, the following definition of Schaufeli and Bakker (2004) is used:

a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. Engagement refers to a persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior. Vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work,
and persistence also in the face of difficulties. Dedication is characterized by a sense of significance, enthusiasm, inspiration, pride, and challenge…. Absorption is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work. (p. 294)

Engagement is actually similar to the concept of flow (Csikszentmihalyi, 1990) which is a condition during which the individual makes optimum use of their experience. In the flow state, the body, the conscious and unconscious mind, and other aspects of the individual act together as a whole in order to achieve optimum results. The main difference between engagement and flow is that engagement is a sustained experience whereas flow is more a short-term, peak experience (Schaufeli & Bakker, 2004).

Engagement theory has its roots in the theories of Goffman (Kahn, 1990). Goffman (1959) equated people in everyday situations to actors who act differently depending on the performance. At any given moment, the performance of the actor on the front stage is only a portion of their overall repertoire. On the other hand, the back stage is where the actor is natural and the whole repertoire or the whole person is present. The metaphor of the actor is used to explain how people act differently in various situations. Each situation is like a performance in which people show only a part of their whole selves or their back stage.

Likewise, an employee’s job - or front stage - could entail an employee to bring to their work only a portion of the values they hold overall – or in their back stage. Employees could have more values than what they bring to their work. For example, they
could live out specific values at home, in community organizations, or as part of their spiritual practice which they do not entirely bring to their work setting.

Kahn (1990) proposed that engagement will increase the more a person brings their entire back stage to the front stage. The more an employee can bring of their entire selves to the work place, the more engaged they will be (Kahn, 1992). If Rokeach (1973) and Heidegger (1962) were correct in their arguments that everyone has a value of caring, then employees could be less engaged if they are stuck in jobs that only focus on short term benefit to the company while ignoring caring for others.

In companies that are good corporate citizens, employees can live out their value for caring for others. Companies that are good corporate citizens allow for employees to care for the well-being of each other, people in their communities, and the planet as a whole. Employees do not need to wait until they come home to be caring individuals. Instead, they can move beyond being a profit-making machine to actually authentically acting as their true selves while also making a profit for the company.

As Bob Stiller, President of Green Mountain Coffee Roasters describes (Business as an Agent of World Benefit, 2005):

I've learned that people are motivated and more willing to go the extra mile to make the company successful when there's a higher good associated with it. It's no longer just a job. Work becomes meaningful and this makes us more competitive. Everyone realizes we can't do good unless we're profitable. The two go hand in hand."

This ability to bring more of their true selves into the work place is what Kahn (1990) would describe as bringing values held in the back stage (one’s whole set of
values) to the front stage (work) – and as Kahn (1990) proposes, the more one can bring of one’s back stage to their front stage, the more they will be engaged.

Scholars of meaningfullness at work have made similar arguments. Wrzesniewski (2003) proposed that people have other aspects of their selves which are not showing up at work and as a result, employees are searching for meaning at work. Those employees that have found meaningfullness in work were more engaged (Kahn, 1990; May, Gilson, & Harter, 2004; Britt, Adler, & Bartone, 2001). It is quite possible that working for good corporate citizenship companies could be considered meaningful work by employees.

Companies such as Merck have also recognized that employees are more engaged when allowed to care for society, as explained by their CEO Roy Vagelos in 1993 (Collins and Porras, 1994):

Imagine that all of us were suddenly transported to the year 2091. Much [of our strategy and methods] would have changed by developments we cannot anticipate. But no matter what changes might have occurred in the Company, I know we would find one thing had remained the same – and the thing that matters most: the….spirit of Merck people…A century from now, I believe we would feel the same esprit de corps…I believe this, above all because Merck’s dedication to fighting disease, relieving suffering, and helping people is a righteous cause – one that inspires people to dream of doing great things. It is a timeless cause, and it will lead Merck people to great achievements during the next hundred years.

(p.77)

Marc Benioff (2004), who leads salesforce.com stated in his book, *Compassionate Capitalism*, that he encourages his staff to take part in activities that are
of societal benefit. He believes that this also benefits their business in return because it increases employee engagement. It seems that employees value working for a business that is an agent of world benefit.

**H1:** *Employees who perceive higher levels of corporate citizenship will report higher levels of engagement.*

### Consequences of Engagement

A meta-analysis conducted on 7,939 business units in 36 companies found that engagement increased profit (Harter, Schmidt, & Hayes, 2002). Furthermore, engagement has been found to increase job satisfaction (Jones & Harter, 2005), job commitment (Jones & Harter, 2005), service climate (Salanova, Agut, & Peiro, 2005), job involvement (Jones & Harter, 2005), manager effectiveness (Luthans & Peterson, 2001), resilience to stress (Britt, Adler, & Bartone, 2001) and decrease burnout (Schaufeli & Bakker, 2004). Finally, human resource practitioners are citing engagement as the key method for dealing with top priorities of management such as retention of employees (Frank, Finnegan, & Taylor, 2004; Schaufeli & Bakker, 2004; Jones & Harter, 2005).

Perhaps Kahn (1990, p. 692) best explains the influence of engagement: “The more people draw on their selves to perform their roles within those boundaries, the more stirring are their performances and the more content they are with the fit of the costumes they don.” Companies that are good corporate citizens allow for their employees to draw more on themselves.
3.4 Effects of Corporate Citizenship on High-Quality Connections

Though many different definitions and theories of connections exist, the concept of the quality of connection lacks definition (Dutton & Heaphy, 2003). I chose Dutton’s (2003) definition of high-quality connections, not only because it is the most developed concept of connection, but also because it specifically addresses the issue of the quality of connection. Dutton (2003) describes high-quality connections as ones which are “marked by mutual positive regard, trust, and active engagement on both sides.” (p. 2) They make “people feel more engaged, more open, more competent. They feel more alive.” (p. 2)

High-quality connections differ from other relationships and interactions in that they have higher emotional carrying capacity, greater levels of tensility, and increased capacity for connectivity (Ragins & Dutton, 2007) where emotional carrying capacity refers to expression and range of emotions and tensility is the ability to endure through challenges or setbacks. High-quality connections differ from most other relationships which have been studied from a social exchange theory lens (Ragins & Dutton, 2007); in high-quality connections, the relationship is not a means to an end, but rather the relationship itself is the source of reward.

Corporate citizenship may help people develop high-quality connections and lead to closer connections between employees. In a company where corporate citizenship is high, it could allow for employees to connect at an even deeper level. Employees could display more of their own values than they would in a job that is solely focused around making money. By displaying more of their whole selves, employees could connect at a deeper level (Kahn, 1992). As Dutton (2003) explains:
where the organization values the whole person, people have latitude to be more fully present, more authentic and less afraid to reveal who they really are. All these conditions create fertile ground for building high-quality connections. (p. 142)

One of the interviewees explained how working for a company that was a corporate citizen allowed them to connect to others at a deeper level:

I remember talking to a personnel manager… and [before getting involved in the community project] he did not know this person did this and that. So it is a simple example but very symbolic of bringing all parts of a person to work. So this person knew the other person but spoke little about anything but work and here he was discovering that this person was doing this amazing thing in their life.

In another interview from a corporate citizenship company, a similar point was made that working for a company that cared about society led to high-quality connections:

But we only said what… we believed. That was the maximum, the best you can do…and maybe that created a deeper integration with [all of us]. The greatest value is the connection, almost esoteric among [us]. And that is total faith. They had blind faith in us. And they shared a vision with us. And that vision is ethics and morals in all that we do.

**H2: Employees who perceive higher levels of corporate citizenship will report higher quality connections.**
**Consequences of High-quality Connections**

Dutton (2003) outlines that high-quality connections improve physical and psychological health (Ryff & Singer, 1998); bring about positive emotion (Dutton, 2003) which leads to increased individual learning (Fredrickson, 1998); increase cooperation among employees (Dutton, 2003); strengthen the attachment to organizations (Dutton, 2003); and increase effectiveness (Dutton, 2003).

Furthermore, high-quality connections can lead to increased engagement (Dutton, 2003) as shown in Figure 1. Kahn (2007) made a similar point stating that the quality of relationships employees have at work can have “quite real consequences for… the ways in which they personally engage in (or disengage from) their work”. (p. 199)

**3.5 Effects of Corporate Citizenship on Creative Involvement**

Creativity is defined (Amabile, Conti, Coon, Lazenby, & Herron, 1996) as “the production of novel and useful ideas in any domain” (p. 1115) where innovation is the implementation of creativity. Prior to the work of Amabile and her colleagues (1996), literature on creativity primarily focused on individual level antecedents to creativity such as intrinsic and extrinsic stimulation, with little focus on the conditions that promote creativity (Oldham & Cummings, 1996) and specifically how the work environment contributes to creativity (Amabile et al., 1996). Amabile et al. (1996) show convincing evidence that creativity is influenced by work group supports, challenging work, organizational encouragement, supervisory encouragement, freedom, and sufficient resources which all drive creativity while workload pressure and organizational impediments may be obstacles to creativity.
If the research on work environment as well previous research on individual level antecedent were combined, a compelling case could be made that creativity is higher in companies that are higher in corporate citizenship. What if the work environment fostered intrinsic motivation? What if the intrinsic motivation of employees was to care for the well-being of others? Perhaps creativity could be fostered if the work environment—specifically work group supports, challenging work, organizational encouragement, supervisory encouragement, freedom, and sufficient resources—were all geared towards the corporate citizenship value of allowing employees to care for the well-being of others.

Previous research has documented that intrinsic motivation leads to creativity (Tierney, Farmer & Graen, 1999; Ryan & Deci, 2000; Amabile, 1983, 1998; Shalley, 1991). The argument is that even though creativity might exist at a personal trait level, whether creativity is tapped depends on intrinsic motivation (Amabile 1998). Therefore, creativity can also be a behavioral outcome which Carmeli and Schaubroeck (2007) call creative involvement.

Amabile (1998) writes that passion for one’s work is what drives creative involvement. Passion for one’s work is often seen in companies that are high in corporate citizenship. As one interviewee noted employees can be motivated to be creatively involved:

I feel like it really motivates them….I believe that people who look at [work] like this which truly cares about what is happening around them and making sure we have a sustainable future and they feel very proud the company is doing this. And they feel incredible motivation to do something about a problem they knew
existed but didn’t know where to start. And it encourages them to also act and not just think.

Similarly, Kanter (1999) found that social problems can be a source for creative involvement. When companies apply business logic to solving social problems, incredible innovations result that are both beneficial for society as well as for the company. For example, in poverty-stricken countries where people earn less than $1 a day, companies have been forced to innovate in order to provide services to the poor, and in the face of such a seemingly impossible mission, companies have been able to create new products which not only help the poor but also are profitable (Prahalad & Hammond, 2002; Hart & Christensen, 2002). Perhaps the most note-worthy innovations have come in the fields of architecture and product design where companies have been able to create environmentally friendly solutions while at the same time reducing costs and increasing profitability (McDonough & Braungart, 2002; Mirvis, 1994; Porter & van der Linde 1995).

It seems that good corporate citizens motivate their employees to break out of their usual thinking patterns and to find new ways to contribute to both society and the company. In a study of FTSE (Financial Times Stock Exchange) 350 companies, the 40 companies that addressed societal issues showed increased innovation and creativity above other companies (Cumming, Bettridge, & Toyne, 2005).

It seems that by being true to yourself and your own values, people are able to tap into their inner creative energy. Ray and Myers (1989) conclude their book by explaining the underlying reason why their well-known course on creativity at Stanford was such a huge success:
What can you do to develop your own creative approach to business? Be your own person… Then you will develop your own way in business and life without having to think anymore about being creative or not. You won’t have to read anything more about it. You won’t have to learn any new techniques. You won’t have to worry about success or failure. You will simply be creative. (p. 214-215). Ray and Myers (1989) argue that creative involvement stems from tapping into your own values and personal beliefs. Therefore, if corporate citizenship was aligned to an employee’s personal values and beliefs, creative involvement would increase.

C.K. Prahalad makes the same case stating that the desire to help others will foster innovation (Prahalad, 2004). One example he cites is that of the Jaipur Foot. In India, most people with locomotor disabilities cannot afford the expensive prosthetics from Western countries. Therefore a team of people who wanted to create prosthetics that the poor could afford created the Jaipur Foot. Not only did the innovation cost over a hundred times less than western designs such as the SUCH-foot, but the innovation was actually of higher quality allowing for increased mobility such as being able to run, climb trees, and even squat – which is not possible with the SUCH-foot; and it even looks like a normal foot.

\[ \text{H3: Employees who perceive higher levels of corporate citizenship will report higher levels of creative involvement.} \]

**Consequences of Creative Involvement**

Creativity is something most managers believe in (Amabile, 1998). As Ford (1999) writes: “Creativity has overtaken financial capital as the principle constraint...
facing businesses.” (p. 188) This is not surprising considering the vast research which points to positive organizational outcomes. Creativity has been found to lead to the sustained success of corporations (Oldham & Cummings, 1996; Scott & Bruce, 1994). Specifically, creativity leads to increased productivity (Shalley, 1995); increased job satisfaction (Shalley, Gilson, and Blum, 2000); decreased employee turnover (Shalley et al., 2000); increased organizational learning and knowledge (Ford & ogilvie, 1996); and improved decision-making (Summers & White, 1976).

The consequences of creative involvement as well as engagement and High-quality Connections are summarized in Table 2.

**Table 2. Consequences of Engagement, High-quality Connections, and Creative Involvement – Summary of Findings in Literature**

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>increased job satisfaction, employee retention, job commitment, service climate, job involvement, manager effectiveness, resilience to stress, decreased burnout, and increased profit</td>
</tr>
<tr>
<td>High-quality connections</td>
<td>increased physical and psychological health, positive emotion, individual learning, cooperation among employees, attachment to organizations, and effectiveness</td>
</tr>
<tr>
<td>Creative involvement</td>
<td>increased job satisfaction, decreased employee turnover, increased organizational learning and knowledge, improved decision-making, sustained success of corporations, and productivity</td>
</tr>
</tbody>
</table>

*The above references to literature can be found at the ends of sections 3.3, 3.4, and 3.5.*
3.6 Importance of Corporate Citizenship to the Employee

For employees to be affected by perceived corporate citizenship, they need to feel that corporate citizenship is important to them. It is possible that people could have values which are more in line with self-enhancement and would not care as much about the corporate citizenship activities of a company (Schuler & Cording, 2006). In addition, according to need theory (Alderfer, 1972) and relative deprivation theory (Stouffer, Suchman, Devinney, Star, & Williams, 1949), employees could find it more important just to have a job, no matter what the job is. Therefore, it is possible that some employees might not find it important to work for a corporate citizenship company.

In addition, even for those employees who do value corporate citizenship, it might vary in intensity. It is quite conceivable that employees vary in how much corporate citizenship is important to them.

Thus, importance of corporate citizenship to the employee should be taken into consideration as a potential moderator.

**H4a:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and employee engagement.

**H4b:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and high-quality connections.

**H4c:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and creative involvement.
3.7 A Brief Introduction to the Model of Effects of Corporate Citizenship on Employees

The model, as shown in Figure 1, explains how perceived corporate citizenship influences employees. An employee’s perception of how much their company is a corporate citizen, moderated by how important corporate citizenship is to them, positively influences their (1) engagement, (2) high-quality connections, and (3) creative involvement.

Figure 1. Effects of Corporate Citizenship on Employees
Chapter 4 – Research Method

4.1 Sample

Six companies from North America participated in the survey. One was a large multinational manufacturing company. Two were medium-sized companies of which one was a fast-moving consumer goods company and the other a personal care products company. The remaining three were classified as small sized using the Small Business Administration standards. These included a service company, a mining company, and a mixed service / manufacturing company. Forty-nine companies were approached to participate from which six companies agreed. Companies declined due to work commitment, high workload of employees, and/or already having sent too many surveys to employees. Many companies cited the current economic crisis as a reason for not engaging in any activities such as surveys or anything that immediately does not contribute to the bottom line.

Overall, 347 employees from six companies from North America participated in the survey. Thirty-one percent of the respondents were female while 69% male. The average age was 40.02 with the range from 18 to 69. Eight-six percent of the respondents were from the USA while 14% were from Canada. Sixty-seven percent were salaried workers, 33% hourly workers. Twenty-one percent were in senior management. Twenty-nine percent of participants have worked for their company 10 or more years, 41% between two and 10 years, and 30% have worked for less than two years. Respondents came from the following categories: 18% management, 16% manufacturing/production, 13% sales, 7% accounting/finance, 6% engineering, 5% human resources, 4% marketing, and 32% other.
Participants were invited using the invite letter as shown in Appendix A. The invite came from a senior official in the company.

4.2 Assessment Instruments

Scales were developed for Perceived Corporate Citizenship and the Importance of Corporate Citizenship. For the dependent variables, scales that measured employee behavior were chosen. Engagement as defined by Schaufelli & Baker (2004) measures the amount of absorption, vigor, and dedication applied to one’s work. High-quality connections measures the amount engagement, regard, and trust applied to a relationship (Dutton, 2003). Finally, creative involvement measures how much an employee uses their creativity in their work (Amabile, 1998). Therefore, validated scales were chosen that measure the workplace behaviors of engagement, high-quality connections, and creative involvement.

Perceived Corporate Citizenship

According to the hypotheses in this study, perceived corporate citizenship is an antecedent to increased engagement, high-quality connections, and creative involvement. In order to measure the impact of corporate citizenship at an individual level (Rousseau, 1985), perceived corporate citizenship would also need to be measured at an individual level. Otherwise, if a measure was used at the organizational level, it would not be possible to know if individual employees in a specific company might have varying perceptions of how much their company is a corporate citizen.
Previous measures of corporate citizenship have been organizational level measures. Therefore, as shown in Appendix B, a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree) has been developed to measure perceived corporate citizenship from the perspective of corporate employees. Construct validity of the scale was ensured during the item development stage. Forty-eight items were developed based on an extensive literature review. Items were developed for categories of overall corporate citizenship, people, planet, and profit. Items that were related to overall corporate citizenship were ones that were in line with the author’s definition of corporate citizenship that is proposed in this study. People, planet, and profit were chosen so that they could be in line with the popular concept of the triple bottom line (Elkington, 1997) and also so that the scale could measure the relationship of individual components such as people, planet, profit to the behavioral outcomes of employee engagement, high quality connections, and creative involvement. Items for people were defined as those that described caring for the well-being of others, where others are corporate stakeholders. Stakeholders are defined as any group of individuals important to the corporation’s survival and success. This included shareholders and owners, community members in areas where the corporation operated, customers, employees, government representatives and political activists, trade associations, the media, and society at large. Items for planet were defined as those that described caring for the environment, where the environment was everything in nature from the local environment to the planet as a whole. Items for profit were defined as those that described creating value for the business, including profit, reputation, and brand image.
Initial item development was based on a literature review of corporate citizenship, corporate social responsibility, stakeholder theory, business ethics, as well as other related business and society literature. Further tweaking was done together with a dissertation committee. Forty-seven items were chosen to be included in the initial item list.

Following initial item development, a panel of 17 judges comprised of experts in the field was asked to judge the appropriateness of each item to operationalize the construct being studied. The judges were asked to score the fit of the construct on a scale of 1 to 7 (1 = strongly not related to the concept; 7 = strongly related to the concept) according to the following dimensions: overall corporate citizenship, people, planet, profit. After receiving feedback from judges, the scale was modified and reduced to 23 items.

The scale was then pilot tested in three rounds, each time revising the questions until a final scale of 21 items, as shown in Appendix B, was produced that was used for data collection for the study. After each round, questions that did not correlate with others or that added confusion were taken out. Round one was conducted with a group of 24 managers in six organizations. Round two was conducted with 57 employees of a medium-sized manufacturing company. Round three was conducted with 31 part-time graduate students in a medium-sized Midwestern university.

The final scale was divided into four sections: six questions for “overall corporate citizenship”, five questions for “people”, seven questions for “planet”, and three questions for “profit”. Questions related to the “overall corporate citizenship” dimension focused on profit and creating value for society and the environment such as can be seen
in question 64, “business goals in my company are achieved by addressing social and/or environmental issues. The “people” dimension focused on the well-being of society such as in question 72, “the well-being of people is integral to the business goals of my company”. The “planet” dimension focused on the environment as can be seen in question 77, “by their actions at work, people in my company demonstrate that they care about the planet”. Finally, the “profit” dimension focused on the bottom line such as in 82, “An important objective for my company is to create profit”.

After data was collected using the final scale, a maximum likelihood exploratory factor analysis with oblimin rotation was conducted with a sample of 306 managers in seven companies. The scale loaded onto four factors with only one question (q. 67) cross-loading. Subsequently, the scale was reduced to 20 items divided into four sections: five questions for “overall corporate citizenship”, five questions for “people”, seven questions for “planet”, and three questions for “profit”.

Once data collection was finalized, a total of 347 responses were collected and an additional maximum likelihood exploratory factor analysis with oblimin rotation was conducted resulting in loadings that matched perfectly with the dimensions in the scale. Factor 1 (see table 3) loaded onto the overall corporate citizenship dimension which was represented by questions 63 to 68 in the survey. Factor 2 loaded onto the planet dimension which was represented by questions 74 to 80 in the survey. Factor 3 loaded onto the profit dimension which was represented by questions 81 to 83 in the survey. Factor 4 loaded onto the people dimension which was represented by questions 69 to 73 in the survey. As shown in Table 3, the lowest loading of any item was 0.594.
Table 3. Exploratory Factor Analysis (Patten Matrix) of Perceived Corporate Citizenship Scale

<table>
<thead>
<tr>
<th>Item</th>
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<th>2</th>
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<td>83</td>
<td>.056</td>
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<td>.614</td>
<td>.112</td>
</tr>
</tbody>
</table>

In addition, the total variance explained followed an expected pattern with the first four factors explaining 80.91% of the total variance.

Finally, a confirmatory factor analysis (CFA) was conducted using AMOS 6.0 (see Appendix D for measurement model). Using Hu and Bentler’s (1999) cut-off values, the model demonstrated a good fit (GFI = .867, CFI = .951, RMSEA = .079, TLI = .943). The overall fit of the model showed discriminant validity for each dimension of the scale. The model was identified with acceptable goodness of fit indices. This implies that the
four dimensions were capturing related but different factors of the overall construct of “perceived corporate citizenship” (Byrne, 2001).

Reliability was tested for the overall scale as well as the four dimensions (see Table 4). The overall scale resulted with a Cronbach’s Alpha ($\alpha$) of 0.963 (N of items = 20, 66 cases excluded). The four dimensions of the scale were also tested, resulting in the following: overall corporate citizenship ($\alpha = 0.916$, N of items = 5, 36 cases excluded), people ($\alpha = 0.962$, N of items = 5, 18 cases excluded), planet ($\alpha = 0.962$, N of items = 7, 25 cases excluded), and profit ($\alpha = 0.750$, N of items = 5, 23 cases excluded).

Table 4. Reliability of Corporate Citizenship Scale

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach’s Alpha</th>
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<tbody>
<tr>
<td>Full Scale</td>
<td>0.963</td>
</tr>
<tr>
<td>Overall Corporate Citizenship</td>
<td>0.916</td>
</tr>
<tr>
<td>People</td>
<td>0.962</td>
</tr>
<tr>
<td>Planet</td>
<td>0.962</td>
</tr>
<tr>
<td>Profit</td>
<td>0.750</td>
</tr>
</tbody>
</table>

Construct validity was established by correlating PCC with other variables (see Table 16). Because the empirical relationship between PCC and the external correlates (engagement, HQC, and creative involvement) suggested by theory were found to be significant, it helped to establish construct validity.

Modification Indices for the model suggested the addition of covariance paths between items 66 and 68 as well as between questions 73 and 75. Upon examining the
content of the questions, what was being asked was different so there was no logic to eliminate or collapse any of the items.

**Importance of Corporate Citizenship**

To measure the moderator effects of the importance of corporate citizenship, an additional self-report scale was created. Item development was based around the corporate citizenship values in the definition of corporate citizenship being used – specifically, caring for others, caring for the environment, and caring for profit. These were similar values to those implicit in the popular notion of the three p’s: profit, people, planet (Elkington, 1997).

Initial item development was based on a literature review of corporate citizenships, corporate social responsibility, stakeholder theory, business ethics, as well as other related business and society literature. Twenty-four items were chosen to be included in the initial item list.

Following initial item development, a panel of four judges comprised of doctoral students knowledgeable in the field of business and society in the field was asked to judge the appropriateness of each item to operationalize the construct being studied. The judges were asked to score the fit of the construct on a scale of 1 to 7 (1 = strongly not related to the concept; 7 = strongly related to the concept) according to the following dimensions: overall corporate citizenship, people, planet, profit. After receiving feedback from judges, the scale was modified and reduced to 19 items.

The scale was then pilot tested in three rounds, each time revising the questions until a final scale of 17 items was produced as can be seen in Appendix B. After each
round, questions that did not correlate with others or that added confusion were taken out. Round one was conducted with a group of 24 managers in six organizations. Round two was conducted with 57 employees of a medium-sized manufacturing company. Round three was conducted with 31 part-time graduate students in a medium-sized Midwestern university. The final scale was divided into four sections: three questions for “overall corporate citizenship”, four questions for “people”, six questions for “planet”, and four questions for “profit”.

The final scale was divided into four sections: six questions for “overall corporate citizenship”, five questions for “people”, seven questions for “planet”, and three questions for “profit”. Questions related to the “overall corporate citizenship” dimension focused on profit and creating value for society and the environment such as can be seen in question 85, “it is important to me that business goals are achieved by addressing social and/or environmental issues”. The “people” dimension focused on the well-being of society such as in question 89, “it is important to me that my company helps the well-being of others”. The “planet” dimension focused on the environment as can be seen in question 91, “it is important to me to work for a company that protects the environment”. Finally, the “profit” dimension focused on the bottom line such as in 97, “it is important to me that my company makes a profit”.

Once data collection was finalized, a total of 347 responses were collected and a maximum likelihood exploratory factor analysis with oblimin rotation was conducted resulting in loadings that matched perfectly with the dimensions in the scale. Factor 1 (see table 5) loaded onto the planet dimension which is represented by questions 91 to 96 in the survey. Factor 2 loaded onto the profit dimension which is represented by
questions 97 to 100 in the survey. Factor 3 loaded onto the overall corporate citizenship dimension which is represented by questions 84 to 86 in the survey. Factor 4 loaded onto the people dimension which is represented by questions 87 to 90 in the survey. As shown in Table 5, the lowest loading of an item was 0.710.

Table 5. Exploratory Factor Analysis (Patten Matrix) of Importance of Corporate Citizenship Scale

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>84</td>
<td>.043</td>
<td>.034</td>
<td>.802</td>
<td>.084</td>
</tr>
<tr>
<td>85</td>
<td>.051</td>
<td>.027</td>
<td>.907</td>
<td>.014</td>
</tr>
<tr>
<td>86</td>
<td>.080</td>
<td>.037</td>
<td>.862</td>
<td>.037</td>
</tr>
<tr>
<td>87</td>
<td>.036</td>
<td>.083</td>
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<td>.727</td>
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<tr>
<td>88</td>
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<td>90</td>
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</tr>
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<td>94</td>
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<td>.067</td>
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<td>.040</td>
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<td>95</td>
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<td>.052</td>
<td>.014</td>
<td>.034</td>
</tr>
<tr>
<td>96</td>
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<td>97</td>
<td>.029</td>
<td>.877</td>
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</tr>
<tr>
<td>98</td>
<td>.025</td>
<td>.841</td>
<td>.097</td>
<td>.042</td>
</tr>
<tr>
<td>99</td>
<td>.057</td>
<td>.751</td>
<td>.125</td>
<td>.123</td>
</tr>
<tr>
<td>100</td>
<td>.049</td>
<td>.798</td>
<td>.005</td>
<td>.049</td>
</tr>
</tbody>
</table>
In addition, the total variance explained followed an expected pattern with the first four factors explaining 81.93% of the total variance.

Finally, a confirmatory factor analysis (CFA) was conducted using AMOS 6.0 (see Appendix E for measurement model). Using Hu and Bentler’s (1999) cut-off values, the model demonstrated a good fit (GFI = .880, CFI = .955, RMSEA = .081, TLI = .945). The overall fit of the model was evidence of discriminant validity for each dimension of the scale. The model was identified with acceptable goodness of fit indices. This implied that the four dimensions were capturing related but different factors of the overall construct of “importance of corporate citizenship” (Byrne, 2001).

Reliability was tested for the overall scale as well as the four dimensions (see Table 6). The overall scale resulted with a Cronbach’s Alpha (α) of 0.940 (N of items = 17, 27 cases excluded). The four dimensions of the scale were also tested for, resulting in the following: overall corporate citizenship (α = 0.951, N of items = 3, 8 cases excluded), people (α = 0.900, N of items = 4, 8 cases excluded), planet (α = 0.951, N of items = 6, 11 cases excluded), and profit (α = 0.900 N of items = 4, 6 cases excluded).

Table 6. Reliability of Importance of Citizenship Scale

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Scale</td>
<td>0.940</td>
</tr>
<tr>
<td>Overall Corporate Citizenship</td>
<td>0.951</td>
</tr>
<tr>
<td>People</td>
<td>0.900</td>
</tr>
<tr>
<td>Planet</td>
<td>0.951</td>
</tr>
<tr>
<td>Profit</td>
<td>0.900</td>
</tr>
</tbody>
</table>
Construct validity was established by correlating ICC with other variables (see Table 16). Because the empirical relationship between ICC and the external correlates (engagement, HQC, and creative involvement) suggested by theory were found to be significant, it helped establish construct validity.

Modification indices did not suggest additional covariance paths to improve the model fit confirming the soundness of the scale.

**Engagement**

Engagement was measured using The Gallup Workplace Audit (GWA) which was developed by Gallup (Harter, Schmidt, and Hayes, 2002). As shown in Appendix B, it is a 13 item self-report scale with six response options (1 = strongly disagree, 5 = strongly agree and the sixth response is *don’t know / does not apply*). The first item differs from the other items in that it asks for a satisfaction response rather than an agreement response (1 = extremely dissatisfied, 5 = extremely satisfied).

There has been debate as to how this scale defines engagement and whether it properly measures engagement (Macey & Schneider, 2008). However, Harter and Schmidt (2008) countered that what matters most is that a survey measures a construct that is of practical use. Therefore, I chose to use this survey instrument because of its wide appeal to practice and ultimately business leaders. Since its completion, the GWA has been administered to more than 7 million employees in 112 countries (Harter, Schmidt, Killham, & Asplund, 2006).
High-quality Connections

As shown in Appendix B, to measure high-quality connections, a scale was used that was co-created by Abraham Carmeli, Daphna Brueller, and Jane Dutton (2007), the author who created the concept of high-quality connections. It is a 31 item self-report scale that assesses the various manifestations of high-quality relationships. Six items were used for measuring emotional carrying capacity, five items for tensility, four items for the openness-connectivity, three items for openness-generativity, six items for vitality, five items for a sense of positive regard, and four items for mutuality constituting the subjective experience of a high-quality relationship. Responses were measured on a five-point scale (1 = not at all to 5 = to a great extent). A confirmatory factor analysis indicated a chi-square of 374.6 with 168 degrees of freedom as well as CFI = .88 and RMSEA = .07. The reliabilities of emotional carrying capacity, tensility, connectivity, positive regard, and mutuality were .72, .77, .83, .84, and .85, respectively. The sample used was 212 undergraduate and graduate students in Israel.

Because the original instrument was administered in Hebrew, the instrument was translated into English and piloted on 24 respondents. The reliability of the survey was measured resulting in a Cronbach’s $\alpha$ of 0.922, while 8 cases were excluded.

However, after the full sample of 347 respondents was collected, a maximum likelihood exploratory factor analysis with oblimin rotation was conducted to test the scale factor loadings (see Table 7) which resulted in modifications to the scale. The scale did not load onto six factors as originally proposed by Carmelli et. al (2007), rather it loaded on five factors; however, even the five factors did not load cleanly as shown in Table 8. Cross-loadings were high with most of the items did not fall neatly under a
specific factor. Even for the items that did load neatly onto a single factor, the loadings were not high with only seven items loading above 0.700.

Table 7. Exploratory Factor Analysis (Patten Matrix) of High-Quality Connections Scale

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>.014</td>
<td>.045</td>
<td>.322</td>
<td>.216</td>
<td>.427</td>
</tr>
<tr>
<td>24</td>
<td>.137</td>
<td>.101</td>
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<td>.167</td>
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<tr>
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<td>.018</td>
<td>.305</td>
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<td>.422</td>
</tr>
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<td>.047</td>
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<td>.225</td>
<td>.089</td>
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<td>.014</td>
<td>.640</td>
<td>.054</td>
<td>.053</td>
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<td>.008</td>
<td>.050</td>
<td>.004</td>
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</tr>
<tr>
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<td>.100</td>
<td>.197</td>
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<td>.183</td>
</tr>
<tr>
<td>33</td>
<td>.057</td>
<td>.069</td>
<td>.765</td>
<td>.110</td>
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<tr>
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</tr>
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<td>.489</td>
<td>.011</td>
<td>.157</td>
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<td>.151</td>
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<td>.550</td>
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<td>41</td>
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<td>.544</td>
<td>.011</td>
<td>.153</td>
<td>.041</td>
</tr>
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<td>.871</td>
<td>.066</td>
<td>.015</td>
<td>.012</td>
</tr>
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<td>.016</td>
<td>.773</td>
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<td>.096</td>
<td>.047</td>
</tr>
<tr>
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<td>.072</td>
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<td>.560</td>
<td>.158</td>
<td>.167</td>
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<td>.091</td>
<td>.147</td>
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<td>48</td>
<td>.683</td>
<td>.019</td>
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<td>.091</td>
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<td>.080</td>
<td>.083</td>
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</tr>
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<td>53</td>
<td>.712</td>
<td>.096</td>
<td>.043</td>
<td>.119</td>
<td>.050</td>
</tr>
</tbody>
</table>
Additional exploratory factor analyses was conducted testing for 4, 3, 2 factors and then a one factor solution. The one factor solution resulted in the cleanest loadings.

**Table 8. Exploratory Factor Analysis (Factor Matrix) of HQC Scale**

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>.560</td>
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<tr>
<td>24</td>
<td>.797</td>
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<tr>
<td>25</td>
<td>.743</td>
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<td>.552</td>
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<td>.567</td>
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<td>.691</td>
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<td>.629</td>
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<td>.824</td>
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<td>43</td>
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<td>.797</td>
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<td>.847</td>
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<td>48</td>
<td>.755</td>
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<td>.786</td>
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<td>51</td>
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<tr>
<td>52</td>
<td>.668</td>
</tr>
<tr>
<td>53</td>
<td>.758</td>
</tr>
</tbody>
</table>
The following questions which were under 0.700 (see Table 8) were then taken out of the final data analysis of the survey: 23, 27, 28, 29, 31, 35, 36, 42, 43, 52. The final scale resulted in a one factor scale with only 21 items that were used. A reliability analysis of the final scale resulted in a Cronbach’s alpha of 0.969 (n=347, 85 cases excluded).

This scale was selected since it was the only one that existed to measure high-quality connections.

**Creative Involvement**

As shown in Appendix B, a scale developed by Abraham Carmeli was used to measure creative involvement (Carmeli & Schaubroeck, 2007). It is a 9-item self-report scale. Responses were measured on a five-point scale (1 = not at all to 5 = to a great extent). The reliability of the scale is 0.93. The sample used was 140 respondents from two companies in Israel.

I chose to use this scale because it was the best available published scale for the purpose of this study. Only one other scale existed, created by Theresa Amabile and administered by the Center for Creative Leadership. However, the cost per survey was too high and the length was too long which would have made it difficult to find respondents willing to take out time from work to answer such a long survey in addition to the other four surveys I was administering. The items included did not add anything substantial to what could be gained from the scale of creative involvement selected for this study.
4.3 Procedures

Participants completed self-administered surveys on a voluntary basis and on-line. Participants were invited to complete the survey by a senior member in their company. The invite was in the form of an email with a link to the website that included instructions. To maintain anonymity, participants were randomly assigned codes so that they did not have to use their own names.

Demographic data included:

1. Gender
2. Age
3. Country of citizenship
4. Type of work (hourly or salaried)
5. Hours worked per week
6. Department
7. Senior Management (yes/no)
8. Tenure in the company

4.4 Research Questions and Hypotheses

After conducting an extensive review of the literature and 22 interviews, the following research questions and hypotheses were developed. The previous chapters served to outline the logic for the research questions and hypotheses that were developed.
Research Question #1:

Is perceived corporate citizenship associated with an increase in engagement, high-quality connections, and creative involvement?

**H1:** Employees who perceive higher levels of corporate citizenship will report higher levels of engagement.

**H2:** Employees who perceive higher levels of corporate citizenship will report higher quality connections.

**H3:** Employees who perceive higher levels of corporate citizenship will report higher levels of creative involvement.

Research Question #2:

Is the relationship between perceived corporate citizenship and employee engagement, high-quality connections, and/or creative involvement moderated by the importance of corporate citizenship to the individual?

**H4a:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and employee engagement.

**H4b:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and high-quality connections.

**H4c:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and creative involvement.
4.5 Methodology

Cross-sectional data was gathered in a survey of employees in many different corporations, with differing levels of corporate citizenship behaviors. The survey data was analyzed to examine the relationship between corporate citizenship and the behavioral outcomes of engagement, high-quality connections, and creative involvement.
Chapter 5 – Results

This chapter outlines the results of hypotheses testing, primarily through regression analysis and structural path analysis. In addition, post-hoc exploratory analyses are reported. Frequencies, descriptives, and correlations are briefly commented.

Prior to conducting analyses, mean scale scores were calculated for the total questions of PCC, ICC, HQC, engagement, and creative involvement. The mean scores were also calculated for just the people, planet, and profit dimensions of PCC.

5.1 Frequencies and Descriptives

Multiple regression requires that variables be normal, show adequate variance and linearity (Allison, 1999). Descriptive statistics were analyzed to ensure normality and adequate variance. Partial plots of regression were analyzed to ensure linearity of variables.

Frequencies of the sample were checked with normality and variance being ascertained. Skewness was normal with all variables falling under three. Kurtosis was normal for all variables falling under eight except for hours worked for which kurtosis is 8.677 but this is to be expected since most people in the sample worked around 40 hours per week. In addition, the frequency tables show that variables have adequate variance with no data point showing more than 90% clustering of responses.

In addition, the frequencies and descriptives for the independent, moderator, and dependent variables were within normal and expected ranges. The standard deviations and means are reported in Table 9. The dimensions for PCC (people, planet, profit) were also reported below.
Table 9. Standard Deviation and Means

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCC</td>
<td>345</td>
<td>5.67</td>
<td>1.04</td>
</tr>
<tr>
<td>ICC</td>
<td>347</td>
<td>6.33</td>
<td>.62</td>
</tr>
<tr>
<td>Engagement</td>
<td>347</td>
<td>3.82</td>
<td>.77</td>
</tr>
<tr>
<td>HQC</td>
<td>345</td>
<td>3.72</td>
<td>.73</td>
</tr>
<tr>
<td>Creative Involvement</td>
<td>336</td>
<td>3.74</td>
<td>.75</td>
</tr>
<tr>
<td>PCC People dimension</td>
<td>342</td>
<td>5.41</td>
<td>1.42</td>
</tr>
<tr>
<td>PCC Planet dimension</td>
<td>343</td>
<td>5.69</td>
<td>1.26</td>
</tr>
<tr>
<td>PCC Profit dimension</td>
<td>343</td>
<td>6.09</td>
<td>.90</td>
</tr>
</tbody>
</table>

Note: PCC and ICC response options ranged from 1 to 7, with 7 being the highest. Engagement, HQC, and Creative Involvement response options ranged from 1 to 5, with 5 being the highest.

5.2. Interpretation of the Data

To illustrate the meaning of items and patterns, the data was analyzed for trends. As shown in Appendix C, the data was first compiled into tables which represented the frequency of responses under a scale ranking for each item. Subsequently, the data was then collapsed, as shown in Tables 10 to 14. For Tables 10, 11, and 12, all responses that were a 1 or 2 were collapsed into the “not satisfied” or “disagree” category. All responses that were a 4 or 5 were collapsed into the “satisfied” or “agree” category. For Tables 13 and 14, all responses that were between one and three were collapsed into the “not
satisfied” or “disagree” category. All responses that were between five and seven were collapsed into the “satisfied” or “agree” category.

Table 10. Engagement Scale (Gallup Workplace Audit) – frequency of responses, collapsed into two categories

<table>
<thead>
<tr>
<th>Question</th>
<th>Not Satisfied</th>
<th>Satisfied</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>10) On a five-point scale, where 5 is extremely satisfied and 1 is extremely dissatisfied, how satisfied are you with your company as a place to work?</td>
<td>16</td>
<td>271</td>
<td>16.94</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question</th>
<th>Disagree</th>
<th>Agree</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>11) I know what is expected of me at work.</td>
<td>15</td>
<td>310</td>
<td>20.67</td>
</tr>
<tr>
<td>12) I have the materials and equipment I need to do my work right.</td>
<td>25</td>
<td>273</td>
<td>10.92</td>
</tr>
<tr>
<td>13) At work, I have the opportunity to do what I do best every day.</td>
<td>36</td>
<td>237</td>
<td>6.58</td>
</tr>
<tr>
<td>14) In the last seven days, I have received recognition or praise for doing good work.</td>
<td>108</td>
<td>180</td>
<td>1.67</td>
</tr>
<tr>
<td>15) My supervisor, or someone at work, seems to care about me as a person.</td>
<td>48</td>
<td>248</td>
<td>5.17</td>
</tr>
<tr>
<td>16) There is someone at work who encourages my development.</td>
<td>61</td>
<td>216</td>
<td>3.54</td>
</tr>
</tbody>
</table>

Overall, the survey responses were quite high with most respondents agreeing to questions. Employees in this study were found to be extremely engaged. The ratio of agree to disagree was as high as twenty times with the lowest ratios still being at least three times more. As can be seen in Table 10, most respondents were satisfied with their company as a place to work with a ratio close 17 more respondents being satisfied with their company than those that were not satisfied. The highest ratio of those that agreed was for question 11, “I know what is expected of me at work”, for which almost 21 times more respondents agreed than disagreed. In addition, questions 12 and 19 had the next highest ratios of respondents that agreed. For question 12, “I have the materials and equipment I need to do my work right”, respondents agreed approximately 11 times more...
than disagreed. For question 19, “My associates (fellow employees) are committed to doing quality work”, ten times more participants agreed than disagreed.

The lowest ratio of those that agreed was for question 20, “I have a best friend at work”, for which actually more people disagreed than agreed with about a one to one agree/disagree ratio. The next lowest agree/disagree ratio was for question 14, “In the last seven days, I have received recognition or praise for doing good work”. All the other responses had a ratio between three and seven times more people agreeing than disagreeing.
Table 11. High-quality Connections Scale – frequency of responses, collapsed into two categories

<table>
<thead>
<tr>
<th>Question</th>
<th>Disagree</th>
<th>Agree</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>23) My co-workers and I do not have any difficulty expressing our feelings to each other</td>
<td>34</td>
<td>229</td>
<td>6.74</td>
</tr>
<tr>
<td>24) The relationships we have make me feel mentally strong</td>
<td>34</td>
<td>198</td>
<td>5.82</td>
</tr>
<tr>
<td>25) I feel liked in my workplace</td>
<td>19</td>
<td>265</td>
<td>13.95</td>
</tr>
<tr>
<td>26) The relationships we have make me feel that I am coming alive at work</td>
<td>65</td>
<td>155</td>
<td>2.38</td>
</tr>
<tr>
<td>27) We are not afraid to express our unpleasant feelings at work</td>
<td>60</td>
<td>200</td>
<td>3.33</td>
</tr>
<tr>
<td>28) When one of us expresses an unpleasant feeling, he/she always does it constructively</td>
<td>71</td>
<td>144</td>
<td>2.03</td>
</tr>
<tr>
<td>29) My co-workers and I are able to express our frustrations without offending one another</td>
<td>65</td>
<td>192</td>
<td>2.95</td>
</tr>
<tr>
<td>30) The relationships we have make me feel physically strong</td>
<td>76</td>
<td>121</td>
<td>1.59</td>
</tr>
<tr>
<td>31) My co-workers and I do not have the capacity to express irritation</td>
<td>180</td>
<td>70</td>
<td>0.39</td>
</tr>
<tr>
<td>32) I feel that my co-workers appreciate me here</td>
<td>21</td>
<td>251</td>
<td>11.95</td>
</tr>
<tr>
<td>33) The relationships we have make me sense feelings of vitality at work</td>
<td>52</td>
<td>167</td>
<td>3.21</td>
</tr>
<tr>
<td>34) My co-workers and I know how to overcome our conflicts</td>
<td>26</td>
<td>241</td>
<td>9.27</td>
</tr>
<tr>
<td>35) We cope well with the tensions experienced at work</td>
<td>41</td>
<td>219</td>
<td>5.34</td>
</tr>
<tr>
<td>36) We always overcome failures in projects we work on</td>
<td>27</td>
<td>228</td>
<td>8.44</td>
</tr>
<tr>
<td>37) The relationships we have make me feel good at work</td>
<td>32</td>
<td>218</td>
<td>6.81</td>
</tr>
<tr>
<td>38) Even in times of personal tension and pressure, we know how to find a way out</td>
<td>27</td>
<td>234</td>
<td>8.67</td>
</tr>
<tr>
<td>39) I feel that my co-workers understand me</td>
<td>33</td>
<td>227</td>
<td>6.88</td>
</tr>
<tr>
<td>40) The relationships we have make me feel full of positive energy at work</td>
<td>56</td>
<td>192</td>
<td>3.43</td>
</tr>
<tr>
<td>41) We are always open to listening to new ideas of our co-workers</td>
<td>26</td>
<td>257</td>
<td>9.88</td>
</tr>
<tr>
<td>42) We are very open to diverse influences, even if they come from unconventional sources, such as new employees, customers, etc.</td>
<td>30</td>
<td>240</td>
<td>8.00</td>
</tr>
<tr>
<td>43) We are attentive to new opportunities that can make our system more efficient and effective</td>
<td>30</td>
<td>260</td>
<td>8.67</td>
</tr>
<tr>
<td>44) The relationships we have enable us to generate new things</td>
<td>33</td>
<td>215</td>
<td>6.52</td>
</tr>
<tr>
<td>45) I feel that my co-workers develop meaningful relationships</td>
<td>38</td>
<td>193</td>
<td>5.08</td>
</tr>
<tr>
<td>46) We have very open relationships</td>
<td>49</td>
<td>175</td>
<td>3.57</td>
</tr>
<tr>
<td>47) The relationships we have enable us to learn new things</td>
<td>31</td>
<td>235</td>
<td>7.58</td>
</tr>
<tr>
<td>48) I feel that my co-workers and I do things for one another</td>
<td>24</td>
<td>258</td>
<td>10.75</td>
</tr>
<tr>
<td>49) The relationships we have encourage us to seek for new opportunities</td>
<td>33</td>
<td>195</td>
<td>5.91</td>
</tr>
<tr>
<td>50) I feel that my co-workers like me</td>
<td>24</td>
<td>261</td>
<td>10.88</td>
</tr>
<tr>
<td>51) We are committed to one another at work</td>
<td>27</td>
<td>239</td>
<td>8.85</td>
</tr>
<tr>
<td>52) There is a sense of empathy among my co-workers and myself</td>
<td>35</td>
<td>204</td>
<td>5.83</td>
</tr>
<tr>
<td>53) The connection between my co-workers and myself is based on mutuality</td>
<td>21</td>
<td>211</td>
<td>10.05</td>
</tr>
</tbody>
</table>
As can be seen in Table 11, the two highest ratios of agree to disagree were questions 25, 32, 48, 50, and 53 with all having ratios over 10 times more respondents agreeing than disagreeing; the questions all had to do with forms of appreciation or mutuality. The highest ratio was for question 25, “I feel liked in my workplace”, which had a ratio of approximately 14 times more respondents agreeing than disagreeing. Most of the other responses had a ratio of agree/disagree between three to ten times to one.

Only five questions had a ration lower than three times agree compared to disagree. Of all the questions in the survey, the lowest ratio was for question 31, “my co-workers and I do not have capacity to express irritation” for which the agree/disagree ratio was 0.39 and thus had many more respondents disagreeing than agreeing.

Table 12. Creative Involvement Scale – frequency of responses, collapsed in two categories

<table>
<thead>
<tr>
<th>Question</th>
<th>Disagree</th>
<th>Agree</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>54) I demonstrated originality in my work.</td>
<td>24</td>
<td>247</td>
<td>10.29</td>
</tr>
<tr>
<td>55) I took risks in terms of producing new ideas in doing my job.</td>
<td>35</td>
<td>228</td>
<td>6.51</td>
</tr>
<tr>
<td>56) I found new uses for existing methods or equipment.</td>
<td>32</td>
<td>195</td>
<td>6.09</td>
</tr>
<tr>
<td>57) I solved problems that had previously caused difficulties.</td>
<td>22</td>
<td>238</td>
<td>10.82</td>
</tr>
<tr>
<td>58) I tried out new ideas and approaches to problems.</td>
<td>16</td>
<td>282</td>
<td>17.63</td>
</tr>
<tr>
<td>59) I identified opportunities for new products/processes.</td>
<td>33</td>
<td>220</td>
<td>6.67</td>
</tr>
<tr>
<td>60) I generated novel and operable work-related ideas.</td>
<td>32</td>
<td>215</td>
<td>6.72</td>
</tr>
<tr>
<td>61) I generated ideas revolutionary to our field.</td>
<td>127</td>
<td>92</td>
<td>0.72</td>
</tr>
<tr>
<td>62) I served as a good role model for creativity.</td>
<td>42</td>
<td>217</td>
<td>5.17</td>
</tr>
</tbody>
</table>

In Table 12, the highest ratio of agree/disagree was for question 58, “I tried out new ideas and approaches to problems”, for which the agree/disagree ratio was almost 18 to one. Two questions had agree/disagree rations higher than ten to one. All of the other questions had ratios between five and seven to one with the exception of question 61, “I
generated ideas revolutionary to our field”, which had a agree/disagree ratio of 0.72 meaning that more people disagreed than agreed.

Table 13. Perceived Corporate Citizenship Scale – frequency of responses, collapsed into two categories

<table>
<thead>
<tr>
<th>Question</th>
<th>Disagree</th>
<th>Agree</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part I – Overall Corporate Citizenship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>63) Contributing to the well-being of all our key stakeholders is a high priority at my company.</td>
<td>26</td>
<td>289</td>
<td>11.12</td>
</tr>
<tr>
<td>64) Business goals in my company are achieved by addressing social and/or environmental issues.</td>
<td>38</td>
<td>280</td>
<td>7.37</td>
</tr>
<tr>
<td>65) My company aims for mutually beneficial relationships with all of its key stakeholders.</td>
<td>28</td>
<td>282</td>
<td>10.07</td>
</tr>
<tr>
<td>66) Social and/or environmental issues are integral to the strategy of my company.</td>
<td>27</td>
<td>301</td>
<td>11.15</td>
</tr>
<tr>
<td>67) I work for a company that believes that making a profit goes hand in hand with treating all of our key stakeholder groups well.</td>
<td>42</td>
<td>277</td>
<td>6.60</td>
</tr>
<tr>
<td>68) My company goes beyond philanthropy; addressing social and/or environmental issues is integral to the daily operations.</td>
<td>48</td>
<td>264</td>
<td>5.50</td>
</tr>
<tr>
<td><strong>Part II – People</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>69) I work for a company that believes that making a profit goes hand in hand with valuing people.</td>
<td>56</td>
<td>275</td>
<td>4.91</td>
</tr>
<tr>
<td>70) People in my company demonstrate through their work that our company is committed to improving the well-being of people.</td>
<td>42</td>
<td>276</td>
<td>6.57</td>
</tr>
<tr>
<td>71) In my company, we believe that contributing to the well-being of people as well as making a profit can be synergistic goals.</td>
<td>37</td>
<td>280</td>
<td>7.57</td>
</tr>
<tr>
<td>72) The well-being of people is integral to the business goals of my company.</td>
<td>51</td>
<td>270</td>
<td>5.29</td>
</tr>
<tr>
<td>73) I work for a company that believes that making a profit can be synergistic with the interests of employees.</td>
<td>50</td>
<td>265</td>
<td>5.30</td>
</tr>
<tr>
<td><strong>Part III – Planet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>74) My company does as much as it can within its daily operations to make sure we are not hurting the planet.</td>
<td>41</td>
<td>284</td>
<td>6.93</td>
</tr>
<tr>
<td>75) Contributing to the natural environment is an integral part of our business.</td>
<td>30</td>
<td>296</td>
<td>9.87</td>
</tr>
<tr>
<td>76) My company takes great care that our products do not hurt the environment.</td>
<td>41</td>
<td>283</td>
<td>6.90</td>
</tr>
<tr>
<td>77) By their actions at work, people in my company demonstrate that they care about the planet.</td>
<td>35</td>
<td>296</td>
<td>8.46</td>
</tr>
<tr>
<td>78) In my company, we believe that contributing to the well-being of the planet as well as making a profit can be synergistic goals.</td>
<td>28</td>
<td>294</td>
<td>10.50</td>
</tr>
<tr>
<td>79) An integral part of business in my company is taking care of the impact of energy consumption on the environment.</td>
<td>34</td>
<td>293</td>
<td>8.62</td>
</tr>
<tr>
<td>80) My company achieves its short term goals while staying focused on its long term impact on the planet.</td>
<td>37</td>
<td>283</td>
<td>7.65</td>
</tr>
<tr>
<td><strong>Part IV – Profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>81) Pleasing shareholders / owners is an important objective of my company.</td>
<td>10</td>
<td>304</td>
<td>30.40</td>
</tr>
<tr>
<td>82) An important objective for my company is to create profit.</td>
<td>7</td>
<td>329</td>
<td>47.00</td>
</tr>
<tr>
<td>83) Most people in my company show through their work that they care a lot about making a profit.</td>
<td>24</td>
<td>306</td>
<td>12.75</td>
</tr>
</tbody>
</table>
Overall, the ratios were quite high with the lowest cluster being people which still had ratios between five to eight to one. The profit cluster had the highest ratios by far with ratios of at least around 13 up to as many as 30 times to one. The overall corporate citizenships cluster had ratios between five and 12 to one while the planet cluster had ratios between seven and seven to one. By far, the highest ratios of agree/disagree in Table 15 were in the profit dimension. Question 82, “an important objective for my company is to create profit”, had a ratio of 47 times more respondents agreeing than disagreeing. Question 81, “Pleasing shareholders/owners is an important objective of my company”, also had a high agree/disagree ratio with over 30 times more respondents agreeing than disagreeing. Question 83, “Most people in my company show through their work that they care a lot about making a profit”, had a lower agree/disagree ratio of closet to 13 to one but it was still the third highest agree/disagree ratio in the entire survey. All the other responses still had high agree/disagree ratios being mostly between five and 12 times more respondents agreeing than disagreeing.
Table 14. Importance of Corporate Citizenship Scale – frequency of responses, collapsed into two categories

<table>
<thead>
<tr>
<th>Question</th>
<th>Disagree</th>
<th>Agree</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part I – Overall Corporate Citizenship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>84) It is important to me to work for a company that contributes to the betterment of the world.</td>
<td>8</td>
<td>318</td>
<td>39.75</td>
</tr>
<tr>
<td>85) It is important to me that business goals are achieved by addressing social and/or environmental issues.</td>
<td>11</td>
<td>322</td>
<td>29.27</td>
</tr>
<tr>
<td>86) It is important to me that social and/or environmental issues are integral to the strategy of my company.</td>
<td>9</td>
<td>313</td>
<td>34.78</td>
</tr>
<tr>
<td><strong>Part II – People</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>87) I would like to work for a company that cares for the well-being of people.</td>
<td>1</td>
<td>341</td>
<td>341.00</td>
</tr>
<tr>
<td>88) It is important to me to work for a company that cares for the well-being of its employees.</td>
<td>1</td>
<td>344</td>
<td>344.00</td>
</tr>
<tr>
<td>89) It is important to me that my company helps the well-being of others.</td>
<td>2</td>
<td>338</td>
<td>169.00</td>
</tr>
<tr>
<td>90) I would like to work for a company where the well-being of people is integral to the business goals of the company.</td>
<td>3</td>
<td>338</td>
<td>112.67</td>
</tr>
<tr>
<td><strong>Part III – Planet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91) It is important to me to work for a company that protects the environment.</td>
<td>8</td>
<td>332</td>
<td>41.50</td>
</tr>
<tr>
<td>92) I care if my company preserves the natural resources of the planet.</td>
<td>8</td>
<td>333</td>
<td>41.63</td>
</tr>
<tr>
<td>93) I believe companies should give back to the earth at least as much as they take from it.</td>
<td>14</td>
<td>316</td>
<td>22.57</td>
</tr>
<tr>
<td>94) I believe companies should take care of the impact of their energy consumption on the environment.</td>
<td>5</td>
<td>333</td>
<td>66.60</td>
</tr>
<tr>
<td>95) I would like to work for a company that cares for the well-being of the planet.</td>
<td>3</td>
<td>331</td>
<td>110.33</td>
</tr>
<tr>
<td>96) It is important to me to work for a company that conserves energy.</td>
<td>5</td>
<td>332</td>
<td>66.40</td>
</tr>
<tr>
<td><strong>Part IV – Profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>97) It is important to me that my company makes a profit.</td>
<td>1</td>
<td>338</td>
<td>338.00</td>
</tr>
<tr>
<td>98) I care about working for a company that is financially successful.</td>
<td>2</td>
<td>339</td>
<td>169.50</td>
</tr>
<tr>
<td>99) It is important for me to work for a company that allows everyone involved to make money.</td>
<td>1</td>
<td>341</td>
<td>341.00</td>
</tr>
<tr>
<td>100) It is important to me that my company meets its financial goals.</td>
<td>1</td>
<td>340</td>
<td>340.00</td>
</tr>
</tbody>
</table>

As can be seen in Table 14, the agree/disagree ratios were all high with the lowest
being almost 23 to one for question 93, “I believe that companies should give back to the earth at least as much as they take from it”. All the other questions had fewer than 12 respondents disagreeing with the question. Overall, the questions under the profit and people dimensions had quite high agree/disagree ratios with all of the questions having three or less respondents agreeing out of over 330 respondents.

Table 15. Percentage of Frequency of Responses, Collapsed into Three Categories

Note: the tables are split into three categories. Question 10 from the Engagement Scale is split into categories of “Not Satisfied”, “Neutral”, and “Satisfied”. All other questions in the scales are split into “Disagree”, “Neutral”, and “Agree”.

<table>
<thead>
<tr>
<th>Survey Instrument</th>
<th>Not Satisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Scale - Question 10</td>
<td>4.72%</td>
<td>15.34%</td>
<td>79.94%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey Instrument</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------</td>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>Engagement Scale - Questions 11-22</td>
<td>16.40%</td>
<td>16.43%</td>
<td>67.17%</td>
</tr>
<tr>
<td>High-quality Connections Scale – Questions 23-53</td>
<td>12.58%</td>
<td>25.51%</td>
<td>61.91%</td>
</tr>
<tr>
<td>Creative Involvement Scale – Questions 54-62</td>
<td>12.24%</td>
<td>22.56%</td>
<td>65.21%</td>
</tr>
<tr>
<td>PCC Scale (Entire Scale) - Questions 63-83</td>
<td>10.34%</td>
<td>4.56%</td>
<td>85.10%</td>
</tr>
<tr>
<td>PCC Scale (Overall Corporate Citizenship dimension) - Questions 63-68</td>
<td>10.50%</td>
<td>4.47%</td>
<td>85.03%</td>
</tr>
<tr>
<td>PCC Scale (People dimension) - Questions 69-73</td>
<td>13.92%</td>
<td>5.54%</td>
<td>80.54%</td>
</tr>
<tr>
<td>PCC Scale (Planet dimension) - Questions 74-80</td>
<td>10.32%</td>
<td>4.57%</td>
<td>85.11%</td>
</tr>
<tr>
<td>PCC Scale (Profit dimension) - Questions 81-83</td>
<td>4.06%</td>
<td>3.07%</td>
<td>92.88%</td>
</tr>
<tr>
<td>ICC Scale (Entire Scale) - Questions 84-100</td>
<td>1.42%</td>
<td>2.13%</td>
<td>96.45%</td>
</tr>
<tr>
<td>ICC Scale (Overall Corporate Citizenship dimension) - Questions 84-86</td>
<td>2.72%</td>
<td>4.85%</td>
<td>92.43%</td>
</tr>
<tr>
<td>ICC Scale (People dimension) - Questions 87-90</td>
<td>0.51%</td>
<td>0.73%</td>
<td>98.77%</td>
</tr>
<tr>
<td>ICC Scale (Planet dimension) - Questions 91-96</td>
<td>2.08%</td>
<td>2.37%</td>
<td>95.55%</td>
</tr>
<tr>
<td>ICC Scale (Profit dimension) - Questions 97-100</td>
<td>0.36%</td>
<td>1.16%</td>
<td>98.48%</td>
</tr>
</tbody>
</table>

Table 15 above displays the percentage of responses of individual scales including the dimensions of the Perceived Corporate Citizenship and Importance of
Corporate Citizenship scales. To create Table 15, the frequencies were added up and then divided into percentages that were collapsed into three categories. For question 10 from the Engagement survey, responses from one to two on the scale were collapsed into the “not satisfied” category, a response of three became the “neutral” category, and responses between four and five became the “satisfied” category. For the all the other items in the Engagement, High-quality Connections, and Creative Involvement scales, responses from one to two on the scale were collapsed into the “disagree” category, a response of three became the “neutral” category, and responses between four and five became the “agree” category. For the Perceived Corporate Citizenship and Importance of Corporate Citizenship Scales, responses from one to three on the scale were collapsed into the “disagree” category, a response of four became the “neutral” category, and responses between five and seven became the “agree” category.

From Table 15, a few general trends can be observed. First, the responses to the Importance of Corporate Citizenship are quite high with over 96% of respondents on average agreeing with the items in the scale. Second, 85% of respondents on average agreed with the items in the Perceived Corporate Citizenship scale. The percentage of responses for the three scales measuring the dependent variables were not as high as the Importance of Corporate Citizenship and Perceived Corporate Citizenship scales, but still were extremely strong. On the Engagement scale, approximately 67% of the respondents agreed with the statements in the items of the scale. For High-quality Connections, the percentage that agreed was almost 62%. For Creative Involvement, it was approximately 65%. In addition, there was one item, question 10 on the Engagement scale, which used a different response code, measuring whether an employee was satisfied with their
company as a place to work. For this question, almost 80% responded that they were satisfied.

5.3 Correlations

The correlations as reported in Table 16 resulted in all relationships being significant with a $p < 0.05$. The correlations showed a moderate relationship between dimensions of the independent variable (PCC) except for between PCC people and PCC planet. This is consistent with the results in the multi-variate analysis reported in section 5.4. The table also showed a significant relationship between the independent variable (PCC) and dependent variables (engagement, high-quality connections, and creative involvement).

Table 16. Intercorrelations between PCC, Dimensions of PCC, and Dependent Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>PCC</th>
<th>PCC People</th>
<th>PCC Planet</th>
<th>PCC Profit</th>
<th>ICC</th>
<th>Engagement</th>
<th>HQC</th>
<th>Creative Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCC</td>
<td>---</td>
<td>.90**</td>
<td>.90**</td>
<td>.45**</td>
<td>.51**</td>
<td>.63**</td>
<td>.57**</td>
<td>.37**</td>
</tr>
<tr>
<td>PCC People</td>
<td>---</td>
<td>.68**</td>
<td>.35**</td>
<td>.44**</td>
<td>.63**</td>
<td>.50**</td>
<td>.30**</td>
<td></td>
</tr>
<tr>
<td>PCC Planet</td>
<td>---</td>
<td>.30**</td>
<td>.46**</td>
<td>.50**</td>
<td>.50**</td>
<td>.35**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PCC Profit</td>
<td>---</td>
<td>.34**</td>
<td>.31**</td>
<td>.33**</td>
<td>.23**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICC</td>
<td>---</td>
<td>.33**</td>
<td>.39**</td>
<td>.24**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engagement</td>
<td>---</td>
<td></td>
<td></td>
<td>.70**</td>
<td>.41**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HQC</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.52**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creative Involvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** $p < .01$
Control Variables

The demographic variables were tested through three separate multiple regression analyses to check if they had any significant effect on the three dependent variables. Those demographic variables which showed a significant effect for each dependent variable were included below as control variables in the final model.

5.4 Regression Analyses

Before running the analyses, assumptions were checked. Skewness and kurtosis were checked and normality was found as reported in Section 5.1. There was enough variance on the scale for each variable with no clustering of data on any single scale point. Variables were also checked for any influential cases using Cooks D and there were no influential cases found for any of the variables. Finally linearity was found through checking partial plots fitted with linear and quadratic lines with no difference being found between the r squared change between the two lines of fit indicating that the partial plot was linear.

For the regression analyses, a Hierarchical Linear Regression model was followed for each multiple regression. As can be seen in Table 17, the control variables were entered first into Model 1 to test for the effects on the dependent variable. Then in Model 2, Perceived Corporate Citizenship (PCC) was added and control variables are tested for significance within the overall relationship of PCC and the dependent variable. In Model 3, Importance of Corporate Citizenship (ICC) was added. Finally in Model 4, the
interaction variable (PCCxICC) was added to test for any interaction of ICC on the dependent variable.

The below regression analyses are grouped into three sections pertaining to the three dependent variables.

**Engagement Related Regression Analyses**

**H1:** *Employees who perceive higher levels of corporate citizenship will report higher levels of engagement.*

The regression analyses supported hypothesis 1. The F value of 73.96 (df=344) showed significance at p<0.05 level. This means that the overall model was significant and can be interpreted. The adjusted r squared for the overall model was 0.39. This means that the independent variables explained 39% variance in the dependent variable.

Table 17 shows the results of these regressions. Model 2 is the model that was used for reporting the following data. As can be seen in the table, the effect of PCC on engagement was significant at p<0.05 level. This implies that it was explaining the variance in the dependent variable significantly. Therefore, the null hypothesis was not supported which means that PCC was an important variable for explaining employee engagement. Beta, which can be interpreted similar to correlation, was 0.62, while t = 14.05 (p = .000). The unstandardized B value for PCC was 0.46. This means for every 1 unit increase in PCC, engagement increased by 0.46. Hence Hypothesis 1 was supported.

As can be seen in Model 2, which tests for the significance of control variables in the relationship between PCC and engagement, “years in company” and “senior management” did not have a significant effect on the dependent variable at p<0.05 level.
**H4a:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and employee engagement.

Regression analyses did not support hypothesis 4a. To test for the moderation effect of ICC, a third multiple regression was run with engagement as the dependent variable using “senior management” and “years in company” as control variables. Using a hierarchical regression model, the control variables were added, then the centered values of PCC and ICC were entered together as independent variables. To test for the effect of the interaction term, the interaction variable (PCCxICC) was added to the model. The coefficient for the interaction term was not significant at p<0.05. This means that ICC does not moderate the relationship between PCC and engagement. This does not support the above hypothesis that those who are higher in ICC will not show a stronger relationship between PCC and engagement.
Table 17. Summary of Regression Analyses for Engagement

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.14</td>
</tr>
<tr>
<td></td>
<td>Years Worked</td>
<td>-.09</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.29</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>1.30</td>
</tr>
<tr>
<td></td>
<td>Years Worked</td>
<td>-.02</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.05</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.46</td>
</tr>
<tr>
<td>3</td>
<td>(Constant)</td>
<td>1.16</td>
</tr>
<tr>
<td></td>
<td>Years Worked</td>
<td>-.02</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.05</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.45</td>
</tr>
<tr>
<td></td>
<td>ICC</td>
<td>.03</td>
</tr>
<tr>
<td>4</td>
<td>(Constant)</td>
<td>3.91</td>
</tr>
<tr>
<td></td>
<td>Years Worked</td>
<td>-.02</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.06</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.45</td>
</tr>
<tr>
<td></td>
<td>ICC</td>
<td>.01</td>
</tr>
<tr>
<td></td>
<td>PCC x ICC</td>
<td>-.02</td>
</tr>
</tbody>
</table>

High-quality Connections Related Regression Analyses

*H2: Employees who perceive higher levels of corporate citizenship will report higher quality connections.*

Regression analyses supported hypothesis 2. The F value of 81.89 (df=342) showed significance at p<0.05 level. This means that the overall model was significant.
and can be interpreted. The adjusted r squared for the overall model was 0.32. This means that the independent variables explained 32% variance in the dependent variable.

Table 18 shows the results of these regressions. Model 2 is the model that was used for reporting the following data. As can be seen in the table, the effect of PCC on high-quality connections was significant at p<0.05 level. This implies that it was explaining the variance in the dependent variable significantly. Therefore, the null hypothesis was not supported which means that PCC was an important variable for explaining employee engagement. Beta, which can be interpreted similar to correlation, was 0.55, while t = 12.20 (p = .000). The unstandardized B value for PCC was 0.39. This means for every 1 unit increase in PCC, high quality-connections increased by 0.39. Hence Hypothesis 2 was supported.

As can be seen in Model 2, which tests for the significance of the control variables in the relationship between PCC and high-quality connections, the control variable of “senior management” did not have a significant effect on the dependent variable at p<0.05 level; however significance (p=0.085) was close enough that “senior management” could potentially affect the model.

**H4b:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and high-quality connections.

The regression analyses did not support hypothesis 4b. To test for the moderation effect of ICC, a third multiple regression was run with high-quality connections as the dependent variable using “senior management” as a control variable. Using a hierarchical regression model, the control variable was added, then the centered values of PCC and
ICC were entered together as independent variables. To test for the effect of the interaction term, the interaction variable (PCCxICC) was added to the model. The coefficient for the interaction term was not significant at p<0.05. This means that ICC did not moderate the relationship between PCC and high-quality connections. The data therefore did not support the above hypothesis that those who are higher in ICC will not show a stronger relationship between PCC and high-quality connections.
Table 18. Summary of Regression Analysis for High-Quality Connections

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.65</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.31</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>1.48</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.14</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.39</td>
</tr>
<tr>
<td>3</td>
<td>(Constant)</td>
<td>.68</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.17</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.33</td>
</tr>
<tr>
<td></td>
<td>ICC</td>
<td>.12</td>
</tr>
<tr>
<td>4</td>
<td>(Constant)</td>
<td>3.68</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.17</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.33</td>
</tr>
<tr>
<td></td>
<td>ICC</td>
<td>.10</td>
</tr>
<tr>
<td></td>
<td>PCC x ICC</td>
<td>.01</td>
</tr>
</tbody>
</table>

Creative Involvement Related Regression Analyses

**H3:** Employees who perceive higher levels of corporate citizenship will report higher levels of creative involvement.

The regression analyses supported hypothesis 3. The F value of 18.16 (df=333) showed significance at p<0.05 level. This means that the overall model was significant and can be interpreted. The adjusted r squared for the overall model was 0.17. This means that the independent variables explained 17% variance in the dependent variable.
Table 19 shows the results of these regressions. Model 2 is the model that was used for reporting the following data. As can be seen in the table, the effect of PCC on creative involvement was significant at p<0.05 level. This implies that it was explaining the variance in the dependent variable significantly. Therefore, the null hypothesis was not supported which means that PCC was an important variable for explaining employee engagement. Beta, which can be interpreted similar to correlation, was 0.34, while t = 6.73 (p = .000). The unstandardized B value for PCC was 0.25. This means that for every 1 unit increase in PCC, creative involvement increased by 0.25. Hence Hypothesis 3 was supported.

As can be seen in Model 2, which tests for the significance of control variable in the relationship between PCC and creative involvement, the control variables of “age” and “hours worked” had a significant effect on the dependent variable at p<0.05 level. The control variable of “senior management” did not have a significant effect on the dependent variable at p<0.05 level; however significance (p=0.087) was close enough that “senior management” could potentially affect the model.

**H4c:** Importance of corporate citizenship to the employee moderates the relationship between perceived corporate citizenship and creative involvement.

The regression analyses did not support hypothesis 4c. In preparation for the regression analysis of the interaction variable, the scale scores were centered in order to reduce multicollinearity and to simplify the interpretation of lower-order regression coefficients (Cohen et al., 2003)

To test for the moderation effect of ICC, a third multiple regression was run with creative involvement as the dependent variable using “senior management”, “age”, and
“hours worked” as control variables. Using a hierarchical regression model, the control variables were added, then the centered values of PCC and ICC were entered together as independent variables. To test for the effect of the interaction term, the interaction variable (PCCxICC) was added to the model. The coefficient for the interaction term is not significant at p<0.05. This means that ICC did not moderate the relationship between PCC and engagement. This did not support the above hypothesis that was those who are higher in ICC would not show a stronger relationship between PCC and creative involvement.
<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.14</td>
<td>.33</td>
<td>9.46</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.27</td>
<td>.10</td>
<td>.15</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>-.01</td>
<td>.004</td>
<td>-.14</td>
</tr>
<tr>
<td></td>
<td>Hours per week</td>
<td>.18</td>
<td>.06</td>
<td>.16</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>1.64</td>
<td>.38</td>
<td>4.30</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.17</td>
<td>.10</td>
<td>.09</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>-.01</td>
<td>.003</td>
<td>-.12</td>
</tr>
<tr>
<td></td>
<td>Hours per week</td>
<td>.18</td>
<td>.06</td>
<td>.16</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.25</td>
<td>.04</td>
<td>.34</td>
</tr>
<tr>
<td>3</td>
<td>(Constant)</td>
<td>1.12</td>
<td>.49</td>
<td>2.30</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.19</td>
<td>.10</td>
<td>.10</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>-.01</td>
<td>.003</td>
<td>-.13</td>
</tr>
<tr>
<td></td>
<td>Hours per week</td>
<td>.18</td>
<td>.06</td>
<td>.16</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.21</td>
<td>.04</td>
<td>.29</td>
</tr>
<tr>
<td></td>
<td>ICC</td>
<td>.13</td>
<td>.07</td>
<td>.10</td>
</tr>
<tr>
<td>4</td>
<td>(Constant)</td>
<td>3.10</td>
<td>.31</td>
<td>9.95</td>
</tr>
<tr>
<td></td>
<td>Senior Management</td>
<td>.20</td>
<td>.10</td>
<td>.11</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>-.01</td>
<td>.003</td>
<td>-.13</td>
</tr>
<tr>
<td></td>
<td>Hours per week</td>
<td>.18</td>
<td>.06</td>
<td>.16</td>
</tr>
<tr>
<td></td>
<td>PCC</td>
<td>.21</td>
<td>.04</td>
<td>.28</td>
</tr>
<tr>
<td></td>
<td>ICC</td>
<td>.09</td>
<td>.08</td>
<td>.07</td>
</tr>
<tr>
<td></td>
<td>PCC x ICC</td>
<td>-.03</td>
<td>.03</td>
<td>-.07</td>
</tr>
</tbody>
</table>
5.5 Structural Equation Modeling

Overall Model

Structural path analysis was used to test the overall model. Mean scale scores were used for the dependent and independent variables.

Modification indexes suggested adding co-variance paths between engagement and high-quality connections as well as between high-quality connections and creative involvement to improve overall model fit. This was done and an improvement was observed in the goodness of fit indices resulting in an exceptional fit using Hu and Bentler’s (1999) cut-off values (GFI = .969, CFI = .959). Prior to adding co-variance paths, the fit was much weaker with GFI = .792 and CFI = .656).

Therefore, in addition to confirming Hypotheses 1, 2, and 3 through regression analyses as shown in Section 5.4, Hypotheses 1, 2, and 3 were also supported through structural path analysis.
Hypothesized Interaction Between PCC and ICC

To test the moderation effect, structural equation modeling was used. An additional observed variable (PCCxICC) was added to the overall model. This variable was calculated using the centered mean scale scores of PCC and ICC.

The results (GFI = .952, CFI = .931, RMSEA = .274, TLI = .484). CFI and GFI met the cut-off values suggested by Hu and Bentler (1999) while RMSEA and TLI do not. Upon closer examination, the three paths of PCC to the dependent variables came out to be significant, but none of the interaction terms were significant thus showing that the interaction term had no significant effect on the model.
5.6 Post-hoc Exploratory Analyses

In addition to the hypotheses that were proposed *a priori*, additional analyses were conducted with the data to explore other valuable findings. Specifically, post-hoc exploratory analyses were conducted to examine the influence on the dependent variables of the three dimensions of PCC: people, planet, and profit.

Table 20. Regression Analyses between Dependent Variables and Dimensions of PCC

<table>
<thead>
<tr>
<th>Dep. Variable</th>
<th>Indep. Variable</th>
<th>Unstand. B</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>PCC people</td>
<td>.26</td>
<td>.49</td>
<td>8.01</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>PCC planet</td>
<td>.09</td>
<td>.15</td>
<td>2.53</td>
<td>.012</td>
</tr>
<tr>
<td></td>
<td>PCC profit</td>
<td>.09</td>
<td>.10</td>
<td>2.18</td>
<td>.030</td>
</tr>
<tr>
<td>HQC</td>
<td>PCC people</td>
<td>.13</td>
<td>.25</td>
<td>4.05</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>PCC planet</td>
<td>.16</td>
<td>.26</td>
<td>4.28</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>PCC profit</td>
<td>.15</td>
<td>.18</td>
<td>3.63</td>
<td>.000</td>
</tr>
<tr>
<td>Creative Involvement</td>
<td>PCC people</td>
<td>.04</td>
<td>.07</td>
<td>1.04</td>
<td>.300</td>
</tr>
<tr>
<td></td>
<td>PCC planet</td>
<td>.15</td>
<td>.24</td>
<td>3.54</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>PCC profit</td>
<td>.11</td>
<td>.12</td>
<td>2.24</td>
<td>.026</td>
</tr>
</tbody>
</table>

As shown in Table 22, most of the results showed a significant effect on the dependent variables. Of the all the results, two results seem to really stand out. First, the people dimension of PCC had a much greater influence on engagement than the other
dimensions. Second, the people dimension of PCC did not have a significant effect on creative involvement.
Chapter 6 – Discussion and Conclusion

The results and implications of the study are discussed in this chapter. First the outcomes and implications from the hypotheses testing and post-hoc exploratory analyses are discussed. Next, the limitations of the current study are discussed, followed by recommendations for practice, education, and future research. The section concludes with a proposal of a model of wholistic management based on the findings of this study.

6.1 Discussion and Findings of Results

As will be outlined in this chapter, several findings support the hypotheses that employee behavior is influenced by the employee’s perception of their company’s corporate citizenship. However, the findings did not support a moderating effect of the importance of corporate citizenship to the employee. Other potential moderators were found and will be discussed. In addition, post-hoc exploratory analyses found interesting results from analyzing the effects of the dimensions of Perceived Corporate Citizenship (people, planet, profit) on employee behavior.

Effects of Perceived Corporate Citizenship on Engagement

PCC was found to significantly effect engagement. Results of regression analyses, as shown in section 5.4, show compelling support that the influence of PCC is quite strong on engagement. Structural path analysis also found a significant effect of PCC on engagement.
Such findings not only support the hypothesis that an employee’s perception of their company’s corporate citizenship influences their engagement, but show that PCC has a significantly large influence on employee engagement.

A closer look at the items in the Engagement Scale provide more insight. For example, question 18, “The mission/purpose of my company makes me feel my job is important”, of the questions in the engagement survey had five time more respondents agreeing than disagreeing. Given that approximately 85% of the respondents agreed that their company is a good corporate citizen, it is not surprising that the response was also high on such questions in the engagement survey.

The only question in the engagement survey which had a low response was question 20, “I have a best friend at work”, which had more respondents disagree than agree. However, there is no clear link in the literature between having a best friend at work and perceived corporate citizenship. The high-quality connections literature does write about quality relationships but does not state that one needs to have a best friend at work. Therefore, the low agree/disagree ratio of 0.96 on question 20 does not counter the overall trend of engagement for which most respondents strongly agreed. In total, about 67% of respondents agreed to the items in the engagement scale.

As proposed in chapter 3, literature has shown that employees care for more than just making money. Company profit is important, but it is not the only motivator for an employee. In fact, regression analyses showed a stronger influence of caring for people than profit on engagement.

Bill George (2001), Harvard Business School professor and former Chairman & CEO of Medtronic, summarized the link between corporate citizenship and engagement
best: “[Employees’] real motivation comes from believing that their work has a purpose, and that they are a part of a larger effort to achieve something truly worthwhile.” (p. 42)

Effects of Perceived Corporate Citizenship on High-Quality Connections

PCC was found to significantly effect high-quality connections. Results of regression analyses, as shown in section 5.4, show compelling support that the influence of PCC is quite strong on high-quality connections. Structural path analysis also found a significant effect of PCC on high-quality connections.

Such findings not only supported the hypothesis that an employee’s perception of their company’s corporate citizenship influenced their high-quality connections, but show that PCC had a significantly large influence on high-quality connections.

A more in-depth look at the individual item responses in the High-quality Connections scale further explains the influence of PCC on high-quality connections. Almost all of the responses were extremely strong with only a few questions that focused on the expression of frustrations or irritation being low. Overall, respondents agreed with the questions with close to 62% agreeing and only about 16% disagreeing while the remaining 16% were neutral. Furthermore, all the individual items had high ratios of respondents who agreed compared to those that disagreed with the exception of only one question. For question 31, “My co-workers and I do not have the capacity to express irritation”, close to three times more respondents disagreed than agreed. However, the question in the survey should have been reworded to take out the word “not” so that it reads “My co-workers and I do have the capacity to express irritation”. Then the question
would be more in line with all the other questions which are positively framed such as question 27, “We are not afraid to express our unpleasant feelings at work”.

As stated in Chapter 3, working for a company that cares for the planet and society allows people to show up whole at work. Instead of being a different person at work (e.g. working in a cut-throat “only money matters” environment) than at home or in the community, people can bring other values that are important to them to work. The job becomes more than just about making money. One’s work becomes meaningful and people can truly show up whole (Wrzesniewski, 2003). By showing up whole, employees can connect to each other as whole persons. Such connections are substantially different from social capital (especially the bridging dimension of social capital), exchange-based, and transactional relationships in which a superficial relationship can be established based on mutual interest (e.g. profit). For a high-quality relationship to exist, employees need to show up whole (Dutton, 2003) and connect at a deep level in which such relationships are created that lead to increased cooperation among employees, strengthen the attachment to organizations, and increase effectiveness (Dutton, 2003).

The story of Canon best exemplifies how corporate citizenship values influence high-quality connections (Kaku, 1997). The honorary chairman of Canon, Ryuzaburo Kaku, explains how Canon’s main purpose was to provide peace and prosperity. As a result, a spirit of co-operation developed in the company called “kyosei” which became the main reason for the company’s success. Employees were influenced because they were aware of and involved in the activities as Kaku explains: “that is quite different from traditional corporate philanthropy, in which money is donated…we are active participants in the relationship” (p.61).
Effects of Perceived Corporate Citizenship on Creative Involvement

PCC was found to significantly effect creative involvement. Results of regression analyses, as shown in section 5.4, show compelling support that the influence of PCC is quite strong on creative involvement. Structural path analysis also found a significant effect of PCC on creative involvement.

In addition, a closer look at the individual responses shows a similar trend with approximately 65% of respondents agreeing to the questions in the creative involvement scale compared to 12% that disagreed, while the remaining 23% were neutral. All of the individual item responses in the Creative Involvement scale had high ratios of at least five times as many respondents agreeing compared to disagreeing for individual questions. The only exception was question 61, “I generated ideas revolutionary to our field” which did not surprise me given that many respondents might not think that their ideas are revolutionary. On the other hand, question 60, “I generated novel and operable work-related ideas” had nearly seven times more respondents agreeing than disagreeing showing that respondents felt that they were creative; it is just that they maybe had a difficult time saying that their ideas were revolutionary or that the nature of work required creativity in smaller increments than a completely new process or product might.

Testing for control variables found that employee’s age and hours worked had significant effects on creative involvement. However, even if the effect of age was significant, it was minimal (unstandardized B value of -.008) which means that every increase in 1 unit of creative involvement, age dropped by 0.8%. However, hours worked had a significant influence. Amabile (1998) had conducted studies which showed that creativity takes time. Though her research showed that there was a false myth that time
pressure led to increased creativity, the underlying logic in her research could explain why an increase in hours worked leads to greater involvement. If creativity needs time, perhaps people who work less than 40 hours a week are barely able to cope with the bare essentials that their jobs require in these times of cost-cutting when employees are being asked to do increasingly more. Employees do not have time to go “above and beyond” the bare minimum if they need to squeeze everything into less than 40 hours. However, there might be a plateau after which an increase in hours worked does not lead to an increase in creative involvement. The current study uses “50 or more hours worked” as the highest number. Further studies could explore if there is a drop-off in creative involvement if someone works 60 or more hours.

The findings of regression analyses and structural equation modeling support the hypothesis that an employee’s perception of their company’s corporate citizenship influences their creative involvement. Even though the influence of PCC on creative involvement was less than the influence of PCC on engagement and high-quality connections, the influence is still large enough that PCC could be the competitive advantage for companies in today’s market place.

In times when we have cut costs to the bare minimum, companies are looking to innovate to take themselves to the next level. With nearly one-fifth of creative involvement being explained by corporate citizenship, the difference between companies in this very competitive environment could very well be corporate citizenship.
Importance of Corporate Citizenship

Regression analyses showed that the importance of corporate citizenship (ICC) did not significantly moderate the relationship between the independent and dependent variables. Furthermore, when structural path analysis was used, none of the interaction terms had a significant effect on the model.

The lack of significant results could be due to a lack of statistical power. Further tests should be run with a larger sample size. In addition, the sample would need to have a greater variance with ICC scores. In the current sample, over 96% of the respondents on average agreed to the items in the questionnaire with only 1.42% disagreeing while the remaining 2.13% were neutral. The high scores on ICC were most likely because respondents were from companies that are considered to be good corporate citizens. Therefore, it would be interesting to recruit respondents in further studies that were from companies that were not considered to be good corporate citizens.

It was also possible that high responses were due to response bias (Babbie, 2004). Typically response bias is due to the wording of a question encouraging a certain response. For example, beginning a sentence with “do you agree that…”. Even though the wording of the questions in the ICC survey were not suggestive, the questions could be ones that people would have a hard time rating themselves low on such as “It is important for me that my company helps the well-being of people”. Thus, the questions could lead to social desirability of responses (Babbie, 2004). Even though social desirability of responses is often found in face-to-face interviews where people want to look good (Babbie, 2004), perhaps respondents would not feel good about themselves if
they responded low to that question since that might be akin to saying “I wish my company destroyed the planet and well-being of others”.

The effects of ICC should be further studied because if there is no support for a moderation effect of ICC on the model, it could lead to major implications for management. Perhaps Rokeach (1973) and Heidegger (1962) were correct in their arguments that everyone has a value of caring for others and the world. We might not be self-aware of our care for others or we might be conditioned to think that we do not care; but perhaps deep down inside, we are all influenced by how much we feel we can channel our care for others and the world through our work. In other words, we might be conditioned to deceive ourselves that we only care about profit and that we really don’t care if our work has any deeper contribution to society and the environment, but in the end, we are influenced just the same no matter what we may think of corporate citizenship. Our engagement, the quality of relationships, and our creative involvement will significantly be influenced by corporate citizenship no matter how important we may think corporate citizenship is to us.

Such findings would have deep implications for how management theory is currently constructed. It could be that corporate citizenship affects everyone. It is not only relevant for a specific niche crowd but for every single employee and student.

However, before any interpretations are possible, further tests with ICC would be needed. Currently, the only interpretation that I can make is that no moderation effect was found. Any detailed interpretation of the causes leading to the lack of moderation effect would be premature without a larger and more diverse sample.
**Post-hoc Exploratory Analyses**

In addition to the hypotheses that were proposed *a priori*, additional analyses were conducted with the data to explore other valuable findings. Specifically, post-hoc exploratory analyses were conducted to examine the influence on the dependent variables of three dimensions of PCC: people, planet, and profit. Although all dimensions were found to significantly impact the dependent variables, what I am exploring is if a specific dimension had a relatively stronger impact than the other dimensions. Such findings would provide valuable insight into the effects on the dependent variables.

**People.**

The people dimension did not show a significant effect on creative involvement which was quite surprising. In the literature, nothing was found to explain this effect. I personally find this result quite contrary to all of the other findings in the study. Future studies should seek to confirm whether there is a difference in the influence of people and other dimensions of PCC on creative involvement and if there is, explore why there is a difference.

As for the influence of the people dimension of PCC on engagement, the influence was not only significant, but much stronger than of any other dimension of PCC.

The findings of the people dimension could be one of the more significant findings of this study. In times when sustainability is becoming almost synonymous with “green” and the environment, the social aspect of sustainability has almost been overlooked, especially in the US. Energy conservation and eco-efficiency have become the focus of commercials, rankings, and award systems. This is not to down-play the
importance of the planet dimension of the environment in times when climate change is one of the most pressing issues in the world. But on the other hand, our society might be in an even greater crisis than the environment. While we may be decades away from seeing the effects of climate change become irreversible, we may be moments away from a nuclear attack crushing both our society and environment. It is perhaps our society that needs saving more than the planet.

As previously mentioned, I have often heard Margaret Wheatley state that if you take any species out of the eco-system, the eco-system would be worse off except for one species: the human species. Actually, the eco-system might be better off. Being a biologist, she would explain how the environment is completely fine and world will be able to regenerate by itself, the only question is whether human beings will be extinct.

Likewise, in the Center for Business as an Agent of World Benefit where I work, it is believed that societal and environmental issues are interlinked. Issues such as peace, poverty, health, education, economic prosperity are all connected to how the environment is treated.

However, until now, there has not been an integrated view of the corporate social responsibility (CSR) and sustainability literature. The focus of most of the sustainability movement has been mostly on the “planet” side while ignoring the “people” side and its link to society. Definitions of sustainability and sustainable development (Gladwin, Kennelly, and Krause, 1995) primarily focus on the environment. Contrary to the sustainability movement, CSR (Carroll, 1979) and social entrepreneurship focus (Peredo & McLean, 2006) on societal issues rather than environmental issues.
A more integrated view is especially needed in our press and media. We would be remiss to not include societal aspects. Whether we personally believe that contributing to society is as important as contributing to the planet is perhaps irrelevant. What this dissertation shows is that contributing to society is relevant to employees. They are actually significantly more engaged when working for a company that cares about society than they are for environmental issues.

Therefore, the findings of this study are extremely important for the future of business as will be discussed in section 6.5.

**Planet.**

There were no surprising findings in terms of the influence of the planet dimension of PCC on the dependent variables. As shown in Table 20 in section 5.5, the influence of the people dimension was quite similar to the influence of the profit dimension.

**Profit.**

Profit was found to significantly influence the dependent variables. Furthermore, the questions related to profit in the PCC and ICC surveys clearly had the highest scores. Overall, about 93% of the respondents agreed with the questions in the profit dimension on the PCC scale while only 4% disagreed with the remaining 3% being neutral. Taking a closer look at the items on the PCC scale, the highest ratio of agree to disagree was by far for the profit dimension. While most of the scale had ratios of five to ten times more respondents agreeing than disagreeing, question 82, “an important objective for my company is to create profit”, had 47 times more respondents agreeing than disagreeing. Similarly, question 81, “pleasing shareholders/owners is an important objective of my
company”, had 30 times more respondents agreeing than disagreeing. Such findings show that the companies in this survey find profit extremely important and central to their mission. Despite the companies in this sample being perceived to be good corporate citizens, any notion that they were “tree huggers” who do not care about business can be dispelled. To the respondents in the survey doing well and doing good go hand in hand.

Therefore, the premise of this study was confirmed that good business involves caring for society and the environment as well as caring about making a profit. Good business does not mean simply focusing on helping the world. Businesses cannot exist without profit and thus the purpose of this study is to not throw out all of the valuable management theory constructed to date. Quite the opposite is needed. We need to continue with all the skills we learned about finance, marketing, sales, operations and build on those models by integrating corporate citizenship.

Profit still remains central to business, but the difference is that making money is not the sole responsibility of business. Businesses that ignore the world and environment will simply be doing bad business as their employees are less engaged, less creative, and have lower quality relationships at work.

Such findings confirm the model of business put forward by Chris Laszlo (2005, 2008) that he calls the Sustainable Value Framework (see Figure 3). Laszlo proposed that organizations that focus on both profit (shareholder value) and on the society & environment (stakeholder value) will be the most successful in the marketplace.
Figure 3. Sustainable Value Framework

Such findings are important. In the excitement about creating value for society and the environment, the focus on profit cannot be lost.

Most of the previous constructs in the field of business and society did not explicitly state an integral view where doing well for society and the planet was doing good business. For example, corporate social responsibility (CSR) literature (Bowen, 1953; Davis, 1973; Carroll, 1979) does state positive effects for business, but nowhere explicitly states that CSR is a new business model. Even Porter and Kramer’s well-known *Harvard Business Review* article (2006), in which CSR is cited as a competitive advantage, uses the term “strategic philanthropy” to describe CSR. With strategic philanthropy, the actual business model remains the same.
In the sustainable development literature (Gladwin, Kennelly, and Krause, 1995), there is very little mention of the word profit, except for long-term views of the effect on markets if our natural resources are used up. There is no short-term view of changing the business model where doing good means doing well. Furthermore, business ethics (Goodpaster, 1985) takes an ideological view where doing good is “the right thing to do”.

The only literature that explicitly makes the link to profit is stakeholder theory (Freeman, 1984). However, as mentioned previously, traditionally stakeholder theory does not have a holistic view in which all of the key stakeholders are taken into account. For example, it is possible to treat employees poorly in such a model. However, more recent literature by Freeman (Freeman, Harrison, and Wicks, 2007) does revise the model to go beyond a “trade-off” illusion where stakeholder interests are integral to the corporate strategy.

Traditionally corporate citizenship has had a more integral view (Waddock, 2004), however, even with the way corporate citizenship is defined, it is possible for a trade-off to exist. Corporations could be good citizens by playing a role in society that actually might cost them more.

Academic journals such as the Academy of Management Review, Academy of Management Journal, and Administrative Science Quarterly, still lack mention of a purely integrated business model in which both profit and doing good are one and the same. The lack of literature is probably due to the difficult task of measuring a link between corporate citizenship and profit (Schuler & Cording, 2006; Gardberg & Fombrun, 2006; Margolis & Walsh, 2001; Griffin & Mahon, 1997). It is almost
impossible to predict profit because there are so many potential moderating and confounding variables that can lead to profit.

Thus focusing on indicators of profit such as employee behavior would be much easier. However, only a few articles were found that linked corporate citizenship to employee behavior (McGuire, Sundgren, & Schneeweis, 1988; Waddock & Graves, 1997; Orlitzky, Schmidt, & Rynes, 2003) but none of them empirically measured the effects on engagement, high-quality relationships, and creative involvement. Such a lack of studies is probably due to the lack of a survey instrument – such as the one constructed for this study – that can measure corporate citizenship at an individual employee level. Without such an instrument, it is impossible to measure the effect on employees due to issues of conflicting levels of analysis (Rousseau, 1985).

Therefore, this dissertation has a major contribution to the literature by being able to open the door for further studies of the effects of corporate citizenship on employee behavior. Furthermore, this dissertation shows that for employees to be positively influenced, their companies need to focus on both profit and doing good for society and the planet. As the results from this study have shown, an integrated view is what leads to increased engagement, high-quality connections, and creative involvement.

Hopefully this dissertation can lead to additional studies that would complement what many practitioners have known and authors have written about. Books such as *Green to Gold* (Esty & Winston, 2006) and *Sustainable Value* (Laszlo, 2008) have been gaining popularity as they recommend an integrated model of where doing good is the business model leading to profit. It is time for academics to apply their strengths in
researching dynamics and creating theories to further the field of corporate citizenship, thus helping both business and the world at the same time.

6.2 Revised Model

Based on the results of the regression and structural path analyses, the overall model was revised to take out Importance of Corporate Citizenship (ICC). Structural path analysis was conducted without ICC resulting in a new model, as shown in Figure 4, where employee’s perception of the corporate citizenship of the company influences their engagement, high-quality connections, and creative involvement with co-variance paths between engagement and high-quality connection as well as between high-quality connections and creative involvement. The co-variance path between engagement and high-quality connections is consistent with what was originally proposed and with the literature where high-quality connections lead to people feeling more engaged (Dutton, 2003). The co-variance path between high-quality connections and creative involvement was not surprising even though it was not proposed. Previous studies have shown that work group support and quality relationships lead to increased creativity (Amabile et al., 1996).
A structural path analysis showed that the revised overall model, as shown in Figure 4 above, resulted in an excellent fit (GFI = .969, CFI = .959).

### 6.3 PCC and ICC Survey Instruments

The creation of PCC and ICC survey instruments is one of the most important contributions of this dissertation.

Construct validity was ensured based on the process used to design the scale where both literature reviews and panels of judges were used. In addition, PCC and ICC
were used to measure hypothesized relationships based on the literature thus also showing construct validity.

Reliability for both scales is high with the Cronbach’s Alpha (\( \alpha \)) of the PCC scale being 0.963 and the ICC scale being 0.940. Finally, the results from structural equation modeling (see Appendix D and E) show that the variables are clear and distinct constructs.

But most important is the overall fit of the models. Structural path analyses of both PCC (GFI = .867, CFI = .951) and ICC (GFI = .880, CFI = .955) showed a good fit of the model. As Harter and Schmidt (2008) propose, the most important criteria for a good survey instrument is that it can predict and measure constructs that are useful for applied researchers and people in business. The fit of the model shows that PCC and ICC can be used to measure constructs such as engagement, high-quality connections, and creative involvement.

It is quite possible that many academics could refute a survey that measures corporate citizenship. Many might get into the literature debate and question why CSR or sustainability is not measured instead of corporate citizenship in these surveys. First of all, the survey items never use the words corporate citizenship, CSR, or any construct but rather measure specific indicators such as corporate strategy towards society. Second and most important, it doesn’t matter what we call the construct as long as it can have value for business. If PCC and ICC can predict employee behavioral outcomes, they are survey instruments that carry great value.

In response to scrutiny of the Q12 engagement survey, Harter and Schmidt (2008) asserted that “what matters is the practical value of the measure” (p. 38). Macey and
Schneider (2008) had questioned whether engagement had discriminant validity from constructs such as job satisfaction, organizational commitment, job involvement, and feelings of empowerment. Harter and Schmidt (2008) responded by stating that Macey and Schneider’s paper is based on an implicit assumption that may not hold true: If they and other researchers can make a logical or conceptual distinction between constructs or measures, then this distinction will exist in the minds of employees or respondents to surveys. (p. 36)

The authors continued to argue that what matters was the practical value of an instrument. If the survey can provide information that is actionable, that was all that matters.

In a similar vein, because PCC and ICC survey instruments can show the effects on engagement, high-quality connections, and creative involvement, these instruments are actionable and provide valuable data to any manager who cares about employee behavioral outcomes.

### 6.4 Limitations

The main limitation of the study was that the sample can not be generalized to the entire population of North America. Even though the findings were robust and show extremely high significance with $p = .000$ in most cases, further studies should be expanded to a much larger and diverse sample size.

A larger and more diverse sample would provide higher statistical power which would allow for further testing of the moderating effects of ICC. Without additional
testing of ICC, it is difficult to make any well-substantiated interpretations of the effects of ICC on the model.

Another limitation was that the high-quality connections survey was not as robust as originally assumed. The original scale was intended to measure six dimensions of high-quality connections but after conducting factor analyses, the scale actually fit with one factor. Unfortunately, the scale used is the only existing scale for high-quality connections. However, in conversations with Jane Dutton, the author has learned that a new survey instrument is being developed. Future studies should examine if there is a deeper impact on specific dimensions of high-quality connections.

6.5 Implications for Practice, Education, and Future Research

Practice

David Cooperrider influenced the author’s thinking greatly by often stating that ‘sustainability is the business opportunity of the 21st Century’. Although this statement was believed, it was hard to find an argument to convince business people who were not already convinced. Though many studies were conducted to attempt to show the influence on profit, the evidence was considered to be somewhat inconclusive due to methodological issues (Schuler & Cording, 2006; Gardberg & Fombrun, 2006; Margolis & Walsh, 2001; Griffin & Mahon, 1997) which is not surprising given that it is almost impossible to prove the influence on profit. There are so many other potential antecedents and moderators that could influence profit, that it is difficult to attribute the increase of profit to corporate citizenship. However, the influence of corporate citizenship on
employee behavior, which can lead to increased profit, is something that can more easily be measured.

Previous studies have not been able to measure the influence of corporate citizenship on employee behavior because the two constructs were being measured at different levels of analysis. Employee behavior is typically measured at an individual level of analysis while corporate citizenship is usually measured at the organizational level. Therefore, it was not surprising that in an extensive literature review, the author was not able to find any studies showing the effects of corporate citizenship on employee behavior.

It is only now that a new survey instrument was created to measure corporate citizenship at the individual level, that the influence of corporate citizenship on employee behavior was studied. As a result, this is the first known study completed with academic rigor that provides strong evidence that corporate citizenship can positively influence employee behaviors.

The author realized that the hypotheses in this study are not novel to many in the field. While discussing the research with many leading experts over the years, many have told the author that ‘this is something I have known for a while’ but almost all of them said ‘but we have been missing a good empirical study to confirm what we already know’. As a senior officer in one of the most influential organizations in the field of management recently told the author: ‘your study has been a long-time coming’.

In no way does the author want to downplay valuable findings of this study such as the influence of the “people” dimension on engagement or that every employee is affected by corporate citizenship no matter if they think they care about it. Rather, what is
important to point out is that this study is potentially opening up a gateway for future research into how business can be the opportunity of the 21st century. Hopefully, we can move past the debate about if corporate citizenship has an effect on profit and move towards studying how corporate citizenship can create profit while also creating benefit for society and the environment.

The findings of this study will have a deep influence on business practice. Personally, the author would be hard-pressed to find a manager who did not care about employee engagement, their creativity, and the quality of relationships employees have at work. The author firmly believes that most managers who had a difficult time being convinced that corporate citizenship leads to profitability would change their attitude if they knew that corporate citizenship could influence employee behavior.

On a side note but related, the author kept the model quite simple so that people in business could understand this model. Instead of coming up with a more complex model that was full of many variables and lines that would have many academics impressed, the author wanted to create a simple model that spoke clearly to business practitioners.

The reason for focusing on business practitioners is that it is business that can truly change the world. In these times when governments by themselves are ineffective, non-profit organizations lack the resources to influence society, and inter-governmental agencies are too large and slow to make a difference, it is business that is needed to tackle the societal and environmental issues of our day.

Piderit, Fry, and Cooperrider (2007) created an entire handbook explaining how business in cooperation with other sectors can be the vehicle for transformation. In their
introduction they cited Stanford University’s Willis Harman making the case for why business is the sector with the greatest likelihood of helping society and the environment:

Business, the motor of our society, has the opportunity to be the new creative force on the planet, a force which could contribute to the well-being of many…the modern corporation is as adaptable an organizational form as has ever been invented, so that in a time of fundamental change it may be expected to be on the cutting edge. (p. 7)

The authors go on to cite several research findings and examples from practice concluding that “…for this reason we assert that the key nexus for our future is the intersection of business and society…(p.9)”

In addition to the importance of the findings in this study, the influence of the “people” dimension on engagement shows that caring for society could be one of the most important break-through findings in this study. As companies are increasingly focusing on the environmental aspect of corporate citizenship, the societal aspect seems to be ignored. Not only is this a missed opportunity, but it could be a serious short-term risk to a company. As one of the key consultants behind Wal-Mart’s success recently told the author: ‘all of Wal-Mart’s great work with the environment will be negated if they do not focus on society. Stakeholders will not value the environmental efforts until it is shown that Wal-Mart is caring for its employees, customers, and society at large.’

Just as the “green” movement began going mainstream years ago, the “social” movement in business might currently be in its initial stages. The “green” movement most likely began going mainstream because of its focus on energy reduction which led to immediate cost-savings. It was a low-hanging fruit that even the most cynical critics of
sustainability had to agree with – saving energy saved money. However, as we’ve increasingly begun to cut costs, the next phase in corporate citizenship will need to be one in which doing well is seen as a strategic to the company and not simply a cost-cutting method. Perhaps there is no better place to start to create a strategic advantage than by creating a highly engaged workforce through a focus on societal issues.

It is my hope that the findings in this study further support the acceleration of this movement in which business will play a major role in societal change.

Education

The findings of this study support that core management skills that lead towards profit are still as relevant as ever; however, the focus on profit by itself is not enough anymore. Management theory, research, and curriculum need to integrate a focus on society and the environment.

The results in this study give empirical support to a movement that has already started among management school leaders called the Principles for Responsible Management Education (PRME). The PRME is an UN-backed initiative first designed at the Business as an Agent of World Benefit Forum in 2006 at Case Western Reserve University and then launched in 2007 to mainstream corporate responsibility in curriculum development, research and advocacy. Currently over 200 management schools have joined the PRME. In a recent Global Forum held on December 5, 2008 at the United Nations, the UN Secretary General Ban Ki-moon addressed the academic community: “As teachers, you can ensure that tomorrow's leaders understand that the long-term growth of a business is tied to its environmental and social impact. As scholars,
you can produce research that drives innovation and helps management to recognize the benefits of being a responsible business. And as thought leaders and advocates in your communities, you help advance awareness of broader challenges, opportunities and responsibilities”.

The influence of education on business is immense. Not only do we as educators influence millions of management school graduates each year, but our research, models, and theories influence management thought and practice.

Previously, management schools have researched phenomenon in the field, tried to make sense of it, and then create a theory. By the time the findings were published, they were often irrelevant to current practice. Currently, management schools have an opportunity to be ahead of the times. If caring for society and the environment is good business, we can create models that businesses can implement, thus allowing business to create the change needed in our world.

Future Research

This dissertation was written with the intent of setting up studies for the next 5 to 10 years at least. Therefore, numerous studies can be done to further the work in this dissertation. Of all the studies, there are a few that the author should be the done in the near future.

The immediate research plan of studies is as follows:

1. Publishing the results of this dissertation
2. refining and publishing the PCC and ICC surveys
3. testing the model on a more varied sample that also includes more sectors and companies where individuals are likely to perceive their companies as lower in corporate citizenship
4. conducting the survey among populations that are more likely to score lower in Importance of Corporate Citizenship
5. examine relationship between PCC and corporate citizenship actions by comparing PCC scores to coding schemes of reports

The first step that the author plans to write an article based on this dissertation that would be submitted to a peer-review journal.

Second, an immediate study would be to refine the survey. Specifically, the covariance paths found between items in the PCC scale should be potentially reformulated and tested. In addition, the overall corporate citizenship dimension could potentially be removed from both the PCC and ICC surveys or used as a separate survey. The survey instrument should be published as soon as possible since it could lead to a multitude of uses for the field and the author’s own personal future research.

The creation of rigorous PCC and ICC survey instruments will be a huge contribution to the field that could open up an infinite number of studies. Anything at an individual level of analysis could be studied such as employee turner, retention, job satisfaction, motivation, social capital, organizational citizenship, number of innovations, meaningfulness at work, altruism, spirituality in business, and numerous positive psychology related studies which measure employee’s overall well-being, happiness, health, and emotional states. Anything that is of importance to business that can be measured at an individual level could be measured.
Third, before being able to generalize the model proposed in this study, additional studies should be conducted in a more varied population sample that would include employees that would test low in PCC. This would mean proactively seeking out companies which would seem to be low in PCC. Furthermore, more companies and sectors could be studied. One potential possibility is to arrange follow-up studies with Gallup, which has an extensive and diverse research population through the Gallup World Poll and might be interested in doing further research on the topic. Another possibility is to work with Executive Education departments to survey diverse populations such as EMBA students. For purposes of this study, the sample was diverse and sufficed for this study. However, it would be interesting to study whether there is a difference in the findings depending on the sector and/or size of the company.

Fourth, studies should be conducted among a sample which might include people who would score low in ICC. More diversity in the sample would lead to higher statistical power and allow for further studies that could test ICC as well as some of the control variables that were found to have an effect in preliminary analyses.

Fifth, qualitative analyses of corporate citizenship would provide further validity of the surveys. For example, corporate actions reported through written materials of companies such as annual reports, Global Reporting Initiative reports, UN Global Compact reports, could be coded for corporate citizenship activities. If the results support the aggregated PCC scores for the company, it would further provide validity to the survey instruments.

Other studies that either the author or others could conduct in the next few years are as follows:
6. developing a model showing how caring for society can create an engaged workforce
7. qualitative studies to understand dynamics of why PCC influences employee behavior
8. measuring the relationship of PCC and ICC with other individual level variables
9. conducting the study across multiple and diverse cultures
10. further researching the effects of control variables on the model

Of the studies that are in the latter grouping, the author would like to begin studies “six” and “seven” as soon as possible. However, such studies might take more than a year to complete.

The study that would probably have the greatest impact and interest to practice is the one under “six” above which is the influence of the “people” dimension of PCC on engagement. In other words, the impact of the “social” aspect of corporate citizenship should be studied for how it influences employee engagement. A model could be developed that shows how caring for society can be the competitive advantage in creating an organization in which its workforce is more engaged and thus more profitable.

The final study under “ten” above could go beyond only measuring the effects of the control variables on the dependent variables. Moderating effects should also be explored. For example, it is possible that corporate citizenship might effect employees who have been longer in a company, employees of a certain gender and age.

Finally, qualitative studies should be conducted in individual companies to understand the dynamics of why PCC influences employee behavior. Although grounded
theory interviews and literature reviews informed the model in this study, more robust analyses should be conducted to understand how companies can use corporate citizenship to influence their employees. Studies can be conducted in the companies that have the strongest influence of corporate citizenship on employee behavior to learn how they implemented corporate citizenship. For example, is corporate citizenship part of the performance criteria, is caring for the environment and society explicitly stated in the company’s vision, is corporate citizenship part of the everyday discourse in the company and with their stakeholders? Such questions and other ones can lead to creating a model which companies can consciously use to enhance employee behavior.

In addition to the above studies which research the effects of corporate citizenship on employee behavior, studies that look at the reverse direction could be conducted. It is possible that engagement, high-quality connections, and creative involvement influence corporate citizenship. Through the work of the Center for Business as an Agent of World Benefit (now known as the Fowler Center for Sustainable Value), we have witnessed through numerous summits focusing on organizational performance that when employees are feeling engaged, when they are creatively involved, and when they are connected at the level of the whole person, they tend to naturally focus on corporate citizenship as a path towards increased organizational performance. This phenomenon has been observed numerous times but the underlying dynamics have not been researched. We do know that these summits emphasize the whole person showing up so it is quite possible that employees who feel whole at these summits and thus are engaged, creatively involved, and have higher quality connections, will gravitate towards organizational solutions which allow them to continue to show up whole after the summit is done. Working for a
corporate citizen rather than a corporation which solely focuses on the bottom line might allow employees to show up more whole.

6.6 Concluding Thoughts - Wholistic Management

Prior to introducing my concluding thoughts, I would like to briefly summarize the literature on the divide between society and the corporation as well as the literature on the divide between the individual and the organization. By understanding the previous literatures, a case can be made for a new form of management that bridges all the divides at once.

Divide between Society and the Corporation

The divide between society and the corporation is one that is as old as the notion that man can control the world. We have created corporations that do not follow the concept of wholeness (e.g. working with our natural resources as opposed to working from our natural resources). Descartes (1637) even specifically stated that if we can understand all around us then we can “make ourselves masters and possessors of nature”. Devall (1985) cites that many have confirmed that humans indeed have this view of the world such as sociologists Max Weber, William Catton, Jr. and Riley Dunlap as well as ecologist David Ehrenfeld. “Many have critiqued this worldview such as Thomas Malthus, Wililam Blake, many of the Romantic poets, many in the pastoral-naturalist literary tradition, and thinkers such as seventeenth-century Dutch philosopher Baruch Spinoza and twentieth-century German philosopher Martin Heidegger.” (p. 45) Noted management experts such as Senge, Scharmer, Jaworski, and Flowers (2004) have made
the same point. They see humanity as leaning towards a false division of parts in a world that is actually connected and whole.

Such a divide can be bridged by corporate citizenship which is calling for an integration of the corporation and society.

**Divide between the Corporation and the Individual**

However, corporate citizenship literature has primarily been focused on the organizational level and does not address the divide between the individual and the corporation. Therefore, it is necessary to look at other literatures where employees are equated to machines whose only purpose is to contribute to the profitability of the company (Schor, 1991; Kanter, 1993; Swiss and Walker, 1993; Tannen, 1994; Kegan, 1994; Bailyn, 1997; Vannoy and Dubeck, 1998; Williams, 2000; Hochschild, 2003). The literature proposes that employees are forced to leave parts of their selves at home, while showing up at work with only a focus on profit.

The irony is that money is not correlated to happiness (Get Happy, 2005). Scholars from Marx (2000), Frankl (1963), to Wrzesniewski (2003) in more modern times have argued that people need to find meaning in their lives. Employees have other values than solely caring about making money (Seligman, 2002; Wrzesniewski, 2003).

An interviewee in a company that was considered to be a corporate citizen stated:

I think many people want to make a difference…If they can make a difference within their work, why not, they’ll do it…. I think it is because really the engagement of people and the motivation created, also loyalty, sense of pride, sense of belonging to a company with values….is a big difference. Everyone is
working to make a living and there is always a part of themselves which is important, which allows people to be more whole, to attend to this other part of themselves, more values based, emotions, sense of purpose beyond ones’ life. This is the power of [work] like this, because they allow people to show up at work totally as who they are.

For meaning to exist at work, people need to be able to bring other aspects of their selves. It is this quest for caring for more than just money that scholars such as Wrzesniewski (2003) have called meaning at work. The authors of *Firms of Endearment* (Sisodia, Wolfe, and Sheth, 2007) might have stated it most clearly when they wrote “the search for meaning is changing expectations in the marketplace, and in the workplace. Indeed, we believe it is changing the very soul of capitalism” (p.4).

Perhaps it is this search for meaning at work that positively influences employees when they work for a company that is a good corporate citizen. Wrzesniewski (2003) proposed that people have other aspects of their selves which are not showing up at work and as a result, employees are searching for meaning at work. As mentioned in section 3.2., studies have shown that those employees that have found meaningfulness in work were more engaged (Kahn, 1990; May, Gilson, & Harter, 2004; Britt, Adler, & Bartone, 2001).

Therefore, a company that is a good corporate citizen could allow for more employees to feel congruent to the values of the organization. Employees who care for more than just making money could find greater values congruence with a company that valued caring for society and the planet. Numerous studies have shown the importance of values congruence (Adkins, Russell, & Werbel, 1994; Kalliat, Bluedorn, & Strube,
1999; Kristof, 1996; Liedtka, 1989). Collins and Porras (1994) conducted a longitudinal study in which they found that companies in which employee values are congruent with organizational values make fifteen times the average market. However, what is new is the directional approach of values congruence. Previously, corporations have used techniques to align the employees’ values to the company’s values. What is novel about the new approach to corporate citizenship is the direction of the approach - it requires the company to align its values to that of the employee.

Wholistic Management

Previous literature has called for more *holistic* management in which the divide between society and the corporation is bridged. Other literature has called for *wholeness* where there is a bridging of the divide between the individual and the corporation. What if both approaches were used together to form a new form of a *wholistic* organization?
Figure 5. The Wholistic Organization

Wholistic management would be one in which the individual can feel whole because they work for a corporation that is integrated into society.

To illustrate how all three levels can work together, the effects of corporate citizenship on the three dependent variables in this study can be explored:

- In engagement theory, wholeness is implicit in the roots of the theory. Kahn (1990) proposes that the more employees can show of their whole selves at work, the more they will be engaged. If an organization is integrated into society and the environment, then employees who care about more than just making money can feel as if they are bringing their whole selves to work and thus are more engaged.
- As for high-quality connections, Dutton (2003) explains the more whole that people show up at work, the more they are able to connect to each other as
whole people rather than at a superficial level in which the connection is of much lower quality. If employees can show up more whole in companies that are integrated into society, then it seems quite possible that they will have high-quality connections with others at work.

- In terms of creative involvement, Amabile (1998) cites several studies which show that employees are more creatively involved when they show up whole, pursuing their true passions (e.g. caring for society and the environment) and not just working simply for profit.

Such an approach to management could be the next evolution of management theory. If we review the past century, we began with Taylorism (Taylor, 1911) which focused on the human being as a part of a well-oiled corporate machine. Next came the Hawthorne studies (Mayo, 1933, Homans, 1950; Roethlisberger & Dixon, 1939), the human relations movement (Lewin, 1947), and the humanistic movement (Rogers, 1951; Maslow, 1954) which acknowledged that humans are not machines and that they can be motivated and thus influenced towards helping the corporation maximize profit. This phase was followed by participatory management (Likert, 1967, Argyris, 1964, Lawler, 1986, Hackman & Oldman, 1980, Senge, 1990) with all of the major scholars agreeing that humans could not be simply satisfied by receiving incentives and rewards in the form of salaries but needed to be included in the decisions and strategy of the company (McClelland, 1953; McGregor, 1960; Herzberg, 1966; Vroom, 1964; Bandura, 1986; Alderfer, 1972). However, all of the previous approaches imply a fragmented approach of “us” vs. “them” where there is an organization and there are employees that need to be motivated or involved so that they can serve the corporation more fully.
Each of these movements were revolutionary in their time so the point is not to pass judgment on them. Often, I find that people associate “bad” with previous movements such as Taylorism. In their time, the movements were quite progressive. For example, the writings of the humanistic movement were deeply ingrained with idealism and a call for valuing the human being. However, today’s times call for a new phase of management as described in Table 21.

This next phase of management could be one where there is a merger of the “us” and “them”. This is not win-win where a “we” is created. Rather it is a oneness in which the individual, the organization, and society are all integrated. The three still do exist as separate entities, but as part of one whole. Similar to how cells form body parts that form a body, individuals can form corporations that are all part of one body – society.
Table 21. Evolutionary Phases of Management Theory

<table>
<thead>
<tr>
<th>Phase</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taylorism</td>
<td>Automation of humans in the workplace</td>
</tr>
<tr>
<td>Human Relations</td>
<td>Recognizing individual human behavior so that it can be influenced to increase productivity</td>
</tr>
<tr>
<td>Participatory</td>
<td>Empowering individuals to participate in decision-making so as to create a more effective and productive organization</td>
</tr>
<tr>
<td>Wholistic Management</td>
<td>Complete integration of the individual-corporation-society</td>
</tr>
</tbody>
</table>

Such a new form of management requires us to go beyond what Argyris (1964) called our mental maps. As Argyris further explains, our current mental maps keep us entrenched in a self-reinforcing loop. Thus the sole focus on profit has kept our society in a loop in which we respond to the current economic crisis by further cutting costs rather than looking to what the next evolution of management could be that could help us get to the next level.

Perhaps a fable outlined by Lotte Bailyn (1997, p. 209) best summarizes the implications of the findings of this study:

“It is the story of a company that only employed short people. For a long time it was very successful, but then times changed and the pool of talented short people became diminished, so it also started to hire tall people. This was a bit of a problem, however, since the door to the company was built for short people and the new, tall employees couldn’t get in. What should they do? “Easy,” the
company said, “We’ll teach them.” So they started holding training sessions for
the tall people, teaching them how to stoop down so that they could get into the
door. And they urged the managers to these new employees to be understanding,
in case the more awkward entrance of their new employees made them a little
late. The company was well meaning, and it allocated time and money to this
effort. No other solution occurred to anyone.”

In the fable above, the door frame was built for a past time when employees were shorter.
Instead of changing the door to the company, employees had to try their best to fit in with
the old system. Similarly, the current form of the corporation might have served its
purpose well in the past. But currently, employees are finding a hard time fitting in a
corporation where the sole focus is on profit. Training sessions, time off to do community
service, ability to participate in periodic philanthropy will not be good enough. The frame
of business needs to be expanded beyond profit to also include a focus on society and the
environment.

“A man who has no inner life is a slave to his surroundings.”

- Henri-Frederic Amiel
Appendix A: Participant Invite letter

The following is a template that was used by each company that participated in the survey. A senior official used the template to send out an invitation to employees via an e-mail distribution list.

Dear ,

Please participate in a survey on the Effects of Corporate Citizenship on Employees. We would greatly encourage you to give your thoughts since the data collected by our employees will provide extremely valuable input for Parker-Hannifin.

The purpose of the survey is to learn about your perception of Parker-Hannifin’s corporate citizenship and the effects that perception has on your behavior at work. The information you provide will be used to inform research on corporate citizenship. In addition, it will also form the basis for a Dissertation on the topic. In exchange for your time and willingness to help, our company will be provided with the aggregated results of all the surveys taken by all of our employees. We hope the results will give you an opportunity to reflect on your work environment and the effects it has on your behavior at work.

The data collected from this survey will be anonymous. You will never be identified by the information you provide.

The survey should take no more than 30 minutes. On average most participants completed the survey within 15 minutes. Please fill out the survey within the next two weeks.

To access the survey, please go to: http://webutil.case.edu/surveyor/wsb.dll/s/7g40

Your participation is greatly appreciated. It will greatly help us in improving our strategy towards creating a better workplace environment as well as a better world.

Kind regards,

[signed by senior official from company]
Appendix B: Survey

Attached are snapshots of the survey taken from the original web-based survey that participants completed. Please note that the actual snapshots on the following pages are a bit different from the original. This is due to alterations caused by the computer while saving the files from the web pages. However, the differences from the original are minimal and are only related to the graphics and not the content.
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

Thank you for agreeing to participate in the Effects of Corporate Citizenship on Employees study. The purpose of these surveys is to learn about your perception of corporate citizenship in your company and the effects that perception has on your behavior at work. The information you provide will be used to inform research on corporate citizenship. In addition, it will also form the basis for a Dissertation on the topic. In exchange for your time and willingness to help, your company will be provided with the results of your surveys. We hope the results will give you an opportunity to reflect on your work environment and the effects it has on your behavior at work.

The data collected from this survey will be anonymous. You will never be identified by the information you provide.

As a participant in this survey process, which should take no more than 30 minutes, you are free to decline answering any questions. You may also end this process at any time should you feel the need to do so. Thank you very much for contributing your time and reflection to this research study!

DEMOGRAPHIC DATA

1) Company:

2) What country do you currently reside in?

3) Department (choose the one that most closely describes the department your job is within):

   If you selected other, please specify:

4) Gender (check one):

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☐ Male ☐ Female

5) Please fill in your age in years.

☐ ☐

6) Type of work:

☐ hourly (paid by hour) ☐ salaried

7) Hours worked per week (check one):

☐ 0-9
☐ 10-19
☐ 20-29
☐ 30-39
☐ 40-49
☐ 50 or more

8) How long have you worked in the company (check one):

☐ less than ☐ less than ☐ less than ☐ less than ☐ less than ☐ 10 or
three months 1 year 2 years 5 years 10 years more years

9) Do you consider yourself to be in senior management (check one):

☐ Yes ☐ No
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

GALLUP WORKPLACE AUDIT

10) On a five-point scale, where 5 is extremely satisfied and 1 is extremely dissatisfied, how satisfied are you with your company as a place to work?

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5

Please rank the following items from 1 to 5 where 1 = strongly disagree, 5 = strongly agree and the sixth response is do not know / does not apply.

11) I know what is expected of me at work.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

12) I have the materials and equipment I need to do my work right.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

13) At work, I have the opportunity to do what I do best every day.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

14) In the last seven days, I have received recognition or praise for doing good work.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

15) My supervisor, or someone at work, seems to care about me as a person.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

16) There is someone at work who encourages my development.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

17) At work, my opinions seem to count.
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  do not know / does not apply

18) The mission/purpose of my company makes me feel my job is important.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  do not know / does not apply

19) My associates (fellow employees) are committed to doing quality work.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  do not know / does not apply

20) I have a best friend at work.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  do not know / does not apply

21) In the last six months, someone at work has talked to me about my progress.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  do not know / does not apply

22) This last year, I have had opportunities at work to learn and grow.

☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  do not know / does not apply

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HIGH-QUALITY CONNECTIONS SCALE

For the following items, please choose from 1 to 5, where 1 = not at all and 5 = to a great extent.

23) My co-workers and I do not have any difficulty expressing our feelings to each other

   1 2 3 4 5  do not know / does not apply

24) The relationships we have make me feel mentally strong

   1 2 3 4 5  do not know / does not apply

25) I feel liked in my workplace

   1 2 3 4 5  do not know / does not apply

26) The relationships we have make me feel that I am coming alive at work

   1 2 3 4 5  do not know / does not apply

27) We are not afraid to express our unpleasant feelings at work

   1 2 3 4 5  do not know / does not apply

28) When one of us expresses an unpleasant feeling, he/she always does it constructively

   1 2 3 4 5  do not know / does not apply

29) My co-workers and I are able to express our frustrations without offending one another

   1 2 3 4 5  do not know / does not apply

30) The relationships we have make me feel physically strong

   1 2 3 4 5  do not know / does not apply

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31) My co-workers and I do not have the capacity to express irritation
   ○ 1   ○ 2   ○ 3   ○ 4   ○ 5   do not know / does not apply

32) I feel that my co-workers appreciate me here
   ○ 1   ○ 2   ○ 3   ○ 4   ○ 5   do not know / does not apply

33) The relationships we have make me sense feelings of vitality at work
   ○ 1   ○ 2   ○ 3   ○ 4   ○ 5   do not know / does not apply

34) My co-workers and I know how to overcome our conflicts
   ○ 1   ○ 2   ○ 3   ○ 4   ○ 5   do not know / does not apply

35) We cope well with the tensions experienced at work
   ○ 1   ○ 2   ○ 3   ○ 4   ○ 5   do not know / does not apply

36) We always overcome failures in projects we work on
   ○ 1   ○ 2   ○ 3   ○ 4   ○ 5   do not know / does not apply
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

HIGH-QUALITY CONNECTIONS SCALE (continued)

For the following items, please choose from 1 to 5, where 1 = not at all and 5 = to a great extent.

37) The relationships we have make me feel good at work
   ○ 1  ○ 2  ○ 3  ○ 4  ○ 5  ○ do not know / does not apply

38) Even in times of personal tension and pressure, we know how to find a way out
   ○ 1  ○ 2  ○ 3  ○ 4  ○ 5  ○ do not know / does not apply

39) I feel that my co-workers understand me
   ○ 1  ○ 2  ○ 3  ○ 4  ○ 5  ○ do not know / does not apply

40) The relationships we have make me feel full of positive energy at work
   ○ 1  ○ 2  ○ 3  ○ 4  ○ 5  ○ do not know / does not apply

41) We are always open to listening to new ideas of our co-workers
   ○ 1  ○ 2  ○ 3  ○ 4  ○ 5  ○ do not know / does not apply

42) We are very open to diverse influences, even if they come from unconventional sources, such as new employees, customers, etc.
   ○ 1  ○ 2  ○ 3  ○ 4  ○ 5  ○ do not know / does not apply

43) We are attentive to new opportunities that can make our system more efficient and effective
   ○ 1  ○ 2  ○ 3  ○ 4  ○ 5  ○ do not know / does not apply

44) The relationships we have enable us to generate new things
   1  2  3  4  5  ○ do not know / does not apply
45) I feel that my co-workers develop meaningful relationships
   1 2 3 4 5 do not know / does not apply

46) We have very open relationships
   1 2 3 4 5 do not know / does not apply

47) The relationships we have enable us to learn new things
   1 2 3 4 5 do not know / does not apply

48) I feel that my co-workers and I do things for one another
   1 2 3 4 5 do not know / does not apply

49) The relationships we have encourage us to seek for new opportunities
   1 2 3 4 5 do not know / does not apply

50) I feel that my co-workers like me
   1 2 3 4 5 do not know / does not apply

51) We are committed to one another at work
   1 2 3 4 5 do not know / does not apply

52) There is a sense of empathy among my co-workers and myself
   1 2 3 4 5 do not know / does not apply

53) The connection between my co-workers and myself is based on mutuality
   1 2 3 4 5 do not know / does not apply
CREATIVE INVOLVEMENT SCALE

For the following items, please choose from 1 to 5, where 1 = not at all and 5 = to a great extent.

54) I demonstrated originality in my work.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

55) I took risks in terms of producing new ideas in doing my job.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

56) I found new uses for existing methods or equipment.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

57) I solved problems that had previously caused difficulties.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

58) I tried out new ideas and approaches to problems.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

59) I identified opportunities for new products/processes.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

60) I generated novel and operable work-related ideas.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply

61) I generated ideas revolutionary to our field.
   ☐ 1  ☐ 2  ☐ 3  ☐ 4  ☐ 5  ☐ do not know / does not apply
62) I served as a good role model for creativity.

   1  2  3  4  5  do not know / does not apply
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

PERCEIVED CORPORATE CITIZENSHIP SCALE

This scale measures your perception of corporate citizenship in your company.

For purposes of this questionnaire, stakeholders are defined as any group of individuals important to the survival and success of your corporation (including shareholders and owners, community members in areas where the corporation operates, customers, employees, government representatives and political activists, trade associations, the media, society at large, and the environment/planet).

Part I - Overall Corporate Citizenship

63) Contributing to the well-being of all our key stakeholders is a high priority at my company.

64) Business goals in my company are achieved by addressing social and/or environmental issues.

65) My company aims for mutually beneficial relationships with all of its key stakeholders.

66) Social and/or environmental issues are integral to the strategy of my company.

67) I work for a company that believes that making a profit goes hand in hand with treating all of our key stakeholder groups well.
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

68) My company goes beyond philanthropy; addressing social and/or environmental issues is integral to the daily operations.

- strongly disagree - disagree - somewhat disagree - neither - somewhat agree - agree

Part II - People

69) I work for a company that believes that making a profit goes hand in hand with valuing people.

- strongly disagree - disagree - somewhat disagree - neither - somewhat agree - agree

70) People in my company demonstrate through their work that our company is committed to improving the well-being of people.

- strongly disagree - disagree - somewhat disagree - neither - somewhat agree - agree

71) In my company, we believe that contributing to the well-being of people as well as making a profit can be synergistic goals.

- strongly disagree - disagree - somewhat disagree - neither - somewhat agree - agree

72) The well-being of people is integral to the business goals of my company.

- strongly disagree - disagree - somewhat disagree - neither - somewhat agree - agree

73) I work for a company that believes that making a profit can be synergistic with the interests of employees.

- strongly disagree - disagree - somewhat disagree - neither - somewhat agree - agree

Part III - Planet

74) My company does as much as it can within its daily operations to make sure we are not hurting the planet.

- strongly disagree - disagree - somewhat disagree - neither - somewhat agree - agree

75) Contributing to the natural environment is an integral part of our business.

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76) My company takes great care that our products do not hurt the environment.

77) By their actions at work, people in my company demonstrate that they care about the planet.

78) In my company, we believe that contributing to the well-being of the planet as well as making a profit can be synergistic goals.

79) An integral part of business in my company is taking care of the impact of energy consumption on the environment.

80) My company achieves its short term goals while staying focused on its long term impact on the planet.

Part IV - Profit

81) Pleaseing shareholders / owners is an important objective of my company.

82) An important objective for my company is to create profit.
63) Most people in my company show through their work that they care a lot about making a profit.

- strongly disagree
- disagree
- somewhat disagree
- neither
- somewhat agree
- agree
- strongly agree
- do not know / does not apply

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IMPORTANCE OF CORPORATE CITIZENSHIP SCALE

This scale measures how important corporate citizenship is to you personally.

Part I - Overall Corporate Citizenship

84) It is important to me to work for a company that contributes to the betterment of the world.

- [ ] strongly disagree  - [ ] somewhat disagree  - [ ] neither agree nor disagree  - [ ] somewhat agree  - [ ] strongly agree

85) It is important to me that business goals are achieved by addressing social and/or environmental issues.

- [ ] strongly disagree  - [ ] somewhat disagree  - [ ] neither agree nor disagree  - [ ] somewhat agree  - [ ] strongly agree

86) It is important to me that social and/or environmental issues are integral to the strategy of my company.

- [ ] strongly disagree  - [ ] somewhat disagree  - [ ] neither agree nor disagree  - [ ] somewhat agree  - [ ] strongly agree

Part II - People

87) I would like to work for a company that cares for the well-being of people.

- [ ] strongly disagree  - [ ] somewhat disagree  - [ ] neither agree nor disagree  - [ ] somewhat agree  - [ ] strongly agree

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88) It is important to me to work for a company that cares for the well-being of its employees.

○ strongly disagree ○ somewhat disagree ○ neither ○ somewhat agree ○ strongly agree ○ not do not know / know / apply applies

89) It is important to me that my company helps the well-being of others.

○ strongly disagree ○ somewhat disagree ○ neither ○ somewhat agree ○ strongly agree ○ not do not know / know / apply applies

90) I would like to work for a company where the well-being of people is integral to the business goals of the company.

○ strongly disagree ○ somewhat disagree ○ neither ○ somewhat agree ○ strongly agree ○ not do not know / know / apply applies

Part III - Planet

91) It is important to me to work for a company that protects the environment.

○ strongly disagree ○ somewhat disagree ○ neither ○ somewhat agree ○ strongly agree ○ not do not know / know / apply applies

92) I care if my company preserves the natural resources of the planet.

○ strongly disagree ○ somewhat disagree ○ neither ○ somewhat agree ○ strongly agree ○ not do not know / know / apply applies

93) I believe companies should give back to the earth at least as much as they take from it.

○ strongly disagree ○ somewhat disagree ○ neither ○ somewhat agree ○ strongly agree ○ not do not know / know / apply applies
EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

94) I believe companies should take care of the impact of their energy consumption on the environment.

\[\begin{array}{cccc}
\text{disagree} & \text{disagree} & \text{agree} & \text{agree} \\
\hline
\text{strongly disagree} & \text{somewhat disagree} & \text{neither} & \text{somewhat agree} \\
\text{disagree} & \text{disagree} & \text{agree} & \text{agree} \\
\text{not know / does not apply}
\end{array}\]

95) I would like to work for a company that cares for the well-being of the planet.

\[\begin{array}{cccc}
\text{disagree} & \text{disagree} & \text{neither} & \text{agree} \\
\hline
\text{strongly disagree} & \text{somewhat disagree} & \text{neither} & \text{agree} \\
\text{disagree} & \text{disagree} & \text{agree} & \text{agree} \\
\text{not know / does not apply}
\end{array}\]

96) It is important to me to work for a company that conserves energy.

\[\begin{array}{cccc}
\text{disagree} & \text{disagree} & \text{neither} & \text{agree} \\
\hline
\text{strongly disagree} & \text{somewhat disagree} & \text{neither} & \text{agree} \\
\text{disagree} & \text{disagree} & \text{agree} & \text{agree} \\
\text{not know / does not apply}
\end{array}\]

Part IV - Profit

97) It is important to me that my company makes a profit.

\[\begin{array}{cccc}
\text{disagree} & \text{disagree} & \text{neither} & \text{agree} \\
\hline
\text{strongly disagree} & \text{somewhat disagree} & \text{neither} & \text{agree} \\
\text{disagree} & \text{disagree} & \text{agree} & \text{agree} \\
\text{not know / does not apply}
\end{array}\]

98) I care about working for a company that is financially successful.

\[\begin{array}{cccc}
\text{disagree} & \text{disagree} & \text{neither} & \text{agree} \\
\hline
\text{strongly disagree} & \text{somewhat disagree} & \text{neither} & \text{agree} \\
\text{disagree} & \text{disagree} & \text{agree} & \text{agree} \\
\text{not know / does not apply}
\end{array}\]

99) It is important for me to work for a company that allows everyone involved to make money.

EFFECTS OF CORPORATE CITIZENSHIP ON EMPLOYEES

100) It is important to me that my company meets its financial goals.

Previous Page  Submit Survey

Thank you for completing this survey. Your response has been saved.
Appendix C: Frequencies of Responses to Survey Items

Engagement Scale (Gallup Workplace Audit) – frequency of responses

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Scale: for question 10, the scale is from 1 to 5 with 1 being extremely dissatisfied and 5 being extremely satisfied. For all the other questions the scale is from 1 to 5, with 1 being strongly disagree and 5 being strongly agree.

High-Quality Connections

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Scale: From 1 to 5, where 1 = not at all and 5 = to a great extent.

**Creative Involvement**

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Scale: From 1 to 5, where 1 = not at all and 5 = to a great extent.

**Perceived Corporate Citizenship Scale**

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Scale: From 1 to 7 with 1 being strongly disagree, 4 being neither, and 7 being strongly agree.

### Importance of Corporate Citizenship

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</table>

Scale: From 1 to 7 with 1 being strongly disagree, 4 being neither, and 7 being strongly agree.
Appendix D: Measurement Model for PCC Scale
Appendix E: Measurement Model for ICC Scale
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