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In the Mood to Give: How and Why Positive Affect Increases the Importance of CSR to

Prospective Employees

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## In the Mood to Give: How and Why Positive Affect Increases the Importance of CSR to Prospective Employees

As a result of the power of corporations and the impact on society of corporate activity, more attention is focused on the role of business in serving the needs of society (Tichy, McGill, & St. Clair, 1997). From traditional philanthropy to large-scale initiatives, many corporations now invest their resources and people in acts of so-called *corporate responsibility* (Tichy, McGill, & St. Clair, 1997). Along with the potential benefits to society of such acts comes a consideration of the potential competitive advantages for corporations in acting sociably responsible. In particular, a sociably responsible reputation can play a role in recruitment as potential employees are more likely to pursue jobs in organizations with more responsible reputations (Greening & Turban, 2000; Backhaus, Stone & Heiner, 2002). Although social responsibility can make corporations more attractive, we need a better understanding of how individual characteristics or dispositions of potential employees increase the likelihood that jobs are favored in corporations that are sociably responsible. In particular, due to the impassioned debate surrounding corporate responsibility (Boal & Perry, 1985), what is the role of individual emotion when considering employment options? This question has implications for corporations, in terms of recruitment and organizational objectives, and subsequently for society as a whole.

Therefore, building on previous research in the area of prosocial behavior, this study explores the question: how does positive affect influence the importance of corporate social responsibility for prospective employees? The main concern of this investigation is how emotion experienced by prospective employees while considering potential employers influences the importance of corporate responsibility to prospective employees at that time. Based on the literature that investigates the relationship between affect and prosocial behavior, my general

hypothesis is that positive affect will increase the importance of corporate responsibility for prospective employees. To test my hypothesis, I review the literature on corporate social responsibility, corporate social performance, and corporate citizenship. Then, I consider the literature on prosocial behavior as it relates to social responsibility. After that, I examine the relationship between positive affect and prosocial behavior. Finally, I link the discussion of affect to corporate responsibility.

## The Corporation and Society

### *Corporate Social Responsibility*

Corporate social responsibility (CSR), one of the earliest concepts in the study of business and society relations, has enjoyed significant attention over the past several decades from both business and academics (Windsor, 2001). The popularity of CSR is due to the significant monetary, quality of life, and ethical implications of corporate responsibility for many stakeholders including employees, customers, society as a whole, and corporations themselves (Nadar, Green and Seligman, 1976). Broadly, the key question of CSR is: to what extent do the interests of business merge with the interests of society? However, the absence of a specific definition leaves corporate responsibility open to conflicting interpretations (Windsor, 2001). Consequently, the discussion of CSR often results in impassioned debate with one side arguing for profit maximization and the other arguing for expanded social activity (Boal & Perry, 1985). The antagonism that exists between these two positions, referred to as the “pure conservative” and “pure liberal” stances, (Boal & Peery, 1985) is a result of the inherent tradeoff between the two perspectives (Frederick, 1987). In other words, the tradeoff between the two ends of the continuum leads to emotional arguments for one side or the other.

Due to the importance of CSR, scholars have attempted to construct more nuanced schemes or frameworks for analyzing CSR. Carroll's (1979) commonly cited CSR model conceptualizes four types of responsibilities for the corporation: 1) the economic responsibility to be profitable 2) the legal responsibility to abide by the laws of society 3) the ethical responsibility to do what is right, just, and fair, and 4) the philanthropic responsibility to contribute to various kinds of social educational, recreational, and cultural purposes. In a similar attempt to clarify the concept of social responsibility, Zenisek (1979) developed a continuum, whereby a manager increases in social responsibility as he or she becomes more concerned sequentially with (a) the interest of the owner/manager, (b) organizational participants, (c) groups within the task environment (including customers, creditors, and suppliers) and (d) broader societal interests such as justice, the environment and cultural activities (Boal & Peery, 1985).

Using Zenisek's continuum and ideas from Carroll's model, Boal and Peery (1985) developed a number of decision outcomes in their effort to empirically verify the concept of corporate social responsibility. In doing so, they created a chart that divides social responsibility into responsibilities directed toward 1) the organization, 2) the employees, 3) the consumers, and 4) society as a whole (Table 2). Based on the impassioned debate over the tradeoff between goals directed strictly towards the organization and goals directed towards society as a whole (Boal & Peery, 1985), the current study focuses on the first and fourth categories. Within the societal category, Boal and Peery (1985) delineate four outcomes that are based on three of Carroll's (1979) types of responsibilities (legal, ethical, and philanthropic) (Table 2). Therefore, more specifically, the present examination explores the often emotional deliberation between

whether corporations should focus solely on the needs of the organization and whether they should direct efforts towards society in the areas of legality, ethics, and philanthropy.

### *Corporate Social Performance*

Conceptually, the corporate social responsibility construct is now part of the broader framework of corporate social performance (CSP) (Windsor, 2001). CSP aligns corporate social responsibility and corporate social responsiveness, differentiating between moral responsibility and calculated responsiveness (i.e. reputational strategy). Similar to CSR, CSP has been used to denote economic, legal, ethical, and charitable responsibilities (Windsor, 2001). More formally, corporate social performance is defined as “a business organization’s configuration of principles of social responsibility, processes of social responsiveness and policies, programs, and observable outcomes as they relate to the firm’s societal relationships.” (Wood, 1991, p.693)

A firm’s corporate social performance may influence perceptions of organizational attractiveness (Greening & Turban, 2000; Turban & Greening, 1997). In particular, Greening and Turban (2000) found that prospective job applicants were more likely to pursue jobs from socially responsible firms than from firms with poor social performance. Similarly, in the current study, I am interested in the importance of corporate responsibility to prospective employees.

### *Corporate Citizenship*

Corporate citizenship (CC) has emerged as yet another term used in the discussion of the social role of business. According to Carroll (1999), CC is an extension of a line of work that, as we have discussed, includes CSR and CSP (Matten & Crane, 2005). CC is used both as a reference to charitable donations (or other forms of community action) and as another term for CSR. In an attempt to come up with a theoretically informed definition of corporate citizenship,

Matten and Crane (2005) settle on the following: “CC describes the role of the corporation in administering citizenship rights for individuals.” (p.173) According to this perspective, organizations are active in citizenship and exhibit citizenship behaviors (Matten & Crane, 2005). Although I thought it important to include a discussion of CC due to 1) its increasing use by scholars and the business community and 2) to illustrate how it relates to and is distinct from CSR and CSP, corporate citizenship will not be the focus of the current study.

### *Corporate Responsibility towards Society*

The discussion up to this point has looked at several concepts related to the interaction between society and business. In the current study, I use ideas from the literature on corporate social responsibility and corporate social performance. Specifically, I focus on the idea that corporations have responsibilities to society as a whole and that these responsibilities include legal, ethical, and charitable outcomes. I call corporate responsibility towards society *social responsibility* (or CSR for short) and I call the outcomes *societal outcomes*. Also, I acknowledge that corporations are oriented somewhere on the continuum between focusing solely on organizational outcomes and focusing on societal outcomes. My interest lies in how important social responsibility is for prospective employees at the time they consider potential employers, measured in part by where on the continuum prospective employees would prefer their future employers (organizations) lie. Due to the nature of the debate surrounding corporate social responsibility, often impassioned, emotion is predicted to play a role in prospective employees’ choices (Boal & Perry, 1985). In the discussion that follows, I examine the literature on prosocial behavior as it relates to social responsibility. Then, I consider the association between affect and prosocial behavior, linking affect to social responsibility.

### Prosocial Behavior

Prosocial behavior includes acts such as helping, sharing, donating, cooperating and volunteering (Brief & Motowidlo, 1986). Considerable attention was devoted to studying these acts in the 1960s and early 1970s (e.g. Berkowitz & Daniels, 1963; Campbell, 1965; Gouldner, 1960; Latane & Darley, 1970). During the 1980s, however, organizational scientists started to look at the implications of prosocial behavior for organizations. This led to the concept of prosocial organizational behaviors or “behaviors performed by organizational members with the intention of promoting the welfare of another individual, group, or organization while carrying out the organization member’s role” (Kelley & Hoffman, 1997, p.409) (Brief & Motowidlo, 1986; George & Brief, 1992).

Based on the definition of prosocial organizational behaviors, when a member of corporation donates time or money for a corporation-sponsored charitable cause, he or she is engaging in prosocial organizational behavior. Similarly, we can say that this employee is engaging in an act of corporate responsibility towards society. And in his or her willingness to engage in such activities, the employee can be seen as demonstrating his or her belief in the importance of corporate responsibility. Therefore, there is a logical link between prosocial organizational behaviors and acts of corporate social responsibility. Even when there is no behavioral measure of social responsibility, as in the current study, studies suggest that there is an association between an individual’s prosocial behavior and social responsibility (O’Connor & Cuevas, 1982). In particular, O’Connor and Cuevas (1982) found a high correlation between individuals’ attitudes about social responsibility and prosocial behavior. Now that I have established a connection between prosocial behavior and social responsibility, I examine the literature on the relationship between affect and prosocial behavior.

### *The Role of Affect*

Affect is related to mood in that the feeling states associated with moods are affective states that are general and pervasive (Kelley & Hoffman, 1997). The two primary dimensions of mood are positive affect and negative affect. The focus of the current study is positive affect, which is typically characterized by enthusiasm, activity, and alertness (Watson, Clark, & Tellegen, 1988). Previous research overwhelmingly suggests that positive affect has a significant positive influence on prosocial behaviors (e.g. Berkowitz, 1987; Carlson, Charlin, & Miller, 1988; Eisenberg & Fabes, 1991).

Several studies have also tested the relationship between positive affect and prosocial organizational behaviors. George (1991) looked at the relationships among employee positive mood at work, altruism, and customer-service behavior in a retail setting. The findings of this study indicated that positive mood at work is positively related to altruism and customer-service behaviors. Kelley and Hoffman (1997) also investigated the relationship between positive affect and prosocial behavior in an organizational context. In this study, the authors looked specifically at employee-directed prosocial behavior or altruistic *organizational citizenship behavior*. The authors found a positive relationship between positive affect and prosocial behavior in the service organizations.

Similar to Kelley and Hoffman (1997), other studies have also considered the concept of organizational citizenship behavior (OCB) as a type of prosocial behavior. Central to most definitions of OCB is the idea that OCBs are employee behaviors that, although not critical to the task or job, serve to facilitate organizational functioning (Lee & Allen, 2002). Examples of OCB include helping coworkers and attending functions that are not required. Although a number of studies have found an association between positive affect and organizational citizenship behavior

(George, 1992; Isen & Baron, 1991; Organ, 1994; Lee & Allen, 2002), the current study is more concerned with the relationship between affect and the importance of corporate social responsibility as it relates to pro-social behavior more generally.

#### Corporate Responsibility towards Society and Affect

The previous discussion suggests that there is an association between social responsibility and prosocial behavior. Additionally, the literature overwhelmingly finds that positive affect has a significant positive influence on prosocial behaviors. Consequently, I posit that there will be a relationship between positive affect and corporate social responsibility. More specifically, based on my prior discussion of CSR and CSP, I predict that positive affect will influence the 1) desirability of societal outcomes and 2) the willingness to engage in philanthropic acts by prospective employees, as measures of the importance of corporate social responsibility. I will test the following hypotheses:

H1: compared with neutral affect, positive affect will increase the desirability of societal outcomes versus organizational outcomes by prospective employees

H2: compared with neutral affect, positive affect will increase the willingness to engage in acts of corporate social responsibility by prospective employees

## Methods

### *Research Participants*

I will administer surveys to 300 undergraduate business students (BBAs) at the University of Michigan. The participants are all seniors. The participants are predominantly White (73%) and male (56.7%). The average age is 21 years. In general, most students have some full-time work experience (8.6 months). The majority of students are graduating within 1 year (99%).

### *Experimental Design*

In this experiment, the independent variable is affect. I will manipulate affect (positive or neutral) before asking participants to complete a survey<sup>1</sup>.

The survey is designed to measure the dependent variables: 1) importance of corporate responsibility towards society and 2) willingness to engage acts of corporate social responsibility (Table 1).

### *Operationalizations*

*Affect.* To manipulate affect, I will use two emotion-induction films that have been used in previous research (Gross & Levenson, 1995; Anderson & Kelner, 2003). Each film is 2 to 3 minutes long. The first film is used to induce baseline mood (neutral affect) in the control group. This film shows flowers in the park. The second film shows a comedy routine by Robin Williams and is used to elicit positive emotion (or affect). This film will be shown to the experimental group.

*Manipulation check.* To test the validity of the manipulation, participants will be asked to indicate their experience of positive affect as a composite of three specific emotions: happiness, amusement, and pride. Participants in both the control and experimental groups will

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<sup>1</sup> I blocked for gender

rate their experience of these emotions on a 9-point scale ranging from 0 = none and 8 = extreme. (Anderson & Keltner, 2003) Participants' responses across the three emotions will be averaged to come up with an overall score. In comparing overall emotion scores across the baseline or neutral affect (control) group and the positive affect (experimental) group, we expect to find a significant difference in emotional experience (Appendix A).

*Importance of corporate responsibility towards society.* I will measure the importance of corporate responsibility towards society in two ways. First, I will look at the desirability of societal outcomes versus organizational outcomes. Second, I will assess the willingness to engage in corporate philanthropic acts towards society. Both dependent variables will be measured using a survey (Appendix B).

*Societal outcomes versus organizational outcomes.* Using Boal and Peery's (1985) chart (Table 2), I developed questions to assess the desirability of societal outcomes versus the desirability of organizational outcomes. To measure the importance of an organization's responsibility towards society, I will ask participants to rate the importance of four societal outcomes compared with organizational outcomes in terms of what they desire in a potential employer. The scale ranges from strongly prefer organizational outcome to strongly prefer societal outcome with neutral situated in the middle. Participants' responses will be coded numerically and averaged across all four outcomes (Appendix B).

*Willingness to engage in acts of corporate responsibility towards society.* To measure willingness to engage in corporate philanthropic acts, I will ask participants to indicate, based on their future employment, whether they would donate their time or money to act of corporate social responsibility. I will ask three questions related to corporate philanthropic activities, all of

which were answered with either “yes” or “no”. Participants’ responses will be coded either 1 for yes or 0 for no and summed across the three questions (Appendix B).

### *Procedure*

When participants arrive at the business school, they will be randomly selected to go to one of two lecture halls. Each lecture hall is equipped with a video screen. Three experimenters will be in each hall. Upon entering the lecture halls, participants will be asked to sit one seat apart from other participants. Once all participants have arrived, an experimenter in each hall will start the film. In the control group lecture hall, participants will watch a film showing flowers and in the experimental group hall, participants will watch a comedy routine by Robin Williams. Each film lasts between 2 and 3 minutes. At the end of the film, participants in both halls will be handed a survey that asks them to rate the importance of corporate responsibility towards society and their willingness to engage in corporate philanthropic activities based on their future employment. Participants will also be asked to indicate their gender. (Appendix B) Participants will be given 15 minutes to complete the survey. Upon completion of the survey, and once all surveys have been collected, participants will be given a separate sheet of paper asking them to rate their emotional experience of three positive emotions. (Appendix A) This task should last no more than one minute after which the experimenters will collect emotion ratings and dismiss participants.

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Table 1

*Study Design*

Affect

Positive Affect

Neutral Affect

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Table 2

*Boal and Peery's (1985) Chart*

Table 1

Social Responsibility Outcomes of Corporate Decisions

1	2	3	4
Owner/Manager (Organizational)	Organizational Participants (Employees)	Task Environment (Consumers)	Societal
a. Promotes Economic Interests of Business	e. Safe Working Conditions	i. Produces Products Desired by Customers	m. Company Obeys the Law
b. Maintains High Levels of Productivity	f. Jobs That Allow employees to use Valued Skills and Abilities	j. Prices Products Fairly	n. Promotes Social Justice
C. Promotes Long-range Survival of Business	g. Promotes Employee Rights	k. Maintains High Quality of Products and Services	o. Supports Social and Cultural Activities
D. Promotes Interests of Stockholders	h. Job Security for Employees	l. Produces Safe Products	p. Does not Degrade the Environment



## Appendix B

*Survey* (Boal & Peery, 1985)

Part I: Corporations often struggle with a tradeoff between focusing on goals directed towards the organization and goals directed towards society. Please choose between the following outcomes (either A or B) in terms of what you desire in a potential employer. Circle your responses (strongly prefer, prefer, or neutral):

Option A

strongly prefer

prefer

neutral

A

A

Promotes  
economic interests  
of the business

Option B

prefer

B

strong prefer

B

Does not  
degrade the  
environment

Option A

strongly prefer

prefer

neutral

A

A

Promotes long  
range survival of  
the business

prefer

B

strong prefer

B

Promotes social  
justice

Option A

strongly prefer

prefer

neutral

A

A

Maintains high  
levels of productivity

prefer

B

strong prefer

B

Supports social  
and cultural  
activities

Option A

strongly prefer

prefer

neutral

A

A

Promotes  
interests of  
stockholders

prefer

B

strong prefer

B

Obeys the  
law

## Appendix B continued

Part II: Please answer the following questions based on your future employment. Circle either yes or no.

Would you donate one day a week to community service?

yes                      no

Would you participate in optional monthly community outreach activities with co-workers?

yes                      no

Would you pledge money for company fundraisers for charitable purposes?

yes                      no

Circle gender:              female                      male