Employee Expectations of CSR Practices: A Psychological Contract Perspective

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As noted in the earliest scholarly conceptions of corporate social responsibility (CSR), society has expectations of businesses beyond profit (Bowen, 1953). The specific expectations, along with the CSR literature, has evolved over the past 60 years but the foundation of CSR remains and organizations must look to meet society’s expectations (Carroll, 1999). As a part of this evolution, scholars have identified CSR to be an important factor in stakeholder management (Freeman, 1984). While the impact of CSR has been explored in relation to many types of stakeholders, several management scholars have focused on a key group of internal stakeholders: employees. Despite the importance of employees to organizational success, such studies have not been extended with the same regularity to the context of sport.

CSR in sport differs from other businesses for several reasons, including the transparency of an organization’s major activities, the passion consumers have for the product, and the complexities of stakeholder management (Babiak & Wolfe, 2009). Employees are among an organization’s key stakeholders and, as such, they are likely to be directly impacted by an organization’s CSR efforts. Social responsibility has been tied to many important employee outcomes, including reduced absenteeism and increased organizational trust (Bhattacharya, Sen, & Korschun, 2008). Bhattacharya and colleagues have also noted that involving employees in the planning of CSR practices can increase the likelihood of positive outcomes (2008). Nonetheless, as CSR is built on the continually evolving expectations of society, it is important for organizations to continually evaluate those expectations of their stakeholders, especially employees.

The literature addressing psychological contract (PC) theory provides a framework for better understanding the expectations employees have of their employers’ CSR practices. PCs are, “individual beliefs, shaped by the organization, regarding the terms of an exchange agreement between individuals and their organization” (Rousseau, 1995, p. 9). Prior to employment, individuals begin forming expectations of their future employers’ exchange relationship obligations (De Vos, Buyens, & Schalk, 2003; De Vos, De Stobbeleir, & Meganck, 2009; Rousseau, 1990). These expectations govern the working relationship between the individual and organization (Rousseau, 1995). A majority of the PC literature is focused on individuals’ expectations of their employers to fulfill financial compensation, career training, and occupational security obligations to their employees. However, multiple scholars have speculated that PCs between employees and employers also include terms related to perceived CSR obligations of the organization (Kim, Lee, Lee, & Kim, 2010; Mirvis, 2012).

Similar to CSR outcomes, PCs have been shown to affect employees’ organizational commitment (McInnis, Meyer, & Feldman, 2009), organizational trust (Atkinson, 2007), satisfaction (Robinson, 1994), and in-role performance (Zhao, Wayne, Glibkowski, & Bravo, 2007). However, before exploring those implications, scholars and practitioners must garner an understanding of employee expectations and whether or not employers are meeting those expectations. As such, this exploratory study seeks to better understand the expectations that employees of sport organizations have of their employers to fulfill perceived CSR obligations. Based on the reviewed literature, the following hypotheses were developed:

H1: Employees expect their sport organization to practice CSR
   a. Economically
   b. Financially
   c. Ethically
   d. Philanthropically
H2: Sport organizations are not meeting the CSR expectations of their employees
   a. Economically
   b. Financially
   c. Ethically
   d. Philanthropically

Using Carroll’s (1991) four-domain framework of CSR as a base, a 61-item questionnaire was developed. Items related to employee expectations were measured using guidelines established Freese and Schalk (1997) and Rousseau (1990). The instrument was emailed to 5672 athletics administrators at NCAA Division I institutions. At the time of submission, 685 questionnaires were completed for an initial response rate of 12.1 percent. To determine if sport organizations are over-fulfilling or under-fulfilling employee expectations, one sample t-tests will be conducted. ANOVAs and MANOVAs will be utilized to determine if membership in the various demographic groups affect respondents’ expectations or perceptions of fulfillment. Additional statistical tests may be conducted were appropriate.

This study is among the first in the context of sport to utilize the PC framework to explore CSR. The results will establish a foundation to better understand current employee expectations of CSR practices. This presentation will address these results and provide detailed implications for scholars and practitioners along with additional avenues for future study.