RESEARCH ARTICLE

How Corporate Social Responsibility Impacts Employee Identification, Psychological Benefit, and Customer Orientation in Hospitality Industry?

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ABSTRACT

The literature supports the notation that corporate social responsibility (CSR) plays a vital role in engaging consumers and establishing strong relationships with the organizations. However, CSR needs to be comprehensively studied as internal marketing to motivate employees to improve customer services by fulfilling their needs. Accordingly, the current study determines the impact of CSR congruence and efficacy on employee-customer identification, psychological benefit, and customer orientation in the hospitality industry of Pakistan. The data from 276 frontline employees were collected using a purposive sampling technique through self-administered questionnaires and structural equation modeling was used to test the research hypotheses. The results found that perceived CSR congruence has a stronger impact on employee-customer identification, while CSR efficacy has a relatively stronger relationship with psychological job benefits and customer orientation. This study provides a significant contribution to the extant literature on using CSR as an internal marketing strategy to improve the frontline employees’ ability to satisfy external stakeholders, i.e., customers.

Keywords: CSR; Employee-customer identification; Hospitality industry

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1. Introduction

CSR is “a commitment to improving community well-being through discretionary business practices and contributions of corporate resources” [1], and getting significant attention among researchers and practitioners alike to understand the company-customer relationship. Practitioners are increasingly turning to CSR as a means not only to “do good” but to improve business performance; this desire is reflected and fueled by the business press, which has seen a veritable explosion of articles asking whether and how it pays to be socially responsible. Business Week, the Economist, the Financial Times, and the Wall Street Journal are just a few of the mainstream publications that have run articles, or in some cases, entire sections on the link between CSR and business results. As Cisco vice-president for corporate affairs, Tae Yoo says, “We’re in business to get results. This is just a different currency” [2].

Trudel and Cotte [3] find that consumers are willing to pay more for “ethically produced” goods and goods manufactured by ethical companies; however, this difference in willingness to pay is only evident for consumers with high expectations that companies should behave ethically. Still, most research to date has primarily concentrated on consumer responses to a company’s CSR initiatives. In contrast, there has been relatively little research on employee responses to CSR [4]. Bartel finds that employees of Pillsbury identified with the company, worked hard, advocated for the company, and cooperated with work colleagues when they participated in community outreach initiatives. Berger et al. [5] find that employees identify strongly with their employer, that is, the company when they are aware that the company engages in CSR activity.

Bhattacharya [4] finds that CSR activity leads to favorable outcomes for the company when the CSR activity provides employees with job-related benefits; however, these effects depend on the extent to which employees feel that they are active participants—as opposed to passive bystanders of CSR. These studies indicate that under the right circumstances, CSR can drive employee performance and stimulate social categorization and identification processes. Despite these significant advances, extant research has generally limited its focus to the thoughts and behaviors related to employee relationships with the company [6]. For example, research has asked whether, and sometimes how, CSR heightens employee intent to apply for jobs [7], employee-company identification, and work effort [4].

The marketing literature, and the relationship marketing literature in particular, reveals an additional critical predictor of performance: the ability of employees to build and sustain strong and enduring relationships [8]. Employees often play a central role in delivering and communicating value to customers, and thus, employees who contribute to such relationship-building will likely be highly valuable to a company. It is surprising that there has been no research on how CSR might impact employee performance in terms of relationship building [9]. In other words, while we deeply appreciate how CSR affects employee relationships with the company, we need a greater understanding of how CSR impacts the link between employees and customers. Given the importance of relationship building, this potential outcome of CSR could be enlightening to scholars and highly consequential to managers.

The present research asks whether and how a company’s CSR activity is related to its employees’ customer orientation. While the topic has yet to be studied empirically, some anecdotal evidence exists that a company’s CSR initiatives can motivate employees to serve customers. A global survey of 1,161 CEOs conducted by the World Economic Forum found that most (58%) of executives cited employee motivation as one of the three most important drivers of their CSR activities WEF, 2003. Thus, there is anecdotal evidence that CSR might influence customer orientation, but so far, there is no empirical evidence to substantiate such a claim. Perhaps more importantly, there needs to be a theoretical model with which a manager or scholar can understand how CSR and customer orientation of employees might be related.
2. Literature review

2.1 Internal marketing

Internal Marketing (IM) can be broadly characterized as applying marketing principles within the organization’s boundaries. The conceptual roots of internal marketing date back at least as far as Kotler’s broadening of the marketing concept as “a relevant subject for all organizations in their relations with all their publics, not only customers”, of which “employee directed marketing” is an important element (1972, p.47). Despite some lingering ambiguities around the overall approach of IM, the stated objectives of IM programs, and the audience to which efforts are directed, the topic of internal marketing has generated numerous insights for managers and scholars. Gronroos was among the first to closely examine internal marketing, viewing it as a means through which companies can develop “motivated and customer-conscious personnel” and integrate diverse functions within the firm.

Recent evidence suggests that a company’s CSR activity is a compelling and important component of the job product. For example, Rhou and Singal [10] find that job candidates prefer to apply for jobs at socially responsible companies and that this effect is especially strong for the most educated candidates. Sen et al. [11] find that consumers who are aware of a company’s CSR initiative have a heightened intention to apply for jobs at the company than consumers who are unaware of the announcement. Bhattacharya et al. [4] find evidence that CSR provides numerous benefits to employees, which can lead to increased motivation and commitment to remain employed at the company. Berger et al. [5] find that CSR initiatives generate strong and positive associations among employees about the company they work for, and that participation in these programs engaged them emotionally, socially, and even physically. Thus, CSR is a compelling part of the job product, and awareness or participation in such programs provides substantial psychological job-related benefits to employees [9].

2.2 Social identity theory

The second conceptual pillar for this research is social identity theory. Social identity theory and the closely related self-categorization theory [12], propose that in order to make sense of the complex social world around them, individuals categorize themselves and others into social groups [13]. Salient characteristics define the boundaries of these groups at the time that the individual engages in the group definition. For example, a person might categorize themselves and others into categories of men and women when gender is salient or as organizational members and non-members when characteristics of the company are salient [14]. Furthermore, a person may begin to feel a sense of oneness with the social group, identifying as a group member. This process of identification is described by Turner et al. as “a shift towards the perception of self as an interchangeable exemplar of some social category and away from the perception of self as a unique person” [12]. Furthermore, social categories are “relational and comparative”. Once categories are defined, individuals engage in social comparison, whereby they compare the group in which they place themselves (i.e., the ingroup) to other groups (i.e., outgroups) [12].

Research on intergroup relations has long found that social comparison commonly leads individuals to favor members of the ingroup and display biases against members of outgroups even when an experimenter determines membership randomly. For example, Brewer et al. [5] successfully created two social groups by randomly informing study participants that they had either over-estimated or under-estimated on a task where they had to guess the number of dots appearing on a page; these groups later displayed biases favoring the ingroup (i.e., either over-estimators or under-estimators) and against the outgroup. The robust phenomenon of intergroup bias has spurred many theorists to examine the means by which biases, especially those against other groups, can be reduced [15].

2.3 Employee-customer identification (ECID)

As discussed previously, social identity theory
offers a means to understand individual behavior in a social context better; individual thoughts and actions are influenced by the degree to which one categorizes the self within or outside salient social groups. It is by now well-established that both employees and customers can identify with a corporate entity. For example, Sen et al. [11] show that a consumer’s identification with a company formed as a result of CSR associations enhances his or her intent to seek employment at the company, purchase company products, and invest in company stock. Bhattacharya et al. [4] find that identification as a member of a museum is positively related to donating activity, tenure of membership, and visiting frequency. Ahearne et al. [16] find that based in part upon their perceptions of pharmaceutical sales representatives, doctors can identify with the company, leading ultimately to heightened product utilization and positive citizenship behaviors towards the salespeople.

Just as customers can identify with the company, frontline employees can identify with the company’s customers. While the concept of employee-customer identification (ECID) is new, extant research already suggests a sense of oneness that stretches across the organizational boundary may exist and is consequential to customer service. For example, Ahearne et al. (2005) found that consumers identify with the company to the extent that they perceive an overlap of values with salespeople. Also, a study conducted by Anderson and Onyemah [17] of 2,500 salespeople in 38 countries found that the job product, especially in terms of its reward system, can encourage salespeople to put either the customer first or the company first.

Employee-customer identification is an extension of Sluss and Ashforth’s [16] conceptualization of relational identification as “the extent to which one defines oneself in terms of a given role relationship” (p. 11). They do not specifically include customers in their model; however, conceptually the identification process is the same whether the ingroup extends across a boundary between a subordinate and supervisor (as in Sluss and Ashforth’s model), two separate departments, or between a frontline employee and a customer. Consistent with this view, Ashforth et al. (2008) contend that future research should examine how various work-related identities (e.g., relational, team, workgroup, subunit, occupational) “may conflict, converge, and combine” (p 11).

2.4 Psychological job factors

As internal customers of the company, employees receive numerous job benefits based on the features of the job product. These benefits are typically seen to be a product of autonomy (i.e., the degree to which the employee feels that he or she has freedom and discretion on the job), task significance (i.e., the degree to which the job has an impact on the lives of others), task identity (i.e., the degree to which the job has a visible outcome), skill variety (the degree to which different skills and talents are required on the job), and feedback (the degree to which supervisors provide feedback about work performance). As illustrated in the theoretical framework, employees can, under the right circumstances, derive psychological job benefits of self-esteem and work-home integration from the CSR activity of the company.

The relationship between CSR activity and psychological job benefits is consistent with prior research on both CSR and job design. For example, Bhattacharya et al. [4] identify four benefits that employees derive from CSR activity: self-enhancement, work-home integration, bridge to the company, and reputational shield. These benefits are entirely consistent with the job design literature in that CSR may make the job more meaningful to employees because they are making a difference. CSR may also enable employees to have greater task variety and task identity through their jobs, especially when they participate in volunteering efforts because it broadens the skills they use during the workday and produces positive outcomes that are visible [6].

Overall, there is ample evidence to believe that, under the right circumstances, CSR activity can produce job-related benefits for employees, particularly psychological job benefits. At this point, it is useful to clarify that the concept of psychological job benefits is distinct from job satisfaction in that
job satisfaction is based on a comparison between an expected state and the benefits that are received as a result of the full job product. The job benefits under examination here are independent of any expectation, and simply reflect an improvement in the physical or psychological state of the employee.

2.5 CSR congruence and ECID

Employees may have varied opinions on whether—and to what extent—the company should engage in CSR activity [18]. Moreover, employees, and frontline employees in particular, are often acutely aware of the equally varied opinions and beliefs of customers. For example, Whole Foods attracts both employees and customers who value the company’s commitment to social responsibility. Frontline employees at Whole Foods may sense that many customers share their demand for socially responsible business practices. This assessment on the part of employees of “external” customers’ values has been found in prior research on CSR [4,19] which finds that employees sometimes use CSR as a means to deflect what is perceived to be negative sentiment about the company on the part of external constituents. It is also consistent with research that shows that consumers perceive a common organization membership when they perceive a congruence between their values and those of sales representatives [16,20]. However, there is also some evidence that they are more responsive to customers they like and with whom they feel a connection. In addition, jobs are often characterized as a collection of tasks, but many jobs also contain a substantial relational component [21].

Moreover, Grant proposed that jobs with relational hierarchies, that is, jobs in which the relational component is prominent, lead employees to reach across boundaries in acts of prosocial behavior to other individuals. In his model, the motivation to make a prosocial difference in the lives of others is driven by the perceived impact of one’s job on the intended beneficiaries. This occurs because CSR heightens the salience of the relational aspects of the job and increases the employees’ sense of self-efficacy [22] so that they can continue to improve the welfare of others. Overall, we can expect that highly effective CSR initiatives will underscore the relational component of the frontline employee’s job, thereby encouraging him or her to break down social boundaries and view customers as valued partners.

H1: CSR perception positively influences employee-customer identification.

2.6 CSR efficacy and psychological job benefit

Internal marketing proposes that the job product can be designed in order to provide employees with benefits and that when these benefits are realized, employees will be more motivated at work [23]. Only two studies to date have examined how CSR provides benefits to employees. Berger et al. [5] found that CSR enables employees to reduce the gap between their self-concept in their personal lives and their self-concept at work and that CSR gives people “a sense of community, both inside and outside the organization” (p. 133). Bhattacharya et al. [4] find at least four types of benefits from CSR: work-life integration, connection to the company, reputational shield, and self-enhancement.

Consistent with this reasoning, the researchers propose that the perceived effectiveness of CSR initiatives can be expected to provide employees with psychological job benefits; this will occur for at least two reasons. First, since effective initiatives are socially desirable, employees will take pride in knowing that they are associated with a company that “does well at doing good”. Thus, the employee will derive the benefits of well-being and self-esteem from knowing that his or her employer is socially responsible. Second, highly effective programs demonstrate to employees that the company is not only caring and concerned with people’s well-being, but that it can act upon these values through its corporate initiatives. Consequently, demonstrating to employees that the company is effective at expressing its benevolence will help employees express themselves more fully in the workplace [4]. Subsequently, they will feel that the transition is less stressful when crossing between the work and home spheres. The benefit of work-life integration has been identified in the litera-
ture but has not yet been quantified \[22\].

H2: CSR efficacy positively influences psychological job benefits.

2.7 ECID, psychological benefits and customer orientation

Work in the social identity theory literature suggests that individuals take on a social identity in order to derive psychological benefits from them \[24\]. These may be linked to the desire to enhance self-esteem or to achieve a heightened sense of coherence in one’s sense of self. For example, Elsbach and Kramer \[23\] find that people alter their identity as a member of a university due to changes in the school’s rankings to maintain self-esteem and coherence. Thus, we can expect that employee-customer identification will lead to heightened levels of psychological benefits in one’s job. The intergroup relations literature suggests that individuals will be more likely to satisfy customers’ long-term needs when boundaries are dissolved, whether through de-categorization or re-categorization. This occurs for at least three reasons. First, to the extent that employees believe they share a common identity with customers, they will display all the biases and favoritism described previously.

The arguments above establish that we can expect employee participation and the perceived efficacy of CSR initiatives to provide psychological benefits to frontline employees. But how might these benefits drive customer orientation? The relationship marketing literature suggests that reciprocity is the central mechanism relating benefits to customer orientation \[26\]. Psychologists have long known that individuals tend to reciprocate benefits in kind, and this effect has proved remarkably robust in explaining consumers’ interactions with companies \[27\].

The social norm to reciprocate benefits received from another party in a relationship has proven to have remarkable explanatory power. It is, therefore, reasonable to expect that when a company’s CSR initiatives satisfy the psychological needs of individuals, it sets in motion reciprocal exchanges of information and action that can strengthen the ties between the employee and the company \[28\]. The principle of reciprocity will lead employees who benefit from CSR initiatives to seek ways of returning the benefits to the company in kind. Given that the principal means by which a frontline employee can reward the company is by satisfying its customers, we can expect that the more employees benefit from CSR, the more they will seek to fulfill long-term customer needs.

H3: ECID positively influences customer orientation.

H4: Psychological benefits positively influence customer orientation.

Figure 1 shows the theoretical framework of this study.

3. Methodology

The sample was taken from the hospitality industry of Pakistan. As in the preliminary studies, the survey instrument was delivered in web-based form as a series of pre-programmed pages. Before beginning the survey, participants answered three screener questions which were included in order to eliminate respondents who may have received an invitation in error; screeners are included with the other questionnaire items. The first section of the survey questionnaire contained the customer orientation scale and additional items related to the employee’s relation-
ship with the company. At this point in the question-
naire, respondents still needed to be informed that the survey’s primary objective was to understand their perceptions of their employer’s social responsibility initiatives. The second section asked respondents to indicate their awareness of their employer’s CSR initiatives and if so, the issues addressed by such activity.

An eight-item scale was used to measure cus-
tomer orientation, proposed by two different studies by Ishaq, M. I. et al. [6]. Both of these scales were only partially appropriate for the present study. The Saxe and Weitz instrument was designed for business-to-business sales professionals, making many questions irrelevant to the current frontline service employee sample. The reason for not including all the Brown et al. items was more conceptual. Employee-Customer identification was measured using a combination of new items and an adapted version of Bhattacharya C. B. et al. [4] of organizational iden-
tification. Therefore, the total number of ECID items was five. Psychological job benefits were measured with a six-item scale containing questions on both the degree to which aspects of respondents’ jobs give them self-esteem and work-home integration. Four items each were used to determine CSR congruence and CSR efficacy among hospitality employees working in Pakistan.

4. Results

Due to the 39% response rate, there was some concern that the survey participants did not reflect the overall population of frontline employees in the hospitality industry, although the sample was skewed female and aware respondents were somewhat more likely to be male and have worked longer at the company.

4.1 Common method bias

A legitimate concern of research using field sur-
veys is common method bias. To establish that there was no obvious common method bias, Harman’s one-factor method was used to test common method bias, as recommended. In this test, all items in the questionnaire are included in a principal component factor analysis; if only one factor is retained, there is likely a common method bias. The results confirmed that the total variance explained by five variables is 43%. Therefore, the common method bias is not an issue.

4.2 Measurement model

The first step of hypotheses testing is to check the measurement model, including fit indices, reliability and validity of the five variables under investigation. Confirmatory factor analysis was performed using AMOS 24. The fit indices of five variables show adequate model fitness ($\chi^2/df = 2.9; \text{CFI} = 0.92; \text{NFI} = 0.90; \text{SRMR} = 0.044; \text{RMSEA} = 0.051$). The factor loading of all items exceeds the minimum value of 0.70. T Five variables’ reliability and composite reliability are well above the minimum threshold of 0.70. Lastly, the average variance extraction (AVE) exceeds 0.50. These statistics confirm the convergent and discriminant validity of the data. The results are shown in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of items</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Composite reliability</th>
<th>AVE</th>
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</thead>
<tbody>
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<td>CSR Congruence</td>
<td>4</td>
<td>0.79-0.86</td>
<td>0.81</td>
<td>0.83</td>
<td>0.66</td>
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<tr>
<td>CSR Efficacy</td>
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<td>0.74-0.85</td>
<td>0.79</td>
<td>0.80</td>
<td>0.61</td>
</tr>
<tr>
<td>ECID</td>
<td>5</td>
<td>0.72-0.83</td>
<td>0.84</td>
<td>0.85</td>
<td>0.68</td>
</tr>
<tr>
<td>Psychological Benefit</td>
<td>6</td>
<td>0.75-0.89</td>
<td>0.80</td>
<td>0.81</td>
<td>0.65</td>
</tr>
<tr>
<td>Customer Orientation</td>
<td>8</td>
<td>0.71-0.83</td>
<td>0.77</td>
<td>0.79</td>
<td>0.59</td>
</tr>
</tbody>
</table>
Descriptive statistics

The correlation and mean results of CSR congruence, CSR efficacy, ECID, psychological benefit and customer orientation are presented in Table 2. As shown, the relationships between independent and dependent variables are positive and significant. Therefore, the initial results support the research hypotheses.

4.3 Hypotheses testing

Table 3 provides the results of the four hypotheses of this study by using structural equating modeling (SEM). The first hypothesis determines the direct impact of CSR perception on ECID, and the results indicate that ($\beta = 0.49$, $p = 0.001$), hence the H1 is approved. The second hypothesis explores the influences of CSR efficacy on psychological benefits among employees working in the hospitality industry. The analysis shows that CSR efficacy positively relates to psychological job benefits ($\beta = 0.62$, $p = 0.001$), hence accepting the H2. For H3, and H4, both ECID ($\beta = 0.41$, $p = 0.001$), and psychological benefits ($\beta = 0.53$, $p = 0.001$) positively related to customer orientation.

5. Discussion and recommendations

The present research explains when and how CSR enhances the customer orientation of frontline employees in the hospitality industry. The quantitative field study reveals that CSR activity increases the customer orientation of an individual employee to the extent that it alters the employee’s sense of self with respect to customers and provides psychological job benefits such as self-esteem and work-home balance. Furthermore, the degree to which employees identify with customers depends on the degree to which he or she shares a desire with customers that the company maintains or expands existing CSR initiatives; the degree to which an employee derives psychological benefits in his or her job is based upon the individual’s participation in CSR initiatives at the company and the extent to which initiatives are perceived to be effective in improving society. Overall, the research reveals the underlying psychological processes that motivate employees to serve customer needs.

Theoretical and Managerial Implications

First, this study uncovers compelling evidence that CSR is part of the job product and as such, can lead to changes in employee thoughts, behaviors, and ultimately work performance. This research identifies an additional lever in the internal marketing “toolbox” that can enhance frontline employees’ customer orientation if managed correctly. Second, research to date on CSR and employees has primarily utilized qualitative research[^4,5] on a broad set of in-

<table>
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<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CSR Congruence</td>
<td>4.15</td>
<td>0.47</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. CSR Efficacy</td>
<td>4.01</td>
<td>0.53</td>
<td>0.62</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. ECID</td>
<td>4.33</td>
<td>0.27</td>
<td>0.48</td>
<td>0.40</td>
<td>1.00</td>
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<tr>
<td>4. Psychological Benefit</td>
<td>3.94</td>
<td>0.66</td>
<td>0.50</td>
<td>0.47</td>
<td>0.39</td>
<td>1.00</td>
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<td>5. Customer Orientation</td>
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<td>0.42</td>
<td>0.39</td>
<td>0.55</td>
<td>0.36</td>
<td>0.43</td>
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<table>
<thead>
<tr>
<th>Variable</th>
<th>beta</th>
<th>S.E.</th>
<th>p-value</th>
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<td>CSR → ECID</td>
<td>0.49</td>
<td>0.07</td>
<td>0.001</td>
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<tr>
<td>CSR Efficacy → Psychological Benefits</td>
<td>0.62</td>
<td>0.05</td>
<td>0.001</td>
</tr>
<tr>
<td>ECID → Customer Orientation</td>
<td>0.41</td>
<td>0.07</td>
<td>0.001</td>
</tr>
<tr>
<td>Psychological Benefit → Customer Orientation</td>
<td>0.53</td>
<td>0.06</td>
<td>0.001</td>
</tr>
</tbody>
</table>

[^4]: Reference 1
[^5]: Reference 2
terrelated outcomes, including satisfaction, retention, and identification, but to the authors’ knowledge, no research has yet linked the implementation of CSR initiatives to diverse outcomes. For example, in this study, participation does not bring employees closer to employees but does drive a number of psychological benefits that have been related to retention and employee satisfaction. Thus, it is possible that CSR can be configured to impact very specific outcomes.

A third contribution of the research is that it confirms and builds upon Vogel’s concept of demand for CSR. This study empirically demonstrates that CSR demand varies across individuals and that the effect of CSR congruence is moderated by CSR demand. The concept of CSR demand is thus distinct from that of issue support found by Sen and Bhattacharya [11] because CSR demand is specific to the company across a number of issues, whereas issue support is specific to an issue across various companies.

A fourth contribution of the research is that it confirms in a new setting that CSR activates the social identity of the individual as well as the consequences of this activation. Moreover, qualitative studies that have examined employee responses to CSR have only looked at identification as a member of the organization (Berger et al. 2006; Bhattacharya et al. 2008b), but have yet to ask what the confines of that organization are. Are customers included under the corporate umbrella of the employee’s identity? While we have only scratched the surface of this discussion, the present study shows that based on how CSR is configured, particularly with respect to the construed CSR demand of customers, CSR can lead to very different conceptualizations on the part of an employee who is included in the in-group and who is in the outgroup. In particular, it reveals an important process that has heretofore been largely ignored, namely the intergroup dynamics between employees and customers. In essence, this research represents, to the authors’ knowledge, the first attempt to examine how employees construct their self-concept in relation to their concept of customers. This social group perspective stands in contrast to most contemporary approaches that view exchange through a one-to-one dyad.

The research holds a number of implications for practice. First, it demonstrates that by marketing its CSR activities in certain ways, a company can ultimately contribute to customer satisfaction and stronger customer-company relationships. Moreover, the research informs managers of three key levers that can be used in producing these company-favoring outcomes. Thus, the findings indicate that CSR can be leveraged to increase customer orientation to the extent that (1) employees participate in their employer’s CSR initiatives, (2) the initiatives are seen to be effective at helping the intended beneficiaries, and (3) initiatives are seen by employees to be supported by both customers and fellow employees.

Second, regarding CSR efficacy, the study suggests that managers should communicate not only the level of investment in CSR initiatives that the company makes but also provide tangible evidence that the programs are working and benefiting society. This will maximize the job-related benefits that employees derive, especially those who are not currently participating. Third, the finding that participation in CSR initiatives strongly affects the psychological benefits that employees derive from their jobs, regardless of their assessment of the initiatives, leads to the obvious recommendation to encourage employees to participate at every opportunity. Even encouraging relatively modest levels of participation, such as donating small sums of money or time, is likely to prove beneficial for employees.

Overall, when designing and implementing CSR initiatives, practitioners are advised to enable employees to co-create the value from CSR initiatives rather than taking a top-down approach to CSR management. Additionally, managers need to communicate how the initiatives impact society rather than simply listing initiatives and reporting the company’s total CSR spending. Further, they should concentrate efforts on initiatives that are deemed important by both employees and customers as opposed to creating social marketing campaigns focused on only one set of stakeholders.
**Conflict of Interest**

There is no conflict of interest.

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