

Chapter 13

An Investigation of the Relationship Between Employee Perception of Corporate Citizenship Behaviour and Organisational Sustainability

Anshu Yadav

Amity University, Noida, India

ABSTRACT

Corporate greening practices such as measures to reduce pollution emission, management of waste, use of green technologies, sustainable reporting, consuming removable energy sources, implementation of ISO environment management certification, auditing, etc. are required for sustainability. A lot of studies of stakeholder perceptions of corporate responses towards societal concerns are mostly from the point of view of marketing, existing or prospective customers, and industry at a large, but the employee's aspects is most neglected. This chapter investigates the employee's perception of corporate citizenship (CC) and organisational sustainability and also the interrelationship of these variables.

INTRODUCTION

Corporate Citizenship

Business is like a citizen having rights and obligations towards nation, is predominantly a concept from the field of political science (Drucker, 1964) however provides bases for understanding organisation's behaviour towards (Habisch et al. 2001; Logsdon and Wood 2005) its larger stakeholders as society, country and world ecological environment. Based on the argument under law of company being an "Artificial Person" entails several right to it and so corporate must be having obligation under the territory in which they operate. The term to describe this role and responsibility of business for making differ-

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ence at the level of individual, society and country is Corporate Citizenship often used interchangeably with corporate social responsibility. Marsden and Andriof, (1998) defined it as managing company's influence on society for gain of both company and society altogether. The term corporate citizenship originated in U.S at the end of nineteenth century (Altman and Cohen, 2000), and later became common in business community discussions and research. This rapidly developing and widespread (Maignan and Ferrell 1999) managerial practice of responsible business (Okoye 2009, Baumgarten and Yucetepe 2009, Wood 1991) is type of self-regulation assimilated in the business model (Grit 2004, Kell 2005, Lam 2009, Maxfield 2008) for "profit maximization" (Bagnoli and Watts, 2003) in terms of benefit to stakeholders such as employee, customer, investor, government and society. Still integrating agenda of citizenship as part of the organisational policy and behaviour is mainly due to legal and political pressure, customer's expectations, credibility, corporate image building and moreover company's tradition and values. It is about balancing of business objectives between preserving profitability for stakeholders and investment in societal welfare. Corporate Citizenship concept is evolving across varied initiatives at different levels, at employees' level its ensuring health and safety, sponsoring training and education programs, profit sharing plans, employee's family welfares initiatives (Maignan and Ferrell, 2000). At the impact level of larger stakeholder these initiatives are sponsoring community initiatives, funding government developmental projects and environment friendly policies (Waddock, 2004).

Most research about CC has adopted an organizational level of analysis and/or focused on external stakeholders (Maignan and Ferrell, 2001a). Few studies have investigated how organizational members (i.e., the "firm's internal audience" and one of the most important stakeholders; Maignan and Ferrell, 2001a, p. 471) develop attitudes and behaviors according to the ways they perceive CC of their firms. Most research about CC has adopted an organizational level of analysis and/or focused on external stakeholders (Maignan and Ferrell, 2001a). Few studies have investigated how organizational members (i.e., the "firm's internal audience" and one of the most important stakeholders; Maignan and Ferrell, 2001a, p. 471) develop attitudes and behaviors according to the ways they perceive CC of their firms.

Employee's Perception and Corporate Citizenship

Numerous amounts of literature have studied the corporate citizenship at organisational level or concentrated on external stakeholders (Maignan and Ferrell, 2004). Employee are though the most important stakeholders still few studies have focused on their perception and attitudes visa a viz their perceived corporate citizenship. Literature has established that employees want to work with an organisation which is involved and valued for their corporate citizenship initiatives (Turban and Greening, 1997). Employees feels great satisfaction when they do actions that are "discretionary, not directly recognized by the formal reward system" Organ, (1988) i.e. organisational citizenship behaviour, and similarly they appreciate corporate citizenship form the company they work for. This, employees discretionary behaviour that contributes for environmental greening is termed as 'organizational citizenship behaviors for the environment' (OCBE) (Ramus and Killmer, 2007; Daily et al., 2009; Boiral, 2009; Lamm et al., 2013). Studies suggests that corporate citizenship even has a significant influence on employees organisational citizenship behaviour (Linley 2009). In a research Maignan, Ferrell and Hult (1999) studied effect of corporate citizenship and reported that it has positive association with employee's commitment. One of the surveys have found that more than fifty percent of students in America for self-fulfillment wish to be working for socially responsible organisation (Barrett, 2000). Reverchon (2000) found in his study that environment protection is very important criteria for choosing the future employer. In addition employees

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