Corporate Social Responsibility and Psychologically Healthy Workplaces

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Over the last several decades, corporations have increasingly been held accountable for their actions, and the social and environmental consequences that emerge from them. Much of this has been spurred by the amount of information made available to the public on the Internet. The Internet has provided numerous stakeholders, both internal and external to organizations, with information about the responsible and irresponsible practices and actions of corporations, leading to a surge in accountability (Aguinis, 2011). As a result, top business leaders around the world have implemented an array of ethical, social and environmentally-responsible practices and policies (Porter & Kramer, 2006). These practices and policies have come to be known collectively as corporate social responsibility (CSR), and increasing numbers of organizations are committed to improving their organization's CSR performance. Companies such as Mountain Equipment Co-op (MEC, 2012), The Body Shop (The Body Shop, 2012) and Interface (Interface, 2008) are well known for their on-going and intrinsic commitment to social and environmental issues—because they believe that is the right thing to do. In contrast, other companies develop socially responsible practices in response to adverse events and negative public pressure. For example, many fast food organizations, including MacDonald's, have added healthy food choices to their menus in response to being held publicly accountable for the escalating obesity epidemic. Regardless of the motive for doing so, organizations around the world are becoming more socially and environmentally responsible.

As the number of socially and environmentally responsible practices being adopted by businesses have increased, and media attention becomes more sharply focused on CSR, so too has the number of external rankings of CSR-friendly organizations. The Dow Jones Sustainability Index, the Corporate Social Responsibility Index and the Business in the

Community Corporate Responsibility Index have each become well recognized, so much so that a “mini” industry devoted to monitoring CSR has emerged. Needless to say, adherence to CSR is now increasing in the corporate world.

Academic Focus on CSR

Despite the public and media attention, commitment to and implementation of CSR practices vary widely, which has stimulated scholarly interest and research in these practices. The focus of the research has also varied: Some research has addressed the nature and conceptualization of CSR (see Waddok, 2004), the measurement of CSR (see Wood, 2012), the relationship between CSR and corporate financial performance (see Peloza, 2009) and the impact of CSR on stakeholder value (see Shang, 2011). Most recently, Aguinis and Glavas (2012) integrated the large CSR literature in their extensive review of 588 journal articles and 102 books and book chapters, from which they content analyzed a subset of 181 journal articles. Based on their review, Aguinis and Glavas found that the vast majority of research devoted to CSR is focused on the macro level of analysis (i.e., institutional or organizational level); very little of this research is situated at the micro level (i.e., individual level). Specifically, Aguinis and Glavas (2012) reported that of the 181 articles they analyzed, fully 90% were focused on the macro level, with a mere 4% targeting the individual level (5% focused on two or more levels). In short, the individual-level determinants and outcomes of CSR remain relatively unstudied (Aguinis, 2011), and the goal of this chapter is to synthesize research that has focused on individual-level outcomes of CSR.

Examining the studies that have been conducted on individual-level aspects of CSR, we learn that some studies have explored the effect of organizations’ CSR on different employee

outcomes—including their psychological health. More specifically, a body of research that investigates the positive effect organizations' socially responsible practices can have on their employee's psychological health, and how they can contribute to core indicators of a psychologically healthy workplace (e.g., employee job satisfaction, organizational commitment and identification, and employee relations), has surfaced. In our chapter, we review this literature and provide examples of organizational best practices with respect to employee involvement in CSR. We then provide a framework that integrates the research on the different aspects of CSR and psychologically healthy workplaces, and conclude our chapter by providing directions for future research. Our goals in doing so are two-fold: First, to foster more CSR research at the individual level of analysis, and second, stimulate more research on the effects of CSR practices on psychologically healthy workplaces.

Construct Definitions

Before delving into our review of CSR and psychologically healthy workplaces, we pause briefly to define the focal constructs under discussion. Defining CSR itself is no easy task—indeed, finding a single, consensually agreed-upon definition is just not possible (Jain, Leka & Zwetsloot, 2011). To avoid confusion by proposing yet another definition, we follow Aguinis and Glavas (2012) and adopt Aguinis' (2011) definition, that CSR reflects "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social and environmental performance" (p. 855). As Aguinis and Galvas (2012) point out, this definition has recently been used by others (e.g., Rupp, 2011; Rupp, Williams & Aguilera, 2010) and applies equally to all levels of analysis (e.g., institutional, organizational and individual). In doing so, we reiterate that the organizational actions and policies identified in this definition include both internal (i.e., actions and policies targeted at

benefitting individuals within the organization) and external (i.e., actions and policies targeted at benefitting individuals outside of the organization) dimensions (Jain et al., 2011). We will consider the role of both these dimensions in shaping psychologically health workplaces.

Further complicating the conceptualization of CSR, an array of terms is used in the literature to refer to organizations' socially responsible actions. In addition to CSR, terms such as corporate responsibility, corporate social performance, corporate sustainability, business citizenship, corporate citizenship, business ethics, corporate ethics, sustainable development, sustainable entrepreneurship, boundary-spanning organizational functions, and stakeholder management, relationship and engagement (Aguinis, 2011; Waddock, 2004) are often used. We include all of these terms within our conceptualization of the broad rubric of CSR.

The second focal construct of our discussion is based on psychologically healthy workplaces. The Psychologically Health Workplace Program (2012), which is sponsored by the American Psychological Association (APA) and the APA Practice Organization, emphasizes that psychologically healthy workplaces benefit both employees and organizations by promoting employee health and well-being. Based on this, in our review, psychologically healthy workplaces are reflected in the psychological health of employees (e.g., mental health, self efficacy and self–esteem and stress; Sivanathan, Arnold, Turner & Barling, 2004), as well as key outcomes (i.e., the benefits) of a psychologically healthy workplace (e.g., employee job satisfaction, organizational commitment and identification, and employee relations).

CSR and Psychologically Healthy Workplaces

CSR and Indicators of a Psychologically Healthy Workplace

A vibrant body of research has explored the relationship between CSR initiatives and key indicators of psychologically healthy workplaces. There is some acknowledgement that organizations' socially responsible and irresponsible actions can contribute to, or in their absence detract from, psychologically healthy workplaces both directly and indirectly (Rupp, Ganapathi, Aguilera & Williams, 2006), and data from several studies clarify and refine this effect.

To begin, several studies have established a positive link between CSR and employees' organizational commitment. For example, data from a sample of business professionals (Peterson, 2004) yielded a positive relationship between professionals' perceptions of corporate citizenship and their overall organizational commitment, and this relationship was stronger amongst employees who believed in the importance of CSR. This research also demonstrated that although four dimensions of CSR (i.e., ethical, economical, legal and discretionary) were related to organizational commitment, the relationship was strongest for the ethical dimension. Finally, data from this study found that the discretionary dimension of CSR was more positively related to organizational commitment for female business professionals. Similarly, a study on external (i.e., CSR in the community) and internal (i.e., training opportunities and procedural justice) aspects of CSR (Brammer, Millington & Rayton, 2007), showed that CSR has a significant impact on overall organizational commitment, with internal CSR having a greater effect than external CSR. Empirical results from Brammer et al.'s study also demonstrated that gender moderates these relationships such that the influence of external CSR and procedural justice on organizational commitment is stronger for females, while the influence of training opportunities is stronger for men. Focusing on the role of both employee CSR associations (i.e. "employees' perceptions of the character of the company related to societal issues," p.562) and CSR participation, Kim, Lee, Lee and Kim (2010) reported that CSR participation was indirectly

linked to overall organizational commitment through employee-company identification, and through perceived external prestige. Finally, research (Turker, 2009) investigating the effects of several different types of CSR revealed that CSR activities aimed at social and non-social stakeholders (e.g., activities that protect the natural environment), employees (e.g., activities that improve the physical and psychological working environment) and customers (e.g., activities that consider the needs of customers) were positively linked to organizational commitment, with CSR aimed at employees being the most significant predictor. This study also demonstrated that the importance employees attach to CSR strengthened the relationship between CSR aimed at social and non-social stakeholders and organizational commitment, but not the relationships between CSR aimed at employees and customers and organizational commitment. Turker (2009) suggests that the insignificant interaction term could be explained by the fact that individuals attribute CSR aimed at employees and customers as practices the organization should already be doing, and therefore, do not classify it as CSR. As such, they are more concerned with CSR aimed at the natural environment[1].

Taking a different approach to the effects of CSR on organizational commitment, other research has investigated the role of organizations' socially responsible actions in their commitment to employees. Boddy, Ladyshewsky and Galvin (2010) demonstrated that when employees rated their leaders as high on corporate psychopathy, they were less likely to report that their organization engages in CSR activities and were less likely to agree that their organizations are committed to its employees. Data from this study also found that employees

[1]Most of the available research does not investigate the affect of CSR on the different types of organizational commitment (i.e., affective, continuance and normative; Meyer & Allen, 1997). Because these three constructs do have some different antecedents and consequences, we highlight the research that does investigate the different types separately where appropriate.

were less likely to feel that (a) they receive recognition from their companies, (b) their work is appreciated, and (c) they are properly rewarded by their companies. Taken together, findings from these studies suggest that CSR activities offer an effective way to increase employees' commitment to their organizations; however, when CSR activities do not take place, they lead employees to think that their organizations are not commitment to them.

In addition to organizational commitment, research has investigated the effect of CSR on other indicators of a psychologically healthy workplace. First, Valentine and Fleishman (2008) reported that organizations' CSR was positively related to 313 business professionals' job satisfaction. These authors found that CSR fully mediated the relationships between several dimensions of a company's ethics programs (e.g., presence of an ethics code, communication of ethics code, presence of ethics training and hours of ethics training) and employees' satisfaction with their job.

Moving beyond job satisfaction, a study of health care employees, (Hansen, Dunford, Boss, Boss & Angermeier, 2011), reported that perceived CSR positively influenced employees' trust in their organizations, which in turn reduced employees' turnover intentions and their organizational citizenship behaviors. Finally, research focusing on several indicators of psychologically healthy workplaces found that when organizations' CSR programs were perceived as authentic, they increased pride, satisfaction, loyalty and organizational identification amongst their employees, and enabled employees to feel more connected with their colleagues (McShane & Cunningham, 2011). In sum, findings from empirical research are accumulating, and showing that CSR programs have a positive affect on several indicators of psychologically healthy workplaces.

CSR and Employee Psychological Health

Although much research has investigated the relationship between CSR and core principles of a psychologically healthy workplace, research linking CSR to employee psychological health is scant. Indeed, despite an extensive search of Business Source Complete, ABI INFORM Global, PsycINFO, PsycArticles, Social Science Research Network, Google Scholar and *The Journal of Business Ethics,* we could locate only a few studies that have directly explored the empirical relationship between organizations' socially responsible practices and policies and employees' psychological health (i.e., studies that investigated the constructs of CSR and psychological health specifically, and not studies that investigated the effects of similar CSR constructs and/or key indicators of a psychologically healthy workplace). Notably, all of these studies have been conducted recently, suggesting that research on this topic might soon start to appear.

Fisrt, Promislo, Giacalone and Welch (2012) surveyed 262 employees in four different American companies, the results of which helped to link employees' perceptions of the importance placed by their organizations on ethics and social responsibility with their psychological well-being, as indicated by exuberance for life, job stress and sleep. Results from survey data confirmed that employees' perceptions that their organizations emphasized ethics and social responsibility were positively related to employee exuberance for life; however, no significant relationships emerged with employee job stress or sleep. These results provide preliminary evidence that that organizations' CSR can affect some elements of employees' psychological well-being.

Lin, Baruch and Shih (2012) were also interested in the effects of CSR on psychological health, but they turned their focus to the team level. These authors took a multidimensional approach to CSR, by examining the effect of three components of CSR, namely, economic citizenship (e.g., organizations' obligation to provide employees with utilitarian benefits), legal citizenship (e.g., organizations' obligation to operate within the legal framework) and ethical citizenship (e.g., organizations' obligation to follow moral rules) on team self-efficacy and team self-esteem as indicators of team psychological health. Their results demonstrated that economic and legal citizenship were positively related to team self-efficacy, while economic and ethical citizenship were positively related to team self-esteem. In turn, both team self-efficacy and team self-esteem predicted team performance. These findings are important, as they show that CSR effects team-level psychological health, which in turn, plays an important role in transmitting any effects of different aspects of CSR on team performance.

Extending the research linking CSR to psychological health, findings from some studies suggest that CSR influences whether or not employees think their organizations care about their well-being. For example, a study conducted by Sirota Survey Intelligence on 1.6 million employees across 70 companies found that employees who approved of their organizations' CSR initiatives were more likely to feel that their organizations were interested in their well-being than employees who did not express approval (Mirvis, 2012). These employees were also more engaged in their jobs, had more positive views of their organization's integrity, and rated their organizations as more competitive. These findings point to an indirect benefit of CSR for employees' psychological health: When they see their organizations conduct themselves in a way that shows respect and care for ethical or environmental issues, perhaps the logical inference is that these same organizations also care for their employees, with all the attendant benefits.

Finally, several other studies investigated the effect of career development, training programs, education practices (i.e., economic citizenship) on different indicators of psychological health amongst unemployed individuals (Creed, Bloxsome & Johnson, 2001; Creed, Hicks & Machin, 1996; Matsuba, Elders & Marleau, 2008; Muafi & Gusaptono, 2010). This body of research found these indicators to be positively associated with self-efficacy, self-esteem and life satisfaction and negatively related to psychological distress, loneliness and feelings of helplessness. Applying these findings to an organizational context suggests that implementing similar internal CSR initiatives could have similar positive effects for employees.

Employee Involvement in CSR

While the findings discussed are encouraging, scholars are now suggesting that CSR efforts may more successfully contribute to psychologically healthy workplaces when employees themselves are engaged in these efforts (Bhattacharya, Sen & Korschun, 2008; Mirvis, 2012). By volunteering to participate in company sponsored socially responsible initiatives, employees may feel that they are contributing to the greater good, which in turn, can impact their psychological health. Additionally, by contributing to society together with their organizations, employees align their vision, mission and values with that of their companies' (Mirvis, 2012), resulting in higher levels of identification with and commitment to their organization, as well as increases in job satisfaction. Supporting these claims, studies have shown that participating in company-sponsored volunteer programs is positively associated with several indicators of psychologically health workplaces, including organizational commitment, identification with the organization, interpersonal cooperation, increased work effort, organizational pride and positive attitudes toward work (Bartel, 2001; de Gilder, Schuyt & Breedijk, 2005; Madison, Ward & Royalty, 2012).

Examples abound of organizations engaging their employees in company-sponsored CSR programs; Wal-Mart serves as one notable example. Wal-Mart has introduced Personal Sustainability Projects aimed at motivating employees to eat healthier foods, exercise more, quit smoking and engage in various pro-environmental behaviors. This particular initiative has had a positive effect on employees' physical health, as thousands of employees have stopped smoking as a result of this project (Mirvis, 2012). IBM is another example of a major organization involving its employees in company sponsored socially responsible programs. IBM created the Corporate Service Corps, which has sent more than a thousand employees to 24 different countries on volunteered-based service assignments; while on these assignments, IBM employees are engaged in economic development projects in emerging markets (IBM, 2012; Mirvis, 2012). Focused on environmental sustainability, Mountain Equipment Co-op (MEC), a Canadian-based retail cooperative, engages its employees' in its Sustainable Transportation initiative. To encourage environmentally sustainable transportation to and from work, MEC ensures that its store locations are close to bike routes. In addition, MEC provides shower facilities, secure bike storage, and bike tools for their employees' use, and all employees at MEC are encouraged to participate in Bike Week and the Clean Air Day Commuter Challenge (MEC, 2012). As one final example, The Body Shop engages its employees in CSR through several different initiatives, one of which is called the "Learning is of Value to Everyone" (LOVE). Through the LOVE program, The Body Shop aims to enhance its employees' sense of well-being through training courses, events and health treatments aimed at teaching employees' new skills. As well, The Body Shop encourages its employees "to feel good by doing good" through its Global Volunteering Policy, in which employees are paid for a minimum of three volunteering days a year. Through this policy, The Body Shop employees have volunteered for

numerous charities, including Children on the Edge and The Aldingbourne Trust (The Body Shop, 2012). As these different examples illustrate, organizations are increasingly encouraging their employees to engage in company-sponsored CSR initiatives, and more research is needed to investigate the effects these CSR programs have on employees' psychological health, and how they can contribute to building a psychologically health workplace.

Organizational Ethics and Psychologically Healthy Workplaces

In addition to the effects of CSR, several studies have investigated the relationship between a construct closely related to CSR, namely, organizational ethics, and psychologically healthy workplaces. This research has explored the positive influence organizational ethics can have on both employees' organizational commitment and job satisfaction. For example, data from a sample of management accountants working in various industries across the United States (Somers, 2001) demonstrated that employees' organizational commitment was higher amongst organizations that adopted a formal code of ethics than employees working in an organization without such a code of ethics, or employees who were unsure if their organization adopted a formal code of ethics. Similarly, research has shown employees' *affective* organizational commitment (i.e., employees' emotional attachment to their organization) was higher when they were aware that their organization had an ethics code, and this relationship was mediated by their perceptions that their organizations had strong ethical values (Valentine & Barnett, 2003). Other research has shown that organizations' ethical values were positively related to employees' organizational commitment (Valentine, Godkin & Lucer, 2002). Similarly, Pettijohn, Pettijohn and Taylor (2008) found that when sales personnel perceived their employer as being ethical, and believed that organizational ethical behavior in general positively impacts organizations'

profitability and their long-term viability, they also experienced higher job satisfaction and lower turnover intentions.

Other research has explored the relationship between ethical climate—the aggregate of employees' perceptions about the organizations' ethical policies, practices and procedures, and different indicators of psychologically healthy workplaces. This research has explored the influence of different aspects of ethical climate, most of which is based on Victor and Cullen's (1987, 1988) five dimensions: *instrumental* (i.e., ethical decision making that is self-serving), *caring* (i.e., ethical decision making that is based on care and concern for others), *independence* (i.e., ethical decision making that is based on personal moral beliefs), *law and code* (i.e., ethical decisions making based on various codes of conduct, including the law, the bible or professional codes) and *rules (*i.e., ethical decision making guided by pervasive rules or standards, such as codes of conduct). While much research is focused on this framework, other studies have focused on Victor and Cullen's (1987; 1988) three dimensions of ethical climate: *principled* (i.e., following laws and codes), *benevolence* (i.e., the welfare of others) and *egoistic* climate (self-interest and/or economic efficiency). Regardless of the focal type, investigating the influence of several types of ethical climate demonstrates that different types have different effects on psychologically healthy workplaces.

A wealth of data has linked different types of ethical climate to several aspects of employee job satisfaction. However, much of this research has produced inconsistent findings. For example, both Deshpande (1996) and Joseph and Deshpande (1997) found that caring climate positively influenced employees' satisfaction with their supervisor, and both Joseph and Deshpane (1997) and Tsia and Huang (2008) found that caring climate was positively related to overall job satisfaction and satisfaction with pay. Despite this, Deshpande (1996) failed to

replicate these relationships. Focusing on professional climate, both Deshpande (1996) and Joseph and Deshpande (1997) reported that professional ethical climate type was not significantly related to satisfaction with coworkers or pay. These studies also differed in the findings related to rules climate: Data from both Joseph and Deshpande's (1997) and Tsia and Huang's (2008) research positively linked this ethical climate to overall job satisfaction, satisfaction with pay and satisfaction with supervisor, but findings from Deshpande's (1996) research failed to report these relationships. Although Tsia and Hunang (2008) found a positive relationship between rules ethical climate and satisfaction with coworker, neither Deshpande (1996) nor Deshpande and Joseph (1997) found significant relationships between these variables, and Deshpande and Joseph's (1997) research was the only study to report a positive relationship between this climate type and satisfaction with promotion.

Inconsistent findings between the relationships between independent, instrumental and professional climate and different facets of job satisfaction also emerge across these studies. For example, Tsia and Hunang (2008) were the only ones to report a positive relationship between overall job satisfaction, satisfaction with supervisor and independent ethical climate. Both Tsia and Hunang (2008) and Deshpande (1996) found that instrumental climate was negatively related to overall job satisfaction and satisfaction with promotion, while Deshpande's (1996) research negatively linked this ethical climate type to satisfaction with supervisors and satisfaction with work; Joseph and Deshpande failed to find any other the relationships. Finally, Deshpande (1996) reported a positive relationship between professional climate and employees' overall job satisfaction, satisfaction with promotions, supervisors and work. Joseph and Deshpande (1997), however, reported a negative relationship between these variables. Most of the inconsistent findings emerge from Deshpande's (1996) study, which consisted of a sample of

middle level managers. In contrast, the sample in both Joseph and Deshpande (1997) and Tsia and Hunang's (2008) research consisted of nurses, thereby raising the possibility that the inconsistent findings may be a result of the characteristics of the sample.

Research based on the three ethical climate types also report inconsistent findings. For example, both Elci and Alpkan (2009) and Koh and Boo (2001) reported that benevolent and principled ethical climate dimensions were positively related to work satisfaction. In contrast Koh and Boo (2004) failed to find a relationship between any of the three types of ethical climate and job satisfaction. Finally, the study conducted by Elci and Alpkan (2009) was the only one to demonstrate that egoistical ethical climate type was negatively related to work satisfaction.

Some research investigating the link between ethical climates and indicators of psychological healthy workplaces has gone beyond the individual levels of analysis. Wang and Hsieh (2012) used Victor and Cullen's (1987, 1988) five ethical dimensions to show that both organizational and individual perceptions of instrumental climate were negatively related to job satisfaction, whereas caring and rules climate were positively related to job satisfaction. Findings from this study also demonstrated that organizational-level independence climate was positively related to job satisfaction, while both individual and organizational-level law and code ethical climate were not associated with job satisfaction. Results from this study demonstrate the importance of investigating both individual employees' perceptions of their organization's ethical climate and the shared perceptions within a work group of this climate in predicting employee job related attitudes.

Turning our attention to organizational commitment, Trevino, Butterfield and McCabe (1998) found that employee and community-focused ethical climates (i.e., organizations

concerned about the welfare of their employees and their community) were positively linked to overall organizational commitment for individuals employed in organizations that have both types of climates but do not have an ethics code. Other research that focused on Victor and Cullen's (1987, 1988) five ethical climate dimensions, reported a positive link between caring and rules climate and organizational commitment, but a negative link between instrumental climate and organizational commitment. No relationships between law and code and independence climate and organizational commitment were found (Kelley & Dorsch, 1991). Similarily, Tsia and Huang (2008) found that caring climate positively influenced nurses' normative organizational commitment, while an independent ethical climate did not influence any facet of their organizational commitment. Tsia and Huang (2008) also found that rules climate positively affected their normative organizational commitment. Finally, drawing on the three dimensions of ethical climate, Cullen, Parboteeah and Victor (2003) found a positive relationship between benevolent climate and organizational commitment, but a negative relationship between egoistic climate and organizational commitment. Interestingly, these authors also found that principled climate was positively related to organizational commitment, but only for professional workers.

Research has explored the relationship between different climate types and employee-employer relationships. For example, Barnett and Schubert (2002) investigated the influence of principled, benevolent, and egoistic climate types on employees' belief that they share a covenantal relationship (i.e., characterized by shared values and mutual employee and organizational commitment to each other's well-being) with their employer. Data from 194 department store employees showed that principled and benevolent ethical climates were positively related to employees' perceptions of the existence of a covenantal relationship. In

contrast, egotistical climate was negatively related to these perceptions. Further, this study found that a benevolent ethical climate that emphasized social responsibility was most likely to foster employees' belief that they have a covenantal relationship with their employer.

As can be seen, the burgeoning research on ethical climate has produced somewhat inconsistent findings. In an attempt to reconcile findings on ethical climate theory, Martin and Cullen (2006) conducted a meta-analysis on 42 published and unpublished studies that examined the relationship between Victor and Cullen's (1987, 1988) five ethical climate types and various employee outcomes related to psychologically healthy workplace. In doing so, these authors showed that instrumental climates were negatively related to organizational commitment, job satisfaction, and psychological well-being, and positively related to dysfunctional behaviors. In contrast, caring climates were positively associated with organizational commitment, job satisfaction, and psychological well-being, and negatively related to dysfunctional behaviors. Similarly, independence, law and code and rules climates were positively associated with organizational commitment, job satisfaction, and psychological well-being and negatively linked to dysfunctional behaviors. Martin and Cullen (2006) also conducted path analyses to shed light on the relationships between the variables investigated in their meta-analysis, and demonstrated that organizational commitment and job satisfaction mediated the relationships between the five types of ethical climate and employees' psychological well-being and dysfunctional behavior. In sum, this meta-analysis confirmed that the various types of ethical climate have medium to small correlations with various outcomes associated with psychologically healthy workplaces and that some of these outcomes serve as mediators.

Given the findings from recent research discussed above, we develop a model to explain how different aspects of CSR affects psychologically healthy workplaces. Our model shows that

several different types of CSR activities and different facets of organizational ethics can both directly and indirectly affect various indicators of a psychologically healthy workplace as well as employees' own psychological health. As shown in our model, very few mediators and moderators have been identified (see Figure 1). In developing this model, we integrate the extant research on this topic upon which future research can be based.

Future Research

While intriguing, research investigating the micro-level effects of CSR and organizational ethics on psychologically healthy workplaces is still in its infancy. Although scholars are increasingly beginning to investigate this topic, and journals are devoting special issues to stimulate theoretical and empirical research on this topic (e.g., the special issue of *Personnel Psychology* "Corporate Social Responsibility and Human Resource Management/Organizational Behavior", Morgeson, Aguinis, Waldman & Siegel, 2011), our understanding of CSR's contribution to building psychologically healthy workplaces remains incomplete. As such, several avenues for research on this topic remain unexplored, and we now turn our attention to delineating suggestions for future research.

Findings from all the studies reviewed in this chapter consistently show that adopting both external and internal CRS programs can positively affect employees' psychological health, and contribute to building a psychologically health workplace. Despite this, many companies do not fully leverage their CSR initiatives to achieve their potential benefits for employees, and research based on a two-part study suggest why they do not do so (Bhattacharya et al., 2008). First, despite the existence of in-company programs, many employees remain unaware that they exist, and/or choose not to become involved in CSR initiatives. Second, organizations often neither appreciate nor understand that critical employee needs can be fulfilled through

implementation of CSR initiatives. Third, CSR initiatives are usually implemented in a top-down manner, neglecting the important contribution employees can make to CSR initiatives, and the benefits that derive from employee involvement in CSR initiatives (Battacharya et al., 2008). Thus, future research might investigate if educating employees and organizational decision-makers might increase the uptake of CSR initiatives, and whether and how their implementation affects diverse aspects of psychologically healthy workplaces.

Much of the available research on CSR, organizational ethics and psychologically healthy workplaces has investigated the direct link between these variables. While we acknowledge that this is an important stepping stone, we encourage future research to examine the consequences of improved employee psychological health that results from CSR programs. Intriguingly, the psychological benefits resulting from CSR initiatives may themselves serve as mediators for other outcomes (Bhattacharya, Korshcun & Sen, 2009). For example, when employees experience psychosocial benefits, the quality of the relationship between employee and employer improves, as does job performance (e.g., organizational citizenship behaviors). Thus, future research should investigate how employees' improved psychological health (as a result of CSR activity) contributes to overall organizational performance, thereby supporting the case for psychologically healthy workplaces as a mediator of the effects of CSR on critical organizational outcomes.

Finally, we suggest that future research should explore why organizations' ethical climates and social responsibility practices influence employees' psychological health. In doing so, research now needs to go beyond confirming the existence of such bidirectional relationships, and (a) conduct longitudinal research that (b) focuses on uncovering variables that mediate the relationship between CSR and psychologically healthy workplaces. Bauman and Skitha (2012)

suggest that CSR activities indirectly affect employees' psychological needs through their perceptions of their organization's morality, and future research should explore this, and other variables as potential mediators. Similarly, future research should investigate variables that moderate the relationship between CSR and psychologically health workplaces. Investigating conditions under which employees' psychological health may be more or less affected by organizations' (ir)responsible actions should be explored further. For example, employees who value the natural environment may experience more gains in psychological well-being if their employing organizations' mission is to reduce its environmental impact, than employees who do not hold such values. Drawing on social identity theory might help explain such phenomena.

Conclusion

Around the world, organizations are being held accountable for their actions. In response, more organizations are becoming socially and environmentally responsible. As formal CSR practices and policies are adopted, researchers are now investigating their individual-level consequences. Initial findings from this research are encouraging, and have identified some of the beneficial effects of CSR on key indicators of psychologically healthy workplaces, and employee psychological health. Nonetheless, more research on this topic is needed to understand (a) how employee involvement in CSR can contribute to a psychologically healthy workplace, (b) the mechanisms through which CSR has these positive effects, and (c) the conditions under which CSR initiatives have stronger/weaker effects on psychologically healthy workplaces. As these questions are answered, a more nuanced understanding of the benefits of CSR will be gained, and organizations will learn how, why and when socially and environmentally responsible actions can positively affect their employees. The result will be a more sustainable world, and a more psychologically healthy workforce.

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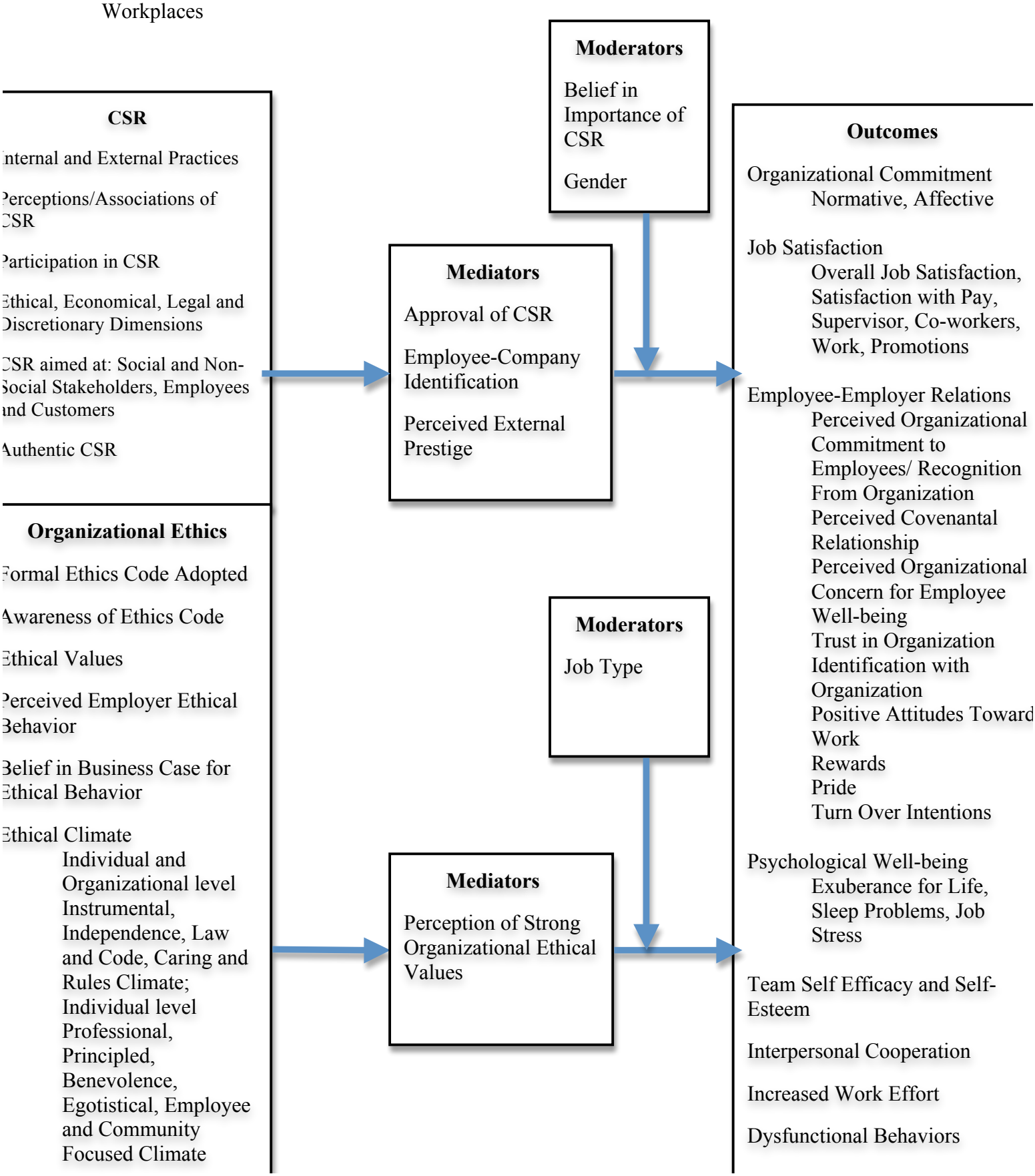
Figure 1: Nomological Network of CSR, Organizational Ethics and Psychologically Healthy Workplaces