

How Corporate Social Responsibility Indicators Influence Organization Identification? The Perspective of Labor Relations

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How to cite this paper: Kang, Y.-C. and Chiu, C.-Y. (2016) How Corporate Social Responsibility Indicators Influence Organization Identification? The Perspective of Labor Relations. *iBusiness*, 8, 61-69.
<http://dx.doi.org/10.4236/ib.2016.84007>

Received: August 14, 2016
Accepted: November 7, 2016
Published: November 10, 2016

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Abstract

This study examined the relationship between corporate social responsibility and the job-seekers' viewpoint of organizational identification. First, corporate social responsibility indicators were constructed by reviewing, analyzing, and classifying the content of the CSR website in Taiwan. The CSR indicators of industrial relations were integrated. The questionnaire was conducted to investigate the interviewees' on the opinions of CSR and organizational identification (OI). It is intended that the results of these studies could be helpful in enhancing companies' identification with corporate social responsibility, and be further applicable in the design of corporate recruitment activities. Conclusions are as followed: 1) corporate social responsibility is predicted from three important dimensions: labor and social care, corporate operations, and environmental protection. 2) A total of 35 corporate social responsibility indicators are established for evaluation the industrial relationship of companies in Taiwan, which could be used as reference by both job seekers and companies. 3) The job seekers' organization identification with corporate social responsibility indicators is related to various variables, such as gender, age, educational background, profession field, and current employment status.

Keywords

Corporate Social Responsibility, Organization Identification, Labor Relations

1. Introduction

In recent years, greater attention has been paid to corporate social responsibility. Social responsibility has positive influence on corporate reputation [1]. When a company lives up to its social responsibility, it would create positive influences on its

corporate reputation, which would help the company to maintain its competitive advantage [2] [3]. These studies show that a company's pursuit of corporate social responsibility should be more than just the international trade of attaching greater importance to social responsibility, but more as a way to build up competitive advantages in the market. Past studies were focused on the perspective of managerial status role, such as CEO [4], or stakeholders [5]. These works have shown that countries' institutional environments including related regulations, societal knowledge, and social norms can influence firms' adoption of CSR practices [6]. This study attempted to investigate the job seekers' organization identification whether influence by their CSR when applying for a job.

2. Research Purpose

"Talent" is a core element in the development of companies, and how to retain core employees and recruit potential talents are essential to the core work of the human resources department. This study examines the influence on a company's recruitment activities, as imposed by the degree of importance it gives to social responsibility. The research purposes are listed as follows: 1) analyze the components of corporate social responsibility and construct corresponding indicators using text mining; 2) understand the influential factors on company integration of corporate social responsibility in its structured interviews; 3) understand the evaluative factors on how organizational identification could be enhanced using the above mentioned recruitment model.

3. Literature Review

3.1. Corporate Social Responsibility

In new economic era, enterprises must undertake the corporate social responsibility (CSR) to promote their competitive advantage. Thus, it is getting more and more important to disclose CSR [7]. There is a theoretical model to describe and explain variation in corporate governance of identifying the social relations that interests corporation serve, and the allocation of rights and responsibilities among corporate stakeholders [8]. Corporate social responsibility should include economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility. And, there is offered a corporate social responsibility pyramid model, which listed the following: economic, legal, ethical, and philanthropic responsibilities, which constitute the overall social responsibility of a company [9]. CSR can be a response to leaders' personal needs for attention and image reinforcement [10] and affect organizational financial performance [11]. Labor is seen by organizations as a significant component for advancing CSR, and the position of labor as a stakeholder is much more an issue. According to the case study in Australia bank, the CSR indicator emphasis were to be on environmental and financial sustainability with lesser importance placed on dimensions of workplace management and accompanying employee relations approaches [12]. But, in the highly-unemployment situation of economic environment, it seems to be problematic.

3.2. Organizational Identification

Organizational identification referred to “whether an employee saw himself or herself as a member of the organization, thus, identifying with the organization’s mission, values, and goals, and integrating the interests of the organization into the various management decision-making processes” [13]. Organizational identification is also defined as an employee’s identification with the company’s ideologies, sense of belonging, and a cognitive link between the definition of the organization and the definition of oneself [14]. In recent years, many scholars have argued that organizational identification is more than a concept reflecting changes in the environment, it is also useful in accounting for the differences in work motivation and work performance for employees at different levels. Organizational identification could contribute to internal cohesion and external expansion, and is divided into three levels: identification with oneself, identification with the group, and identification with the organization [15] [16] [17]. Studies that focus on organizational identification have spanned the two fields of organizational behavior and marketing.

As the concept of organizational identity continues to develop, many researchers have noted its role in strategic management. In maintaining the competitive advantage of organizations in particular, organizational identity seems to be even more important [18] [19] [20]. Identity and identification were two powerful elements at the initial development of an organization, and were highly meaningful and somewhat strategic in the efforts to build a practical team or socialized entity [21].

In brief, identity and identification are fundamental to the building of organizations through organizational behaviors. If the gap between the perceived “organizational identity” of the members in an organization and their self-identities was too great, disidentification would occur, ultimately leading to negative behaviors [22]. There was argued that when an individual found the organizational identity attractive, their identification with the organization would be affected [23]. From these studies, it is clear how decisive an influence organizational identity could impose on organizational identification. For the purpose of management, therefore, organizational identification is a very important concept, and is more important than organizational commitment, as only employees that identify strongly with the organization will make decisions that comply with the interests of the organization, even when unsupervised [13].

In summary, organizational identification is comprised of the following components: 1) the employees’ value the honor to serve the organization as its members, 2) a win-win relationship between the organization’s development and one’s career, 3) the employees willingness to continue serving the organization in the future, 4) the employees’ willingness to go all out for their work, 5) the employees’ willingness to stand up to new challengers in their work.

Although it was possible for an organization to affect its applicant attraction by conducting recruitment activities, even more influential was the applicant’s imagination of the corporate reputation before interview [24]. It has also suggested that corporate image was usually the utmost priority for an applicant in their decision making [25]. In

addition to their knowledge of the limited job information available to them, applicants often depend on the relevant events or behaviors of the organization to gain insight into their future work environment [26].

In summary, while corporate social responsibility influences recruitment to some extent; there are no studies conducted to determine what these influences actually are, or how organizational identification could be measured in recruitment activities. Therefore, this study proposed the hypothesis that, the integration of corporate social responsibility into recruitment activities has positive influence on organizational identification, and then, conducts analysis to validate the relationship.

4. Methodology

The conceptual framework of this study was created by reviewing relevant literature in a continuous manner and integrating relevant studies at home and abroad. Based on the concept of corporate social responsibility, this study attempts to understand the concept factors that influence organizational identification during structured interviews in the course of recruitment activities.

In order to achieve the research purposes of this study, a questionnaire was independently designed and prepared after literature review. The questionnaire was then distributed among the companies involved in this case study. After collecting the questionnaires, the valid data were input into the system for the purpose of statistical analysis.

With the concept of corporate social responsibility (CSR) as the basis, after the structured interview system was integrated, a research structure was established for this study, and the research hypotheses were developed and variables were defined according to this research structure. Then, a questionnaire was designed, as based on the recruitment procedures of the companies involved in this case study, in order to understand the interviewees' opinions of corporate identification (Figure 1).

This study developed a questionnaire by referring to the various variables as the constructs of corporate social responsibility and organizational identification. In order to explore the CSR in labor relations, this study collected the graduated students of labor relations in March 2016 (N = 120). There were 38 valid questionnaire respondents were collected (response rate 31.67%). Table 1 shows the sampling distribution.

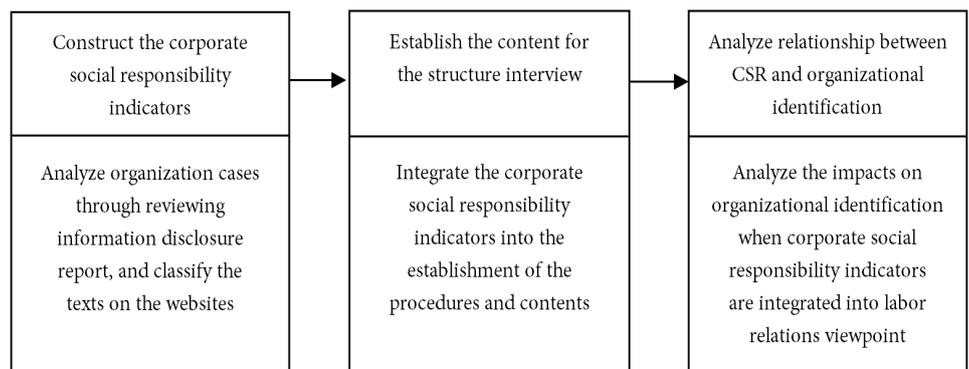


Figure 1. Research framework.

Table 1. The demographic distribution of responses.

Variable	Category	Responses (percentage)	Variable	Category	Responses (percentage)
Gender	Male	18 (47.4%)	Job seeking experience	None	2 (5.3%)
	Female	20 (52.6%)		Once	10 (26.3%)
Age	21 - 30	31 (81.6%)		Twice	12 (31.6%)
	31 - 40 (or above)	7 (18.4%)		Three times	4 (10.5%)
Educational background	College/vocational college	29 (76.3%)	Current employment status	Four times(more)	10 (26.3%)
	Master/PhD	9 (23.7%)		Incumbent	28 (73.7%)
Latest job seeking period	Within 3 months	8 (21.1%)		Student	3 (7.9%)
	3 months to 1 year	8 (21.1%)	Others	7 (18.4%)	
	More than 1 year	22 (57.9%)	Business	18 (47.4%)	
TOTAL	n = 38 (100%)		Profession background	Electric/engineering /technological	12 (31.6%)
				Humanities, social and law schools	8 (21.1%)

5. Results

Based on the literature review, indicators reflective of identification with corporate social responsibility include 35 indicators on the three levels of labor and social ethics, corporate operations, and environmental protection (Table 2).

5.1. Gender, Age and Educational Background Analysis

1) Gender

According to analysis based on gender differences, significant differences are seen only in the four indicators of “health and safety”, “product and service labeling”, “diversity and equal opportunities”, and “non-discrimination policies” on the level of labor and social care, meaning that women tend to attach greater importance to these indicators, as compared to men.

2) Age

According to analysis based on age differences, significant differences are seen in various indicators, such as “employee training (training and education)”, “coordination of industrial relations”, “contribution to the community (social participation)”, “safety and health”, “workplace environment (lighting, ventilation, comfort)”, “employee health and care”, “equal pay for equal work”, “public policies”, “human rights appeal mechanism”, “customer privacy (product liability)”, and “diversity and equal opportunities”. On the level of corporate operations, significant differences are seen in “employment opportunities”, meaning that people aged 21 - 30 attach more importance to this indicator, as compared to those aged between 31 and 40 or above.

3) Educational background

According to analysis based on the differences in educational background, significant differences are seen in various indicators, such as “union development”, “workplace environment (lighting, ventilation, comfort)”, “corporate governance”, “equal pay for

Table 2. Identification with corporate social responsibility indicators.

Category	Indicator
1. Labor and social ethics	<ol style="list-style-type: none"> 1. Labor benefits policies 2. Employee training (training and education) 3. Coordination of industrial relations 4. Union development 5. Contribution to the community (social participation) 6. Safety and health 7. Workplace environment (lighting, ventilation, comfort) 8. Employee health and care 9. Employment 10. Compliance with relevant labor regulations 11. Corporate governance 12. Equal pay for equal work 13. Public policies 14. Employee appeal mechanism 15. Human rights appeal mechanism 16. Customer privacy (product liability) 17. Product and service labeling 18. Freedom to organize labor unions and societies 19. Diversity and equal opportunities 20. Non-discrimination policies
2. Corporate operations	<ol style="list-style-type: none"> 1. Operational management 2. Competitive advantages 3. Employment opportunities 4. Economic benefits (a reasonable benefit-cost ratio between business output and input) 5. Market share 6. Corporation between the manufacturer and suppliers 7. Economic influence 8. Financial transparency
3. Environmental protection	<ol style="list-style-type: none"> 1. Climate change policies 2. Reduction and management of industrial wastes 3. Use of green energy 4. Environmental quality protection during the manufacturing process (e.g.: air, lighting, etc.) 5. Environmental protection during the logistics process for a product (e.g.: air, noise, etc.) 6. Compliance with relevant environmental protection rules and regulations 7. Supply chain sustainability

equal work”, and “freedom to organize labor unions and societies” on the level of labor and social care, meaning that college and vocational college graduates attach more importance to these indicators than those with master’s or doctoral degrees.

5.2. Profession Background, Previous Job Seeking Experience, Latest Job Seeking Period and Current Employment Status Analysis

1) *Profession background*

According to analysis based on the differences in professional background, signifi-

cant differences are seen in two indicators: “compliance with relevant labor regulations” on the level of labor and social care, and “cooperation between the manufacturer and suppliers” on the level of corporate operations. The Scheffe post hoc test found that people with a professional background in management, business, and tourism tend to identify more with the indicator of “compliance with relevant labor regulations”, as compared to those from electrical engineering, computer science, and technological schools. In terms of the indicator of “cooperation between the manufacturer and suppliers”, people with a professional background in humanities, sociology, and law tend to show greater identification, as compared to those from management, business, and tourism schools.

2) *Previous job seeking experience*

According to analysis based on the differences in previous job hunting experience, no significant differences are seen in any of the indicators.

3) *Latest job seeking period*

According to analysis based on the differences in the date of the latest job application, no significant differences are seen in any of the indicators.

4) *Current employment status*

According to analysis based on the differences in the current employment status, significant differences are seen in four indicators: “labor benefits policies”, “employee health and care”, “corporate governance”, and “equal pay for equal work”. The Scheffe post hoc test found that people in the category of others (including job seekers and housewives) tend to identify more with the indicator of “labor benefits policies”, as compared to students; people at work tend to identify more with the indicators of “employee health and care”, “corporate governance”, and “equal pay for equal work”, as compared to students, as do people in the category of others.

6. Conclusions and Suggestions

The revision indicators of the CSR from the perspective of labor relations show the relevance of organization identification in the graduated students in Taiwan case. The employees’ labor right and work value are still struggling for the balance of corporate’ operation and labor equality. It is therefore necessary to extend the interest on labor relations issues among CSR area in different sectors, such as students/graduates, so that society can expand a reality sense of commerce and management context. In this study, CSR was revised to three issues: labor and social care, corporate operations, and environmental protection. These topics still have to face the economic challenges. The importance of the labor and social care, corporate operations, and environmental protection in the quality indicators of CSR has not been accomplished. Suggestion for further research for the samples is applied for jobs to understand their CSR and OI perception by in-depth interview. There will be helpful for us to strengthen the retain intention of new staffs in organization, especially when they change roles to become the part of organization. There will still expand the culture, commitment, and leadership issues to be further explored by qualitative research approach as well.

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