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## **Press Release**

## The Higher the Level of Corporate Social Responsibility, the More Ethical the Private Behavior of Employees

When companies become more involved in social and environmental issues, this also has a positive effect on the moral behavior of their employees outside of work. This is the finding of a new study conducted by researchers of the Business School of the University of Mannheim.

As part of their corporate social responsibility (CSR), i.e., the corporate responsibility towards society, companies are increasingly focusing on environmental protection. For example, they switch to electric cars for their company fleet, adapt the guidelines for business trips, and encourage their employees to save energy and paper. A new study conducted by the chair of Business Administration, Human Resource Management and Leadership of Professor Dr. Biemann shows that a company's CSR activities in the environmental sector directly influence the employees' private behavior towards society. If a company has a high level of CSR, the employees are also willing to donate and volunteer. And vice versa: Companies without significant CSR commitment are slowing down their employees' endeavors to contribute to society.

How CSR activities affect the behavior of employees has long been the focus of academic studies. So far, however, research has mostly been limited to the behavior of people within their work domain. "This focus on companies neglects the potential of organizations to change their employees' private social and environmental behavior and thus contribute to overcoming social challenges," says Dr. Irmela Koch-Bayram who heads the study.

Koch-Bayram and Biemann conducted three experiments based on social psychological literature on moral consistency and moral equilibrium. The goal was to analyze whether employees try to compensate for their private prosocial behavior. This would mean that they react to their company's increased CSR activities with less willingness to engage in pro-social behavior outside of work because they feel relieved of this task. However, the results of the investigations clearly contradict this. The researchers explain the positive effects of environmental CSR partly by strengthening the employees' environmental self-identity. "Our findings illustrate how great ethical responsibility is and how important the role model character of organizations is. But it also becomes clear that social irresponsibility can even damage society," Koch-Bayram summarizes.

Koch-Bayram, I., Biemann, T. (2024). <u>How Corporate Social (Ir)Responsibility Influences</u> <u>Employees' Private Prosocial Behaviour: An Experimental Study.</u> Journal of Business Ethics.

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