

PREPRINT

This is the pre-peer reviewed version of the following article:

How to achieve sustainability?

—Employee's point of view on company's culture and CSR practice.

which has been published in final form at:

<https://onlinelibrary.wiley.com/doi/abs/10.1002/csr.1696>

**This article may be used for non-commercial purposes in accordance with Wiley Terms and Conditions
for Use of Self-Archived Versions.**

How to cite it?

Kucharska, W. and Kowalczyk, R. (2019). How to achieve sustainability?—Employee's point of view on company's culture and CSR practice. *Corporate Social Responsibility and Environmental Management*, 26(2), 453-467. <https://doi.org/10.1002/csr.1696>

How does Corporate Culture affect Social Responsibility and Sustain Company's Development and Performance? The Employee Perspective

Abstract

The study aims to examine the structure of the relations between company culture, performance, corporate social responsibility (CSR), and reputation from the perspective of employees. Understanding these relations from the employee viewpoint allows determining which factors of company culture most influence CSR practice and, as a result, sustain company's development and improve the performance. To achieve this aim, a structural equation model—based on 539 cases from construction industry staff in Poland—was used. Control variables, such as company size and worker position in the company, were included to understand employee perception of CSR practice better. Findings suggest that company reputation is a strong mediator of the relation between CSR practice and company performance and the long-term orientation dimension of culture influence the most CSR practice. The study advances knowledge using a micro-level approach of stakeholder engagement to CSR by exploring an employee-centric and personalized view of organizational culture, CSR practice, company reputation to sustain company's development and improve the performance.

Keywords: Corporate Social Responsibility (CSR), company culture, company performance, company reputation, Hofstede, stakeholder engagement, sustain development, social benefits, project management, small and medium enterprises (SME's)



Introduction

Nowadays, CSR reporting is facing increased demands. In the networked economy, being a socially responsible company is more than “trendy”. It is not surprising that, like many other best practices, some organizations implement CSR more easily and effectively than others. As a result, some perform better than others. Some report a positive influence of CSR on reputation, whereas others report a negative influence (Graafland, 2018). This may be the result of differences in culture, size, position, and perception of CSR practice and performance. This study examines the relations between company culture, CSR practice, and company performance to determine the influence of each cultural factor. Ultimately, this study aims to determine how companies should shape company culture to achieve the best CSR practice from the employee perspective.

Bearing in mind the importance of stakeholders’ engagement, the employee involvement in CSR practices seem to be crucial for their successful implementation (Venturelli, Cosma, & Leopizzi, 2018). Employee perception of all CSR activities aims and effects shape up company’s development and improve performance. That is why company’s employer branding strategy is so important and closely related to corporate behavior and influences staff behavior (Klimkiewicz & Oltra, 2017; Lee & Chen, 2018). Testa, Boiral, and Iraldo (2018) directly pointed out that CSR performance depends on employee commitment. The findings of Ghosh (2018) indicated that the perceived internal image of CSR predicts the deep organizational identification of employees. All these theoretical linkages lead to company’s culture which shapes employee behavior and strongly supports company performance (Kucharska and Wildowicz-Giegiel, 2017). What is more, the deep meaning of cultural context for CSR studies is supported by Whelan (2007) who highlighted that CSR is always embedded within a specific sociocultural context. In the light of that the question is: how does



company culture influence CSR practice and company performance from the employees perspective?

The employees' perspective is important not only because their CSR engagement, next to company leaders' engagement is the most crucial for the CSR implementation (Pedersen, 2011; Story and Neves, 2015) but mostly for the better measurement of CSR practice which should be assessed not only by CSR leaders as it is commonly applied (Maximiano, 2007). The broader perspective of CSR practice, including employees, enables to avoid the illusion that if official ordinance implements any CSR rules, it means that this CSR practice exists. The employees' perception let assess the reality of CSR practices based on everyday routines of people working in different positions. Du, Bhattacharya, and Sen (2015) argued that employees' expectations, motives, views or attitudes are not homogeneous, and heterogeneity is essential for a deeper understanding of employee reactions to CSR. Story and Neves (2015) pointed out that employees' are quite aware of CSR practices of their organizations and are more than leaders exposed to the formal and informal practices, values, and cultures. They stressed similarly to Lee and Chen (2018) that employee and CSR relation is still not enough explored which study enables to broad the knowledge how better engage stakeholders to sustain company's development by social benefits. As Packalén (2010, p.118) pointed out that "culture and sustainable development go hand in hand" and "only those who are insightful about the human condition can understand the causes of complex problems and are in a position to find solutions which are sustainable" (p. 121). Presented study is the first which aims to explore CSR practice throughout company culture from employee perspective.

CSR and company culture issues are highly complex. Zhang (2017) argues that although some global companies may have the same CSR strategy in different countries, each country will have its own characteristics, determined by cultural, historical, developmental,



and local situations. Industry context also affects CSR and its dimensions (Arminen et al., 2018). That is why we focused on the one country and the one industry.

In sum, the aim of this study is to examine the structure of the relations between company culture, performance, CSR, and company reputation in the construction industry in Poland. The European construction industry has been growing since 2014 and Poland is one of the key beneficiaries of this grow (Euroconstruct, 2017). The staff perception presented in this study allows us to better understand CSR relations and to shape up the company culture for better performance.

First, we provide a literature review to determine the research gap, formulate hypotheses, and present a theoretical model. Next, we present the methodology and results of the study. Finally, we discuss findings and present implications for practice and for science. Conclusions and ideas for further research close this article.

Literature Review and Hypotheses Development

The literature review is based on recognized scientific databases, such as Wiley, Springer, Elsevier, Emerald, and Taylor & Francis. It spans from 2015 to the present to establish current knowledge. Significant older research was included if it was necessary to present a full picture of the discussed subject.

We start from the shaping the broaden context of the study. The institutional theory assumes that organizations adopt management practices from other companies from the same field within which these organizations operate (Scott, 2001). This justifies the one sector analysis in our study. Continuing the context definition we focused on company culture.

The company culture shapes company social structures and the attitudes, morale, and motivation of employees. Employee productivity and effectiveness is influenced by the culture regarding quality of work (Campbell, Stonehouse, & Houston, 1999). Culture also significantly affects ethical behavior in the workplace (Hunt & Vitell, 1993; Su, 2006), ethical



attitudes, ethical orientations, company values, and CSR evaluations (Crane & Matten, 2004; Hur & Kim, 2017). CSR is linked to business ethics (Matten, 2006). Business ethics and perception of CSR practice can vary with different cultural perspectives (Agudo-Valiente, Garéc-Ayerbe, & Salvador-Figueras, 2015). Perry's (2012) study confirmed the national cultural context that supports CSR implementation in the fashion supply chain. That's why we decided to examine the one sector in the one national cultural context.

Hofstede's Culture Dimensions

Hofstede's (1980) national cultural dimensions were based on a set of variables that include power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, and short/long-term orientation. Hofstede's (1984) cultural dimensions theory was developed by Williams and Zinkin (2008), who suggested that more individualistic countries are more likely to avoid unethical corporate behavior. National and international studies have used Hofstede's cultural dimensions to demonstrate the relevance of cultural differences to perceptions of CSR. Hur and Kim (2017)—based on studies by Martin and Nakayama (2000), Vitell, Paolillo, and Thomas (2003) or Kim and Kim (2010)—stressed that Hofstede's cultural indices have been used to explain the fact that consumers from the same nation may have different CSR attitudes. This is because countries have various subcultures and natural individual differences. They pointed out the lack of research clarifying the relation between culture and CSR perceptions and conducted a study to examine the influence of two cultural values—collectivism and masculinity—on the formation of CSR perceptions. The results confirmed the positive influence of collectivism and the negative influence of a masculine style of management on CSR perceptions. However, there is a gap in the literature, namely, how do each of the five company culture dimensions identified by Hofstede (1980) influence CSR perception and practice and company performance? The present study is the first to examine the influence of Hofstede's



(1980) five company culture dimensions, on CSR practice and performance, including company reputation.

Organizational culture is defined as a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behavior for different situations (Ravasi & Schultz, 2006). The norms, values, and beliefs of employees are likely to play a significant role in their CSR perceptions and behaviors (Quazi, 2003). CSR reflects a win–win strategy that enables companies to simultaneously increase their financial performance and provide social benefits (Lee & Chen, 2018). Haniffa and Cooke (2005) and Momin and Parker (2013) pointed out that the management of company culture and corporate image is closely connected to CSR.

Developing the organizational culture context of CSR studies, “culture” can be described as a pattern of basic assumptions that are invented, discovered, or developed by a particular group (formal and informal) as it learns to tackle problems of external adaptation and internal integration (Schein, 1986). Hofstede (1980) indicated five national cultural dimensions that shape organizational culture based on a set of variables: power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, and short/long-term orientation. The findings of Esteban, Villardon, and Sánchez (2017) also confirmed that national culture dimensions exert important pressures on company culture and CSR. Yoo, Donthu, and Lenartowicz (2011) applied Hofstede’s national concept at the individual level. Developing the research question, it is interesting: how does each of these factors influence CSR practice from the employee perspective, and which cultural factor is the most meaningful for CSR practice ?

A number of papers have indicated that organizational culture influences the operational practices and effectiveness of CSR applications (Kalyar, Rafi, & Kalyar, 2013; Yu & Choi, 2016). Arminen, Puumalainen, Patari, and Fellnhofer (2018) pointed out that



many studies related to the effect of culture on business have adapted Hofstede's (1980, 1984, 2001) framework of cultural value dimensions (e.g., Arnold, Bernardi, Neidermeyer, & Schmee 2007; Beekun, Hamdy, Westerman, & HassabElnaby, 2008; Cai, Pan, & Statman, 2016; Gallego-Álvarez and Ortas 2017; Haxhi & van Ees 2010). Hofstede (1980) proposed and developed the five-dimensional measurement of national culture that uses a set of variables that include power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity and short/long-term orientation. The findings of Esteban et al. (2017) confirmed that national cultural dimensions exert important pressures on company culture, CSR and corporate sustainability (Miska, Szocs, & Schiffinger, 2018). Feminist and collectivist societies with a low power distance, a high tolerance of uncertainty and a long-term orientation expect their companies to show a greater commitment to sustainability. Yoo et al. (2011) developed Hofstede's concept of national cultural dimensions to directly measure culture at the company level. This study adopted their approach. Based on the literature cited above, the hypotheses about the influence of cultural dimensions on CSR practice have been developed.

According to Hofstede (1980), the *masculinity* dimension represents the powerful male sex role model in the majority of societies. A masculine society has traits that are categorized as masculine, such as strength, dominance, assertiveness, and egotism. A feminine society has traits that are categorized as feminine, such as being supportive, caring, and relationship oriented (Ting-Toomey, 2012). Hur and Kim (2017) demonstrated the negative effect of the masculinity dimension on the environmental responsibility. Cox, Friedman, and Tribunella (2011), Gallego-Álvarez and Ortas (2017), Park, Russell, and Lee (2007), and Peng, Dashdeleg, and Chih (2014) confirmed the negative effect of a masculine management style on CSR perception. Based on that, we formulate the hypothesis as follow:

H1: Masculine culture—identified with competitiveness and assertiveness—has a negative effect on CSR practice.

The *power distance* dimension was defined by Hofstede (1980) as the degree to which the less powerful groups accept a situation where the power is not distributed equally. Some cultures accept a high degree of unequal power distribution. Social hierarchy is part of such cultures where leaders are expected to resolve serious problems and make difficult decisions. Inferiors avoid conflicts with bosses. In lower power distance cultures, there is a preference for consultation, and subordinates readily approach and contradict their bosses. Park et al. (2007) and Husted (2005) concluding that low power distance cultures tend to have higher levels of social and environmental responsibility than high power distance cultures. Gallego-Álvarez and Ortas (2017) argued that high power distance decreases consumer pressure on businesses with regard to CSR-related issues. Jain and Jain's (2018) study revealed that people low in power distance belief (the individual-level variable of the power distance dimension) express a greater preference for transparency than people high in power distance belief. This means that lower power distance cultures support ethical behavior. Given the above research, the following hypothesis was formulated:

H2: A high power distance culture, based on a high degree of hierarchy and vertical distance between managerial levels, has a negative effect on CSR practice.

The next company culture dimension, *uncertainty avoidance* (UA), was defined by Hofstede (1980) as the extent to which the particular group feel menaced by the unknown or the unclear situation. Cultures whose members dislike insecurity plan everything carefully and attempt to avoid uncertainty. Societies with a high level of UA are more likely to establish regulations and rules (Hofstede, 1984) to reduce risks and ambiguity. Stakeholders in such societies are uncomfortable with unusual situations (Hofstede, Hofstede, & Minkov, 2010). Ho et al. (2012) argued that companies in societies with low UA are more likely to



take risks, which is correlated with unethical actions (Blodgett, Lu, Rose, & Vitell, 2001). Peng, Dashdeleg, and Chih's (2012) study showed a positive relation between uncertainty avoidance index (UAI) and CSR. However, Graafland and Noorderhaven (2018) stressed that empirical studies about UA are ambiguous. Some of them find a positive effect of UA on corporate responsibility, while others find no significant effect (e.g., Thanetsunthorn, 2015). Kim, Lee, and Kang (2018) showed that restaurants located in high UA societies are less involved in CSR. However, Gallego-Álvarez and Ortas (2017), who examined various industries, observed a positive influence of a high UA culture on CSR practices. Given that the construction industry is strongly supported by norms, rules, and regulations, the following hypothesis was developed:

H3: A high UA culture, supported by norms and practices, has a positive effect on CSR practice.

According to Hofstede (1980), *long-term orientation* is observed when a company is focused more on the future than the present. Hur and Kim (2017) pointed out that it is commonly believed that CSR has a positive effect on long-term organizational success. Petkus and Woodruff's (1992) study—following Mohr, Webb, and Harris' (2001) stressed that CSR practice avoid any harmful effects and maximizing its long-run beneficial impact on society. Gallego-Álvarez & Ortas (2017), Graafland (2016) and Mohr et al. (2001) highlighted the strong connection between CSR practice and a company's long-term orientation. Considering all of the above, the following hypothesis was formulated:

H4: Long-term orientation in a culture has a positive effect on CSR practice.

Hofstede's next dimension is *individualism/collectivism*. Individualism refers to societies in which the ties between individuals are loosed. Collectivism pertains to societies in which people identify with groups and are willing to work as part of a team. The team protects them in exchange for loyalty and compliance. Employees high in collectivist



orientation tend to set aside self-interest in deference to the interests of the community. Conversely, people low in collectivism (i.e., with a more individualistic orientation) tend to put forth and promote their own welfare over the interests of their group (HofBalmerstede, 2001). A culture of collaboration provides an opportunity to end the blame-game cycle, as claimed by Wallace and Mello (2015). They pointed out that collaboration is a proactive process that enables people to share goals and develop mutual tasks and enables more rapid identification of problems, creating a meaningful sense of organizational belonging. They claim that in today's world, businesses cannot afford to live without collaborative culture. Hur and Kim (2017) confirmed the positive influence of a collectivist management style on CSR perception. Based on all above we formulated the following hypothesis:

H5: Collectivism has a positive effect on CSR practice.

Company Performance and Reputation

Corporate Social Responsibility (CSR) is a promising strategy concept in the network economy context. These days, to survive, companies must be meaningful and have real value to share with customers, stakeholders, and employees. CSR is a source of sustainability, competitiveness, and innovation (European Commission, 2011). Today, a sustainable competitive advantage is created mostly by intangible capabilities, including, e.g. company's brands and their reputations (Abratt & Kleyn, 2012; Balmer, 2012; Omar, Williams, & Lingelbach, 2009). Corporate brand reputation is key to building a successful business and providing an attractive return on investment for shareholders (Resnick, 2004). Given that CSR influences corporate financial performance (Kim, Kim, & Qian, 2018; Ting & Yin, 2018), the interesting question is: what is the role of corporate reputation for the CSR and performance relation?

CSR is perceived as a great tool for achieving the sustainable development by presenting a win-win strategy: enables companies simultaneously increasing their performance and



delivering social benefits (Lee and Chen, 2018). A company's performance can be measured in terms of short-term accounting-based measures, long-term accounting-based measures, and market-based measures (Richard, Devinney, Yip, & Johnson, 2009). The findings of Aguilera-Caracuel and Guerrero-Villegas (2017) suggested that, for multinational enterprises, there is a positive relation between CSR and company performance. The study of Bernal-Conesa, de Nieves Nieto, and Briones-Peñalver (2017), based on the Spanish technological industry sector, also proved that a CSR-oriented strategy contributes significantly to the performance of organizations. Santoso and Feliana (2014) also highlighted the positive effect of CSR on financial performance. Dangelico's (2015) results confirmed that the creation of employee green teams positively affects both environmental performance and environmental reputation. Haniffa and Cooke (2005), Khan (2010), Xie, Jia, Meng, and Li (2017), and Amini and Dal Bianco (2017) also pointed out the positive relationship between CSR and the financial performance of companies. Given all the above, a hypothesis was developed, as follows:

H6: CSR practice has a positive effect on company performance.

According to Balmer and Gray (2003) and Balmer (2012) brands at the corporate level are related to the overall organization and all other associated companies, entities, alliances, and subsidiaries in different countries, regions, and cities. CSR is viewed as a strong constituent of company reputation (Brammer & Pavelin, 2004; Fombrun, 1996). CSR engagement can enhance the reputations of companies among consumers (Hur, Kim, & Woo, 2014; Turban & Greening, 1997) and among stakeholders (Babiak & Trendafilova, 2011; Gardberg & Fombrun, 2006; Heikkurinen, 2010; Lin, Zeng, Wang, Zou, & Ma, 2016; Melo & Garrido-Morgado, 2012). Bear, Rahman, and Post (2010), Park, Lee, and Kim (2014), and Wang, Chen, Yu, and Hsiao (2015) confirmed that CSR activities can affect corporate reputation. Aguilera-Caracuel and Guerrero-Villegas (2017), based on a sample of US



multinational enterprises from the chemical, energy, and industrial machinery industries, showed that CSR has a positive effect on corporate reputation. Bernal-Conesa, Briones-Peñalver, and de Nieves Nieto (2016) showed that CSR actions can enhance the reputation of companies in the financial industry. Based on all above we formulated the following hypothesis:

H7: CSR practice has a positive effect on corporate reputation.

CSR practices support a positive reputation with various stakeholder groups (McWilliams & Siegel, 2001; Melo and Garrido-Morgado, 2012; Michelin, 2011; Sen and Bhattacharya, 2004), which is associated with positive financial performance (Michelon, Boesso, & Kumar, 2013). Story and Neve (2015) highlighted that organizations may jeopardize their reputation if they do not engage in CSR practice. This could decrease their short- and long-term performance. Neville, Bell, and Menguc (2005) suggested that reputation plays a key role in social and financial relationships. Given all the above, a hypothesis was developed, as follows:

H8: Corporate reputation has a positive effect on company performance.

Control Variables (CVs)

CVs allow us to include in the model extraneous variables, which are not focal for the study but are theoretically important (Kish, 1959; Nielsen & Raswant, 2018).

Company size. Firm size has an effect on the firm's reputation and performance (Deephouse & Carter, 2005), visibility, and relationship to its environment (Deephouse, 1996). Santoso and Feliana (2014) showed a positive relation between firm size and CSR. The largest company was the most active regarding CSR. The same result was achieved by Graafland (2018). Therefore, we argue that company size influences CSR practice, corporate performance and reputation. The CV "company size" was included in the presented model to

fully examine the structure of the relations. It was expected that larger companies would care more about CSR practice, performance and reputation.

Staff position. This study is the first to examine the perceptions of employees regarding the relation between culture and CSR. To fully understand staff perceptions, it was important to include “position” as a CV in the study. Kucharska and Wildowicz-Giegiel (2017) examined the influence of Hofstede’s company culture dimensions on knowledge sharing intentions. They observed that employee “position” significantly influenced the whole model. Therefore, the authors of this study included “staff position” as a variable in the theoretical model (presented in Figure 1). It was expected that workers with higher positions would care more about CSR practice than serial workers. Ghosh (2018) pointed out that the role of managers in involving employees in the CSR activities of organizations is tremendous.

Figure 1 illustrates the theoretical model based on the presented literature review.

[Place Figure 1 about here.]

Methodology

To achieve the aim of the study—which focused on company culture, performance, CSR, and company reputation from the employee perspective in the construction industry—only respondents involved in a completed and assessed project were qualified to participate in the survey. We gathered data using the questionnaire. Only the definite answers for the qualification question skilled a person to participate in the study to assure the respondent has the desired knowledge to fill out properly the questionnaire. Namely, being a member of the project in the construction industry in Poland which has been completed and assessed and respondent is familiar with the assessment results were utterly required. Next, qualified respondents answered questions adapted from the validated measurement scales of all constructs included in the theoretical model. The sources of these scales and of the statements used are presented in Appendix 1. Subjects responded to statements using a 7-point Likert

scale. The final study was preceded by a pilot study involving 23 respondents. This made it possible to improve statements that respondents perceived as unclear (Hair, Anderson, Babin, & Black, 2010). Data collection was performed electronically, mainly through email, by asking human resources departments for their kindly co-operation. This convenient method of sampling reduced the risk of too small sample size. Data were collected from November 2017 to March 2018. The final sample size, after the elimination of invalid or incomplete questionnaires, included 539 respondents. The majority of them were men (91%), aged 26–35 (40%) or 36–45 (36%), and working in team member positions (79%) in large (38%) or medium-sized (27%) companies in Poland. Details of the sample structure are presented in Appendix 2. After a positive assessment of normality, data were analyzed using structural equation modeling method (SEM).

Based on the theoretical model presented in Figure 1, a measurement and a structural confirmatory factor analysis model were developed to ensure that the measurement scales performed correctly. The evaluation of model quality involved consistency tests, such as average of variance extracted (AVE), composite reliability (CR), and Cronbach's alpha. Appendix 1 presents detailed information about the scales used and the reliabilities achieved. For satisfactory discriminant validity, the square root of each construct's AVE exceeded the correction between any pair of distinct constructs. The results supported the discriminant validity of the measurement model. Table 1 presents details of the reliability measurement.

[Place Table 1 about here.]

The model estimation then proceeded through employing the maximum-likelihood method. The evaluation of the measurement model quality was conducted using a set of tests, including root mean square error of approximation (RMSEA) (Stieger and Lind, 1980) using the reference value ≤ 0.08 , CMIN/DF (Wheaton, 1977) using the reference value ≤ 5 , and comparative fit index (CFI) (McDonald & Marsh, 1990) using the reference value close to 1



using SPSS AMOS 25 software. Table 2 presents the results of the model's goodness of fit test.

[Place Table 2 about here.]

Based on these results, the model was considered a good fit in relation to the data. A model reliability level of 4.38 can be viewed as positive, using the reference value ≤ 5 . Based on the approximation average error RMSEA, the model fit the data at 0.079 and also met the reference values. Measurements of the goodness of fit were close to 1, which confirmed that the model was of the expected quality. AVE exceeded 0.65 for all constructs, which was acceptable. Hair et al. (2010) suggested that an AVE of 0.5 or higher indicates adequate convergence of the used scales. Cronbach's alpha was used to confirm the consistency of the measurement model. The alpha coefficient was higher than 0.89 for all constructs, which was correct (Francis, 2001). The CR was higher than 0.88 for all loadings, which was more than the required minimum of 0.7 (Hair et al., 2010), indicating internal consistency.

Results

The results indicated that culture of high uncertainty avoidance and collectivism are not significant for CSR practice. Long-term orientation was the company culture dimension that was most influential on CSR practice. Table 2 presents a comparison of the obtained results for two models: Model A, run with CVs, and Model B, run without CVs (Aguinis & Vandenberg, 2014). In both cases, the general results were similar, but Model B fit the data better. Including CVs generally reduces the degree of freedom and statistical power (Carlson & Wu, 2012). The results of both models are presented and discussed (Becker et al., 2016) to explain how company size and employee position influence perception of CSR practice.

Table 2 shows that the differences between the models were negligible. However, it is worth noting that the inclusion of CVs slightly supercharged the β -coefficient of CSR-practice in relation to reputation and performance and weakened the mediating function of company



reputation between CSR practice (CSR_P) and performance (P). The procedure of mediation analysis started from the total, direct and indirect relations assessment between variables: CSR practice (CSR_P) and performance (P). After the confirmation of the positive indirect effect between them, the “bootstrap test” (Preacher and Hayes, 2004) was applied to check the significance of this effect. Based on this analysis it is assumed that the mediating function of company reputation was stronger in the model without CVs (Model B). The standardized indirect (mediated) effect of CSR_P on P for Model B was significantly different from zero: 0.624 at the 0.01 level ($p = .006$ two-tailed). In Model A, the standardized indirect (mediated) effect of CSR_P on P was significantly different from zero: 0.358 at the 0.01 level ($p = .006$ two-tailed). This bootstrap approximation was obtained by constructing two-sided bias-corrected confidence intervals. This means that CVs diminish the mediated effect. Figures 2a and 2b present the all obtained results.

[Place Figure 2a about here.]

Note: Chi-square = 1599.5; CMIN/df = 3.72; df = 430; TLI = .954; CFI = .960; RMSEA = .071; CI (.067–.075); maximum likelihood (ML); standardized estimates; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$, $n = 539$.

[Place Figure 2b about here.]

Note: Chi-square = 1341.187; CMIN/df = 3.49; df = 384; TLI = .962; CFI = .966; RMSEA = .068; CI (.064–.072); maximum likelihood (ML); standardized estimates; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; $n = 539$.

According to Model A (Figure 2a) and Model B (Figure 2b), an analysis of cultural dimensions confirmed the hypotheses regarding the negative influence of masculinity and high power distance and the positive influence of long-term orientation on CSR practice. The hypotheses regarding the positive influence of UA and collectivism were refuted. These two variables, according to other studies, present different results according to country, culture, and industry, which will be further discussed in the discussion section.

The influence of long-term orientation and the strong mediating function of company reputation on CSR practice and company performance were confirmed by both models (with and without CVs).

Figures 3a-d illustrate how CVs influenced CSR practice, reputation and performance. Figure 3a-c presents the relation between company size and CSR practice, reputation and performance. Figure 3d illustrates the relation between employee position and CSR practice.

[Place Figures 3a-d about here.]

The results indicated that the higher the employee position, the more positive the employee perception of CSR practice. CSR practice, reputation and performance was better perceived in large than small companies. These conclusions were based on median results for CSR measurement to avoid the influence of the frequency of particular features in the sample. The average results were added to better present the trend line.

Implications and Discussion

Results showed that long-term orientation is the company culture factor that most influences CSR practice in the comparison to other culture dimensions. The hypotheses regarding the negative influence of masculinity and power distance on CSR practice were confirmed. Peng et al. (2012), using binary logistic regression on 1,189 items of secondary data from corporation analyses, achieved the same results for masculinity and power distance. Esteban et al. (2017) found that UA, long-term orientation and power distance are not determining factors. They pointed out that collectivist societies and, feminist societies even more so, are characterized by an interest in the common good and show the best CSR practices. Yoo and Donthu (2002) stressed that collectivism and UA are positively related to perceptions of marketing ethics, while masculinity and high power distance are negatively related to them. However the negative influence of masculinity and power distance culture's



dimensions was confirmed but the positive influence of collectivism and the UA was not confirmed in the presented study.

UA seems to be the most ambiguous dimension when compare Yoo and Donthu (2002) results to our findings or Husted's (2005) and Orij's (2010) findings about the neutral effect of UA and collectivism on CSR. The same results were obtained by Ringov and Zollo (2007). They examined the effect of differences in national cultures on the social and environmental performance of 463 companies from 23 North American, European, and Asian countries. They stressed that power distance and masculinity had significant negative effects on corporate social and environmental performance, while individualism and UA had no significant effect. These findings are the closest to those presented by the authors. We also included long-term orientation to present a complete picture of the cultural influences and to examine the influence of CSR practice on company performance and reputation based on primary data collected in one country from the perspective of employees working in different positions in companies of various sizes in the construction industry.

The new knowledge based on our outcome is that employee with higher positions working in the large companies cares more about CSR practice than the serial employee from small and medium enterprises (SMEs). That is confusing bearing in mind the fact that SMEs companies pose the majority of the whole business worldwide (World Bank, 2018). What's more, our findings pointed out that CSR practice leverage the company performance due to the reputation. It is logically consistent with the findings of long-term orientation as the key company culture factor which influences CSR practice. The care of reputation requires long-term orientation.

Given that findings regarding the relation between CSR and company culture are complicated by the national specificity of CSR, which is shaped by national, cultural, socioeconomic, and political dynamics (Halkos & Skouloudis, 2017), this study was based on



one country and one industry. Jones (1999) stressed “in part, then, social responsibility as it manifests in actions by firms appears to be a function of the industry in which said firms are embedded” (p. 167). Industry contexts vary for CSR studies. Moreover, when we think about CSR practice and performance from the perspective of employees, employee culture very strongly influences performance and CSR perception. Therefore, this structure should be examined according to specific sectors and cultural contexts, from which different results can be obtained, which strongly determine practical implications exactly as we did.

In the light of all above it is worth to develop the discussion about the non-significant result of collectivism and UA for CSR practice in the construction industry projects in Poland. Project teams are always strongly focused on goals and objectives, scope, time and budget which are always reflected in their salaries and perks. That is probably the reason why the project’s employee perception is narrowed to these main project pillars. Projects in the construction industry are framed by owners (sponsors) and the very strict building law. That is why employee working in such kind of projects does not focus on UA which is detailed defined by the owner. Thus, it may be concluded that the main responsibility for CSR practice in the construction industry is therefore in business leaders hands.

The main practical implications of our results are that long-term orientation is crucial for CSR practice and that good reputation is a strong mediator of CSR practice and company performance. Based on presented findings, it is crucial to creating the long-term orientation culture between SMEs. Companies with short-term orientations will probably never implement CSR strategies that are strong enough to influence reputation and support company performance. Such companies will never report a positive influence of CSR on company reputation and performance. This, as well as the quality of implementation, is one of the crucial reasons why some companies are positive about CSR while others are negative.



Limitations and Conclusion

The main limitation of this study was the non-random sample. Respondents participated in the survey voluntary and may be that some of them work in the same company and that their opinions about the same company can be very subjective and don't reflect the particular company situation and even the situation of the whole construction industry in Poland. But it is the typical risk of all social science (Babbie, 2013), and significant, normality assessed sample helps to minimize the risk of the wrong results. What's more, following Du, Bhattacharya, and Sen (2015) opinion that employees' attitudes are not homogeneous, and heterogeneity is essential for a deeper understanding of employee reactions to CSR. The applied method of CSR practice survey seems to be the most effective than a CEO or CSR managers' self-report created for any institution. Even employing, e.g., Corporate environmental sustainability reporting (CESR) standard, reporting managers rely on officially implemented procedures and the official data. Studies based on such kind of official reports are not free of limitations resulting from data reliability resulted by different corporate governance systems, legal systems, and other institutional contexts (e.g. Gallego-Álvarez & Ortas 2017; Uribe-Bohorquez, Martínez-Ferrero, & García-Sánchez, 2018). What is more, such kind of official reporting is applied rather in the biggest companies than in SMEs. Our intention was to examine the one industry without company-size limitation. To achieve the study aim and present the employee perspective, it was crucial to attract the construction industry employees working in different positions (Appendix 2). The convenient method of sampling helped achieve a large enough sample of employees holding various positions working in companies of various sizes. The positive assessment of the sample normality (multivariate kurtosis = 1262,365; cr = 334,425) justified the sample quality.

Another limitation was the self-report questionnaire used to gather the data. However, given that most previous studies have been based on secondary data reported by CEO or CSR



managers as it is commonly applied. The obtained primary results delivered a new approach for CSR and company culture studies, especially since we included all five cultural dimensions that affect CSR practice, performance, and reputation in the same model.

The main value of this study is the complete picture of the influence of company culture on CSR practice from the employee perspective, which stressed the importance of long-term orientation for CSR implementation and proved the mediating function of company reputation for the relation between CSR practice and company performance. This is crucial for those who still doubt the efficacy of CSR strategy. The results showed that the implementation of CSR positively influences performance because performance is supported by reputation. Based on our findings, to achieve a good reputation, companies need to create a long-term orientation culture that considers the effect of each business decision on all employees. For the common better future, the implementation of long-term orientation culture is crucial not only in the biggest companies which impact on the society is easily visible but also in SMEs which are the majority of all existing enterprises. Short-term orientation cultures reflect irresponsibility. It may be the case that this is only a general rule for the construction industry, which may be affected by long-term orientation and responsibility more than other industries. However, this industry provides the best illustration of how CSR, culture, performance, and reputation support each other in the business reality observed by employees.



References

- Abratt, R., & Kleyn, N. (2012). Corporate identity, corporate branding and corporate reputations: Reconciliation and integration. *European Journal of Marketing*, 46(7/8), 1048–1063. <https://doi.org/10.1108/03090561211230197>
- Agudo-Valiente, J. M., Garéc-Ayerbe, C., & Salvador-Figueras, M. (2015). Corporate social performance and stakeholder dialogue management. *Corporate Social Responsibility and Environmental Management*, 22(1), 13–31. <https://doi.org/10.1002/csr.1324>
- Aguilera-Caracuel, J., & Guerrero-Villegas, J. (2017). How corporate social responsibility helps MNEs to improve their reputation: The moderating effects of geographical diversification and operating in developing regions. *Corporate Social Responsibility and Environmental Management*, 25(4), 355–372. <https://doi.org/10.1002/csr.1465>
- Aguilera-Caracuel, J., Guerrero-Villegas, J., & García-Sánchez, E. (2017). Reputation of multinational companies: Corporate social responsibility and internationalization. *European Journal of Management and Business Economics*, 26(3), 329–346. <https://doi.org/10.1108/EJMBE-10-2017-019>
- Amini, C., & Dal Bianco, S. (2017). Corporate social responsibility and Latin American firm performance. *Corporate Governance: The International Journal of Business in Society*, 17(3), 403–445. <https://doi.org/10.1108/CG-03-2016-0060>
- Arminen, H., Puumalainen, K., Patari, S., & Fellnhofer, K. (2018). Corporate social performance: Inter-industry and international differences. *Journal of Cleaner Production*, 177, 426–437. <https://doi.org/10.1016/j.jclepro.2017.12.250>
- Arnold, D. F., Bernardi, R. A., Neidermeyer, P. E., & Schmee, J. (2007). The effect of country and culture on perceptions of appropriate ethical actions prescribed by codes of conduct: A Western European perspective among accountants. *Journal of Business Ethics*, 70(4), 327–340. <https://doi.org/10.1007/s10551-006-9113-6>



- Aguinis, H., & Vandenberg, R. J. (2014). An Ounce of Prevention Is Worth a Pound of Cure: Improving Research Quality Before Data Collection. *Annual Review of Organizational Psychology and Organizational Behavior*, 1, 569-595.
<https://doi.org/10.1146/annurev-orgpsych-031413-091231>
- Babbie, E. (2013). *The basics of social research*. Wadsworth, Cengage Learning.
- Babiak, K., & Trendafilova, S. (2011). CSR and environmental responsibility: Motives and pressures to adopt green management practices. *Corporate Social Responsibility and Environmental Management*, 18, 11–24. <https://doi.org/10.1002/csr.229>
- Balmer, J. M. T. (2012). Strategic corporate brand alignment: Perspectives from identity-based views of corporate brands. *European Journal of Marketing*, 46(7/8), 1064–1092. <https://doi.org/10.1108/03090561211230205>
- Bear, S., Rahman, N., & Post, C., (2010). The impact of board diversity and gender composition on corporate social responsibility and firm reputation. *Journal of Business Ethics*, 97(2), 207–221. <https://doi.org/10.1007/s10551-010-0505-2>
- Becker, T. E., Atnic, G., Breaugh, J. A., Carlson, K. D., Edwards, J. R. & Spector, P. E. (2016). Statistical control in correlational studies: 10 essential recommendations for organizational researchers. *Journal of Organizational Behavior*, 37, 157–167.
<https://doi.org/10.1002/job.2053>
- Beekun, R. I., Hamdy, R., Westerman, J. W., & HassabElnaby, H. R. (2008). An exploration of ethical decision-making processes in the United States and Egypt. *Journal of Business Ethics*, 82(3), 587–605. <https://doi.org/10.1007/s10551-007-9578-y>
- Bernal-Conesa, J. A., Briones-Peñalver, A. J., & de Nieves Nieto, C. (2016). The integration of CSR management systems and their influence on the performance of technology companies. *European Journal of Management and Business Economics*, 25, 121–132.
<https://doi.org/10.1016/j.redeen.2016.07.002>



- Bernal-Conesa, J. A., de Nieves Nieto, C., & Briones-Peñalver, A. J. (2017). CSR strategy in technology companies: Its influence on performance, competitiveness and sustainability. *Corporate Social Responsibility and Environmental Management*, 24, 96–107. <https://doi.org/10.1016/j.redeen.2016.07.002>
- Blodgett, J. G., Lu, L-Ch., Rose, G. M., & Vitell, S. J. (2001). Ethical Sensitivity to Stakeholder Interests: A Cross-Cultural Comparison. *Journal of the Academy of Marketing Science*, 29(2), 190-202. <https://doi.org/10.1177/03079459994551>
- Brammer, S., & Pavelin, S. (2004). Building a good reputation. *European Management Journal*, 22(6), 704–713. <https://doi.org/10.1016/j.emj.2004.09.033>
- Cai, Y., Pan, C. H., & Statman, M. (2016). Why do countries matter so much in corporate social performance? *Journal of Corporate Finance*, 41, 591–609. <https://doi.org/10.1016/j.jcorpfin.2016.09.004>
- Campbell, D., Stonehouse, G., & Houston, B. (1999). *Business strategy: An introduction*. Oxford, United Kingdom: Butterworth-Heinemann.
- Carlson, K. D., & Wu, J. (2012). The illusion of statistical control: Control variable practice in management research. *Organizational Research Methods*, 15, 413–435. <https://doi.org/10.1177/1094428111428817>
- Cox, P. L., Friedman, B. A., & Tribunella, T. (2011). Relationships among cultural dimensions, national gross domestic product, and environmental sustainability. *The Journal of Applied Business and Economics*, 12(6), 46.
- Crane, A., & Matten, D. (2004). Questioning the domain of the business ethics curriculum. *Journal of Business Ethics*, 54(4), 357–369. <https://doi.org/10.1007/s10551-004-1825-x>



- Dangelico, R. M. (2015). Improving firm environmental performance and reputation: The role of employee green teams. *Business Strategy and the Environment*, 24, 735–749.
<https://doi.org/10.1002/bse.1842>
- Deephouse, D. L. (1996). Does isomorphism legitimate? *Academy of Management Journal*, 39, 1024–1039. <https://doi.org/10.2307/256722>
- Deephouse, D. L., & Carter, S. M. (2005). An examination of differences between organizational legitimacy and organizational reputation. *Journal of Management Studies*, 42(2), 329–360. <https://doi.org/10.1111/j.1467-6486.2005.00499.x>
- Du, S., Bhattacharya, C. B., & Sen, S. (2015). Corporate social responsibility, multi-faceted job-products, and employee outcomes. *Journal of Business Ethics*, 131(2), 319–335. <https://doi.org/10.1007/s10551-014-2286-5>
- Eisingerich, A. B., & Rubera, G. (2010). Drivers of brand commitment: A cross-national investigation. *Journal of International Marketing*, 18(2):64–79.
<https://doi.org/10.1509/jimk.18.2.64>
- Esteban, V. A., Villardon, M. P. G., & Sanchez, I. M. G. (2017). Cultural values on CSR patterns and evolution: A study from the biplot representation. *Ecological Indicators*, 81, 18–29. <https://doi.org/10.1016/j.ecolind.2017.05.051>
- Euroconstruct. (2017). 83rd EUROCONSTRUCT Country Report, available at:
https://issuu.com/euroconstruct/docs/2017_83_country-report_amsterdam_co
(accessed: 30 August 2018)
- European Commission. (2011). *Communication from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A renewed EU strategy 2011-2014 for corporate social responsibility*. Brussels, Belgium: European Commission.



Fombrun, C. (1996). *Reputation: Realizing value from the corporate image*. Boston, MA: Harvard Business School Press.

Francis, G. (2001). *Introduction to SPSS for Windows* (3rd ed.). Sydney, NSW: Pearson Education.

Gallego-Álvarez, I., & Ortas, E. (2017). Corporate environmental sustainability reporting in the context of national cultures: A quantile regression approach. *International Business Review*, 26(2), 337–353. <https://doi.org/10.1016/j.ibusrev.2016.09.003>

Gardberg, N., & Fombrun, C. F. (2006). Corporate citizenship: Creating intangible assets across institutional environments. *Academy of Management Review*, 31, 329–346. <https://doi.org/10.5465/AMR.2006.20208684>

Gemino, A., Reich, B. H. & Sauer, C. (2015). Plans versus people: Comparing knowledge management approaches in IT-enabled business projects. *International Journal of Project Management*, 33(2), 299–310. <https://doi.org/10.1016/j.ijproman.2014.04.012>

Ghosh, K. (2018). How and when do employees identify with their organization? Perceived CSR, first-party (in)justice, and organizational (mis)trust at workplace. *Personnel Review*. <https://doi.org/10.1108/PR-08-2017-0237>

Graafland, J. (2016). Price competition: Short-termism and environmental performance. *Journal of Cleaner Production*, 116, 125–134. <https://doi.org/10.1016/j.jclepro.2015.12.045>

Graafland, J. (2018). Does corporate social responsibility put reputation at risk by inviting activist targeting? An empirical test among European SMEs. *Corporate Social Responsibility and Environmental Management*, 25, 1–13. <https://doi.org/10.1002/csr.1422>



- Graafland, J., & Noorderhaven, N. (2018). National culture and environmental responsibility research revisited. *International Business Review*.
<https://doi.org/10.1016/j.ibusrev.2018.02.006>
- Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). *Multivariate data analysis: A global perspective*. Upper Saddle River, NJ: Pearson.
- Halkos, G., & Skouloudis, A. (2017). Revisiting the relationship between corporate social responsibility and national culture: A quantitative assessment. *Management Decision*, 55(3), 595–613. <https://doi.org/10.1108/MD-12-2016-0868>
- Haniffa, R. M., & Cooke, T. E. (2005). The impact of culture and governance on corporate social reporting. *Journal of Accounting & Public Policy*, 24(5), 391–430.
<https://doi.org/10.1016/j.jaccpubpol.2005.06.001>
- Haxhi, I., & van Ees, H. (2010). Explaining diversity in the worldwide diffusion of codes of good governance. *Journal of International Business Studies*, 41(4), 710–726.
<https://doi.org/10.1057/jibs.2009.39>
- He, H., & Li, Y. (2011). The mediating effect of brand identification and moderating effect of service quality. *Journal of Business Ethics*, 100(4), 673–688.
<https://doi.org/10.1007/s10551-010-0703-y>
- Heikkurinen, P. (2010). Image differentiation with corporate environmental responsibility. *Corporate Social Responsibility and Environmental Management*, 17(3), 142–152.
<https://doi.org/10.1002/csr.225>
- Ho, F. N., Wang, H-M. D., & Vitell, S. J. (2012). A Global Analysis of Corporate Social Performance: The Effects of Cultural and Geographic Environments. *Journal of Business Ethics*, 107(4), 423–433. <https://doi.org/10.1007/s10551-011-1047-y>
- Hoelter, J. W. (1983). The analysis of covariance structures goodness-of-fit indices. *Sociological Methods & Research*, 11(3), 325–344.



- Hofstede, G. (1980). Culture and organizations. *International Studies of Management & Organization*, 10(4), 15–41. <https://doi.org/10.1080/00208825.1980.11656300>
- Hofstede, G. (1984). *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Thousand Oaks, CA: Sage.
- Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: Software of the mind (revised and expanded)*. New York, NY: McGraw-Hill.
- Hunt, S. D., & Vitell, S. J. (1993). The general theory of marketing ethics: A retrospective and revision. In N. C. Smith & J. A. Quelch (Eds), *Ethics in Marketing* (pp. 775–784). Homewood, IL: Irwin.
- Hur, W. M., & Kim, Y. (2017). How does culture improve consumer engagement in CSR initiatives? The mediating role of motivational attributions. *Corporate Social Responsibility and Environmental Management*, 24, 620–633. <https://doi.org/10.1002/csr.1432>
- Hur, W. M., Kim, H., & Woo, J. (2014). How CSR leads to corporate brand equity: Mediating mechanisms of corporate brand credibility and reputation. *Journal of Business Ethics*, 125(1), 75–86. <https://doi.org/10.1007/s10551-013-1910-0>
- Husted, B. W. (2005). Culture and ecology: A cross-national study of the determinants of environmental sustainability. *Management International Review*, 45(3), 349–371. <https://www.jstor.org/stable/40836056>
- Jain, S. S., & Jain, S. P. (2018). Power distance belief and preference for transparency. *Journal of Business Research*, 89, 135–142. <https://doi.org/10.1016/j.jbusres.2018.04.016>



- Jones, M. T. (1999). The institutional determinants of social responsibility. *Journal of Business Ethics*, 20(2), 163–179. <https://doi.org/10.1023/A:1005871021412>
- Kalyar, N., Rafi, N., & Kalyar, A. N. (2013). Factors affecting corporate social responsibility: An empirical study. *Systems Research and Behavioral Science*, 30, 495–505. <https://doi.org/10.1002/sres.2134>
- Khan, H. U. Z. (2010). The effect of corporate governance elements on corporate social responsibility (CSR) reporting: Empirical evidence from private commercial banks of Bangladesh. *International Journal of Law and Management*, 52(2), 82–109. <https://doi.org/10.1108/17542431011029406>
- Kim, Y., & Kim, S. Y. (2010). The influence of cultural values on perceptions of corporate social responsibility: Application of Hofstede's dimensions to Korean public relations practitioners. *Journal of Business Ethics*, 91(4), 485–500. <https://doi.org/10.1007/s10551-009-0095-z>
- Kim, K. H., Kim, M. C., & Qian, C. (2018). Effects of corporate social responsibility on corporate financial performance: A competitive-action perspective. *Journal of Management*, 44(3), 1097–1118. <https://doi.org/10.1177/0149206315602530>
- Kim, B., Lee, S., & Kang, K. H. (2018). The moderating role of CEO narcissism on the relationship between uncertainty avoidance and CSR. *Tourism Management*, 67, 203–213. <https://doi.org/10.1016/j.tourman.2018.01.018>
- Kish, L. (1959). Some statistical problems in research design. *American Sociological Review*, 24(3), 328–338. <https://www.jstor.org/stable/2089381>
- Klimkiewicz, K., & Oltra, V. (2017). Does CSR enhance employer attractiveness? The role of millennial job seekers' attitudes. *Corporate Social Responsibility and Environmental Management*, 24, 449–463. <https://doi.org/10.1002/csr.1419>



- Kucharska, W., & Wildowicz-Giegiel, A. (2017). Company culture, knowledge sharing and organizational performance: The employee's perspective. In *Proceedings of the 18th European Conference on Knowledge Management, 1*, 524–531.
- Lee, L., & Chen, L. F. (2018). Boosting employee retention through CSR: A configurational analysis. *Corporate Social Responsibility and Environmental Management, 2018*, 1–13. <https://doi.org/10.1002/csr.1511>
- Lin, H., Zeng, S., Wang, L., Zou, H., & Ma, H. (2016). How does environmental irresponsibility impair corporate reputation? A multi-method investigation. *Corporate Social Responsibility and Environmental Management, 23*, 413–423. <https://doi.org/10.1002/csr.1387>
- Martin, J. N., & Nakayama, T. K. (2000). *Intercultural communication in contexts*. London, United Kingdom: Mayfield.
- Martin-Tapia, I., Aragon-Correa, J. A., & Rueda-Manzanares, A. (2010). Environmental strategy and exports in medium, small and micro-enterprises. *Journal of World Business, 45*(3), 266–275. <https://doi.org/10.1016/j.jwb.2009.09.009>
- Martínez García de Leaniz, P., & Rodríguez del Bosque, I. (2016). Corporate image and reputation as drivers of customer loyalty. *Corporate Reputation Review, 19*(2), 166–178. <https://doi.org/10.1057/crr.2016.2>
- Matten, D. (2006). Why do companies engage in corporate social responsibility? Background, reasons and basic concepts. In J. Hennigfeld, M. Pohl, & N. Tolhurst (Eds), *The ICCA Handbook on Corporate Social Responsibility* (pp. 3–46). West Sussex, United Kingdom: Wiley.
- Maximiano, J. M. B. (2007). A Strategic Integral Approach (SIA) to Institutionalizing CSR. *Corporate Social Responsibility and Environmental Management, 14*, 231–242. <https://doi.org/10.1002/csr.162>



- McDonald, R. P., & Marsh, H. W. (1990). Choosing a multivariate model: Noncentrality and goodness of fit. *Psychological Bulletin*, *107*(2), 247–255.
- McWilliams, A., & Siegel, D. S. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, *26*, 117–127.
doi:10.5465/AMR.2001.4011987
- Melo, T., & Garrido-Morgado, A. (2012). Corporate reputation: A combination of social responsibility and industry. *Corporate Social Responsibility and Environmental Management*, *19*, 11–31. <https://doi.org/10.1002/csr.260>
- Michelon, G. (2011). Sustainability disclosure and reputation: a comparative study. *Corporate Reputation Review*, *14*, 79–96. <https://doi.org/10.1057/crr.2011.10>
- Michelon, G., Boesso, G., & Kumar, K. (2013). Examining the link between strategic corporate social responsibility and company performance: An analysis of the best corporate citizens. *Corporate Social Responsibility and Environmental Management*, *20*, 81–94. <https://doi.org/10.1002/csr.1278>
- Miska, C., Szocs, I., & Schiffinger, M. (2018). Culture's effects on corporate sustainability practices: A multi-domain and multi-level view. *Journal of World Business*, *53*(2), 263–279. <https://doi.org/10.1016/j.jwb.2017.12.001>
- Mohr, L. A., Webb, D. J., & Harris, K. E. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior. *Journal of Consumer Affairs*, *35*(1), 45–72. <https://doi.org/10.1111/j.1745-6606.2001.tb00102.x>
- Momin, M. A., & Parker, L. D. (2013). Motivations for corporate social responsibility reporting by MNC subsidiaries in an emerging country: The case of Bangladesh. *The British Accounting Review*, *45*(3), 215–228. <https://doi.org/10.1016/j.bar.2013.06.007>



- Neville, B., Bell, S., & Menguc, B. (2005). Corporate reputation, stakeholders and the social performance–financial performance relationship. *European Journal of Marketing*, 39(9/10), 1184–1198. <https://doi.org/10.1108/03090560510610798>
- Nielsen, B. B., & Raswant, A. (2018). The selection, use, and reporting of control variables in international business research: A review and recommendations. *Journal of World Business*. <https://doi.org/10.1016/j.jwb.2018.05.003>
- Omar, M., Williams, R.L., & Lingelbach, D. (2009). Global brand market-entry to manage corporate reputation. *Journal of Product & Brand Management*, 18(3), 177–87. <https://doi.org/10.1108/10610420910957807>
- Orij, R. (2010). Corporate social disclosures in the context of national cultures and stakeholder theory. *Accounting, Auditing & Accountability Journal*, 23(7), 868–889. <https://doi.org/10.1108/09513571011080162>
- Packalén, S. (2010). Culture and Sustainability. *Corporate Social Responsibility and Environmental Management*, 17, 118–121. <https://doi.org/10.1002/csr.236>
- Park, H., Russell, C., & Lee, J. (2007). National culture and environmental sustainability: A cross-national analysis. *Journal of Economics and Finance*, 31(1), 104–121. <https://doi.org/10.1007/BF02751516>
- Park, J., Lee, H., & Kim, C. (2014). Corporate social responsibilities, consumer trust and corporate reputation: South Korean consumers' perspectives. *Journal of Business Research*, 67(3), 295–302. <https://doi.org/10.1016/j.jbusres.2013.05.016>
- Pedersen, E.R.G. (2011). All animals are equal, but . . . : Management perceptions of stakeholder relationships and societal responsibilities in multinational corporations. *Business Ethics: A European Review*, 20(2), 177–191. <https://doi.org/10.1111/j.1467-8608.2011.01618.x>



- Peng, Y. S., Dashdeleg, A. U., & Chih, H. L. (2012). Does national culture influence firm's CSR engagement: A cross country study. *International Proceedings of Economics Development & Research*, 58(9), 40–44. <https://doi.org/10.7763/IPEDR>
- Peng, Y. S., Dashdeleg, A. U., & Chih, H. L. (2014). National culture and firm's CSR engagement: A cross-nation study. *Journal of Marketing and Management*, 5(1), 38–49.
- Perry P. (2012). Exploring the influence of national cultural context on CSR implementation. *Journal of Fashion Marketing and Management*, 16(2), 141–160. <https://doi.org/10.1108/13612021211222806>
- Petkus, E., & Woodruff, R. B. (1992). A model of the socially responsible decision-making process in marketing: Linking decision makers and stakeholders. In C. T. Allen & D. R. John (Eds), *Proceedings of the winter 1992 American Marketing Association* (pp. 154–161). Chicago, IL: American Marketing Association.
- Preacher, K. J., & Hayes, A. F. (2004), SPSS and SAS Procedures for Estimating Indirect Effects in Simple Mediation Models, *Behavior Research Methods, Instruments, and Computers*, 36(4), 717–31. <https://doi.org/10.3758/BF03206553>
- Quazi, A. M. (2003). Identifying the determinants of corporate managers' perceived social obligations. *Management Decision*, 41, 822–831. <https://doi.org/10.1108/00251740310488999>
- Ravasi, D., & Schultz, M. (2006). Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal*, 49, 433–458. <https://doi.org/10.5465/amj.2006.21794663>
- Resnick, J. T. (2004). Corporate reputation: Managing corporate reputation – applying rigorous measures to a key asset. *Journal of Business Strategy*, 25(6), 30-38. <https://doi.org/10.1108/02756660410569175>



- Richard, P. J., Devinney, T. M., Yip, J., & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. *Journal of Management*, 35, 718–804. <https://doi.org/10.1177/0149206308330560>
- Ringov, D., & Zollo, M. (2007). Corporate responsibility from a socio-institutional perspective: The impact of national culture on corporate social performance. *Corporate Governance*, 7(4), 476–485. <https://doi.org/10.1108/14720700710820551>
- Santoso, A. H., Feliana, Y. K. (2014). The association between corporate social responsibility and corporate financial performance. *Issues in Social and Environmental Accounting*, 8(2), 82–103. <https://doi.org/10.22164/isea.v8i2.86>
- Schein, E. H. (1986). *Organizational culture and leadership*. San Francisco, CA: Jossey-Bass.
- Scott, W. R. (2001). *Institutions and organizations* (2nd ed.). Thousand Oaks, CA: Sage.
- Sen, S., & Bhattacharya, C. B. (2004). Doing better at doing good: When, why and how consumers respond to corporate social initiatives. *California Management Review*, 47, 9–24. <https://doi.org/10.1509/jmkr.38.2.225.18838>
- Steiger, J. H., & Lind, J. C. (1980). Statistically based tests for the number of common factors. In *Annual Meeting of the Psychometric Society* (p. 758). Iowa City, IA.
- Story, J., & Neves, P. (2015). When corporate social responsibility (CSR) increases performance: Exploring the role of intrinsic and extrinsic CSR attribution. *Business Ethics: A European Review*, 24(2), 111–124. <https://doi.org/10.1111/beer.12084>
- Su, S. H. (2006). Cultural differences in determining the ethical perception and decision-making of future accounting professionals: A comparison between accounting students from Taiwan and the United States. *Journal of American Academy of Business*, 9(1), 147–158.
- Testa, F., Boiral, O. & Iraldo, F. (2018). Internalization of Environmental Practices and Institutional Complexity: Can Stakeholders Pressures Encourage Greenwashing?



Journal of Business Ethics, 147(2), 287-307. <https://doi.org/10.1007/s10551-015-2960-2>

Thanetsunthorn, N. (2015). The impact of national culture on corporate social responsibility: evidence from cross-regional comparison. *Asian Journal of Business Ethics*, 4, 35–56. <https://doi.org/10.1007/s13520-015-0042-2>

Ting, P-H., & Yin, H-Y. (2018). How do corporate social responsibility activities affect performance? The role of excess control right. *Corporate Social Responsibility and Environmental Management*. <https://doi.org/10.1002/csr.1641>

Ting-Toomey, S. (2012). *Communicating across cultures*. New York/London: Guilford Press.

Turban, D. B., & Greening, D. W. (1997). Corporate social performance and organizational attractiveness to prospective employees. *Academy of Management Journal*, 40(3), 658–672. <https://doi.org/10.5465/257057>

Uribe-Bohorquez, M. V., Martínez-Ferrero, J., & García-Sánchez, I-M. (2018). Women on boards and efficiency in a business-orientated environment. *Corporate Social Responsibility and Environmental Management*, 1-15. <https://doi.org/10.1002/csr.1659>

Venturelli, A., Cosma, S., & Leopizzi, R. (2018). Stakeholder Engagement: An Evaluation of European Banks. *Corporate Social Responsibility and Environmental Management*, 25(4), 690-703. <https://doi.org/10.1002/csr.1486>

Vitell, S. J., Paolillo, J. G. P., & Thomas, J. L. (2003). The perceived role of ethics and social responsibility: A study of marketing professionals. *Business Ethics Quarterly*, 13(1), 63–86. <https://doi.org/10.5840/beq20031315>

Wallace, N., & Mello, J. (2015). Collaborative culture: The new workplace reality. *Foresight: The International Journal of Applied Forecasting*, 39, 31–35.



- Wang, D. H. M., Chen, P. H., Yu, T. H. K., & Hsiao, C. Y. (2015). The effects of corporate social responsibility on brand equity and firm performance. *Journal of Business Research*, 68(11), 2232–2236. <https://doi.org/10.1016/j.jbusres.2015.06.003>
- Wheaton, D. E., Muthen, B., Alwin, D.F., & Summers, G.F. (1977). Assessing reliability and stability in panel models. *Sociological Methodology*, 8,84-136.
<https://www.jstor.org/stable/270754>
- Whelan, G. (2007). Corporate social responsibility in Asia: A confucian context. In S. May, G. Cheney, & J. Roper (Eds), *The debate over corporate social responsibility* (pp. 105–118). New York: Oxford University Press.
- Williams, G., & Zinkin, J. (2008). The effect of culture on consumers' willingness to punish irresponsible corporate behaviour: Applying Hofstede's typology to the punishment aspect of corporate social responsibility. *Business Ethics: A European Review*, 17(2), 210–226. <https://doi.org/10.1111/j.1467-8608.2008.00532.x>
- World Bank (2018). Small and medium enterprises (SMEs) finance.
<http://www.worldbank.org/en/topic/smefinance> (accessed 19 July 2018).
- Xie, X., Jia, Y., Meng, X., & Li, C. (2017). Corporate social responsibility, customer satisfaction, and financial performance: The moderating effect of the institutional environment in two transition economies. *Journal of Cleaner Production*, 150, 26–39.
[doi:10.1016/j.jclepro.2017.02.192](https://doi.org/10.1016/j.jclepro.2017.02.192)
- Yoo, B., & Donthu, N. (2002). Culture's Consequences: Comparing Values, Behaviors, Institutions And Organizations Across Nations. *Journal of Marketing Research*, 39(3), 388-389.
- Yoo, B., Donthu, N., & Lenartowicz, T. (2011). Measuring Hofstede's five dimensions of cultural values at the individual level: Development and validation of CVSCALE.



Journal of International Consumer Marketing, 23(3/4), 193–210.

<https://doi.org/10.1080/08961530.2011.578059>

Yu, Y., & Choi, Y. (2016). Stakeholder pressure and CSR adoption: The mediating role of organizational culture for Chinese companies. *The Social Science Journal*, 53, 226–235. <https://doi.org/10.1016/j.soscij.2014.07.006>

Zhang, D. (2017). Corporate social responsibility, culture, and ownership. In Zhang, D. (Ed) *Corporate social responsibility in China: Communication, culture and change in Asia* (Vol. 4, 11-29). Singapore: Springer. https://doi.org/10.1007/978-981-10-4825-8_2

Appendix 1. Adapted scales: sources and constructs measurement validity

Construct	Items	Factor Loading	Construct Measurement Validity	
Company Culture Hofstede (1980), Yoo et al. (2011)	Masculinity		AVE = 0.76 CR = 0.925 Cronbach α = 0.918	
	• Men care more than women about their careers.	0.778		
	• Men solve problems logically, women intuitively.	0.985		
	• Solving difficult problems requires a hard, male approach.	0.983		
	• There are professions and positions that should be performed by men.	0.700		
	Power Distance			AVE = 0.70 CR = 0.902 Cronbach α = 0.897
	• Higher level staff make the majority of decisions without consulting lower level staff.	0.906		
	• Higher level staff rarely ask for feedback from lower level staff.	0.748		
	• Higher level staff isolate themselves from lower level staff.	0.960		
	• Important tasks are not assigned to lower level staff.	0.706		
	Uncertainty Avoidance			AVE = 0.92 CR = 0.977 Cronbach α = 0.973
	• The working standards set out in the procedures are helpful.	0.978		
	• It is important to always follow instructions and procedures.	0.978		
	• Instructions and procedures are important because they precisely define what is expected of me.	0.974		
	• Detailed operating instructions are important.	0.895		
	Long-Term Orientation			AVE = 0.90 CR = 0.963 Cronbach α = 0.962
• Financial management is very careful.	0.961			
• Long-term planning is strong.	0.983			
• Working hard for success in the future.	0.894			

Collectivism			AVE = 0.90
	<ul style="list-style-type: none"> The interest of the whole is more important than the interest of the individual. 	0.907	CR = 0.973
	<ul style="list-style-type: none"> The individual remains faithful to the group, even if it is difficult. 	0.976	Cronbach α = 0.973
	<ul style="list-style-type: none"> The success of the organization is more important than individual success. 	0.972	
	<ul style="list-style-type: none"> The good of the group is more important than the success of the individual. 	0.942	
CSR Practice	<ul style="list-style-type: none"> The organization is socially responsible. 	0.907	AVE = 0.65
adapted from Eisingerich and Rubera (2010), He and Li (2011)	<ul style="list-style-type: none"> My company cares about the local community. 	0.763	CR = 0.878
	<ul style="list-style-type: none"> It is important to act ethically. 	0.858	Cronbach α = 0.892
	<ul style="list-style-type: none"> The company cares about employees. 	0.665	
Corporate Reputation	<ul style="list-style-type: none"> The company's brand is perceived as solid. 	0.999	AVE = 0.99
adapted from Martínez and Rodríguez del Bosque, (2016)	<ul style="list-style-type: none"> The company's relation with the environment is spoken well of. 	0.998	CR = 0.998
	<ul style="list-style-type: none"> People trust this company. 	0.994	Cronbach α = 0.998
Company Performance	<ul style="list-style-type: none"> The company's brand is favored in the market. 	0.992	AVE = 0.97
adapted from Gemino, Reich and Sauer (2015), Babbie (2013)	<ul style="list-style-type: none"> Our overall performance attracts customers. 	0.999	CR = 0.993
	<ul style="list-style-type: none"> Thanks to an established brand, we have high financial results. 	0.982	Cronbach α = 0.995
	<ul style="list-style-type: none"> Thanks to an established brand, we make a good profit. 	0.975	

note: AVE –Average variance extracted, CR – Composite reliability, Cronbach α - congeneric reliability



Appendix 2: Sample characteristics

Gender	Cases	%
Female	50	9
Male	489	91
	539	100%

Age	Cases	%
18–24	20	3.7
25–34	219	40.6
35–44	195	36.1
45–54	76	14.2
55–64	27	5.1
>65	2	0.3
	539	100%

Company size	Cases	%
Large	205	38
Medium	143	27
Small	97	18
Micro	93	17
	539	100%

Employee Position	Cases	%
Team Member	425	79
Team Leader	47	9
Project Manager	53	10
Steering Committee Member	8	1
Project Sponsor	5	1
	539	100%

Figure 1

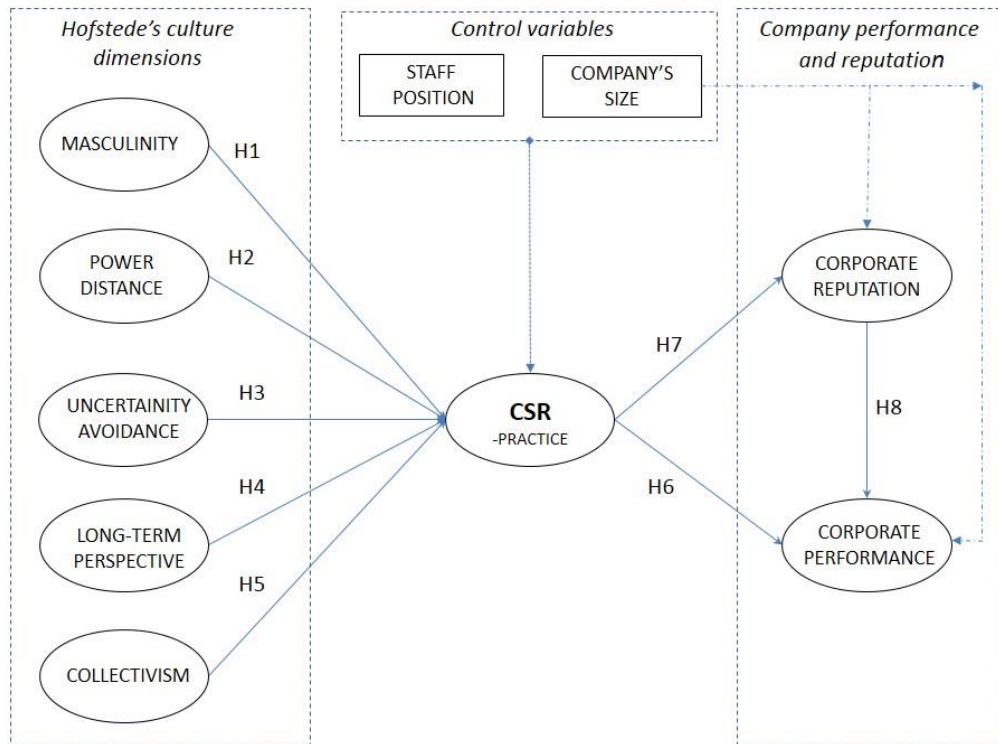


Figure 2a

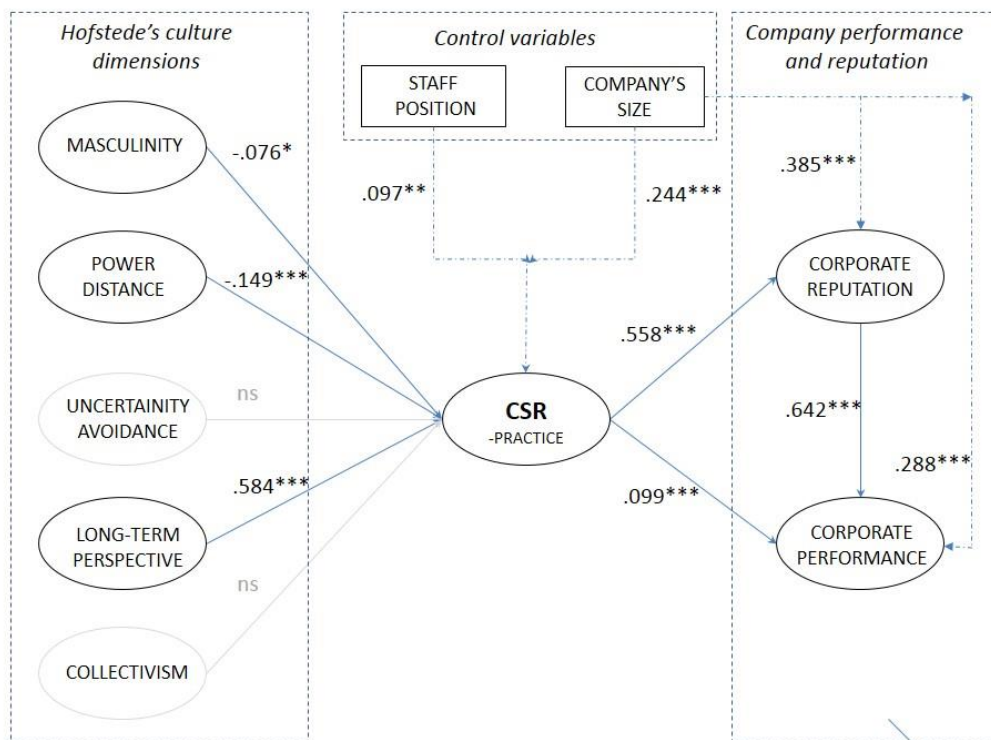


Figure 2b

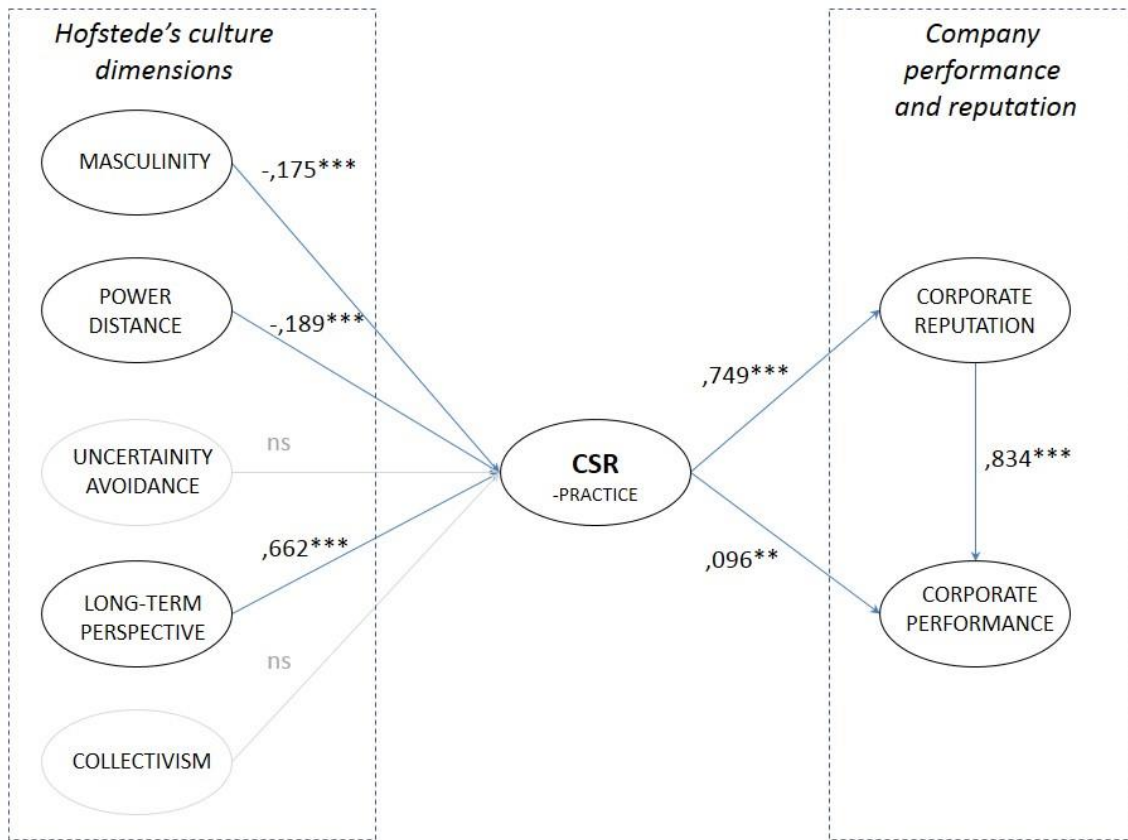


Figure 3a: Company size and CSR practice.

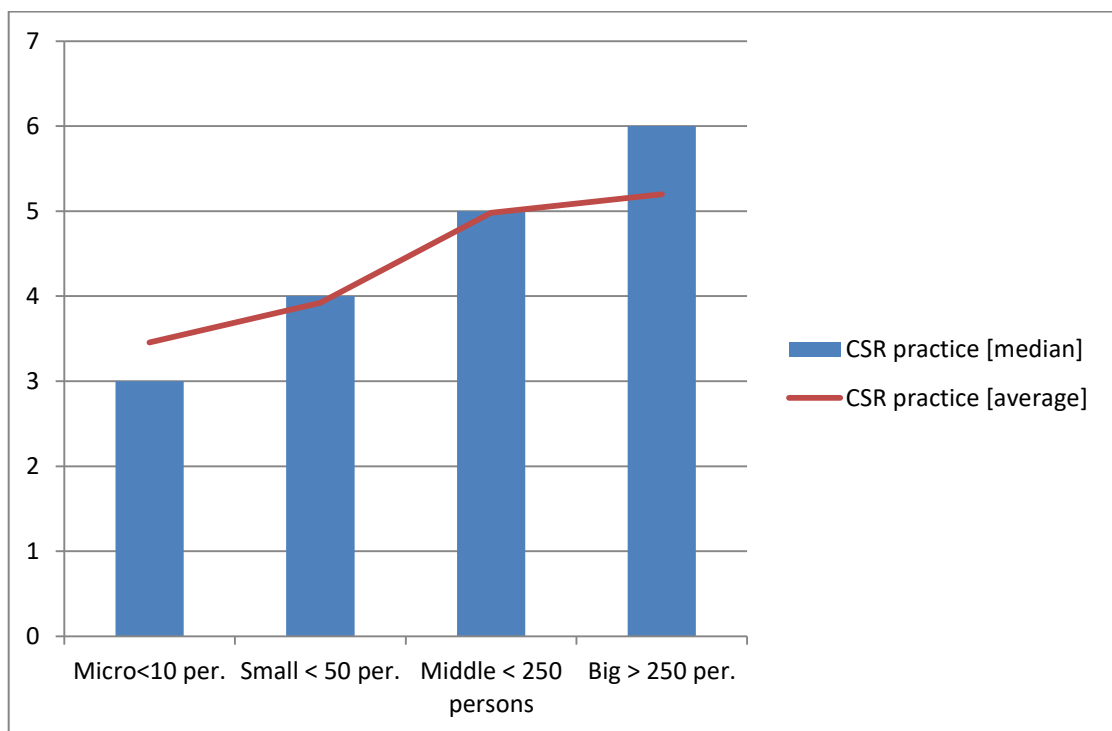


Figure 3b: Company size and reputation.

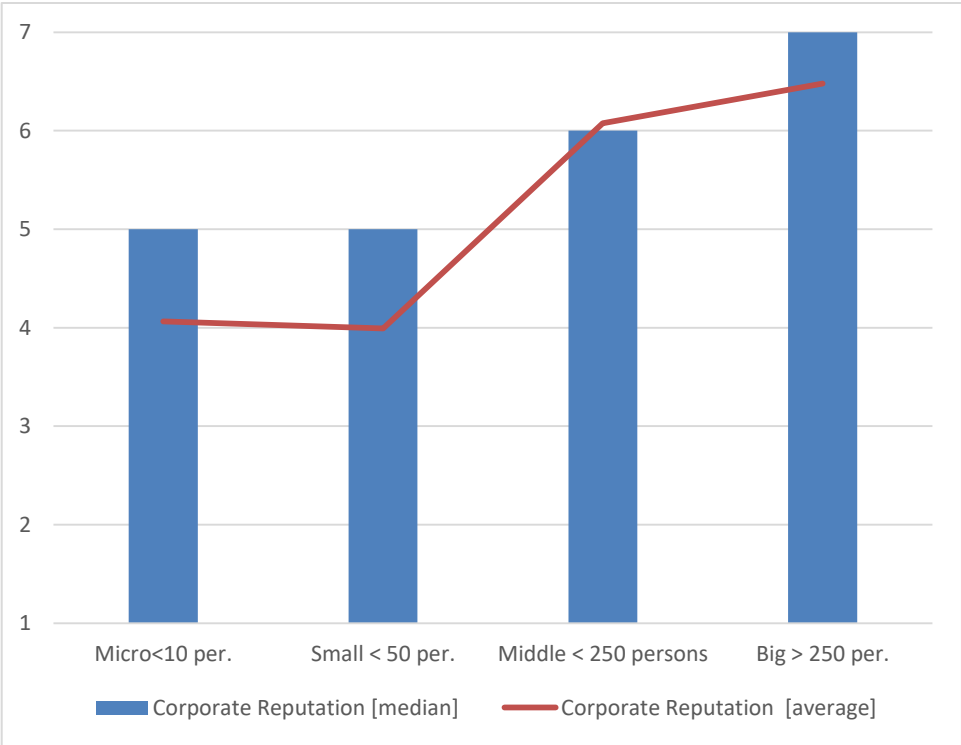


Figure 3c: Company size and performance.

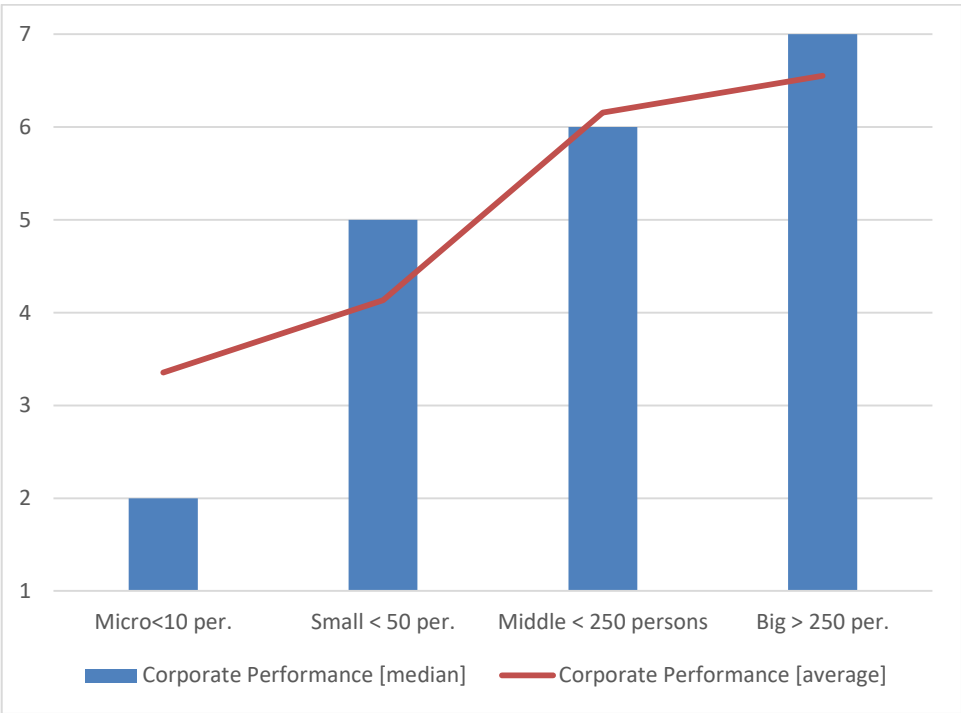


Figure 3d: Employee position and CSR practice.

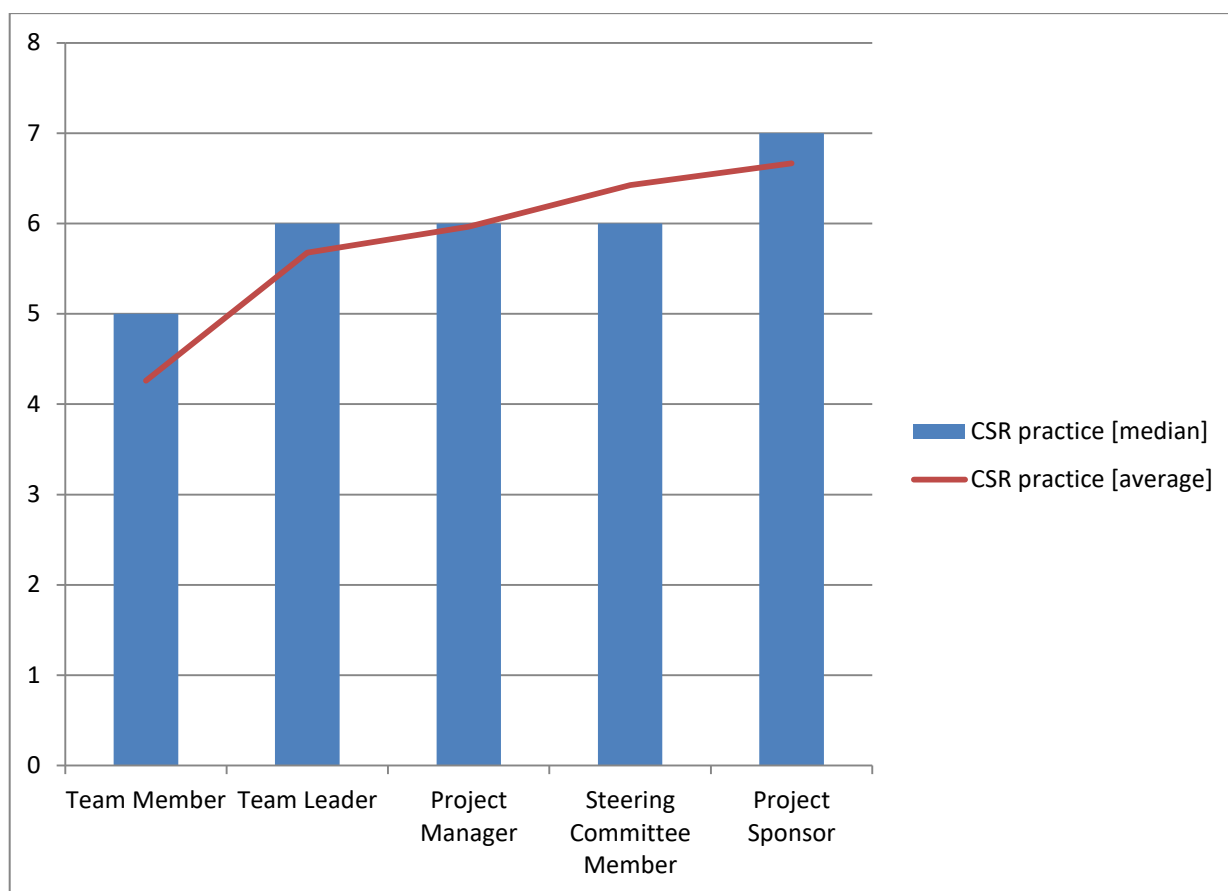


Table1: Factor correlation matrix with square root of the AVE on the diagonal.

	AVE	CR	Cronbach α	M	Pd	U	L	C	CSR PRACTICE	CR	P
Masculinity (M)	0,76	0,925	0,918	0,87							
Power distance (Pd)	0,70	0,902	0,897	-,175	0,84						
Uncertainty avoidance (U)	0,92	0,977	0,973	-,036	,018	0,99					
Long-term orientation (L)	0,90	0,963	0,962	-,231	-,199	,179	0,95				
Collectivism (C)	0,90	0,973	0,973	-,325	,366	,029	,223	0,95			
CSR - PRACTICE	0,65	0,878	0,892	-,316	-,273	,145	,756	,178	0,80		
Corporate Reputation (CR)	0,99	0,998	0,998	-,245	-,212	,113	,587	,138	,776	0,997	
Performance (P)	0,97	0,993	0,995	-,241	-,208	,110	,576	,136	,761	,906	0,99

Table 2: Results

Hypothesis		MODEL A (with CVs)				MODEL B (without CVs usage)			
		β	t-value	p-value	Hypothesis supported	β	t-value	p-value	Hypothesis supported
H1	Masculinity culture identified with competitiveness and assertiveness has a negative impact on CSR practice.	-.076	-2.304	.021	YES	-.175	-5.208	p<0.001	YES
H2	High power distance culture based on a high degree of hierarchy and vertical distance among managerial levels has a negative impact on CSR practice.	-.149	-3.822	p<0.001	YES	-.189	-5.086	p<0.001	YES
H3	High uncertainty avoidance culture supported by norms and practices has a positive impact on CSR practice.	.016	.531	.595	NO	.022	.710	.478	NO
H4	Long-term orientation culture has a positive impact on CSR practice	.584	16.265	p<0.001	YES	.662	18.173	p<0.001	YES
H5	Collectivism has a positive impact CSR practice.	.040	1.73	.241	NO	.047	1.300	.194	NO
H6	CSR practice has a positive impact on corporate reputation.	.558	16.42	p<0.001	YES	.749	21.488	p<0.001	YES
H7	CSR practice has a positive impact on company performance.	.099	3.82	p<0.001	YES	.096	3.142	.002	YES
H8	The corporate reputation has a positive impact on company performance.	.642	22.46	p<0.001	YES	.834	28.085	p<0.001	YES
CVs	CSRP \leftarrow company's size	.244	7.18	p<0.001	YES	not applicable			
	CR \leftarrow company's size	.385	12.62	p<0.001	YES				
	P \leftarrow company's size	.288	13.80	p<0.001	YES				
	CSRP \leftarrow employee position	.097	2.820	.005	YES				
Mediation analysis		Total effect	Direct effect	Indirect (mediated) effect		Total effect	Direct effect	Indirect (mediated) effect	
P \leftarrow CRP \leftarrow CSR		.457 (0.010)	.099 (0.012)	.358 (0.006)		.720 (0.012)	.096 (0.013)	.624 (0.006)	

Mediation analysis	Total effect	Direct effect	Indirect (mediated) effect	Total effect	Direct effect	Indirect (mediated) effect
	P ← CRP ← CSR	.457 (0.010)	.099 (0.012)	.358 (0.006)	.720 (0.012)	.096 (0.013)
Goodness of model fit assessment	CHI-square=1599.5 CMIN/df=3.72 df=430 TLI=.954 CFI=.960 RMSEA=.071 CI(.067-.075)			CHI-square=1341.187 CMIN/df=3.49 df=384 TLI=.962 CFI=.966 RMSEA=.068 CI(.064-.072)		

Note: ML (maximum likelihood), standardised estimates; * p < 0.05 ** p < 0.01; *** p < 0.001, n=539