Unveiling The Impact of Perceived CSR: Mediating Roles of Organizational Identification and Prestige on Unethical Behavior

Qilin He [1,*], Linxi Xiao [2]

[1] School of Social Work, Columbia University, New York, USA, 10027

[2] School of Professional Studies, New York University, New York, USA, 10003

* Corresponding Author Email: haglishe1009@gmail.com

Abstract. Corporate Social Responsibility (CSR) is widely recognized for promoting positive outcomes such as employee engagement, job satisfaction, and organizational loyalty. However, this study explores the less examined potential of CSR to foster pro-organizational unethical behavior (UPB)—unethical actions employees justify as necessary for the benefit of the organization. Drawing on data from 301 employees across various industries, the study demonstrates that perceived CSR positively influences UPB, mediated by organizational identification. Employees who strongly identify with their socially responsible organization may rationalize unethical behaviors as necessary to protect or promote the organization's interests. Moreover, perceived organizational prestige amplifies the effect of CSR on organizational identification, further increasing the likelihood of UPB. These findings highlight the dual-edged nature of CSR, revealing that while it can enhance organizational identification, it may also encourage ethical compromises when employees over-identify with the organization. The study offers important insights for organizations to balance CSR initiatives with clear ethical standards to mitigate the risks of UPB.

Keywords: Perceived CSR, Organizational Identification, Unethical Pro-organizational Behavior, Perceived Organizational Prestige.

1. Introduction

Corporate Social Responsibility (CSR) is increasingly recognized as a key strategic component for organizations striving to balance economic success with social and ethical obligations (Aguinis, 2011). Traditionally viewed as a tool for improving external reputation and fostering stakeholder goodwill (Singh & Misra, 2021), CSR has recently gained attention for its internal effects on employee attitudes and behaviors. Recent research has shifted the focus from external benefits to the micro-level dynamics within organizations, particularly how CSR initiatives shape employee identification and decision-making (Nguyen et al., 2020; Thornton & Rupp, 2015). This shift reflects a deeper understanding of CSR's role in influencing not only organizational outcomes but also individual behaviors within the workplace.

While CSR is generally associated with positive outcomes, such as higher organizational commitment, job satisfaction, and ethical behavior (Valentine & Fleischman, 2008; Turker, 2009), emerging evidence suggests that CSR can also lead to unintended negative consequences. Specifically, pro-organizational unethical behavior (UPB)—unethical actions employees rationalize as benefiting the organization—has surfaced as a significant concern. Employees who strongly identify with a socially responsible organization may feel justified in engaging in unethical behavior if they believe it serves the organization's long-term interests (Mozes, Josman, & Yaniv, 2011). This presents a paradox: CSR, while intended to promote ethical behavior, may inadvertently create conditions under which ethical boundaries are compromised.

This study seeks to explore the psychological mechanisms linking perceived CSR to UPB, focusing on organizational identification and perceived organizational prestige. Drawing on social identity theory (Tajfel & Turner, 1986), we propose that employees who perceive their organization as socially responsible develop stronger identification with the organization, which can increase their propensity to engage in UPB. Additionally, perceived organizational prestige is hypothesized to moderate this relationship by amplifying the effect of CSR on organizational identification, further increasing the likelihood of UPB.

The significance of these unintended consequences lies in their potential to undermine the ethical standards that CSR seeks to promote, which complicates the overall understanding of CSR's role in organizational ethics. By examining how CSR can foster both positive and negative employee behaviors, this study provides new insights into the boundary conditions that shape CSR's effectiveness. The findings contribute to the literature by offering a more nuanced view of CSR's dual impact on employee behavior and present practical implications for organizations seeking to maximize the benefits of CSR while mitigating the risks associated with UPB.

2. Literature Review and Hypotheses Development

2.1. Perceived CSR and Pro-Organizational Unethical Behavior

Corporate Social Responsibility (CSR) is often lauded for promoting positive organizational outcomes such as improved employee morale, job satisfaction, and organizational loyalty (Valentine & Fleischman, 2008). However, emerging research indicates that CSR, while fostering ethical behavior, can also have unintended consequences. Specifically, perceived CSR can contribute to UPB—unethical actions that employees believe are necessary to protect or advance the organization's interests (Nguyen et al., 2020).

This phenomenon arises when employees interpret their organization's CSR initiatives as aligning with broader societal goals, leading them to rationalize unethical actions that serve the organization's mission. This process, referred to as moral rationalization, allows employees to justify unethical behaviors by framing them as necessary to support the organization's perceived socially responsible objectives. For example, an employee who usually engages in positive behaviors, such as conserving energy, may, in certain situations, justify more questionable actions, such as distorting financial data or concealing negative information, if they believe these actions protect the organization's reputation or financial well-being.

Thus, while perceived CSR generally promotes ethical behavior, it can paradoxically lead to UPB when employees believe their unethical actions align with the organization's broader ethical mission. Based on this understanding, we hypothesize:

H1: Perceived CSR positively influences pro-organizational unethical behavior.

2.2. Perceived CSR and Organizational Identification

Organizational identification refers to the degree to which employees align their personal values and sense of self with their membership in the organization (Ashforth & Mael, 1989). CSR initiatives often enhance this identification by signaling that the organization shares the same ethical and social values as its employees (Nguyen et al., 2020). When employees perceive that their organization is actively engaged in socially responsible activities, they are more likely to internalize these values, which strengthens their identification with the organization.

CSR reinforces the alignment between organizational goals and employees' personal beliefs, making employees feel that they are contributing to a greater cause by being part of the organization. This deepened sense of identification leads employees to view the organization's success as an extension of their own personal values, thus increasing their commitment to organizational objectives.

Given the role CSR plays in strengthening organizational identification, we propose the following hypothesis:

H2: Perceived CSR positively influences organizational identification.

2.3. Organizational Identification and Pro-Organizational Unethical Behavior

While organizational identification is typically associated with positive outcomes, such as greater commitment and organizational citizenship behaviors, it can also result in unintended negative consequences. When employees strongly identify with their organization, they may prioritize organizational goals over their own ethical standards. This heightened loyalty can lead to pro-organizational unethical behavior (UPB) when employees believe that unethical actions are necessary to protect or enhance the organization's interests (Wang et al., 2017).

For instance, an employee who feels a strong sense of identification with a socially responsible organization may rationalize unethical actions—such as manipulating information or misleading external stakeholders—if they believe these behaviors are necessary to maintain or advance the organization's reputation. The stronger the employee's identification with the organization, the more likely they are to engage in such behaviors to defend the organization's interests.

Based on this reasoning, we hypothesize:

H3: Organizational identification positively influences pro-organizational unethical behavior.

2.4. The Mediating Role of Organizational Identification

The relationship between perceived CSR and pro-organizational unethical behavior (UPB) is not necessarily direct, organizational identification acts as a crucial mediator in this process. Employees who internalize the values associated with CSR are more likely to identify strongly with their organization, which, in turn, increases the likelihood of UPB. In this context, organizational identification serves as the psychological mechanism that links perceived CSR to UPB, as employees rationalize unethical behavior as necessary for protecting or advancing the organization's socially responsible mission.

Employees who experience cognitive dissonance between their personal ethical standards and the organization's goals may resolve this tension by engaging in UPB, justifying these behaviors as necessary to uphold the organization's ethical image. As a result, organizational identification mediates the relationship between CSR and UPB by providing a rationale for such actions.

Thus, we hypothesize:

H4: Organizational identification mediates the relationship between perceived CSR and pro-organizational unethical behavior.

2.5. The Moderating Role of Perceived Organizational Prestige

Perceived organizational prestige refers to how employees perceive their organization's reputation within the broader industry or society. When employees believe their organization is highly regarded, this external recognition strengthens their identification with the organization. Employees derive pride from being associated with a prestigious and socially responsible organization, which reinforces their alignment with the organization's values (Thornton & Rupp, 2015).

In the context of CSR, perceived organizational prestige amplifies the relationship between perceived CSR and organizational identification. Employees in prestigious organizations are more likely to feel a heightened sense of responsibility to maintain or enhance the organization's reputation, which increases the likelihood of UPB as employees seek to protect the organization's image. Therefore, perceived organizational prestige strengthens the effect of CSR on identification, further increasing the likelihood of UPB.

Based on this reasoning, we propose:

H5: Perceived organizational prestige moderates the relationship between perceived CSR and organizational identification, such that the relationship is stronger when prestige is high.

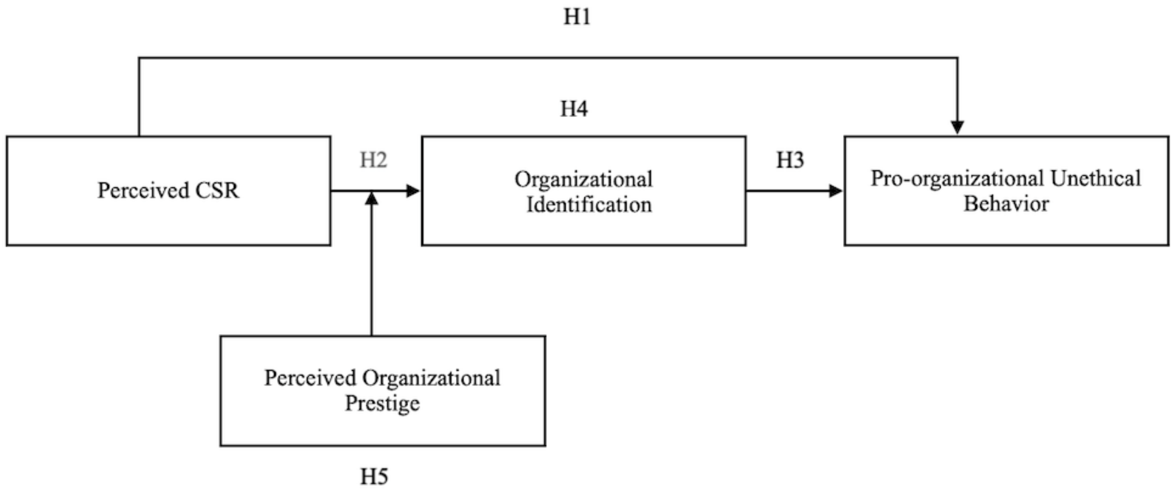

Figure 1 The moderated mediation model.

Based on these hypotheses, we propose a moderated mediation model that captures the complex dynamics between CSR initiatives and employee outcomes, highlighting how these relationships are shaped by individual differences in moral judgment. Specifically, the model suggests that CSR influences organizational identification, which in turn affects pro-organizational unethical behavior, with perceived organizational prestige acting as a moderator. The model further acknowledges the role of personal morality in shaping how employees respond to CSR efforts. This theoretical framework is visually represented in Figure 1, providing a comprehensive overview of the proposed relationships.

3. Methodology

3.1. Sample and Data Collection

This study utilized a cross-sectional design, which is appropriate given the exploratory nature of the research and its focus on capturing the relationship between perceived CSR, organizational identification, and UPB at a single point in time. Data were collected from a sample of 301 employees across various industries in China, providing a diverse representation of sectors such as manufacturing, finance, healthcare, technology, and retail. A total of 475 surveys were distributed across 30 companies, with 325 responses received, yielding a response rate of 68.4%. After excluding incomplete or invalid responses, 301 valid responses were retained for analysis.

To ensure generalizability, the sample was drawn from a wide range of industries, and the companies selected reflected a cross-section of organizational sizes and types, enhancing the representativeness of the sample to the larger workforce population in China. The sample was nearly evenly split by gender, with 48.2% male and 51.8% female participants. The majority of respondents (47.2%) were between the ages of 26 and 35, followed by those aged 36 to 50 (29.6%), 15.9% aged 18–25, and 7.3% aged 51 and above. Regarding educational background, 55.8% of the participants held a bachelor’s degree, 38.2% an associate degree or lower, and 6% a master’s degree or higher.

The data were collected through an online survey platform, distributed via professional networks and social media channels. Participants were informed that their responses would remain confidential, and informed consent was obtained before participation. The survey measured constructs related to perceived CSR, organizational identification, and UPB using validated scales.

3.2. Measures

Perceived CSR: Perceived corporate social responsibility (CSR) was assessed using a 12-item scale by Turker (2009), which exhibited excellent internal consistency (α = 0.950). This scale evaluated participants' views on their organization's engagement in socially responsible efforts, such as environmental protection and community welfare. An example item is: “My company participates in activities that aim to protect the environment.”

Organizational Identification: Organizational identification was measured using a 6-item scale from Mael and Ashforth (1992), with strong reliability (α = 0.907). A representative item is: “When someone criticizes my organization, it feels like a personal insult,” illustrating the emotional bond employees have with their organization.

Perceived Organizational Prestige: Perceived organizational prestige was evaluated using a 5-item scale (α = 0.898) adapted from Mael and Ashforth (1992). This scale captures employees' perceptions of their organization’s industry reputation. An example item is: “My organization is regarded as prestigious by others in our industry.”

Pro-Organizational Unethical Behavior (UPB): UPB was measured with an 11-item scale developed by Umphress et al. (2010), showing high internal consistency (α = 0.947). This scale examines the extent of employees' unethical behaviors aimed at benefiting the organization, with sample items including: “Distorting facts to protect the organization’s image” and “Concealing negative information from customers.”

3.3. Control Variables

Drawing on prior research on UPB and organizational identification (Umphress et al., 2010; Wang et al., 2017), several control variables were included to address potential confounding factors:

Gender: Gender has been associated with differences in ethical decision-making, with evidence suggesting varying approaches to UPB between men and women (Franke, Crown, & Spake, 1997). It was coded as a binary variable (0 = male, 1 = female).

Age: Ethical perspectives may shift with age, as younger employees tend to demonstrate different levels of organizational commitment and moral reasoning compared to older employees (Treviño, 1992). Age was categorized into four groups: 18–25, 26–35, 36–50, and 51+.

Education: Education is linked to moral development and ethical awareness (Rest, 1986), and was categorized into three levels: associate degree or lower, bachelor’s degree, and master’s degree or higher.

Tenure: Employee tenure influences organizational identification and behavior, with longer tenure typically associated with stronger identification (Wang et al., 2017). Tenure was divided into five categories: 0–5 years, 6–10 years, 11–15 years, 16–25 years, and 26+ years.

These control variables were included to isolate the effects of perceived CSR, organizational identification, and UPB, enhancing the robustness of the results.

3.4. Data Analysis

Data were analyzed using SPSS. Confirmatory factor analysis (CFA) was conducted to validate the measurement model, with model fit evaluated through standard indices, including CFI, TLI, RMSEA, and SRMR. Hypotheses were tested via multiple regression and moderated mediation analysis, employing the PROCESS macro for SPSS (version 3.4) by Hayes (2018). Bootstrapping with 5,000 samples provided 95% confidence intervals for indirect effects. The index of moderated mediation was used to examine the moderating role of perceived organizational prestige in the relationship between perceived CSR and organizational identification.

4. Results

4.1. Descriptive Statistics and Correlations

Table 1 displays the descriptive statistics and intercorrelations for the study variables. The results reveal significant positive correlations between perceived CSR and organizational identification ($r = 0.41$, $p < 0.001$), indicating that CSR fosters stronger employee identification with the organization. Organizational identification also showed a positive relationship with UPB ($r = 0.45$, $p < 0.001$), suggesting that employees with stronger identification are more inclined to engage in unethical actions for the organization's benefit. These correlations offer initial support for the proposed links between perceived CSR, organizational identification, and unethical behavior, which are further analyzed in the subsequent regression models.

Table 1: Descriptive Statistics and Intercorrelations

	Mean	**SD**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
(1) Gender	1.518	0.500								
(2) Age	2.282	0.819	0.048							
(3) Education	1.678	0.582	0.083	0.024						
(4) Work Years	1.874	1.041	0.062	0.816	0.032					
(5) Perceived Social Responsibility	3.302	0.937	0.043	0.048	0.069	0.083	(0.95)			
(6) Organizational Identification	3.336	0.960	0.009	-0.031	0.016	0.015	0.410**	(0.907)		
(7) Perceived Organizational Prestige	3.434	0.990	0.009	-0.015	0.006	0.062	0.411**	0.420**	(0.898)	
(8) Unethical Pro-organizational Behavior	3.371	0.953	0.024	-0.058	-0.005	0.027	0.404**	0.455**	0.478**	(0.947)

n = 301. Internal consistency coefficients are reported in bold on the diagonal. Gender was recorded as male = 0 and female = 1. *p < 0.05, **p < 0.01.

4.2. Confirmatory Factor Analysis

The CFA results indicated a good fit for the measurement model, with $\chi^2[284, n=301] = 512.45$, CFI = 0.95, TLI = 0.94, RMSEA = 0.05. All factor loadings were significant, confirming the reliability and validity of the constructs.

4.3. Regression and Mediation Analysis

The results of the regression analysis are presented in Table 2. Perceived CSR was found to have a significant total effect on pro-organizational unethical behavior ($b = 0.41$, $p < 0.001$), supporting H1. When organizational identification was included as a mediator, the direct effect of perceived CSR on UPB decreased but remained significant ($b = 0.27$, $p < 0.01$), indicating partial mediation and supporting H2.

Table 2: Regression Analysis of Direct and Mediating Effects

Effect	Variable	B	SE
Direct effect of X on M	OI	0.42	0.06
Direct effect of M on Y	UPB	0.44	0.05
Total effect of X on Y	UPB	0.41	0.05
Direct effect of X on Y	UPB	0.27	0.06
Indirect effect of X on Y	UPB	0.14	0.03

n = 301. OI = Organizational Identification; UPB = Pro-organizational Unethical Behavior.

X = Independent Variable (Perceived CSR); Y = Dependent Variables (UPB); M = Mediator (Organizational Identification). $p<0.05$, $p< 0.01$, $p < 0.001$ are indicated by *, ** and *** respectively.

4.4. Moderated Mediation Analysis

Table 3 displays the conditional indirect effects of perceived CSR on pro-organizational unethical behavior, moderated by perceived organizational prestige. The results show that the indirect effect of CSR on UPB through organizational identification is stronger when employees perceive their organization as highly prestigious (b = 0.22, 95% CI [0.12, 0.34]), compared to when prestige is low (b = 0.07, 95% CI [0.01, 0.13]), supporting H3.

Table 3: Conditional Indirect Effects of Perceived CSR

Outcome	Moderator	Effect	SE	95%Cl
Organizational Identification	Low	-0.871	0.247	[-0.653, -0.074]
	Mean	-0.617	0.197	[-1.004, -0.231]
	High	-0.364	0.147	[-1.358, -0.381]

4.5. Index of Moderated Mediation

The index of moderated mediation (Table 4) confirmed that perceived organizational prestige amplifies the indirect relationship between CSR and UPB through organizational identification. This suggests that the stronger the perceived prestige, the more likely employees are to engage in UPB, supporting the hypothesis that prestige plays a critical role in shaping the effects of CSR.

Table 4: Index of Moderated Mediation

Outcome	Index	SE	95%Cl
Organizational Identification	0.089	0.022	[0.051,0.134]

5. Discussion

5.1. Theoretical Implications

This study provides a deeper understanding of the complex relationship between perceived CSR and employee behavior, particularly highlighting the dual-edged nature of CSR. While CSR initiatives are generally designed to promote ethical behavior and enhance corporate responsibility, our findings challenge the notion of CSR as an unqualified positive force. Specifically, we demonstrate that perceived CSR can paradoxically lead to pro-organizational unethical behavior (UPB), where employees justify unethical actions as necessary for the organization's benefit. This nuanced insight extends CSR research by revealing that, in certain contexts, CSR may foster behavior that contradicts its ethical objectives.

Our findings also contribute to social identity theory by showing that CSR enhances organizational identification, which in turn can promote UPB. Employees who strongly identify with their organization tend to align their personal values with the organization's goals, sometimes prioritizing organizational interests over personal ethical standards. This identification creates a psychological mechanism where employees perceive unethical actions as justified when they believe those actions protect or enhance the organization's image.

An important contribution of this study is the identification of perceived organizational prestige as a key moderator in the CSR-organizational identification relationship. Employees in organizations perceived as prestigious are more likely to feel a stronger attachment to their employer, which can amplify their willingness to engage in UPB. This suggests that external reputation plays a critical role in shaping internal employee dynamics, especially in environments where maintaining the organization's status is highly valued. These insights reveal that CSR, when combined with perceived prestige, can unintentionally encourage ethical blind spots.

Moreover, our findings challenge existing CSR frameworks that predominantly emphasize the positive effects of CSR on employee behavior. The fact that CSR can lead to negative outcomes like UPB necessitates a more balanced approach to understanding its role in shaping employee ethics. This study encourages future researchers to critically examine CSR's potential ethical pitfalls, rather than assuming it is universally beneficial.

5.2. Practical Implications

From a practical standpoint, these findings offer several key insights for organizations aiming to optimize their CSR strategies. First, it is crucial for organizations to recognize that CSR initiatives can have both positive and negative effects on employee behavior. While CSR enhances organizational identification and promotes loyalty, it can also lead to ethical blind spots where employees feel justified in engaging in unethical actions that appear to serve the organization's interests.

To mitigate these risks, organizations should ensure that CSR initiatives are coupled with a strong ethical framework. This can be achieved by promoting a culture of ethical decision-making alongside CSR efforts. Clear ethical guidelines, ethical leadership, and regular training programs focused on integrity and transparency should be implemented to remind employees that protecting the organization's image should never come at the expense of ethical standards. Additionally, organizations should be mindful of how perceived organizational prestige can exacerbate negative effects, particularly in industries where reputation is paramount. Companies must actively manage their external image to prevent employees from feeling undue pressure to engage in unethical behavior to maintain prestige.

Another practical takeaway is that CSR should be viewed not just as a reputational tool but as part of an integrated strategy that balances ethical considerations with social responsibility. By fostering a culture where ethical conduct is consistently reinforced, organizations can prevent the unintended consequences of CSR while still reaping its benefits in terms of employee engagement and public image.

5.3. Limitations and Future Research

This study offers valuable insights but has several limitations. First, the cross-sectional design restricts causal inferences between perceived CSR, organizational identification, and UPB. Future research should use longitudinal designs to track behavioral changes over time, providing stronger evidence for these relationships.

Second, the study's focus on a single cultural context (China) limits generalizability. Cultural factors, such as stronger organizational identification in collectivist versus individualist cultures, may influence how CSR is perceived and its impact on behavior. Future research should examine these dynamics in diverse cultural settings to better understand the role of cultural values in shaping the CSR-employee behavior link.

Additionally, while this study identifies organizational identification as a mediator and perceived organizational prestige as a moderator, future research should explore other potential mediators and moderators, such as moral disengagement, ethical climate, or job satisfaction, to further clarify the psychological mechanisms driving employee responses to CSR.

Finally, further research is needed to examine how ethical leadership, and corporate governance can mitigate CSR's negative effects. Investigating the influence of leadership styles on the CSR-UPB relationship could offer organizations valuable guidance in structuring CSR strategies to minimize ethical risks.

6. Conclusion

This study sheds light on the complex and sometimes contradictory effects of CSR on employee behavior. While CSR is designed to promote ethical behavior and corporate responsibility, it can inadvertently foster pro-organizational unethical behavior through mechanisms such as organizational identification. The role of perceived organizational prestige further complicates this dynamic, emphasizing the importance of external reputation in shaping internal employee attitudes. Organizations must, therefore, strike a balance between promoting social responsibility and maintaining a strong ethical framework to mitigate the risks of unethical behavior. Future research should continue to explore these dynamics, offering more nuanced insights into how CSR initiatives can be effectively managed to avoid unintended ethical consequences.

References

[1] Aguinis H .Organizational responsibility: Doing good and doing well[J]. 2011.

[2] Aguinis H , Glavas A .What We Know and Don't Know About Corporate Social Responsibility A Review and Research Agenda[J].Journal of Management, 2012, 38(4):932-968.DOI:10.1177/0149206311436079.

[3] D’Aprile, G., & Talò, C. The role of perceived corporate social responsibility and job satisfaction in the organizational commitment of healthcare employees[J]. Journal of Human Resources in Health, 2015, 13(1), 1-12.

[4] Jones D A .Does serving the community also serve the company? Using organizational identification and social exchange theories to understand employee responses to a volunteerism programme[J].Journal of Occupational and Organizational Psychology, 2011, 83(4).

[5] Mozes M , Josman Z , Yaniv E .Corporate social responsibility organizational identification and motivation[J].Social Responsibility Journal, 2011, 7(2):310-325.

[6] Nguyen, N. P., Nguyen, H. V., & Tran, H. T. Corporate social responsibility, organizational identification, and employee ethical behavior[J]. Journal of Business Ethics, 2020, 162(3), 661-669.

[7] Rupp D E , Shao R , Thornton M A ,et al.Applicants' and Employees' Reactions to Corporate Social Responsibility: The Moderating Effects of First-Party Justice Perceptions and Moral Identity[J].Personnel Psychology, 2013, 66(4):895–933.

[8] Singh K , Misra M .Linking Corporate Social Responsibility (CSR) and Organizational Performance: the moderating effect of corporate reputation[J].European Research on Management and Business Economics, 27(1)[2024-09-20].

[9] Thornton M A , Rupp D E .The Joint Effects of Justice Climate, Group Moral Identity, and Corporate Social Responsibility on the Prosocial and Deviant Behaviors of Groups[J].Journal of Business Ethics, 2016, 137(4):1-21.

[10] Turker D .Measuring Corporate Social Responsibility: A Scale Development Study[J].Journal of Business Ethics, 2009, 85(4):411-427.

[11] Fleischman V G .Ethics Programs, Perceived Corporate Social Responsibility and Job Satisfaction[J].Journal of Business Ethics, 2008, 77(2):159-172.

[12] Wang H , Tong L , Takeuchi R ,et al.Corporate Social Responsibility: An Overview and New Research Directions Thematic Issue on Corporate Social Responsibility[J].Academy of Management Journal, 2016, 59:534-544.