

Taking a hit to save the world? Employee participation in a corporate social initiative

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Research Summary: Companies often justify their corporate social initiatives by citing talent management benefits. We examine the extent of, and the reasons for, employee interest in such an initiative in a global management consulting firm. We find a large fraction of employees to be interested in participation in the initiative even when participation requires a personal sacrifice in the form of a salary cut. However, this interest is driven not just by prosocial motivation: Expectations regarding private benefits, such as improved career prospects from new skills acquired, also play a role. Considerations of social impact and private benefits are equally salient when no salary cut is required, but private considerations become more prominent when participating employees are asked to accept a salary cut.

Managerial Summary: Many companies are moving from stand-alone corporate social responsibility (CSR) projects to social initiatives integrated into strategy. Providing employees with the opportunity to participate in such initiatives is said to help attract, motivate and retain talent. In this study, carried out in collaboration with a management consulting firm, we examine how much and why employees value participation in a corporate social initiative. Based on interviews and survey data, we find that employees are not only interested in, but often even willing to accept, a temporary salary cut for the opportunity. However, altruistic motivation is not the only driver of this interest: Employees also expect and value the possibility that the experience would lead to private benefits, such as developing skills likely to enhance their career prospects.

KEY WORDS

careers, corporate social responsibility (CSR), employee engagement, management consulting, strategic human capital

1 | INTRODUCTION

In response to pressures from various stakeholders, firms are becoming increasingly involved in helping address major societal issues (Henisz, Dorobantu, & Nartey, 2014; Margolis & Walsh, 2003). As many as 95% of the world's largest firms not only engage in some form of prosocial activity, but also provide detailed reporting on these activities (KPMG, 2011). Managers and academics alike have argued that corporate social engagement can often go hand-in-hand with commercial performance (Eccles, Ioannou, & Serafeim, 2014). Rather than being marginal, societal considerations are therefore becoming an integral part of business strategy, manifested in terms such as *stakeholder strategy*, *base-of-the-pyramid strategy*, *social innovation*, *creating shared value*, and *strategic CSR* [corporate social responsibility] (Crane, Palazzo, Spence, & Matten, 2014; Freeman, 2010; Porter & Kramer, 2011; Prahala, 2009).

The debate on the role of business in society has progressed beyond *whether* firms should engage in societal issues to *how* they can best engage. Our study contributes to the literature on how a corporate social initiative can create value from a human capital management perspective. Specifically, we explore employee interest in, and possible willingness to even accept a salary cut for, participating in a corporate initiative that explicitly aims to pursue societal goals. While the literature on corporate social engagement focuses almost exclusively on the prosocial motivation of employees (Bode, Singh, & Rogan, 2015; Burbano, 2016; Carnahan, Kryscynski, & Olson, 2017; Flammer & Luo, 2017; Glavas & Godwin, 2013; Grant, 2007), our findings indicate that employees also expect and value private benefits associated with their participation, such as career advancement through knowledge and skills they acquire through the experience.

Recent years have seen a proliferation of corporate initiatives providing employees with an opportunity to be involved in projects with explicit social impact goals, often in partnership with nonprofit organizations (Gatignon, 2015; Marquis & Moss Kanter, 2009; Murray, 2016). For example, 8,000 employees participated in diverse projects in one such cross-sectoral initiative, which involved leading companies like Google, IBM, Intel, John Deere, JP Morgan Chase, Medtronic, Merck, and PWC (Pyxera, 2014). In the past, employee participation in such projects was typically short-ranging from a few hours to a few days a year. But, increasingly, corporate programs allow longer-term involvement, letting employees focus on social impact work for weeks or even months at a time. Our research context is one such corporate social initiative.

Regardless of the length or intensity of their social initiatives, companies typically expect the participating employees to derive an enhanced sense of fulfillment and meaning from their engagement, and a perceived "fit" between their own values and the values of the organization (Chatman, 1991; Greguras, Diefendorff, Carpenter, & Treter, 2014; Wilson, 2000). Past empirical research has demonstrated that a firm's corporate social engagement can indeed facilitate recruitment (Jones, Willness, & Madey, 2014), and improve employee identification (Glavas & Godwin, 2013) and retention (Bode et al., 2015; Carnahan et al., 2017). From a strategic human capital point of view, participating in corporate social initiatives might thus provide intangible rewards for employees, such as personal meaning (Glavas & Kelley, 2014). These types of initiatives are therefore increasingly seen as an important lever for talent management, especially in human capital-intensive settings like professional service firms—where reliance exclusively on financial rewards has its limits (Anand, Gardner, & Morris, 2007; Chatain & Meyer-Doyle, 2017).

Given the intangible benefits some employees perceive from participation, providing them with an opportunity to engage in a corporate social initiative has the potential to boost overall value creation (Brandenburger & Stuart, 1996; Obloj & Zemsky, 2015). Having facilitated creation of additional value, a firm might attempt to appropriate some of it in two ways. First, it might rely on benefits from employee participation to accrue naturally in the form of increased employee motivation or commitment (Brammer, Millington, & Rayton, 2007; Glavas & Kelley, 2014). Second, it might explicitly employ a “compensating differentials” logic to appropriate value by reducing the wages paid to the employees deriving intangible benefits—much like scientists are often paid less in return for freedom in pursuing their research interests (Roach & Sauermann, 2010; Sauermann & Roach, 2014; Stern, 2004).

Recent experimental studies have demonstrated that individuals are often willing to accept lower compensation for work associated with a positive social impact (Burbano, 2016; Frank & Smith, 2014). Although these studies provide robust econometric identification in the context of cleanly designed experiments, they leave significant room for further research into the nuances of employee motivations and behavior in actual corporate settings. For example, it is hard for experiments to capture how long-term employment relationships as well as a myriad of personal motivations affect how employees perceive benefits and sacrifices associated with prosocial projects. Our study therefore attempts to complement the above experimental studies by examining employee interest in, and possible willingness to accept personal financial sacrifice for, the opportunity to participate in a corporate social initiative.

We investigate employee expectations regarding the benefits they might derive in two scenarios: One where their participation requires them to accept a (temporary) salary cut, and another where it does not. The context of our study is a management consulting firm with a corporate initiative designed to take on projects serving development sector clients and not-for-profit organizations. In order to help make the initiative commercially viable, the firm requires employees to sacrifice part of their salary for the duration of their participation. This provides a natural setting to study employee interest in and willingness to sacrifice for the experience.

Our examination of employee motivations reveals that, as suggested by the extant literature (Bunderson & Thompson, 2009; Glavas & Kelley, 2014; Grant, 2007), the expectation of contributing to society is indeed a salient consideration for many employees. However, we also find that prosocial motives are not the only, and not necessarily even the most dominant, consideration: Employees are often focused also on private benefits when participating in the social initiative. In line with a recent study by Burbano, Mamer, and Snyder (2017) that finds corporate social engagement to be a career management tool, we find such expectations of private career benefits to often be a critical driver of employee interest. While the prosocial and private benefit considerations seem to be of comparable importance to employees when no salary reduction is required, the latter becomes even more salient when there is an associated salary cut.

When considering firms as the unit of analysis, the strategy literature often sees the motivation for corporate social engagement as instrumental, such as avoiding negative stakeholder events (Henisz et al., 2014), increasing customer loyalty (Brown & Dacin, 1997), and increasing employee commitment (Turban & Greening, 1997). Yet, when considering the micro-level behavior of employees, the literature almost exclusively focuses on their prosocial motivations, ignoring instrumental reasons behind employee interest in social initiatives. Our findings serve as an important reminder that firms wishing to derive strategic human capital benefits by involving employees in their social engagement ought to consider the employee experience and perceived value in terms of not only their social impact, but also private benefits.

2 | EMPLOYEE INTEREST IN CORPORATE SOCIAL INITIATIVES

2.1 | Expectations of social impact versus private benefits

Work domains concerned with positive social impact creation and making money are often portrayed as corresponding to two distinct institutional logics (Battilana & Dorado, 2010; Pache & Santos, 2010), with individuals expected to adhere to one logic or the other. However, in settings like a corporate social initiative, the “compensating differentials” theory offers an alternate perspective for understanding the multi-dimensional motivations that might drive employees (Daw & Hardie, 2012; Goddeeris, 1988; Sauermann & Stephan, 2013; Smith, 1979). Viewed through this lens, a part of employee interest in participating in social initiatives might be driven by self-focused reasons unrelated to the social mission of the initiative.

It is well established that different individuals demonstrate preferences for different types of work (Daw & Hardie, 2012; Jovanovic, 1979), and that employees are often willing to accept lower wages in return for job characteristics they consider desirable (Goddeeris, 1988; Rosen, 1986; Smith, 1979). In the case of knowledge workers, research has found that being able to define their work in line with their personal interests is a particularly important consideration (Bartling, Fehr, & Hertz, 2014). Relatedly, scientists are known to compromise on their earnings in order to retain freedom in pursuing their research agenda (Agarwal & Ohyama, 2013; Roach & Sauermann, 2010; Sauermann, Cohen, & Stephan, 2010; Stern, 2004). Similar findings exist regarding individuals who pursue entrepreneurial careers, which they can shape themselves (Roach & Sauermann, 2015; Stuart & Ding, 2006).

In the context of social impact work, wages are often lower in sectors and organizations where employees engage directly in societal issues (Andreoni, 1990; Besley & Ghatak, 2005; Tonin & Vlassopoulos, 2010). Although this wage differential may in part reflect differences in the nature of the work, the intrinsic motivation of workers has also been shown to be an important driver (Killingsworth, 1987; Kitzmueller & Shimshack, 2012; Leete, 2001; Mocan & Tekin, 2003). Some people derive psychological benefits from prosocial behavior (Dunn, Aknin, & Norton, 2008; Erat & Gneezy, 2011; Gneezy, Imas, & Madarasz, 2014), thus valuing the opportunity to have a positive impact even if wages are lower (Bauman & Skitka, 2012; Bunderson & Thompson, 2009). In a corporate context, engaging in prosocial activities can similarly help employees find meaning (Glavas & Kelley, 2014; Rodell, 2013), hence fostering a perception of congruence between their values and those of the firm in order to enhance perceptions of “fit” (Chatman, 1991; Greguras et al., 2014).

However, empirical evidence points toward prosocial preferences as being secondary to private motivations in explaining human behavior (Fehr & Fischbacher, 2002). Therefore, it is intriguing that the literature on corporate social engagement has focused almost exclusively on prosocial motivations when considering why employees value participation in such initiatives. Specifically, the link between corporate social engagement and employee-related outcomes like recruitment, motivation, and retention are either implicitly or explicitly assumed to be derived from intrinsic benefits employees receive by helping society (Bode et al., 2015; Carnahan et al., 2017; Flammer & Luo, 2017; Glavas & Godwin, 2013).

Yet, prosocial motivations need not be the sole reason for why employees value a social initiative. While an individual *initiating* a corporate social initiative may often be driven by a prosocial motivation (Davis & White, 2015), the motivation of at least some of the employees choosing to *participate* in the initiative might be different—much like preferences of founders and late joiners have been shown to be different in the context of entrepreneurial ventures (Roach & Sauermann,

2015). Further, evidence from behavioral economics leads to skepticism regarding the extent to which a desire to help others translates into a willingness to accept a *substantial* personal sacrifice. According to the “warm glow” theory of prosocial behavior, much of the utility individuals derive in prosocial contexts comes from the mere *act* of helping others: Individual utility does not increase much with the *extent* of help provided (Andreoni, 1990; Carson, 2012; Imas, 2014; Singh, Teng, & Netessine, 2017). Thus, it seems important to also consider *private* benefits that employees might receive from participation in a social initiative, especially in settings where the warm glow from helping others does not suffice in covering significant private costs that might be involved.¹

Employee participation in a corporate social initiative is rarely associated with immediate financial rewards: In fact, it might even involve a personal financial sacrifice (for example, in the form of a temporary salary cut for the duration of their participation in our empirical context). However, participation might nevertheless offer certain private benefits that justify the private costs. Specifically, in line with the life cycle model of human capital investment (Agarwal & Ohyama, 2013; Becker, 1962), the unique experiences of employees participating in different types of work could build human capital in a way that increases future earnings potential.

Participating employees might experience professional development in the form of acquiring new skills they can subsequently apply even in their commercial jobs (Grant, 2012; Grant & Berry, 2011). For example, while commercial projects in professional service firms are often executed by large teams led by senior managers, corporate social initiatives tend to have smaller teams that allow for “stretch” roles (Burbano et al., 2017). Given the pressure to minimize the organization’s financial burden, social initiatives (with tight budgets) also often require creative approaches to problem solving under resource constraints. Similarly, leadership skills acquired in working with diverse stakeholders—like government agencies, not-for-profit organizations, and customers at the so-called “base of the pyramid”—could also be of significant value for an individual’s future career. Corporate social initiatives might also garner widespread interest and admiration, offering a way for employees to impress their peers or managers. Finally, participation might be interpreted as a signal of commitment from an employee, especially if associated with tougher working conditions or personal sacrifice. Overall, these arguments lead us to conclude that expected private benefits should play a critical role in the level of interest an employee displays in participating in a corporate social initiative:

Hypothesis 1 (H1) *The interest in participation in a corporate social initiative will be greater for employees with a higher expectation of deriving private benefits through the initiative.*

2.2 | Effect of requiring a salary cut?

We have so far argued that, in addition to the prosocial considerations that have been the focus of prior literature on employee participation in social initiatives, private benefits (such as career benefits employees perceive) might also be an important consideration in determining employee interest. We now discuss how employee perceptions regarding social impact and private benefits might differ in relative importance across two different scenarios: one where participation is associated with a personal financial sacrifice (in the form of a temporary salary cut), and another where it is not. Requiring participating employees to accept a salary cut appears to be one way for the firm to

¹This concern has parallels with a view in the marketing literature that the commonly invoked image of an “ethical consumer” might be exaggerated: Willingness to pay a significant premium for a product is often driven, not by societal impact consideration, but by the private benefits the product brings (Devinney, Auger, & Eckhardt, 2010).

appropriate a share of the intangible value that participating employees perceive. Understanding employee interest in a scenario where participation also requires a salary cut would help shed light on the financial trade-off employees are willing to make, and also how the salary cut requirement might itself change the nature of employee motivation.

Literature in psychology, going as far back as Maslow (1943), has argued that human motivations are complex: Behavior is often driven by a range of needs, which vary across circumstances. Attaining personal meaning and deriving satisfaction from helping others are sometimes considered “higher order needs,” becoming particularly salient once more basic needs like financial and personal safety have been adequately met. Recent studies have found evidence supporting such a hierarchy of needs globally, and have related these findings to evolutionary theory (Hill & Buss, 2007; Kenrick, Griskevicius, Neuberg, & Schaller, 2010; Tay & Diener, 2011). In line with these arguments, empirical research has found that employees in low-income contexts (Doering, 2016) might not value the prosocial nature of their work to the same degree as employees who are well-off financially and who are often the focus of studies on corporate social engagement or volunteering (Bode et al., 2015; Glavas & Kelley, 2014; Rodell, 2013).

Higher order needs are typically seen not as replacing basic needs, but becoming activated in situations where the latter are perceived to have been met. This implies that, in a situation where participation in a corporate social initiative is associated with a salary cut, and hence, lower personal income, even relatively well-off employees may perceive hardship: for example, in terms of difficulty in making mortgage payments for a house purchased under certain salary assumptions or affording material comforts they consider commensurate with their status. Having to accept a personal financial sacrifice may therefore prompt employees to become more focused on potential private benefits even when involving an impact-centered initiative. Thus, when a salary cut is involved, the importance attached to private benefits should increase relative to the attainment of higher-order psychological needs such as those derived by helping society.

An additional consideration is that a firm requiring employees to accept a sacrifice could be perceived by its employees as being overly instrumental. Employees might feel they are being unjustly asked to carry the burden of the firm’s social engagement, something that is the responsibility of the firm—especially when it provides intangible benefits to the firm (e.g., enhanced reputation). This perceived injustice—where the firm is seen as receiving the benefits from social engagement without having to bear the corresponding costs—might prompt employees to become more sensitive to private considerations in order to establish a relationship where each party extracts “fair” value (Fehr & Fischbacher, 2002; Rupp, Ganapathi, Aguilera, & Williams, 2006).

Summarizing the above arguments, imposing a salary cut for participating in a social initiative would result in an increase in the relative importance employees attach to private benefits compared with social impact benefits they associate with it. Formally, we propose:

Hypothesis 2 (H2) *In determining employee interest in a corporate social initiative, the importance of the perceived private benefits relative to that of the perceived social impact will be greater when a financial sacrifice is required.*

2.3 | Perceived social impact and private benefits: substitutes or complements?

In the discussion above, we have examined two potential types of employee expectations from participation in a corporate social initiative—those related to long-term private benefits (such as better

career prospects) and those related to social impact—across scenarios that differ in whether or not a participating employee has to accept a financial sacrifice in the form of a temporary salary cut. We now consider whether, even within either scenario, there might be a further interaction effect between the two types of expectations in determining employee interest in participation. In other words, we investigate whether the two types of expectations regarding potential benefits employees see from participation might serve as either substitutes or complements in driving employee interest.

In a broader stream of literature on individual motivation, several studies have reported evidence that introducing financial incentives into prosocial activities can crowd out intrinsic motivation (Benabou & Tirole, 2006; Hossain & Li, 2013), in line with a view that the willingness of individuals to engage in intrinsically rewarding behavior gets reduced once they are offered financial compensation for a task they would have been motivated to carry out anyway (Titmuss, 1970). In our context of participation in a corporate social initiative, it might similarly be the case that the expectation of receiving private benefits has an effect analogous to financial rewards in the traditional crowding-out scenario. In other words, private benefit taking the form not of immediate financial compensation, but of long-term personal gains (such as career benefits), might still represent a form of extrinsic reward that can crowd out the effect of prosocial motivation as driver of employee interest.

Empirical studies related to crowding out theory typically consider a financial reward being introduced as an intervention into a scenario where intrinsic motivation already elicits prosocial behavior (e.g., donating blood to strangers). In our setting, it is similarly possible that certain employees might have been interested in taking part in the initiative even if there were no associated private benefits—entirely because of the expected social impact. Indeed, this is the starting point of much of the literature on employee engagement through corporate social initiatives (Bode et al., 2015; Burbano, 2016; Carnahan et al., 2017; Glavas & Godwin, 2013). However, as previously argued, such initiatives might also be associated with certain private benefits (such as better career opportunities after unique learning opportunities from the experience). If the mechanisms laid out in crowding-out theory do generalize to our context, this expectation of deriving private benefits might crowd out the effect that the expectation of social impact has on employee interest (i.e., the two kinds of expectations would act as substitutes).

Several explanations have emerged regarding the mechanisms underlying the crowding-out effect, and the conditions under which it may be expected to occur (Ashraf, Bandiera, & Jack, 2014; Eisenberger, Rhoades, & Cameron, 1999; Frey & Jegen, 2001). Researchers have argued that a focus on extrinsic rewards (in our setting, on private benefits like career enhancement) might change individuals' perceptions of the nature of the task, and possibly, even of themselves (Bem, 1972; Frey & Jegen, 2001). This argument is often invoked in the debate regarding the effectiveness of the current penal system by people pointing out that, by receiving punishment for committing a crime, individuals may experience a reduction in self-motivation to refrain from further criminal behavior (Akerlof & Dickens, 1982). Similarly, in our context, attributing one's interest in a corporate social initiative to potential private benefits might also dilute an individual's self-image as being someone who genuinely values the opportunity to create social impact.

While the above arguments relying on a logic analogous to the crowding-out theory suggest that the two kinds of employee expectations in our context might be substitutes in driving interest in participation, this prediction is not theoretically unambiguous. Traditional models of work motivations have often argued that intrinsic and extrinsic motivations are, in fact, additive in such a way that job satisfaction is derived simply from the combination of intrinsic and extrinsic benefits (Herzberg, Mausner, & Snyderman, 2011; Porter & Lawler, 1968). Going further, one could even make an argument that allows for the possibility of them being complements instead. For example, according

to self-determination theory, the crowding out of intrinsic motivation is thought to occur in situations where individuals perceive a loss of autonomy or control, and when their self-determination is thus threatened (Frey & Jegen, 2001). Making the argument in reverse, in settings where individuals feel autonomous in choosing the course and result of their actions, intrinsic and extrinsic motivations could therefore act as complements (Gagné & Deci, 2005; Osterloh & Frey, 2000).

In the context of a corporate social initiative, where participation is voluntary rather than mandatory and private benefits are also determined by future choices a participating employee expects to make (e.g., in selecting among career paths that leverage the newly acquired skills to varying extents), employees might indeed perceive a significant sense of self-determination. This makes it theoretically possible that the potential for deriving private benefits *increases* the effect of perceived social impact on employee interest. Our arguments therefore lead to an ambiguity in terms of prediction regarding expectations of private benefits and social impact acting as substitutes or complements. Rather than making a prediction about this here in the form of a formal hypothesis, we therefore leave this as an issue to be examined empirically.

3 | RESEARCH CONTEXT

Our research context is the management consulting sector, a setting where human capital management is seen as critical for competitive advantage but finding ways to keep employees engaged and loyal can be challenging (Groysberg, Lee, & Nanda, 2008; Singh, Hansen, & Podolny, 2010). The firm we study had launched an initiative with a social impact mission in 2002 (which we will refer to as Corporate Social Initiative, or CSI, for confidentiality reasons). The initiative involved making consulting more inclusive by facilitating projects addressing major societal issues. CSI was started by a senior manager returning from a year-long sabbatical, where he had worked on issues related to economic development. His idea was to extend the firm's consulting offering to social-purpose clients like nonprofit organizations, foundations, and development organizations, who were normally unable to afford the firm's services. Importantly, the services were not provided for free: CSI clients were charged a reduced fee.

While the founder's personal motivation was to help address societal problems by leveraging the firm's unique capabilities, for making a "business case" for CSI he relied on a strategic human capital management logic: Employees would value participating in projects with a social impact, and this would improve motivation and retention. To ensure the financial viability of CSI despite its lower associated fees, participating employees also had to accept reduced expense budgets as well as a personal salary cut (25% for a project in a developed country and 50% in an emerging market).

CSI staffing proceeded in three steps. First, interested employees applied for CSI projects from a list (with project descriptions) posted on the company's intranet. Second, the staffing manager made offers based on skills fit, minimum level of performance rating, and scheduling match based on availability. Third, employees accepted or declined the offers they received. Between 2002 and 2013, more than 1,000 employees participated in CSI, accepting salary cuts that exceeded \$28 million in total. In terms of the tasks and skills required, CSI projects were similar to commercial projects, typical examples being supply chain optimization for a development agency to distribute vaccines in Africa and advising a sustainability-focused nonprofit on promoting environment-friendly practices worldwide.

4 | INSIGHTS FROM INTERVIEWS WITH EMPLOYEES

To supplement our theoretical explanation of why employees may be willing to accept a salary cut to participate in CSI, we relied on qualitative evidence from 32 interviews conducted with 20 participants (including 12 interviewed both before and after their CSI participation). This mixed-method approach bolsters our confidence in the findings (Sieber, 1973; Small, 2011), and the interviews formed the basis for the design of a survey we later administered inside the firm.

Interviews lasted about one hour each, followed an inductive approach, and were transcribed (Eisenhardt, 1989; Gioia, Corley, & Hamilton, 2013). We coded all interviews for mentions of perceived benefits into categories. A key finding was that employees expected to derive both types of benefits from participation: some pertaining to having a social impact as suggested by the literature; others, to private benefits as hypothesized above. Of the 20 informants, 15 reported some expectation related to having a social impact. For example, one former participant stated:

I know that it's not the best career move. The main thing is that I'm able to do work that interests me and that I find meaningful. I very much enjoy the challenge of taking what we were doing with our commercial clients and applying it to a new client, and believing more in the outcome, thinking that I am making more of a difference with my work and my time than helping increase share price.

Table 1 provides diverse illustrative quotes of how some interviewees expected to have a social impact through CSI participation. From the interview transcripts we came up with four inter-related questions to include in our survey that cover the various possibilities raised as plausible expectations related to social impact: (a) "My work with [CSI] would make the world a better place," (b) "My work with [CSI] would make a difference," (c) "[CSI] could allow me to give back to society," and (d) "[CSI] could provide me with a personally meaningful assignment."

In addition to a prosocial motivation, the interviews also reflected employees viewing CSI participation as a way to derive private benefits beyond the satisfaction of helping others. Of the 20 individuals interviewed, 14 expressed some expectation of a private benefit. For example:

A [CSI] project is not allowed to have big budgets, your project teams are a lot smaller and you are doing a project end-to-end. So the learning curve is great. You're doing several people's work and in a much shorter time than you would normally do it. The people who've done [CSI] end up being much more rounded and better performers.

Most of the comments regarding private benefits were related to people's career either with or subsequent to the firm. Table 2 provides illustrative quotes. While career-related benefits might not be the only private benefits employees generally expect from such initiatives, these do appear to be salient, at least in our context. Going through all the transcripts in order to create questions that covered all the possibilities raised, we came up with four inter-related possibilities to include in the survey: (a) "[CSI] could help my career at [the firm]," (b) "[CSI] could help my career after [the firm]," (c) "[CSI] could make me a better consultant," and (d) "[CSI] could provide me with skills I could apply to commercial projects."

5 | SURVEY-BASED RESEARCH DESIGN

Our quantitative analysis relies on data from a survey we designed specifically for this research, targeting all employees in the firm's U.S., Canada, U.K., and Ireland offices. An

TABLE 1 Illustrative quotes: social impact benefits from participating in CSI

- [1]: “As a Christian, I want to make sure that my work is aligned with my views and my ethics, where I think trying to make a difference to people's lives in the most tangible way possible would be doing more development work rather than more original strategy.” (Informant #9)
- [2] “It [seeing the people your work is relevant for] is just so much better than being in front of your laptop doing some random work or if you are lucky you do get some points for the senior manager and if you are lucky you are allowed to attend the workshop otherwise the team the managers tell how the workshop went and it's frustrating. I just realize how much better this kind of work is, that's actually the main reason I want to move into [CSI].” (Informant #3)
- [3]: “Driving of the shared value, that's the main agenda every client we worked with. [CSI] is the only avenue with [the firm] where we were working for someone whose agenda is a social development, growth. Growth which really means growth. It's something that gave me I thought I should add value to the society by doing, by giving back what I have earned lot from my commercial clients. So why not apply those learnings in a social environment and really help a certain economy, certain factor of people get benefit out of it.” (Informant #11)
- [4]: “Some of the feedback that I got [from previous participants] was that the experience of working with different NGO clients and just the feeling of working for a nonprofit organization, my friends felt that they made a larger or a bigger difference and the work itself was much more fulfilling. That was one reason.” (Informant #5)
- [5]: “I think there's lots of room to improve the quality of people's lives in, say, Africa, with economic growth...in the long term will really make a difference. I think contributing to that in some way through partnerships between business and the development sector will be a really exciting part of my career.” (Informant #9)
- [6]: “In [CSI] I would be working on ensuring that everyone in the country is properly vaccinated...the main agenda is to ensure that people have proper vaccination..the idea is not to earn profit. Idea is to get the population vaccinated which seems to be more social cause to me. That's much more human than just earning money, money is secondary in front of those things. It gives more satisfaction.” (Informant #11)
- [7]: “The first reason to do a [CSI] project is the ability to work in a very different sector, international development, which is a meaningful and impactful place to actually work and make a contribution, for a start giving something back.” (Informant #13)
- [8]: “So that's one of the big reasons why I want to do something like [CSI]. I want to use the skill sets that I developed the past couple of years into something that really has so much more of a social impact on other countries and other people and really improve the lives of others, that's really a lot more fulfilling.” (Informant #6)
- [9]: “In my heart, I feel satisfied that I am giving something back to society as well.” (Informant #12)
- [10]: “I remember being quite frustrated by what I was doing, and I felt I really needed to do something a little more meaningful... something where I felt I had a lot more direct impact. I was immediately interested in doing something of that nature [CSI] because I thought I could have a lot more direct impact.” (Informant #15)
- [11]: “We are working with such passionate people, when they talk about these issues, you really felt like you were actually doing something meaningful.” (Informant #4)
- [12]: “It is more meaningful than working with clients that help reorganization to lay off some people so that they can make a bunch of money.” (Informant #8)

email (including a link to the web survey) was sent in August 2013 from the account of a senior leader, requesting employees to fill out a survey on “career options with social impact” being carried out “in collaboration with an academic institution.” A week later, a reminder email was sent.

No incentives were provided for participating in the survey, and employees were assured individual responses would not be shared with the firm. Of the 6,182 individuals targeted, we received 665 completed surveys. Past CSI participants were more likely to respond than non-participants: The response rate for the population as a whole was 11% (665 out of 6,128), and for the subset who had participated in CSI, was 30% (113 out of 373). As with any survey-based research, a concern we had was that over-representation of certain segments (e.g., altruistic CSI participants) could make the findings hard to generalize from. To mitigate this concern, our analyses focus mainly on the mass of employees who had *not* participated in CSI in the past. Excluding the subset of people whose perceptions might have been colored by their past CSI experience also makes it more justifiable to compare stated preferences across individuals.

Key characteristics of the employee population according to the firm's HR records as well as our survey sample appear in Table 3. Due to confidentiality concerns, we were not provided with

TABLE 2 Illustrative quotes: private (career) benefits from participating in CSI

- [1]: "I heard from other peers who'd done [CSI] that it gives you a lot of visibility with senior leadership. That was one of the selfish reasons to go for [CSI]." (Informant #12)
- [2]: "So I've seen in the last two years...people have come through [CSI] and got promoted on the back of doing a good job in [CSI], and also going back to commercial and being seen to be a higher performer." (Informant #14)
- [3]: "I think at the moment, after my six-month stint I'll go back to commercial. I still enjoy the commercial work that I do. I think it would be good to make a team to manage a project of my own, to probably potentially make manager and then make the switch to development or to then re-evaluate development." (Informant #9)
- [4]: "And it goes on your résumé as well. When you put in your résumé the locations that you've worked at, it adds on, especially when you have multi-locations in terms of key projects. It helps with how you sell yourself." (Informant #18)
- [5]: "I've always viewed an [CSI] assignment as a potential beginning to have a different chapter in my career. And so I've already started to think about development as a career option." (Informant #6)
- [6]: "I think this type of experience from an emerging part of the world would be valuable because there are companies who are looking to access these areas." (Informant #1)
- [7]: "It's giving a major opportunity to take on greater responsibility than in commercial roles, to work in an emerging market with a different client type, on a different type of problem. So people come back more global thinkers, more versatile problem-solvers, and better placed, better able to deal with the challenges that come up as you become more senior as a consultant." (Informant #16)
- [8]: "But the other bit, which is I think been relevant for the commercial area, is having done these projects, where the scope was so wide and you'd be left on your own, you dealt with a number of things which normally you would leave to someone else in the firm to do. So again, it is to be able to work with a wide range of client stakeholders, and to effectively manage scope, which is all what consulting is about, actually." (Informant #20)
- [9]: "Everybody I have talked to said the [CSI] project was the best thing that they have done in their lives professionally. For my own career perspective, I'm learning a lot because I'm doing an entire operating model redesign on my own, essentially. I would never get to do that on [a commercial project]." (Informant #8)
- [10]: "So in terms of growing my own confidence and my own skills.... I was thinking that I needed to grow independently and without air cover. Do I want to do that in a commercial practice or at a place which is not quite that popular in terms of client demands, so I thought why not do [CSI]?" (Informant #8)
- [11]: "In [CSI], you tend to work on small, strategic projects, working at the C-suite level, which, compared to mainstream work, which has much larger projects and, as a relatively junior person, you're a smaller cog in a bigger wheel. So I was kind of attracted by that stretched role that the [CSI] model has." (Informant #13)
- [12]: "The typical [CSI] role means you take on much more responsibility than you would do in a commercial project. The teams are normally three to five people, as opposed to the commercial that could be 10 to 100 people. So you end up being much more responsible and accountable. So you develop leadership skills quicker, and you need to learn a new context. You're typically in a developing country with different languages, cultures, different sorts of people. So the sort of career development, professional development skills I think are to be gained from doing an [CSI] project and are immeasurable." (Informant #14)

comprehensive one-to-one mapping between the HR records and survey data. However, it is reassuring that the corresponding characteristics of CSI participants and non-participants appear to follow a similar pattern across the two data sets.²

5.1 | Construction of variables

Table 4 summarizes our variables, and the corresponding survey questions are provided in Appendix S1. As respondents included past participants as well as non-participants (i.e., employees who had not participated in CSI so far), the two groups were taken through different survey questions following an initial question: "Have you ever participated in a [CSI] assignment?"

²We also checked the consistency across logistic models estimating the likelihood of participation in CSI using data from the survey responses and the HR data. We found the results to be similar in terms of coefficient estimates for variables *Female*, *Age*, *Tenure*, and *Career Level* (formally defined in Table 4), which is also reassuring.

TABLE 3 Characteristics of the employee population versus the survey respondents

	Employee population		Survey respondents			
	All employees (1)	CSI participants (2)	All respondents (3)	CSI participants (4)		
<i>Gender</i>						
Male	3,526	(57%)	184	(49%)	310	(47%)
Female	2,656	(43%)	189	(51%)	355	(53%)
<i>Age (years)</i>						
Under 25	1,111	(18%)	4	(1%)	111	(17%)
25–30	1,500	(24%)	86	(23%)	216	(33%)
30–35	1,393	(23%)	145	(39%)	133	(20%)
35–40	848	(14%)	84	(23%)	68	(10%)
Over 40	1,323	(21%)	54	(14%)	131	(20%)
Missing	2	(0%)	0	(0%)	6	(1%)
<i>Tenure (years)</i>						
Under 3	3,211	(52%)	26	(7%)	366	(55%)
3–5	930	(15%)	92	(25%)	97	(15%)
5–7	701	(11%)	79	(21%)	69	(10%)
7–10	691	(11%)	100	(27%)	72	(11%)
Over 10	647	(10%)	76	(20%)	61	(9%)
<i>Career level</i>						
Analyst	1,497	(28%)	11	(3%)	180	(27%)
Consultant	1,512	(28%)	119	(32%)	187	(28%)
Manager	1,234	(23%)	136	(36%)	153	(23%)
Senior Manager	1,117	(21%)	104	(28%)	114	(17%)
Leadership	4	(0%)	3	(0%)	28	(4%)
Missing	818	(13%)	0	(0%)	3	(0%)
<i>Business Education</i>						
MBA	–	–	185	(28%)	28	(25%)
Non-MBA	–	–	472	(72%)	84	(75%)
Missing	6,182	(100%)	373	(100%)	8	(1%)
<i>Home country</i>						
Canada	333	(5%)	21	(6%)	35	(05%)
Ireland	171	(3%)	6	(2%)	17	(03%)
United Kingdom	1,953	(32%)	124	(33%)	165	(26%)
United States	3,725	(60%)	222	(60%)	430	(66%)
Missing	0	(0%)	0	(0%)	19	(3%)
Total	6,182		373		665	
					113	

5.2 | Dependent variables

We employ three dependent variables to capture employee interest in CSI. First, *Interest without salary cut* is based on a question asking the non-participant sample about their level of interest for CSI participation in a scenario where no salary cut is required. Second, *Interest with salary cut* measures the level of interest of the non-participant sample for participation in a scenario where a salary cut is required (as per the existing CSI policy). Finally, *Maximum salary cut* is based on a question asking

TABLE 4 Variable definitions and summary statistics

Variable	Definition	Mean	(Std Dev)
<u>Dependent variables</u>			
<i>Interest without salary cut</i>	Stated interest of an employee in CSI participation if no salary cut is required (on a 5-point scale, see Appendix S1 for details)	4.53	(0.85)
<i>Interest with salary cut</i>	Stated interest of an employee in CSI participation if a temporary salary cut is required (on a 5-point scale, see Appendix S1 for details)	3.76	(1.17)
<i>Maximum salary cut</i>	Maximum salary cut acceptable for CSI participation (1 = none, 2 = up to 10%, 3 = up to 20%, 4 = up to 30%, 5 = up to 40%, 6 = more than 40%)	3.37	(1.46)
<u>Independent variables</u>			
<i>Expectation of social impact</i>	Construct based on confirmatory factor analysis for the expected social impact perceived from CSI participation (centered at 0)	0.0	(0.92)
<i>Expectation of private benefits</i>	Construct based on confirmatory factor analysis for the expected private benefits perceived from CSI participation (centered at 0)	0.0	(0.99)
<u>Employee characteristics</u>			
<i>Female</i>	Indicator variable for gender (1 = female, 0 = male)	0.53	(0.50)
<i>Age</i>	Biological age, measured on a 5-point scale (1 = under 25 years, 2 = between 25 and 29 years, 3 = between 30 and 34 years, 4 = between 35 and 39 years, 5 = 40 years and over)	2.83	(1.27)
<i>Volunteer experience</i>	Indicator variable for previous volunteer experience (1 if employee had volunteered at least once a month in the past year, and 0 otherwise)	0.45	(0.50)
<i>Career level</i>	Current career level (in order of increasing seniority: analyst, consultant, manager, senior manager, and leadership)	2.43	(1.18)
<i>Tenure</i>	Tenure with the firm, measured on a 5-point scale (1 = less than 3 years, 2 = between 3 and 5 years, 3 = between 5 and 7 years, 4 = between 7 and 10 years, 5 = more than 10 years)	2.05	(1.38)
<i>MBA</i>	Indicator variable for MBA degree (1 if had an MBA, and 0 otherwise)	0.28	(0.45)
<i>Performance rating</i>	Performance rating received in the latest year, measured on a 5-point scale (1 = below peers, 2 = in line with peers, 3 = above peers, 4 = significantly above peers, 5 = at the very top)	2.16	(1.66)
<i>Home country</i>	Office location of the individual (Canada, Ireland, United Kingdom, or United States)	-	

both past participants and non-participants about the extent to which they would accept a salary cut for a future opportunity to participate in CSI, a contingent valuation approach (Blumenschein, Blomquist, Johannesson, Horn, & Freeman, 2008; Sauermann & Roach, 2014).

5.3 | Independent variables

Based on insights from our interviews, the non-participant survey included eight questions regarding employee expectations from CSI. As Table 5 shows, the average responses ranged from 3.39 to 4.58 (based on a 5-point Likert scale from 1 = “strongly disagree” to 5 = “strongly agree”). Recall that these survey items capture two kinds of benefits: those related to social impact and those related to private (career) benefits. Exploratory factor analysis revealed that, consistent with our interviews, the eight items did load onto two theoretical constructs.³

³We did have questions in the participant survey asking what the respondent had expected *before* having gone through CSI. As a reviewer rightly pointed out, these questions are not strictly comparable to those in the non-participant sample, and have a high likelihood of ex post rationalization (Festinger, 1957; Golden, 1992). Thus, we focus our main analyses utilizing these constructs only on non-participants.

TABLE 5 Summary statistics for survey items regarding employee expectations from CSI

Survey Item			Break-up by Gender		Break-up by age		Break-up by age		Volunteer experience	
	Mean	Std Dev	Male	Female	Age	Younger	Older	Yes	No	
			Gender							
My work with [CSI] would make the world a better place	4.33	(0.72)	4.28	(0.77)	4.36	(0.66)	4.45	(0.62)	4.21	(0.78)
My work with [CSI] would make a difference	4.39	(0.64)	4.34	(0.69)	4.44	(0.59)	4.52	(0.55)	4.28	(0.70)
[CSI] could allow me to give back to society	4.44	(0.65)	4.41	(0.71)	4.47	(0.60)	4.56	(0.57)	4.33	(0.70)
[CSI] could provide me with a personally meaningful assignment	4.58	(0.60)	4.56	(0.64)	4.60	(0.56)	4.72	(0.50)	4.45	(0.66)
[CSI] could help my career at [the firm]	3.39	(1.10)	3.36	(1.12)	3.42	(1.08)	3.60	(1.10)	3.18	(1.06)
[CSI] could help my career after [the firm]	4.02	(0.87)	3.95	(0.90)	4.08	(0.84)	4.27	(0.81)	3.79	(0.87)
[CSI] could make me a better consultant	4.17	(0.84)	4.13	(0.84)	4.20	(0.84)	4.39	(0.75)	3.95	(0.87)
[CSI] could provide me with skills I could apply to commercial projects	4.19	(0.77)	4.12	(0.81)	4.25	(0.73)	4.33	(0.73)	4.05	(0.78)

Notes. All survey questions use a 1–5 scale (1 = “strongly disagree” to 5 = “strongly agree”). Standard deviation of the responses is reported in each corresponding parenthesis. Classification into “younger” versus “older” employees is based on a cut-off point of 30 years.

TABLE 6 Confirmatory factor analysis of survey items regarding employee expectations from CSI

Construct name	Survey items	Factor loading	Alpha
<i>Expectation of social impact</i>			0.90
	[1] My work with [CSI] would make the world a better place	0.83	
	[2] My work with [CSI] would make a difference	0.88	
	[3] [CSI] could allow me to give back to society	0.83	
	[4] [CSI] could provide me with a personally meaningful assignment	0.76	
<i>Expectation of private benefit</i>			0.82
	[5] [CSI] could help my career at [the firm]	0.81	
	[6] [CSI] could help my career after [the firm]	0.81	
	[7] [CSI] could make me a better consultant	0.72	
	[8] [CSI] could provide me with skills I could apply to commercial projects	0.73	

As shown in Table 6, subsequent confirmatory factor analysis further verifies this structure with two factors, which we formally label as *Expectation of social impact* and *Expectation of private benefit*. The alphas for this analysis were 0.90 and 0.82, well within the accepted range (Gatignon, 2014). As the correlation between the two factors was 0.65, we test for collinearity concerns through variance inflation factor calculations. Inflations were below two for both variables, well within the thresholds commonly employed (O'Brien, 2007).

5.4 | Control variables

Table 4 also defines our control variables: *Female*, *Age*, *Volunteer experience*, *Career level*, *Tenure*, *MBA*, *Performance rating*, and *Home country*. While we do not have any direct information regarding employee salaries, *Tenure*, *Career level*, and *Home country* are known to jointly determine salary to a large extent.

6 | RESULTS

We start by documenting summary patterns regarding employee interest in participating in CSI. We then turn to formal analyses exploring the relationship between the expectations employees had regarding potential (social or private) benefits from CSI participation and their interest in (as well as willingness to accept a salary cut for) the opportunity to participate in CSI.

Figure 1 depicts the distribution of employee preferences in terms of *Maximum salary cut* they would accept for participating in a CSI project, distinguishing between past participants and non-participants as these are qualitatively different. Among both groups, a significant fraction of employees was willing to accept non-trivial salary cuts for the opportunity. Further, past participants seemed willing to accept a *greater* sacrifice to take part in CSI again.⁴ This suggests that, in general, CSI participation continued to be attractive beyond just a one-time novelty.

As all our analyses below focus on just the subset of individuals who had not taken part in CSI in the past (as described earlier), we visually depict heterogeneity specifically within this group in

⁴Equivalence of means rejected by a *t*-test at $p = .01$, and equivalence of distributions rejected by a Kolmogorov-Smirnov test also at $p = .01$.

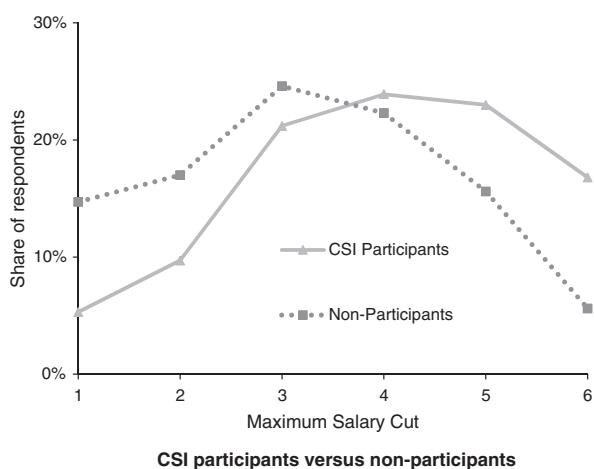


FIGURE 1 Employee willingness to accept a salary cut for CSI

terms of distribution of *Maximum salary cut*. We find women to be more willing than men to accept salary cuts (Figure 2a),⁵ younger individuals (less than 30 years old) more willing than older ones to do so (Figure 2b),⁶ and individuals with previous *Volunteer experience* more willing than others who had not volunteered in the past (Figure 2c).⁷

6.1 | Testing of the hypotheses

Table 7 analyzes drivers of our three dependent variables: *Interest without salary cut* in Columns (1)–(3), *Interest with salary cut* in Columns (4)–(6), and *Maximum salary cut* in Columns (7)–(9). Columns (1), (4), and (7) consider just the control variables as drivers of the three respective dependent variables, but are not directly relevant for testing our hypotheses.

Considering the models reported in Columns (2), (5), and (8), *Expectation of social impact* is found to be positively associated with all three dependent variables, in line with the extant literature focused on prosocial motivations. However, *Expectation of private benefit* is also positively associated with all three dependent variables, in line with our Hypothesis 1.

In Column (2) of Table 7, which considers *Interest without salary cut* as the dependent variable (i.e., a scenario with no requirement for a salary cut), *Expectation of social impact* ($\beta = 0.21, p = .01$) has a slightly stronger effect than *Expectation of private benefit* does ($\beta = 0.13, p = .01$).⁸ Although a two-tailed *t*-test considering the difference in coefficients can reject the equivalence of these coefficients only at $p = .38$, at a minimum, we can conclude that *Expectation of social impact*—which has a larger coefficient estimate—is at least as important as *Expectation of private benefit* (even though, statistically speaking, it is hard to make a claim that the former effect is in fact significantly stronger).

In Column (5) in Table 7, with *Interest with salary cut* now the dependent variable, we find that *Expectation of private benefit* ($\beta = 0.42, p = .01$) becomes the variable with a stronger effect than *Expectation of social impact* ($\beta = 0.26, p = .01$), a pattern that also holds in Column (8) using

⁵Equivalence of means rejected at $p = .06$, but that of distributions rejected only at $p = .40$.

⁶Equivalence of means as well as of distributions rejected at $p = .01$.

⁷Equivalence of means rejected at $p = .01$, and that of distributions rejected at $p = .06$.

⁸Recall that these variables came from factor analysis. So they are already (almost) standardized, with a mean centered at 0 and a standard deviation near 1, making their regression coefficients directly comparable.

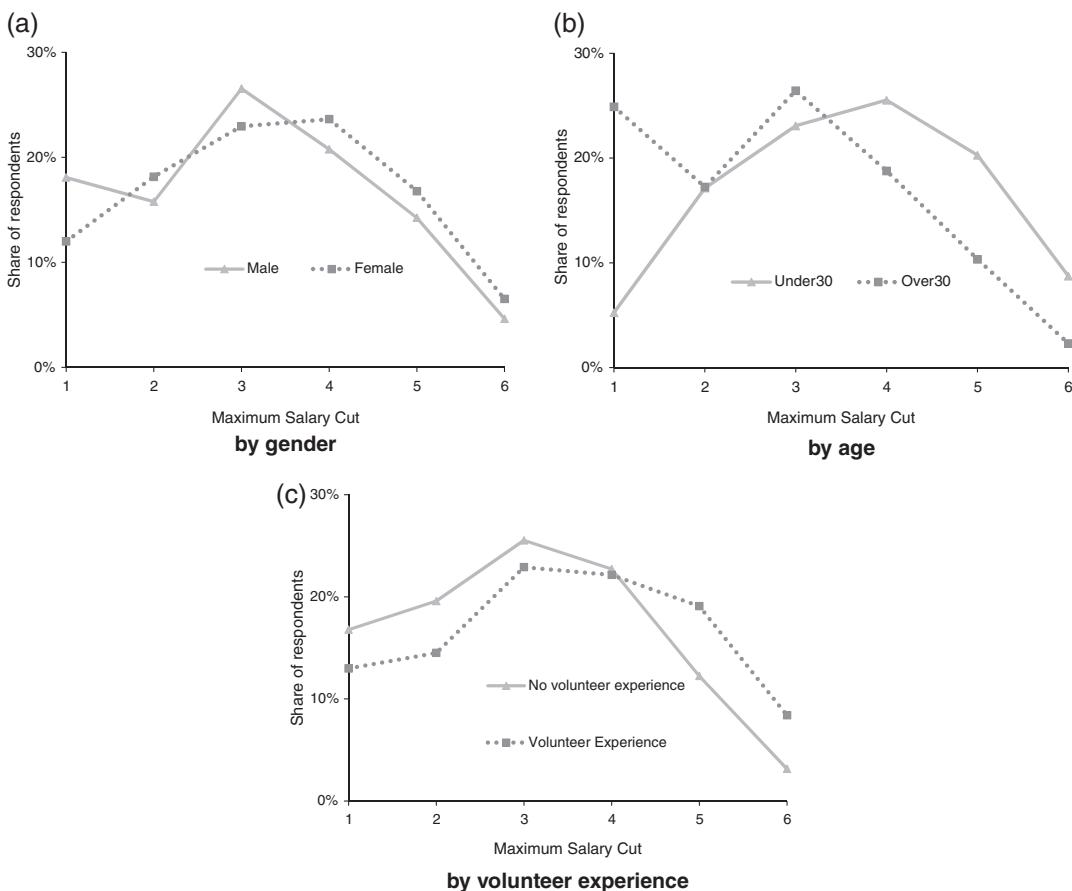


FIGURE 2 Heterogeneity in the willingness to accept a salary cut. (a) by gender (b) by age and (c) by volunteer experience

Maximum salary cut as the dependent variable. A two-tailed *t*-test in both scenarios gets quite strong support in rejecting the equivalence of means, the equivalence of coefficients being rejected at $p = .12$ and $p = .09$, respectively. This is in line with our Hypothesis 2.

We can summarize the above findings as two points, which are consistent with Hypotheses 1 and 2, respectively. First, not only the expectations regarding social impact, but also that regarding private benefits matter, both being positively associated with employee interest in participation. Second, the *relative* importance of expected private benefits becomes greater than that of social impact expectations when participation requires a salary cut.⁹

6.2 | Perceived social impact and private benefits: substitutes or complements?

We now examine whether expectations of social impact and private (career) benefits might act either as complements or as substitutes in explaining interest in CSI. As per the data analysis shown in Column (3) of Table 7, when no salary cut is involved, the two expectation variables seem to act as substitutes (coefficient for the interaction term being negative, with $p = .01$). In other words, there is evidence of crowding-out between the factors. However, considering the two dependent variables

⁹We replicated the above analysis using an ordered logit model, and found the results to be qualitatively robust.

TABLE 7 Regression analysis of potential drivers of employee interest in CSI

	(1) Interest without salary cut	(2) Interest without salary cut	(3) Interest without salary cut	(4) Interest with salary cut	(5) Interest with salary cut	(6) Interest with salary cut	(7) Maximum salary cut	(8) Maximum salary cut	(9) Maximum salary cut
<i>Expectation of social impact</i>									
	0.206 (0.000)		0.159 (0.002)		0.262 (0.000)	0.259 (0.000)		0.160 (0.045)	0.168 (0.048)
<i>Expectation of private benefit</i>	0.134 (0.003)		0.138 (0.002)		0.418 (0.000)	0.419 (0.000)		0.393 (0.000)	0.392 (0.000)
<i>Expectation of social impact × Expectation of private benefit</i>									
	-0.074				-0.006			0.011	
<i>Female</i>	-0.079 (0.261)	-0.105 (0.113)	-0.110 (0.095)	0.092 (0.325)	0.053 (0.506)	0.053 (0.510)	0.145 (0.223)	0.113 (0.312)	0.114 (0.309)
<i>Age</i>	-0.099 (0.020)	-0.081 (0.045)	-0.070 (0.081)	-0.147 (0.010)	-0.121 (0.014)	-0.120 (0.015)	-0.282 (0.000)	-0.265 (0.000)	-0.267 (0.000)
<i>Volunteer experience</i>	0.150 (0.035)	0.059 (0.385)	0.071 (0.295)	0.265 (0.006)	0.100 (0.228)	0.101 (0.226)	0.224 (0.064)	0.095 (0.408)	0.094 (0.418)
<i>Career level - Consultant</i>	0.047 (0.673)	0.088 (0.405)	0.072 (0.496)	-0.340 (0.023)	-0.236 (0.065)	-0.237 (0.064)	-0.290 (0.123)	-0.201 (0.258)	-0.199 (0.265)
<i>Career level - Manager</i>	-0.025 (0.877)	0.118 (0.449)	0.058 (0.712)	-0.595 (0.007)	-0.273 (0.147)	-0.278 (0.144)	-0.158 (0.566)	0.110 (0.652)	0.119 (0.652)
<i>Career level - Senior manager</i>	-0.096 (0.650)	0.094 (0.645)	0.067 (0.742)	-0.828 (0.004)	-0.381 (0.122)	-0.383 (0.121)	-0.483 (0.180)	-0.090 (0.793)	-0.086 (0.802)
<i>Career level - Leadership</i>	-0.872 (0.001)	-0.732 (0.004)	-0.805 (0.013)	-0.880 (0.013)	-0.543 (0.075)	-0.548 (0.074)	-0.073 (0.870)	0.248 (0.557)	0.260 (0.542)
<i>Tenure</i>	-0.009 (0.1815)	-0.030 (0.430)	-0.023 (0.546)	0.031 (0.568)	-0.006 (0.895)	-0.006 (0.905)	0.117 (0.089)	0.093 (0.148)	0.092 (0.154)
<i>MBA</i>	-0.093 (0.264)	-0.029 (0.716)	-0.028 (0.725)	0.070 (0.533)	0.217 (0.025)	0.217* (0.934)	-0.012 (0.360)	0.123 (0.361)	0.123 (0.361)

TABLE 7 (Continued)

	(1) Interest without salary cut	(2) Interest without salary cut	(3) Interest without salary cut	(4) Interest with salary cut	(5) Interest with salary cut	(6) Interest with salary cut	(7) Maximum salary cut	(8) Maximum salary cut	(9) Maximum salary cut
Performance rating	-0.005 (0.907)	-0.001 (0.979)	0.001 (0.974)	-0.013 (0.828)	0.003 (0.960)	0.003 (0.957)	0.004 (0.955)	0.017 (0.816)	0.017 (0.820)
Observations	537	531	531	537	531	531	537	531	531
R-squared	0.132	0.233	0.245	0.188	0.415	0.415	0.128	0.233	0.233
<i>Expectation of private benefit –</i>				0.156 (.38)			0.233 (.12)		
<i>Expectation of social impact</i>				-0.072 (.38)			0.233 (.09)		
<i>(p-value for a t-test to reject that the difference could be 0)</i>									

Notes. All regressions use OLS; *p*-values for the coefficients are reported in parentheses. For the categorical variable *Career level*, the reference (omitted) category is *Anlyst*. All models also included indicators for *Home country* (not reported to conserve space). The number in observations varies across columns due to a few missing values.

capturing a scenario in which a salary cut is required (Columns [6] and [9] in Table 7), we find no evidence of either a substitution or complementarity effect (the coefficient for the interaction term being an order of magnitude smaller than in Column [3], with $p = .86$ and $p = .79$, respectively).

Summarizing the above findings, while we do find an interaction (in the specific form of a substitution effect) between *Expectations of social impact* and *Expectation of private benefit* in determining employee interest in CSI participation, this interaction appears to be material only when no salary cut requirement exists. One plausible explanation might be related to the effect being associated only with large effective salaries (hence, showing up only when the salaries have not been substantially reduced through a salary cut requirement). An alternate mechanism might be related to issues of fairness where the substitution effect does not hold in scenarios where the firm is seen as overly instrumental in appropriating value through a salary cut. Unfortunately, data limitations prevent us from disentangling these and other potential mechanisms leaving this intriguing issue for future research to investigate.

6.3 | Heterogeneity across employees?

Expectations and preferences regarding different types of benefits associated with CSI need not be distributed evenly among employees. We therefore now explore whether expectations vary systematically with observed individual characteristics, and also whether there is heterogeneity in the relative importance that different groups of individuals attach to either kind of benefit.

We find limited evidence of *Expectation of social impact* and *Expectation of private benefit* varying systematically with observed individual characteristics. As shown in Column (1) of Table 8, relative to analysts (the omitted category for *Career level*), individuals at higher career levels generally have a lower *Expectation of social impact* (though p -values vary). Although *Expectation of social impact* shows little correlation with *Female*, *Age*, *Tenure*, or *Performance rating*, it is positively associated with *Volunteer experience* and negatively associated with *MBA*. As per Column (2), a similar pattern holds for *Expectation of private benefit*: a positive correlation with *Volunteer experience* and a negative correlation with *MBA*. In fact, its negative association with *MBA* is even stronger than for *Expectation of social impact*. It seems that individuals with *Previous volunteer experience* are relatively more optimistic; and *MBAs*, relatively more pessimistic regarding social or private benefit achievable through CSI.

Having explored how different kinds of employees might differ in what they *expect* from CSI participation, we now explore heterogeneity in the *value* they attach to such benefits. For example, studies have shown women to often prefer jobs that offer certain intangible benefits, even if accompanied by smaller compensation (Barbulescu & Bidwell, 2013; Konrad, Ritchie Jr, Lieb, & Corrigall, 2000). Similarly, younger individuals are often described as having an especially strong interest in societal engagement (Boyd, 2010). Finally, past volunteering for social causes might also serve as a signal of prosocial inclination. In order to test for these possibilities in our setting, we analyze potential interaction of *Expectation of social impact* and *Expectation of private benefit* with *Female*, *Age*, and *Volunteer experience*, respectively, in determining employee interest.

For *Female*, recall that our earlier analyses (Table 7) did not find much baseline difference by gender for any dependent variable. As per Column (1) of Table 9, in a scenario where no salary cut is involved, we again find little evidence that women and men differ in the importance they attach to either social impact or private benefits. However, the positive interaction between *Female* and *Expectation of social impact* in Columns (4) and (7) indicates that, when a salary cut is required, social impact considerations do become slightly more important for women (the findings being significant at $p = .15$ and $p = .04$, respectively, for the two columns).

For *Age*, recall that our earlier analyses (Table 7) had found a negative baseline effect for *Age* on interest in CSI. Considering now a possible interaction between *Age* and *Expectations of social*

TABLE 8 Heterogeneity in employee expectations

	(1) Expectation of social impact	(2) Expectation of private benefit
<i>Female</i>	0.083 (0.280)	0.088 (0.272)
<i>Age</i>	-0.067 (0.155)	-0.045 (0.362)
<i>Volunteer experience</i>	0.283 (0.000)	0.249 (0.002)
<i>Career level - Consultant</i>	-0.060 (0.623)	-0.235 (0.065)
<i>Career level - Manager</i>	-0.319 (0.076)	-0.543 (0.004)
<i>Career level - Senior manager</i>	-0.464 (0.047)	-0.698 (0.004)
<i>Career level - Leadership</i>	-0.283 (0.330)	-0.655 (0.031)
<i>Tenure</i>	0.065 (0.140)	0.042 (0.363)
<i>MBA</i>	-0.159 (0.083)	-0.247 (0.010)
<i>Performance rating</i>	0.023 (0.654)	-0.052 (0.329)
Observations	532	536
R-squared	0.234	0.246

Notes. All regressions use OLS; *p*-values for the coefficients are reported in parentheses. For the categorical variable *Career level*, the reference (omitted) category is *Analyst*. All models also included indicators for *Home country* (not reported to conserve space). The number in observations varies across columns due to a few missing values.

impact for a scenario with no salary cut, Column (2) of Table 9 reports the interaction term to be positive, that is, older people show a disproportionate interest in CSI relative to younger people when there are high expectations of social impact. In contrast, in Columns (5) and (8) of Table 9, which capture a scenario where a salary cut is involved, we find the above interaction to turn negative instead, although the effect seems material ($p = .08$) only for Column (8). In other words, there is some—but not fully robust—evidence that, when there is a larger expectation of creating social impact, younger people are willing to accept a salary cut more than older people.

For *Volunteer experience*, recall that we did not find a significant effect for this variable in terms of employee interest (Table 7). Columns (3) and (6) of Table 9 show that the interaction of *Volunteer experience* with *Expectation of private benefit* is negative ($p = .11$ in both cases), but the coefficient turns positive though not statistically material ($p = .48$) in Column (9). In other words, for individuals with a track record of prosocial behavior, there is some—but not fully robust—evidence that private benefit considerations might be less important than for others.¹⁰

¹⁰We also investigated the interaction of *Expectation of social impact* and *Expectation of private benefit* with other variables. The interaction with *Tenure* as well as with *Career level* followed a similar pattern as with *Age*. The interaction of *Expectation of social impact* with *MBA* was positive, but only for *Interest without salary cut*, suggesting that MBAs were also particularly sensitive to a salary cut. The interaction involving *Performance rating* was positive for *Interest without salary cut*, but negative for *Interest with salary cut* and *Maximum salary cut*, suggesting that high-performing individuals were also particularly sensitive to a salary cut.

TABLE 9 Heterogeneity in how employee expectations drive interest

	(1) Interest without salary cut	(2) Interest without salary cut	(3) Interest without salary cut	(4) Interest without salary cut	(5) Interest with salary cut	(6) Interest with salary cut	(7) Maximum salary cut	(8) Maximum salary cut	(9) Maximum salary cut
<i>Expectation of social impact</i>	0.179 (0.004)	-0.043 (0.705)	0.211 (0.000)	0.190 (0.011)	0.307 (0.028)	0.237 (0.001)	0.023 (0.824)	0.463 (0.017)	0.204 (0.043)
<i>Expectation of private benefit</i>	0.149 (0.014)	0.163 (0.122)	0.209 (0.001)	0.483 (0.000)	0.286 (0.027)	0.502 (0.000)	0.493 (0.000)	0.158 (0.377)	0.347 (0.001)
<i>Expectation of social impact × Female</i>	0.066 (0.488)		0.168 (0.145)		0.324 (0.044)		0.324 (0.044)		
<i>Expectation of private benefit × Female</i>	-0.037 (0.672)		-0.147 (0.165)		-0.234 (0.113)		-0.234 (0.113)		
<i>Expectation of social impact × Age</i>		0.076 (0.021)		-0.016 (0.684)		-0.016 (0.684)		-0.096 (0.083)	
<i>Expectation of private benefit × Age</i>		-0.008 (0.799)		0.045 (0.251)		0.045 (0.251)		0.079 (0.152)	
<i>Expectation of social impact × Volunteer experience</i>			-0.032 (0.744)		0.050 (0.672)		-0.032 (0.672)		-0.113 (0.492)
<i>Expectation of private benefit × Volunteer experience</i>			-0.142 (0.103)		-0.170 (0.109)		-0.142 (0.109)		0.104 (0.481)
<i>Volunteer experience</i>				0.048 (0.555)	0.055 (0.437)	0.063 (0.363)	0.102 (0.281)	0.121 (0.245)	0.106 (0.245)
<i>Female</i>	-0.108 (0.107)	-0.110 (0.095)	-0.099 (0.137)		0.048 (0.493)	0.063 (0.437)	0.102 (0.363)	0.121 (0.281)	0.106 (0.245)
<i>Age</i>	-0.082 (0.044)	-0.080 (0.040)	-0.083 (0.012)	-0.123 (0.014)	-0.121 (0.011)	-0.124 (0.011)	-0.268 (0.000)	-0.266 (0.000)	-0.263 (0.000)
<i>Volunteer experience</i>	0.061 (0.376)	0.064 (0.347)	0.066 (0.339)	0.108 (0.193)	0.107 (0.199)	0.100 (0.229)	0.107 (0.353)	0.102 (0.377)	0.102 (0.379)

TABLE 9 (Continued)

	(1) Interest without salary cut	(2) Interest without salary cut	(3) Interest without salary cut	(4) Interest without salary cut	(5) Interest with salary cut	(6) Interest with salary cut	(7) Maximum salary cut	(8) Maximum salary cut	(9) Maximum salary cut
<i>Career level = Consultant</i>	0.087 (0.409)	0.062 (0.557)	0.093 (0.379)	-0.232 (0.070)	-0.262 (0.044)	-0.228 (0.074)	-0.198 (0.265)	-0.217 (0.228)	-0.208 (0.243)
<i>Career level = Manager</i>	0.113 (0.470)	0.091 (0.557)	0.116 (0.453)	-0.286 (0.129)	-0.288 (0.127)	-0.267 (0.156)	0.085 (0.745)	0.112 (0.670)	0.099 (0.706)
<i>Career level = Senior manager</i>	0.092 (0.650)	0.086 (0.672)	0.112 (0.581)	-0.380 (0.123)	-0.374 (0.144)	-0.361 (0.788)	-0.092 (0.788)	-0.072 (0.834)	-0.102 (0.767)
<i>Career level = Leadership</i>	-0.734 (0.004)	-0.755 (0.003)	-0.726 (0.004)	-0.533 (0.081)	-0.533 (0.081)	-0.533 (0.079)	-0.253 (0.551)	0.285 (0.501)	0.243 (0.566)
<i>Tenure</i>	-0.029 (0.446)	-0.032 (0.400)	-0.033 (0.391)	-0.006 (0.903)	-0.006 (0.889)	-0.009 (0.846)	0.096 (0.137)	0.095 (0.143)	0.095 (0.142)
<i>MBA</i>	-0.029 (0.714)	-0.026 (0.741)	-0.023 (0.774)	0.220 (0.023)	0.220 (0.023)	0.221 (0.022)	0.125 (0.352)	0.123 (0.349)	0.123 (0.358)
<i>Performance Rating</i>	-0.003 (0.949)	-0.004 (0.930)	-0.002 (0.957)	-0.004 (0.947)	-0.002 (0.998)	-0.004 (0.994)	0.009 (0.904)	0.010 (0.893)	0.020 (0.784)
Observations	531	531	531	531	531	531	531	531	531
R-squared	0.234	0.246	0.242	0.418	0.417	0.418	0.239	0.238	0.234

Notes. All regressions use OLS; *p*-values for the coefficients are reported in parentheses. For the categorical variable *Career level*, the reference (omitted) category is *Analyst*. All models also included indicators for *Home country* (not reported to conserve space).

7 | DISCUSSION AND CONCLUSION

Although it is widely documented that corporate employees value social engagement, few studies have measured the extent of this effect and the relative importance of underlying motivations. We find that, even for a profit-focused industry like management consulting, a majority of employees seem interested in and even willing to accept a temporary salary cut for participating in a corporate social initiative. Although the prior literature would attribute this exclusively to prosocial motivations, we find employee interest to be driven by considerations of not only social impact, but also private benefits (supporting Hypothesis 1). The two kinds of considerations are similar in importance when no salary cut is involved, but private benefits become even more salient when a salary cut is required (in line with Hypothesis 2).

Our study has important implications for strategic human capital management (Coff, 1997; Gambardella, Panico, & Valentini, 2015). A key observation is that employees participating in corporate social initiatives often do not do so for purely prosocial reasons: They might have mixed motives. Thus, firms should consider not only social impact, but also private benefits for employees in designing their social initiatives. Specifically, given the importance that employees seem to attach to deriving private career-related benefits through their participation, it might be worth considering how an initiative extends employee skills and future career options. However, our findings also caution that an overly aggressive effort to appropriate value created for the employees might reduce the weight employees attach to social impact relative to private benefits.

Although we explore heterogeneity in expectations and preferences across employees, observed demographic characteristics appear to have a limited role in explaining these. One reason for some of these non-findings, such as those relating to potential differences across men and women, might be specific to our unique context: Employees who have chosen to and have been selected to work for a highly competitive global management consulting firm are likely to be a more homogenous group in terms of their expectations and preferences than people coming from the population at large. In other words, the nature of the organizational context might serve as a boundary condition for differences that might exist more generally, a possibility that would be intriguing to explore in future research by comparing different kinds of organizations.

We should acknowledge some limitations of our study. Due to the cross-sectional nature of our data, we are unable to establish causality conclusively or exclude the possibility of omitted variable biases. Further, although large-scale surveys like ours carried out inside a firm bring the benefit of contextualized insights, potential biases related to desirability, selection, and recall cannot be entirely eliminated (Carrington, Neville, & Whitwell, 2010; Festinger, 1957; Golden, 1992). But we have tried to mitigate some of these issues by complementing our statistical analyses with insights from interviews in order to gain first hand insights into the perceptions of employees.

Our research setting—a single firm—also has both strengths and weaknesses. Employees from a single consulting firm have similar backgrounds, making them more comparable. Our setting is also representative of human-capital-intensive professional service firms (e.g., law firms, IT, or finance firms), contexts often characterized as commercially-driven individuals working in pursuit of self-interest (Anand et al., 2007; Chatain & Meyer-Doyle, 2017). The fact that even such individuals are willing to accept a personal financial sacrifice is remarkable, though our analysis finds that this is not driven purely by altruism. Clearly, business leaders need to carefully consider employee motivations related to both social impact and private benefits in order to best employ social initiatives as a tool for strategic human capital management.

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SUPPORTING INFORMATION

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