

# Yearning the Moon with Sixpence in Hand: Exploring the Relationship between External Corporate Social Responsibility, Employee Commitment, and Design Thinking

Weiwen Cai\*

University of Stirling, Stirling, FK9 4LA, Scotland, UK

## ARTICLE INFO

### Article history

Received: 2 April 2022

Revised: 10 April 2022

Accepted: 23 May 2022

Published Online: 16 October 2022

### Keywords:

External CSR

Organizational identification

Work engagement

Design thinking

Sustainability

## ABSTRACT

Prior studies have emphasized the positive relationship between corporate social responsibility (CSR) and employee organizational identification, with the argument that external CSR acts could enhance employee commitment, work engagement, and loyalty via perceived prestige. Despite such emphasis, minimal suggestion has been given in terms of how to design and execute a moderate, structural, and sustainable CSR program to bond with employees on a deeper level of emotional connection. The aim of the present study was to highlight the benefits of adopting the design thinking method for investing and practicing external CSR, so as to realize a positive link between employee commitment, financial performance, and social recognition.

## 1. Introduction

“So busy yearning for the moon that he never saw the sixpence at his feet.”<sup>[6]</sup> (Curtis and Whitehead, 1997). W. Somerset Maugham’s profound novel, *The Moon and Sixpence*, in which the main character resolutely quits his money-centred job (symbolized by the sixpence) in middle age to pursue his art dream (symbolized by the moon), has resonated with countless readers. Such popularity has been achieved because the novel offers an escape for people who must choose “sixpence” over “the moon” due to their living conditions, despite still being curious about the universe, appreciating nature, pursuing social equality, and having concerns about their community. To achieve a lower rate of turnover and absenteeism, organizations want to attract employee’s commitment and increase

employee engagement. As such, there are questions concerning whether there is a possibility that companies can “yearn for the moon” with their employees, satisfying the goodwill towards society, the aspiration for a better environment, and the romantic imagination of the vast universe together. Through such cooperation, employees will become more loyal to the company and more committed to their work because they have shared values and a consistent growth direction.

In the present study, the significance of corporate social responsibility (CSR) and its role in motivating employees to have a higher commitment to a company is investigated. Particular focus will be given to the external dimension of CSR, which does not directly show the benefits towards the employee, but generates shared notions,

\*Corresponding Author:

Weiwen Cai,

University of Stirling, Stirling, FK9 4LA, Scotland, UK;

Email: [wec2@stir.ac.uk](mailto:wec2@stir.ac.uk)

ideals, and values between company and employee to increase their loyalty and fondness. Firstly, several terms are defined and their relevance in the CSR discussion is explained. Next, several studies are reviewed that focused on external CSR actions that enhance employee's prestige, sense of achievement, and the needs of romanticism, which are argued to influence employee organizational identification. Finally, a proposal is given stating that design thinking should be invested in the action of CSR to establish a visionary and sustainable bond between employees, the organization, and external stakeholders.

## 2. Theoretical Background

According to Hirschman's theory, customers and employees have two options in response to decline in firms: Exit and Voice<sup>[11]</sup> (Hirschman, 1970). In the action of Exit, customers stop purchasing, and employees start leaving. Here, the leadership must act immediately to salvage the situation. In the action of Voice, customers and employees begin to express their dissatisfaction through acts such as protests. Here, the leadership must communicate with customers and employees and solve any problems (Hirschman, 1970). Hirschman indicated that Loyalty was an indispensable part of the process of Exit and Voice, through which the firm can listen to the Voice and take care of customers and employees before the Exit (Hirschman, 1970). Notably, Loyalty takes time and effort to develop. The relationship between CSR and employee loyalty has become a significant topic in the fields of organizational behaviour and industrial psychology (Jones and Rupp, in press).

CSR is a self-regulatory business model that allows a company to be socially accountable to its customers, workers, stakeholders, and the general public. Companies may become more conscious of their impact on all aspects of society, including the economic, social, and environmental, by engaging in CSR. CSR has been a topic of discussion and debate for many years, with some arguing that companies should focus on making profits for their shareholders and others arguing that companies have a responsibility to use their power and influence to improve society. Previous researchers have shown a tendency to link CSR actions with a firm's financial performance and consumer behaviour<sup>[18]</sup> (Orlitzky, Schmidt and Rynes, 2003). However, in the past two years, the COVID-19 pandemic has provided corporations with an opportunity to become more authentic in their CSR efforts and help address pressing global social and environmental concerns (He and Harris, 2020). During the pandemic, organizations were held responsible for employees' psychological state, and the strong bond between the firm and employees

became more significant than ever.

Macro-CSR researchers frequently distinguish between internal and external CSR, since CSR beneficiaries are typically either within or external to the organization<sup>[26]</sup> (Werther & Chandler, 2010). External CSR is most connected with environmental sustainability, supporting the local community, or consumer caring<sup>[8]</sup> (El Akremi et al., 2015). CSR that targets the environment includes lowering the negative ecological impacts of the company, investing new energy, and focusing on climate change and sustainable future generations. CSR also refers to the efforts and policies that businesses adopt to have a beneficial impact on the communities in which they operate. Sponsoring local sports teams, donating to charity, investing in local business, supporting humanitarian causes, and building sustainable communities are all instances of CSR. Consumer-focused CSR refers to a company's obligations to those who use its services or buy its goods. Product safety measures and customer service programs are examples of CSR practices in the industry<sup>[10]</sup> (Farooq et al. 2017). The most typical concern of external CSR is a firm's public image and its position on societal issues, and such CSR is frequently used to urge employees to be conscious of what the company does.

Early studies of CSR often concluded that employees are the benefactors of internal CSR efforts, while external stakeholders are the beneficiaries of external CSR activities<sup>[16]</sup> (Margolis and Walsh, 2003). In the present investigation, employees' perceptions of external CSR were found to have an impact on their organizational identity via the prestige mechanism. External CSR actions provide externally visible indications that the organization is appealing, generous, and distinctive, and that such efforts are highly recognized and appreciated by the community. Employees receive information about their corporate via media, word of mouth, and publicity. Such opinions of the firm from the outside are internalized as a source of self-worth and self-esteem, with the sense of belonging intended to manifest itself in the form of loyalty. Here, external CSR becomes a source of pride for employees to define themselves<sup>[10]</sup> (Farooq et al., 2017).

Additionally, Farooq's study also revealed that various employees are responsive to different types of CSR efforts based on their social and cultural orientations. External CSR may be more important for employees with high cosmopolitan orientation who seek recognition from the external community, while collectivist employees are more concerned about external CSR since their identities are formed through group affiliation<sup>[10]</sup> (Farooq et al., 2017). The result is beneficial for start-up companies when operating on a small scale in that the firm can learn every

employee's personality and mentality to act on CSR with more support and appreciation from employees.

However, the relationship between external CSR and labour productivity has been examined as a nonlinear model in other studies<sup>[1]</sup> (Bolton, 2020). Both low- and high-level external CSR are negatively related to work performance. Due to insufficient external CSR, employees' self-worth may not be fulfilled, and they may feel embarrassed that their organizations are not as good as others<sup>[17]</sup> (Onkila, 2015). At high levels of external CSR, employees would be cautious of self-serving motivation driving external CSR activities<sup>[9]</sup> (Farooq et al., 2013), because enterprises would have spent too many resources on programs that do not provide additional advantages.

Thus, to attract a broader party of stakeholders and employees, organizations need to find a moderate and balanced level of external CSR activity, which is structural for long-term and innovative practice. In the present study, the benefits of design thinking in external CSR actions are highlighted, which can influence a positive and sustainable relationship between organizations and employee loyalty.

### 3. Case Studies

#### Design Thinking

Herbert Simon coined the phrase "design thinking" to describe the distinct mental skills employed by designers to solve issues in his influential book, *The Sciences of the Artificial* in 1969. The phrase gained further traction after Tim Brown, CEO of design consultancy IDEO, defined his firm's approach to strategy in a 2008 Harvard Business Review article. Design thinking, according to Brown, who practiced and applied the method as leader of IDEO to solve both small and large problems: "Design thinking combines the designer's sensibility and methodology to match people's demands with what is technologically achievable and what a viable business strategy can turn into customer value and market opportunity"<sup>[3]</sup> (Brown, 2008). As such, design thinking lies at the intersection of human desirability, technological feasibility, and economic viability.

At present, design thinking does not have a single definition, being regarded as a concept, plan, method, or strategy. Any individual or organization can deepen and broaden the meaning of design thinking for using any way they perceive. In the present study, the IDEO's design thinking approach was adopted, which includes three core activities: inspiration, ideation, and implementation. The most significant aspect of design thinking is humans are placed at the centre of every action. Empathy, optimism,

iteration, creativity, and ambiguity are critical components of the designer's mindset that run through the core activities of design thinking<sup>[14]</sup> (IDEO Design Thinking, 2021). In the phase of inspiration, a human-centred designer inquires and empathizes with the target audience directly to define the problem or need. During the ideation phase, designers brainstorm and create ideas freely and boldly to formulate ideal and innovative solutions that fulfil their needs. Finally, the implementation phase involves the designer implementing their vision to ensure that the solution is materialized and touches the lives of end-users.

In the present study, adopting the design thinking method to invest in and practice external CSR is argued to be desirable from a human (employee) point of view, while also being technologically feasible and economically viable.

#### Inspiration – to empathize

Regarding participation in corporate social responsibility projects, big technology companies such as Google, AMD, and eBay once invested in a non-profit initiative called One Laptop per Child (OLPC). OLPC was established to transform education for children by designing and distributing inexpensive laptops for children in the developing world, so as to facilitate a better education experience for such children. OLPC was first proposed in 2006, but after more than six years, instead of achieving the original goals, OLPC produced disappointing results and was shut down in 2014<sup>[20]</sup> (Robertson, 2018). OLPC spent a long period of time entangled with building low-cost laptops and ignored the fact that, at the time, many developing countries were undergoing a technological revolution. For example, China and India ensured their own low-cost mobile computing devices through brilliant talents, rapid tech progress, and mature manufacturing. Thus, OLPC never entered into the large nations they initially targeted<sup>[25]</sup> (Watters, 2012).

As imagination, the intention of using inexpensive computers to educate the children can be considered wonderful and positive. However, aggressive responses to other country's education matters can sometimes be risky and contentious and can be perceived as technological colonialism. Despite being aware of such concerns, OLPC still chose to use a "non-invasive" strategy to implement the project. However, as could be predicted, the targeted problem was not solved and OLPC was criticized as being unsupportive<sup>[25]</sup> (Watter, 2012). Any intention of helping developing areas requires a more comprehensive understanding and sophisticated analysis of the local situation and close partnership with indigenous designers, who are irreplaceable in terms of knowing what complementary

work has to be done to make a project successful. In the case of the OLPC project, teachers encountered difficulties when guiding their students to effectively use laptops to study because of the lack of professional training that was given<sup>[19]</sup> (Osborne, 2013). As could be expected, the project resulted in disappointing feedback data. According to the project's evaluation by Inter-American Development Bank (IDB) and a report by Peru's education ministry (the country with the largest involvement), found that there was no significant improvement or increased motivation to study in both math and literacy for children who received laptops<sup>[19]</sup> (Osborne, 2013).

The results were not unexpected. Besides the irrational assumption that teachers should know how to use laptops, the outcome could be attributed to a number of other factors. For instance, the project implementers need to ask themselves: has evidence been found that shows students have a higher desire to study in countries where tech devices are ubiquitous among children? Is a laptop a stimulus to study or a distraction from study? Moreover, did researchers investigate whether the country receiving aid has the ability to use such devices continuously? Is there enough stable electricity power and internet access? Since OLPC did not inquire, listen, and empathize during the process of designing the project, failure was the result.

When designing a philanthropic program for a certain area in need, the designers or developers should not assume what the people need. Communication, research, and discussion are essential processes in design thinking as well as in the development of CSR programs.

### **Ideation – to think bold**

Environmental sustainability is one of the most concerning topics in CSR practice, and a long-term plan, activity, and experiment is needed to examine the outcome. With one of the world's most popular online and mobile payment and lifestyle platforms, Alipay implemented their bold CSR project, Alipay Ant Forest, to tackle climate change after careful consideration. Alipay Ant Forest is a public welfare project aimed at driving the public to reduce carbon emissions. In the Ant Forest, everyone's low-carbon behaviour can be counted as virtual "green energy", such as biking, walking to work, and going paperless. When virtual green energy is accumulated to a certain level, users can use their mobile phones to apply for the planting of a real tree in areas where the ecology is in urgent need of restoration, or claim protection rights in areas where biodiversity is in urgent need of protection.

Ant Group donates funding to public welfare groups through Alipay Ant Forest's ecological restoration initiatives in various locations, and the public welfare organ-

izations coordinate particular tasks such as planting and upkeep. There are donation agreements and acceptance reports for each initiative. Alipay Ant Forest has recruited over 500 million users, planted 100 million trees across 112,000 hectares in Northwest China, and protected 12,000 hectares of conservation land since its launch. By cooperating with farmers to plant trees, produce organic agricultural items, and connect them with e-commerce platforms, Alipay Ant Forest has helped create over 400,000 employment possibilities and \$8.4 million in revenue<sup>[24]</sup> (UNFCCC, 2019). Green and low-carbon technologies have become a central trend of global economic development due to the degrading global environment. By advocating low-carbon behaviour, the Ant Forest project has greatly reduced China's carbon emissions. In 2019, Ant Forest won the UN Champions of the Earth award and was recognized by The United Nations Environment Programme (UNEP) in the "Inspiration and Action" category. Inger Andersen, Executive Director of UNEP, described Ant Forest as a project that uses the best of human intellect and innovation to make the world a better place and uses digital technology to fundamentally redesign our relationship with our planet<sup>[24]</sup> (UNEP, 2019).

While contributing to environmental sustainability, Ant Group and its related companies such as Alibaba have also gained recognition from countless consumers. In this regard, Ant Group has also developed itself while taking on social responsibilities.

### **Implementation – to put in action**

COVID-19 posed a number of new challenges for industrial marketers, who suddenly found themselves without markets, facing a bleak future, and dealing with insecure employment. Before managing an internal situation, many organizations choose to quickly respond to public crises and place their high value and determination on CSR actions. Some of the most well-known names in consumer luxury would have rapidly switched their ateliers from creating exquisite products to providing hand sanitizer and personal protection equipment (PPE) to overworked medical personnel<sup>[4]</sup> (Cankurtaran and Beverland, 2020). As an example, LVMH joined the fight against COVID-19 as soon as the epidemic broke out, making hand sanitizer in their perfumes and cosmetics maisons, masks and gowns in their fashion and leather goods maisons, and importing over 40 million surgical masks, ventilators, and blood tests for public health authorities. The LVMH Group and its Maisons all joined the massive effort in the group's host countries, including a range of initiatives to support healthcare workers, suppliers, and non-profits<sup>[15]</sup> (LVMH, 2020). Despite struggling

during the industry crisis, airlines such as Delta, JetBlue, and United Airlines offered free, round-trip flights to health care workers on the frontlines of the novel coronavirus pandemic<sup>[5]</sup> (Conklin, 2020). For organizations managing through a public crisis, actions of creative initiatives and fast implementation will have enduring effects on how they are perceived. Facebook's Public Service Announcement Campaign "We're Never Lost If We Can Find Each Other" is an example of using a corporate's unique resources to respond to crises. Using real-life photographs taken during the first wave of the pandemic, the campaign helped consumers come to terms with lost futures created by the disaster. The campaign was narrated by a poem that took viewers through the emotional phases of this pandemic, from mourning, depression, to acceptance and hope. By letting go of the old, the audience were emotionally prepared to participate in a new future. As a social media platform, Facebook uses the advantage of communication to create PSA campaigns to quickly build consensus and drive coordinated action across society. By understanding the difficulties of the crisis setting, the delivery of critical public health messages can be facilitated.

The 'new normal' created by the pandemic will necessitate a stronger focus on risk management and scenario planning, in addition to the use of design thinking to respond quickly to emerging and fluid social situations<sup>[4]</sup> (Cankurtaran and Beverland, 2020).

#### 4. Discussion

After reviewing the case studies, adopting the design thinking method to create and practice external CSR projects seems likely to result in a more prosperous, influential, and appreciated outcome and a better chance of positive financial performance. For corporate participating in external CSR, the three core design thinking activities provide an alternative method. Inspiration reminds organizations to inquire and empathize with their target audience to avoid ineffective assumptions. Ideation asks corporate to think outside of the box and be creative and bold when intervening in intractable problems. Implementation implies that the organization not only offers ideas but also tangible solutions, ensuring that their concept is both ideal and real.

Notably, the limitation of the present study is the lack of measures on employees' feedback to external CSR actions that adapt the design thinking method. As such, a further study should be conducted with more focus on how innovative approaches can bond employees with corporate through external CSR, since employee's CSR perception has a positive link with commitment and loyalty, organizational identification, job satisfaction, and engage-

ment, as well as creativity<sup>[13]</sup> (Hur, Moon, and Ko, 2016).

#### 5. Conclusions

Based on the literature review and case studies, corporate social responsibility is a critical factor in the sustainable development of enterprises, individuals, countries, and society. In the present study, the three core activities of design thinking were adopted as an alternative methodology to design and practice CSR projects that show the result of an enhanced reputation, a potential positive connection between employee and organization, and a potential opportunity for the future market. With the "new normal" along with COVID-19, corporations will continue facing challenges from many aspects. Companies that value and embrace CSR with creative and visionary notions could have a better chance to win social recognition and achieve long-term development.

#### References

- [1] Bolton, B., 2020. Internal vs. External Corporate Social Responsibility at U.S. Banks. *International Journal of Financial Studies*. 8(4), 65.
- [2] Brammer, S., Millington, A., Rayton, B., 2007. The contribution of corporate social responsibility to organizational commitment. *The International Journal of Human Resource Management*. 18(10), 1701-1719.
- [3] Brown, T., 2008. Design thinking. *Harvard business review*. 86(6), 84.
- [4] Cankurtaran, P., Beverland, M., 2020. Using design thinking to respond to crises: B2B lessons from the 2020 COVID-19 pandemic. *Industrial Marketing Management*. 88, 255-260.
- [5] Conklin, A., 2020. Airlines offer free flights to coronavirus-fighting health care workers. *Fox Business*. Available at: <https://www.foxbusiness.com/lifestyle/airlines-free-flights-coronavirus-medical-workers>. (Accessed 11 December 2021).
- [6] Curtis, A., Whitehead, J., 1997. *W. Somerset Maugham: the critical heritage*. London; New York: Routledge. pp.10.
- [7] Deng, X., Long, X., Schuler, D., et al., 2019. External corporate social responsibility and labor productivity: A S-curve relationship and the moderating role of internal CSR and government subsidy. *Corporate Social Responsibility and Environmental Management*. 27(1), 393-408.
- [8] El Akremi, A., Gond, J., Swaen, V., et al., 2015. How Do Employees Perceive Corporate Responsibility? Development and Validation of a Multidimensional

- Corporate Stakeholder Responsibility Scale. *Journal of Management*. 44(2), 619-657.
- [9] Farooq, O., Merunka, D., Valette-Florence, P., 2013. Employees' Response to Corporate Social Responsibility: An Application of a Non Linear Mixture REBUS Approach. *Springer Proceedings in Mathematics & Statistics*. pp.257-268.
- [10] Farooq, O., Rupp, D., Farooq, M., 2017. The Multiple Pathways through which Internal and External Corporate Social Responsibility Influence Organizational Identification and Multifoci Outcomes: The Moderating Role of Cultural and Social Orientations. *Academy of Management Journal*. 60(3), 954-985.
- [11] Hirschman, A.O., 1970. Exit, voice, and loyalty; responses to decline in firms, organizations, and States. Cambridge, Mass, Harvard University Press.
- [12] Hur, W., Moon, T., Choi, W., 2019. When are internal and external corporate social responsibility initiatives amplified? Employee engagement in corporate social responsibility initiatives on prosocial and proactive behaviors. *Corporate Social Responsibility and Environmental Management*. 26(4), 849-858.
- [13] Hur, W., Moon, T., Ko, S., 2016. How Employees' Perceptions of CSR Increase Employee Creativity: Mediating Mechanisms of Compassion at Work and Intrinsic Motivation. *Journal of Business Ethics*. 153(3), 629-644.
- [14] IDEO, 2021. IDEO Design Thinking. Available at: <https://designthinking.ideo.com/>. (Accessed 9 December 2021).
- [15] LVMH, 2021. 2020 Social and Environmental Responsibility Report - LVMH. Paris, pp.4. Available at: [https://r.lvmh-static.com/uploads/2021/04/ac\\_en\\_lvmh\\_reng20\\_all-accessible.pdf](https://r.lvmh-static.com/uploads/2021/04/ac_en_lvmh_reng20_all-accessible.pdf). (Accessed 11 December 2021).
- [16] Margolis, J., Walsh, J., 2003. Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*. 48(2), 268-305.
- [17] Onkila, T., 2013. Pride or Embarrassment? Employees' Emotions and Corporate Social Responsibility. *Corporate Social Responsibility and Environmental Management*. 22(4), 222-236.
- [18] Orliczky, M., Schmidt, F., Rynes, S., 2003. Corporate Social and Financial Performance: A Meta-Analysis. *Organization Studies*. 24(3), 403-441.
- [19] Osborne, C., 2013. One Laptop per Child: Disappointing results? ZDNet. Available at: <https://www.zdnet.com/article/one-laptop-per-child-disappointing-results/>. (Accessed 10 December 2021).
- [20] Robertson, A., 2018. OLPC's \$100 laptop was going to change the world — then it all went wrong. *The Verge*. Available at: <https://www.theverge.com/2018/4/16/17233946/olpcs-100-laptop-education-where-is-it-now>. (Accessed 10 December 2021).
- [21] Simon, H., 1979. *The sciences of the artificial*. Cambridge (Mass.): the MIT press.
- [22] Turker, D., 2008. How Corporate Social Responsibility Influences Organizational Commitment. *Journal of Business Ethics*. 89(2), 189-204.
- [23] UN Environment, 2019. Chinese initiative Ant Forest wins UN Champions of the Earth award. Available at: <https://www.unep.org/news-and-stories/press-release/chinese-initiative-ant-forest-wins-un-champions-earth-award>. (Accessed 10 December 2021).
- [24] Unfccc.int., n.d. Alipay Ant Forest: Using Digital Technologies to Scale up Climate Action. Available at: <https://unfccc.int/climate-action/momentum-for-change/planetary-health/alipay-ant-forest>. (Accessed 10 December 2021).
- [25] Watters, A., 2012. The Failure of One Laptop Per Child. *Hack Education*. Available at: <http://hackeducation.com/2012/04/09/the-failure-of-olpc>. (Accessed 10 December 2021).
- [26] Werther, W., Chandler, D., 2010. *Strategic corporate social responsibility: Stakeholders in a global environment*. Los Angeles: Sage Publications.
- [27] Williams, K., O'Reilly, C., 1998. Demography and diversity in organizations: A review of 40 years of research. 20, 77-140.
- [28] Willness, C.R., Jones, D.A., Strah, N., et al., 2020. Corporate social responsibility at the individual level of analysis: research findings that inform responsible management in the wild. *Research Handbook of Responsible Management*. Edward Elgar Publishing.
- [29] Zulfiqar, S., Sadaf, R., Popp, J., et al., 2019. An Examination of Corporate Social Responsibility and Employee Behavior: The Case of Pakistan. *Sustainability*. 11(13), 3515.