

# Corporate Social Responsibility Perception and Happiness of Employees: Evidence From Disney Resort in China\*

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In recent years, many scholars have discussed good corporate culture, such as corporate social responsibility. The study investigates the relationship between employee perceptions of corporate social responsibility (CSR) and happiness in China's resort industry. Four types of corporate social responsibilities are economic, legal, ethical, and discretionary. The study is an empirical study conducted to survey full-time workers who are working in Disney Resort, China. 257 effective samples have been collected. The result implicated that the Disney Resort employees' corporate social responsibility perception positively affects happiness. Economic, legal, ethical, and discretionary responsibility all positively affect happiness.

*Keywords:* corporate social responsibility perception, happiness, resort industry

## Introduction

In recent years, many scholars have discussed good corporate cultures, such as corporate social responsibility (CSR), and the impact on corporate performance and output, but most of them focus on the overall face of financial aspects (Margolis, Elfenbein, & Walsh, 2009; Margolis & Walsh, 2003; Orlitzky, Schmidt, & Rynes, 2003). Aguinis and Glavas (2012) found that only 4% of CSR research conducted a personal analysis. The concept of corporate social responsibility is based on the economic theory of classical economic theory. The definition of corporate social responsibility (CSR) is the corporation's interest activities for the protection and improvement of the welfare society (Davis & Blomstrom, 1975; Maignan & Ralston, 2002). The management also considers their impact on society and social responsibility issues when making decisions, but employee corporate social responsibility may be more important than the actual organization's corporate social responsibility policy itself. Business managers consider the social impact and social responsibility in decision-

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making, such as environmental protection, employee welfare, and product quality. However, in the process of decision-making, the interests of individual companies are always contradictory, and there is no way to make each party satisfied. Therefore, senior management should know that the interests of those groups are to be given special attention. The American Management Association (AMA) surveyed 6,000 managers and concluded that employees are only second to customers among stakeholders.

Employees' sense of belonging will be enhanced when they understand their CSR programs (Bhattacharya & Sen, 2004); employees' understanding of motivation leads to certain expected psychological contracts. Thus employees devoting their sincere efforts succeed in achieving those objectives of CSR. Employees' perception of CSR correlates positively with job performance (Sen, Bhattacharya, & Korschun, 2006). Individual employees' perception of CSR is more important than CSR policies. Hoppock (1935) believes that employee satisfaction is a self-conscious response of employees to their work situation and environment, including psychological and physical satisfaction with their work environment. Vroom (1964) explains the satisfaction of employees denotes how well the work environment meets their expectations after they complete evaluation jobs related to their responsibilities. The degree of difference between the actual compensation that employees receive in their work environment and their expected remuneration represents the employee's satisfaction with work (Smith, 1969). Dessler (1980) believes that employee satisfaction is the degree to which employees can meet their various needs from the work situation. Some scholars believe that CSR has a positive impact on the individual face, especially the impact of CSR on employees, especially because corporate social responsibility directly produces organizational reputation and external image, as well as employee self-esteem and social identity (Riordan, Gatewood, & Bill, 1997). Only a few scholars have studied the impact of corporate social responsibility on internal stakeholders (including employees) (Hsieh & Chan, 2012).

With the continuous development of the economy and the increase of the speed and scope of information transmission through online media, the public gradually attaches importance to enterprises' social responsibility, which not only includes the external social responsibility that enterprises should undertake, but also refers to the social responsibility perceived by employees. Disney Resort helps employees when floods hit Henan, China. Disney Resort's corporate social responsibility to employees is demonstrated. In addition, Disney attaches great importance to employee education. Based on employees' work needs and promotion needs, it sets up different kinds of courses to provide employees with learning opportunities and help them pursue their dreams. How a company treats its employees and whether it undertakes corporate social responsibility (CSR) have a great influence on employees, whether it is the sense of belonging, satisfaction, or happiness in the enterprise.

The resort is a labor-intensive industry and employees are its core competency; they are one of the important elements in terms of resort management. The employees' satisfaction is a key issue of resort management that influences whether resorts develop stably. It affects the stable development of a resort and is the basis for the resort to maintain its competitiveness. It restricts the development of the domestic resort industry. The objectives of this research are listed in the following:

1. Will the employee's perception of CSR predict happiness?
2. Will economic, legal, ethical, and discretionary responsibility affect happiness?

### **Perception of CSR and Happiness**

Carroll (1979; 1999) suggests the corporate social responsibility model, the model including economic responsibility, legal responsibility, ethical responsibility, and discretionary responsibility. At the bottom of the

model is economic responsibility, which represents the cornerstone of CSR, because the other three aspects of CSR must be realized economic responsibility. Legal responsibilities refer to that enterprises operate in compliance with laws and regulations and achieve economic benefits within the scope permitted by law, such as paying taxes and meeting product standards. Ethical responsibilities are the public expects enterprises to abide by, such as treating employees well, protecting the environment, etc., and have not yet become laws but fall within the scope of moral ethics. Discretionary responsibilities are interpreted as the responsibilities that an enterprise decides to undertake at its own discretion, which depends entirely on the enterprise's willingness, such as a charitable donation.

The use of "happiness" data in economics has grown substantially over the past decade (see, e.g., Aghion, Akcigit, Deaton, & Roulet, 2016; Benjamin, Heffetz, Kimball, & Rees-Jones, 2012; Kahneman et al., 2004). "Happiness" is a subjective experience: People are happy to the extent that they believe themselves to be happy. Scholars tend to treat "happiness" as PWB, a three-dimensional construct that includes life satisfaction, the presence of positive emotional experiences, and the absence of negative emotional experiences components (Diener, 2000; Haller & Hadler, 2006). From the perspective of integration, Zheng, Zhu, Zhao, and Zhang (2015) proposed that employee happiness is not only the cognition and perception of employees' satisfaction at work and life levels, but also the emotional psychological experience and satisfaction state displayed at work and nonwork levels. It mainly includes three aspects of employee's life happiness, employee's work happiness, and employee's psychological happiness. In addition, given the lack of measurement tools in previous studies, Zheng et al. (2015) developed an effective measurement tool based on qualitative and quantitative research.

According to Social Identity Theory, an individual categorizes himself into a specific organization, and this offers him with categorization means of the organizational environment once he has become a formal member (Hogg & Terry, 2000). The cognition of an organizational membership helps employees maintain and strengthen their self-identity intrinsically and socially (Carmeli, Gilat, & Waldman, 2007). The corporate social responsibility is one of important components, in terms of reputation and image (Fombrun & Stanley, 1990) and major influences of CSR on employees are the organizational reputation and image produced, self-esteem of employees, and social identity. Ashforth and Mael (1989) notice, when individuals form the identity of certain organization, they consider themselves members of its and destiny-binding. The direct affective binding comes from both organizational reputation and image led by CSR intensify the trust and the empathy between employees. Employees think that the organizational identity has certain social value (Turban & Greening, 1997). CSR increases employees' self-esteem and organizational pride (Tyler & Blader, 2003). When the values, of employees and organization, meet, employees' identity and the affective linking to their organization are strengthened. For example, a strong influence of employees' self-esteem and organizational identity caused by CSR can be expected when employees and the program bear a similar value, say religious value, in a CSR program implemented by the corporate, like volunteer service. Consequently, we formulate the following hypotheses:

- H1: Economic CSR correlates positively the happiness.
- H2: Legal CSR correlates positively the happiness.
- H3: Ethical CSR correlates positively the happiness.
- H4: Discretionary CSR correlates positively the happiness.
- H5: The perception of CSR correlates positively the happiness.

## Methods

### Sample and Procedure

This study uses self-administered questionnaires which were distributed to collect individual data on the respondents. This survey took approximately one month in the year 2022. The sample consisted of 257 of 500 employees (with a response rate of 51.4%) from Disney Resort in Shanghai, China.

Our research sampling is purposive sampling (also known as judgment, selective or subjective sampling) which is a sampling technique in which the researcher relies on his or own judgment when choosing members of the population to participate in the study. Purposive sampling is a non-probability sampling method and it occurs when “elements selected for the sample are chosen by the judgment of the researcher. Researchers often believe that they can obtain a representative sample by using a sound judgment, which will result in saving time and money”.

In a four-week timeframe, 257 employees (112 men (43.6%) and 145 women (56.4%), Mage = 26.35 years, SD = 2.42) completed the 10-minute questionnaire, after which the online survey was closed. The sample characteristics reflect the population of employees at the five-star resorts. The sample also showed a good representation in terms of job types (including staff (67.7%), middle management (21.4%), and higher management (10.9%)) found at the five-star resorts. The average tenure at the organization reported by research participants was 2.67 years (SD = 1.94).

The instruments were designed for individual-level units of analysis. Each respondent in the study was required to complete measures: corporate social responsibility perception, and happiness. Questionnaires on corporate social responsibility perception are taken from those developed by Carroll (1979; 1999). Happiness is taken from those developed by Zheng et al. (2015). All of the scales were measured on seven-point Likert Scale ranging (1 = “disagree” to 7 = “agree”).

### Confirmatory Factor Analysis

The Cronbach alpha from the test yielded a record of 0.827 for CSR, 0.790 for economic CSR, 0.861 for legal CSR, 0.884 for ethical CSR, 0.809 for discretionary CSR, and 0.876 for happiness which are far above the cut-off line of reliability as recommended by Hair et al. (2006) and Sekaran and Bougie (2010).

Based on GFI value reported, Models 1, 2, and 3 have values 0.846, 0.857, and 0.843 respectively. We can conclude acceptably that our hypothesized Models 1, 2, and 3 fit the sample data. Values for both normed fit index (NFI) and comparative fit index (CFI) ranged from zero to 1.00. Although a value > 0.90 was originally considered representative of fitting model, based on NFI and CFI value reported, Model 1 has value CFI and NFI 0.933 and 0.865 respectively. We can conclude that our hypothesized Model 1 is marginal fit for the sample data. Model 2 has value CFI and NFI 0.941 and 0.868 respectively. We can conclude that our hypothesized Model 2 is marginal fit for the sample data. Model 3 has value CFI and NFI 0.913 and 0.833 respectively. We can conclude that our hypothesized Model 3 is marginal fit for the sample data. The root mean square residual (RMR) represents the average values across all standardized residuals, and ranges from zero to 1.00. Small value, say 0.05 or less, is fitting model. Based on RMR value reported, Models 1, 2, and 3 have value 0.026, 0.065, and 0.070 respectively. The root mean square error of approximation (RMSEA) for fitting model is less than 0.05.

Based on theoretical and empirical estimations, bivariate correlations between CSR and happiness are positive. All dimensions of corporate social responsibility are positively correlated with happiness, means, standard deviation, and correlations between all variables are provided in Table 1.

Table 1  
Means, Standard Deviations, and Correlations Between Model Variables

Variable	Mean	SD	CSR	Economic CSR	Legal CSR	Ethical CSR	Discretionary CSR	Happiness
CSR	5.3123	0.68622	1	0.584**	0.729**	0.679**	0.563**	0.588**
Economic CSR	5.2082	0.97551	0.584**	1	0.341**	0.147*	0.047	0.344**
Legal CSR	5.3751	0.97548	0.729**	0.341**	1	0.238**	0.194**	0.388**
Ethical CSR	5.3375	1.14484	0.679**	0.147*	0.238**	1	0.314**	0.382**
Discretionary CSR	5.3126	1.20600	0.563**	0.047	0.194**	0.314**	1	0.406**
Happiness	5.0201	0.76218	0.588**	0.344**	0.388**	0.382**	0.406**	1

Notes. \*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

### Results

After entering age and education as control variables in Model 1, consistent with Hypotheses 1, 2, 3, 4, the economic, legal, ethical, and discretionary CSR dimensions were entered in Model 2. The economic ( $b = 0.232$ ,  $p < 0.05$ ), legal ( $b = 0.188$ ,  $p < 0.05$ ), ethical ( $b = 0.213$ ,  $p < 0.05$ ), and discretionary ( $b = 0.275$ ,  $p < 0.05$ ) CSR were the significant predictor in the regression model. Hypotheses 1, 2, 3, 4, were supported. Consistent with Hypothesis 5, CSR explained the happiness of employees beyond the previous Models ( $DR2 = 0.04$ ,  $p < 0.05$ ) and was the significant predictor ( $b = 0.59$ ,  $p < 0.05$ ) in the final regression model. Thus, Hypothesis 5 was supported. All data are described in Table 2.

Table 2  
Results of Hierarchical Regression Analyses Predicting Happiness of Employee

Variables	Step 1	Step 2	Step 3
Age	-0.146*	-0.025	-0.036
Education	0.147*	0.105*	0.104*
Economic CSR		0.232**	
Legal CSR		0.188**	
Ethical CSR		0.213**	
Discretionary CSR		0.275**	
CSR			0.588**
$\Delta R^2$	0.042	0.352	0.351
Total $R^2$	0.050	0.367	0.358
$\Delta F$	6.616	24.207	47.089

Notes. \*  $p < 0.05$ , \*\*  $p < 0.01$ .

### Research Conclusion

This study experiments with the relationship between employees' CSR and happiness and has predictability. The result comes the employees' CSR perception has a positive influence on their happiness. According to the social exchange theory, when employees get some benefits or good effects from social exchanges, the return of employees may be their compliance with happiness. The benefits might be feeling fair treatment from the supervisor, the organization attaching importance to their career improvement, and so on. Therefore, employees

generate spontaneous organizational identity when they perceive the organization's CSR efforts at all levels (economic, legal, ethical, and discretionary). This shows employees' cognition of the organization is due to the perception of CSR. As a result, those companies that put efforts to practice CSR create a friendly and ethical work environment and demonstrate the organization's ethical practices, thereby enhancing employee happiness.

With the economic growth in mainland China in the past 20 years, not only economic issues but also these related to CSR such as environmental protection and charity are increasingly being valued. Especially in the five-star resort industry, employees have a higher level of education and more contact with foreign customers. Employees are becoming more aware of CSR, which will be the same problem faced by resort companies in mainland China. Therefore, Chinese companies should strengthen CSR and pay attention to the impact of employees' CSR perceptions.

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