Antecedents and benefits of corporate citizenship: an investigation of French businesses

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Abstract

The authors first propose a conceptualization and operationalization of corporate citizenship. Then, they present an empirical study conducted among French businesses aimed at: (1) understanding whether an organization’s culture affects its likelihood of engaging in corporate citizenship and (2) whether corporate citizenship is associated with specific business benefits. The results suggest that a market-oriented culture is conducive of corporate citizenship, which in turn is associated with greater employee commitment and business performance. The results point to corporate citizenship as a potentially fruitful practice not only for society as a whole but also for businesses themselves. © 2000 Elsevier Science Inc. All rights reserved.

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The business community is increasing its commitment to integrate corporate citizenship into its strategic planning. Initiatives such as work–family programs, no lay-off policies, corporate volunteerism, green marketing, or ethics programs are indicators of this trend toward greater corporate citizenship. A growing interest for corporate citizenship is also apparent in a recent stream of research that investigates how organizations incorporate social demands into their operations.

For example, marketing scholars have proposed citizenship issues as an area of developing business strategies. Drumwright (1994) documented the importance of environmentalism in corporate buying decisions, while Menon and Menon (1997) investigated the notion of environpreneurial marketing. Brown and Dacin (1997) considered the value of responsible corporate behaviors from the viewpoint of consumers. They demonstrated empirically that negative corporate social responsibility associations can have detrimental effects on the overall product evaluations, while positive associations can improve product evaluations (Brown and Dacin, 1997, cf. p. 80). Management scholars have also shown a renewed interest for the investigation of the relationship between corporate social performance and business performance (e.g., Preston and O’Bannon, 1997; Waddock and Graves, 1997; Stanwick and Stanwick, 1998).

These works represent evidence of a rigorous understanding of the role and benefits of corporate citizenship. However, they have yielded ambiguous results mainly because of the variety of indicators of corporate citizenship they relied upon (Carroll, 1991; Griffin and Mahon, 1997; Waddock and Graves, 1997). In addition, most of past research has focused on limited aspects of corporate citizenship such as the protection of the environment (e.g., Drumwright, 1994; Menon and Menon, 1997), the establishment of ethical standards (e.g., Vershoor, 1997), or legal responsibilities (e.g., Davidson and Worrell, 1990; Baucus and Baucus, 1997). There is a need for research that adopts a more holistic and systematic perspective on corporate citizenship by defining the many activities it encompasses. Furthermore, past empirical works have been conducted almost exclusively in the US. Consequently, managers of international organizations know very little about the appropriateness and desirability of corporate citizenship in different countries.
The present research addresses these gaps in past literature by: (1) proposing an integrative conceptualization and operationalization of corporate citizenship, (2) examining why some businesses are better corporate citizens than others based on their organizational culture, (3) assessing whether corporate citizenship is conducive of specific business benefits, and (4) surveying corporate citizenship practices in France. Given the increasing cooperation between the US and the European Union on the establishment of common guidelines to reduce corporate crime and unethical behaviors (Izraeli and Schwontz, 1998), it was deemed relevant to survey corporate citizenship in a European country where standards for corporate social involvement are only emerging. In addition, Europe remains the main trading partner of the US. France was selected as the European country of interest because: (1) it is the second European economic power and (2) its socio-economic structure is representative of that prevalent in most European countries. Contrary to the US where economic success has been viewed as the main guarantor of social wealth and harmony, the welfare of the French society has traditionally been left entirely in the hands of the government. As a result, while corporate social involvement has traditionally been part of corporate strategy in the US, it has been viewed mainly with suspicion in France (Perret and Roustang, 1993). It is only recently that French and European leaders have started encouraging corporate citizenship (Lemaitre and Leparmentier, 1995). In this context, it is important to survey how French organizations are starting to integrate corporate citizenship in their activities.

1. Conceptual framework

This section introduces the constructs and relationships considered in this research. Specifically, as illustrated in Fig. 1, three dimensions of organizational culture—market orientation, humanistic orientation, and competitive orientation—are considered as potential antecedents of corporate citizenship, while employee commitment, customer loyalty, and business performance are proposed as potential benefits of corporate citizenship.

1.1. Nature of corporate citizenship

Even though the notion of corporate citizenship is commonly employed by business practitioners, it has not been formally conceptualized by academicians. With a few exceptions (e.g., Robin and Reidenbach, 1987), much of the conceptual work in this area has stemmed out of the management literature and has been scattered over four different research streams focusing on corporate social responsibility (e.g., Bowen, 1953; Eilbirt and Parket, 1973; Carroll, 1979; Sethi, 1979), corporate social responsiveness (e.g., Ackerman and Bauer, 1976; Frederick, 1978), corporate social performance (e.g., Carroll, 1979; Wood, 1991; Lewin et al., 1995), and stakeholder management (e.g., Clarkson, 1995; Donaldson and Preston, 1995; Jones, 1995). A review of the research in these related areas suggests that corporate citizenship can be defined as the extent to which businesses assume the economic, legal, ethical, and discretionary responsibilities imposed on them by their stakeholders.

Based on the literature on corporate social responsibility, and especially on the works by Carroll (1979) and Clarkson (1991, 1995), corporate citizenship is expected to range along a continuum ranging from proactivity to reactivity. A reactive business rejects the responsibilities assigned by its stakeholder groups. A proactive business is aware of, meets, and anticipates, the responsibilities imposed by its stakeholders. A firm assumes its responsibilities by engaging in such activities as compliance, information seeking, scanning, communicating, and modification of organizational processes.

Carroll’s (1979) acknowledged classification of corporate social states that businesses are faced with four types

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**Fig. 1.** Antecedents and consequences of corporate citizenship.
of social responsibilities: economic, legal, ethical, and discretionary. Economic responsibilities include the obligations to be productive, to be profitable, and to meet consumption needs (cf. Apppperle, 1982, p. 55). Legal responsibilities require that businesses fulfill their economic mission within the framework of legal requirements. Ethical responsibilities concern society’s expectation that businesses follow established moral standards. Discretionary responsibilities reflect the desire to see businesses involved in the betterment of society beyond economic, legal, ethical, and ethical responsibilities (Carroll, 1979). Businesses meet their discretionary responsibilities by engaging in activities such as the provision of a day-care center for working mothers, philanthropic contributions, or the creation of pleasant work aesthetics.

As emphasized by the stakeholder management framework, businesses are not directly responsible toward society in general, but only toward their stakeholders (Clarkson, 1995; Donaldson and Preston, 1995; Jones, 1997). Stakeholders are the “persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future” (Clarkson, 1995, p. 106). Past research has distinguished between primary and secondary stakeholders. Primary stakeholders include shareholders or investors, employees, customers, suppliers, and “the public stakeholder group: the governments and communities that provide infrastructures and markets, whose laws and regulations must be obeyed, and to whom taxes and other obligations may be due” (Clarkson 1995, p. 106). Secondary stakeholders, like primary stakeholders, influence or affect, or are influenced or affected by, the corporation, but are not engaged in transactions with the corporation and are not essential to its survival (cf. Clarkson, 1995, p. 107). The media and special interest groups are examples of secondary stakeholders.

### 1.2. Cultural antecedents of corporate citizenship

Past research on corporate social performance has paid scant attention to the factors that may explain why some businesses are better corporate citizens than others. One exception is a study by Thomas and Simerly (1995) who examined the relationship between the background of top managers evaluated in terms of internal vs. external orientation and corporate citizenship. The assumption underlying this research is that managers who have followed various paths throughout their professional career hold differentiated values, and thus do not attribute the same importance to corporate citizenship. Our study expands on Thomas and Simerly’s (1995) work, and evaluates whether three specific dimensions of organizational culture affect corporate citizenship.

Organizational culture is defined “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration ...” (Schein, 1984, p. 3). Based on this definition, one may expect that an organization’s culture influences how decision makers manage the relationships between the business and its stakeholders. Reynolds (1986) emphasized the multi-dimensionality of organizational culture by identifying 14 different facets of the construct. In order to keep the scope of the research manageable, only three components of organizational culture were considered in the study: market orientation, humanistic orientation, and competitive orientation. Market orientation was selected because of its central role in the current marketing literature (Day, 1994a), and because of Narver and Slater’s (1990) suggestion that it may be linked to corporate social responsibility. The inclusion of humanistic orientation and competitive orientation in the study was motivated by the fact that these two dimensions are widely acknowledged in the management literature and that they have been shown to greatly impact managerial practices (Kilmann and Saxton, 1983; Cooke and Hartmann, 1989; Cooke and Rousseau, 1988; Xenikou and Furnham, 1996). In addition, these three dimensions seem, at face value, to be likely to affect the organization’s commitment to the demands of its stakeholders.

#### 1.2.1. Market orientation and corporate citizenship

Market orientation represents the extent to which an organization adopts the marketing concept and puts the customer at the center of its strategy and operations (Deshpandé and Webster, 1989). Narver and Slater (1990) identified three interrelated components of market orientation: (a) a customer orientation ensuring that the business understands customers’ present and future needs, (b) a competitor orientation which enables the company to constantly monitor competitor’s capabilities, and (c) an interfunctional orientation that facilitates the dissemination of market intelligence throughout the organization. Market orientation is an acknowledged component of an organization’s culture. For instance, Narver and Slater (1990, p. 21) viewed market orientation as “the organizational culture ... that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business.” Similarly, Day (1994a, p. 43) stated that “a market-driven culture supports the value of thorough market intelligence and the necessity of functionally coordinated actions directed at gaining competitive advantage.”

Narver and Slater (1990, p. 34) argued: “the implication of a given magnitude of market orientation is that a business is, to some extent, sensitive and responsive to any stakeholder or issue that may affect its long-term performance.” Narver and Slater (1990, p. 34) then suggested that future research examine “the relationship between the degree of a business’ market orientation and the extent of its ‘social responsibility’ behavior.” Following Narver and Slater’s (1990) discussion, it may be expected that a market-oriented organization keeps abreast of all environmental forces, regardless of whether they are...
triggered by market agents or by other social actors. Hence, market-oriented businesses are likely to make every attempt to integrate economic, legal, ethical, and discretionary demands into their activities. Therefore,

**H1:** The greater the market orientation in an organization, the more proactive the corporate citizenship.

Since high levels of market orientation are significant of businesses that are generally outward looking, there is no indication to suggest that market orientation affects the four dimensions of corporate citizenship differently. Hence,

**H1a:** The greater the market orientation in an organization, the more proactive the economic citizenship.

**H1b:** The greater the market orientation in an organization, the more proactive the legal citizenship.

**H1c:** The greater the market orientation in an organization, the more proactive the ethical citizenship.

**H1d:** The greater the market orientation in an organization, the more proactive the discretionary citizenship.

### 1.2.2. Humanistic orientation and corporate citizenship

Humanistic orientation refers to the dimension of an organization’s culture that is concerned with the importance attributed to support and harmony among workers. Cooke and Hartmann (1989, p. 25) explained that, in humanistic cultures, “employees are expected to be supportive, helpful, and interested in the suggestions and ideas of others.” In such organizations, members show concern for the needs of others, give rewards to others, and involve others in the decisions affecting them (cf. Cooke and Hartmann, 1989, p. 25). One may expect that in humanistic cultures, values and policies promoting caring and harmony are not extended solely to employees, but also to other stakeholder groups. In other words, one may expect that humanistic values encourage organizational members to systematically enhance the relationships between the business and all its stakeholder groups with respect to economic, legal, ethical, and discretionary issues. Consequently:

**H2:** The greater the humanistic orientation in an organization, the more proactive the corporate citizenship.

**H2a:** The greater the humanistic orientation in an organization, the more proactive the economic citizenship.

**H2b:** The greater the humanistic orientation in an organization, the more proactive the legal citizenship.

**H2c:** The greater the humanistic orientation in an organization, the more proactive the ethical citizenship.

**H2d:** The greater the humanistic orientation in an organization, the more proactive the discretionary citizenship.

### 1.2.3. Competitive orientation and corporate citizenship

While a humanistic orientation fosters the maintenance of harmonious relationships within the organization, competitive cultures value winning, and reward their members for outperforming one another (cf. Cooke and Hartmann, 1989, p. 41). Given the priority given to personal success in competitive cultures, organizational members are unlikely to pay attention to the well-being of their stakeholders. Accordingly, such organizations may not consider the satisfaction of their economic, legal, ethical, and discretionary responsibilities as essential to their success. Hence:

**H3:** The greater the competitive orientation in an organization, the less proactive the corporate citizenship.

**H3a:** The greater the competitive orientation in an organization, the less proactive the economic citizenship.

**H3b:** The greater the competitive orientation in an organization, the less proactive the legal citizenship.

**H3c:** The greater the competitive orientation in an organization, the less proactive the ethical citizenship.

**H3d:** The greater the competitive orientation in an organization, the less proactive the discretionary citizenship.

### 1.3. Outcomes of corporate citizenship

Past research on corporate social performance and its components has been aimed mainly at determining whether corporate social involvement is associated with positive or negative levels of financial performance (e.g., Cochran and Wood, 1984; Aupperle et al., 1985; Griffin and Mahon, 1997; Waddock and Graves, 1997). Even though the present research also incorporates business performance, it investigates two additional outcomes—employee commitment and customer loyalty—that represent the response of two primary stakeholder groups to corporate citizenship.

### 1.3.1. Corporate citizenship and employee commitment

Employee commitment designates “the extent to which a business unit’s employees are fond of the organization, see their future tied to that of the organization, and are willing to make personal sacrifices for the business unit” (Jaworski and Kohli, 1993, p. 60). Proactive corporate citizenship may encourage employee commitment in several fashions: (a) by meeting employees’ demands in the workplace, (b) by addressing issues—such as the protection of the environment or the integration of minorities—that are of concern to society in general, and thus also to employees, and (c) by displaying exemplary behaviors employees can be proud of. Efforts undertaken by businesses to display proactive citizenship, regardless of whether they are exercised in the economic, legal, ethical, and discretionary areas, are likely to engender a sense of pride and belonging in employees. Subsequently,

**H4:** The more proactive the corporate citizenship, the greater the employee commitment to the organization.
H4a: The more proactive the economic citizenship, the greater the employee commitment to the organization.

H4b: The more proactive the legal citizenship, the greater the employee commitment to the organization.

H4c: The more proactive the ethical citizenship, the greater the employee commitment to the organization.

H4d: The more proactive the discretionary citizenship, the greater the employee commitment to the organization.

1.3.2. Corporate citizenship and customer loyalty

Customer loyalty refers to the non-random tendency displayed by a large number of customers to keep buying from the same firm over time, and to associate positive images with its firm’s products (Jacoby and Kyner, 1973; Keller, 1993). Following the same reasoning as that used for employee commitment, it may be argued that corporate citizenship creates customer value by: (a) showing concern for customers’ demands—such as product quality and safety, (b) addressing social issues that are of interest to society in general, and thus also to customers, and (c) displaying exemplary behaviors that are encouraged by customers.

Thus, customers are likely to deliberately support the activities of proactive corporate citizens by purchasing and recommending their products and services. In fact, a survey by Walker Research found that 88% of consumers contend to be more likely to buy from a company that is socially responsible and a good corporate citizen if quality, service, and price are commensurate to those of competitors (Smith, 1996). Similarly, a Cone/Roper survey reported that 76% of consumers will switch to brands or stores that seem concerned about the community (Jones, 1997). Therefore, the following hypotheses are proposed:

H5: The more proactive the corporate citizenship in an organization, the greater the customer loyalty.

H5a: The more proactive the economic citizenship in an organization, the greater the customer loyalty.

H5b: The more proactive the legal citizenship in an organization, the greater the customer loyalty.

H5c: The more proactive the ethical citizenship in an organization, the greater the customer loyalty.

H5d: The more proactive the discretionary citizenship in an organization, the greater the customer loyalty.

1.3.3. Corporate citizenship and business performance

Past research on the relationship between corporate social performance and financial performance has yielded contradictory or ambiguous results: some analyses report a negative relationship between the two constructs (e.g., Vance, 1975), some report a positive relationship (e.g., Spencer and Taylor, 1987; Graves and Waddock, 1994; Waddock and Graves, 1997), while others do not identify any significant relationship (e.g., Aupperle et al., 1985; McGuire et al., 1988; Davidson and Worrell, 1990). The variety of the research findings is largely due to inconsistent, and sometimes questionable, measures of corporate social performance (Ullman, 1985; Wokutch and McKinney, 1991; Waddock and Graves, 1997).

In addition, much of past research has failed to provide theoretical arguments supporting the existence of a relationship between corporate citizenship and business performance. An exception is Clarkson (1995) who relied on the stakeholder management theory to propose the existence of a positive relationship between corporate citizenship and performance: by meeting the demands of different stakeholders, businesses generate their support, which in turn leads to greater performance levels.

Another explanation for the suggested positive relationship between corporate citizenship and performance can be drawn from the literature on competitive advantage (Barney, 1991; Day, 1994a,b; Day and Wensley, 1988). Three characteristics of corporate citizenship may qualify it as a source of competitive advantage. First, corporate citizenship provides superior value to customers: proactive corporate citizens make every attempt to treat their customers fairly and engage in social activities—such as philanthropic donations or volunteer programs—that that are desired by consumers. Second, corporate citizenship is difficult to imitate since it addresses the differentiated demands of the organization’s specific stakeholders. Third, corporate citizenship can have multiple applications. For example, it may be used as a core argument in internal promotions aimed at stimulating employees’ motivation, in external advertising intended to improve customers’ image of the company, and in negotiations with community leaders. Accordingly, as a potential source of competitive advantage, corporate citizenship may be associated with higher performance levels. Hence,

H6: The more proactive the corporate citizenship in an organization, the greater the business performance.

H6a: The more proactive the economic citizenship in an organization, the greater the business performance.

H6b: The more proactive the legal citizenship in an organization, the greater the business performance.

H6c: The more proactive the ethical citizenship in an organization, the greater the business performance.

H6d: The more proactive the discretionary citizenship in an organization, the greater the business performance.

2. Methodology

Given the broad scope of the corporate citizenship construct, it was deemed necessary to limit our analysis in terms of the stakeholder groups considered. Primary stakeholders
were favored since they can directly affect, and be affected by, corporate operations. Among them, only customers, employees, and public stakeholders were kept in the study. This selection was motivated in part by the fact that past literature has researched these three groups the most. In addition, the general demands of suppliers are highly contingent on the type of activity considered, while investors have differentiated demands depending on their exact ownership status.

2.1. Data collection

Since informants had to provide both marketing and general information about their organization, only top marketing executives—with titles such as Director of Marketing, Marketing Vice-President, Marketing Research Manager, Director of Quality, or Regional Sales Manager—were selected. In addition, every attempt was made to include business organizations that faced similar pressures to engage in corporate citizenship and that have the resources sufficient to be aware of, and to address, social demands. Non-for-profit organizations, public administrations, and educational institutions were excluded from the sample since the nature and demands of their stakeholders may differ substantially from those most common in for-profit organizations. In addition, businesses employing less than fifty employees were not included in the sample in order to focus on organizations that have the means to consider corporate citizenship in their daily activities. A single informant per company was included in the initial sample. Huber and Power (1985) showed that when several informants vary in their knowledge of issues, a simple average of responses is less accurate than the answer provided by a single informant. A multi-industry sample was considered appropriate to enhance the external validity of findings. In order to get a depiction of corporate citizenship in France and to facilitate cross-cultural comparisons, only French-owned businesses operating in France were included in the sample.

The 1996 directory of members of the “Association Nationale pour la Recherche sur le Développement des Marchés” (National Association for Research on the Development of Markets) was used to select French informants. However, only 500 out of the 1000 ADETEM members met the criteria for inclusion in the study; the rest regrouped educators, middle- or lower-managers, and multiple managers employed in the same firm. The 500 remaining marketing managers were randomly selected from the Dun & Bradstreet Worldbase database. The resulting sample frame included 1000 managers.

All the scales employed in the survey instrument were first developed in English. Accordingly, it was necessary to first have the survey materials translated into French before providing them to the informants. In order to maintain translation equivalence, the questionnaire was translated into French by one bilingual author and by a French professional translator, and back-translated into English by a second professional translator. The few discrepancies observed between the original questionnaire and its back-translated version were only minor and easily solved by the bilingual author and another translator.

Informants were mailed a questionnaire and a cover letter that offered a summary of the results in exchange for completed surveys. One week later, a reminder card was sent to all potential informants. Respondents were asked to focus their answers solely on the Strategic Business Unit (SBU) in which they were employed at the time of the survey. Using a chi-square difference test, it was determined that for a subset of variables (number of employees, sales volume, and profit growth) there were no systematic differences between early and late respondents (Armstrong and Overton, 1977). Out of the 1000 mailed questionnaires, 39 were returned undelivered, and 133 were completed, which corresponds to a response rate of 13.84%. This response rate compares well to the rates ranging from 6% to 10% obtained by Schlegelmich and Robertson (1995) in a mail survey of European senior managers. Thirteen of the completed surveys had to be discarded because the business unit considered was not French. Respondents came from a variety of industries: 27 for consumer packaged goods, 11 for consumer durables, 20 for industrial goods, 55 for services, and 7 for others. The participating businesses employed between 50 and 70,000 persons, with an average of 3511 employees.

2.2. Instrument development and refinement

The English version of the measurement instrument is included in Appendix A, while a correlation matrix of the scales employed is displayed in Appendix B. The study used existing scales for market orientation, humanistic orientation, competitive orientation, and employee commitment. Scales measuring customer loyalty and corporate citizenship based on information provided by managers were not available in the literature. Thus, new measures were developed for these two constructs. In order to operationalize our definition of corporate citizenship, it was deemed necessary to first identify corporate activities typifying economic, legal, ethical, and discretionary citizenship toward the three stakeholder groups of interest—employees, customers, and public stakeholders.

An extensive search of the academic and French business literature was first conducted to pinpoint activities commonly considered as representative of corporate citizenship. Then, in a series of open-ended surveys, 10 French executives were asked to describe the practices adopted by their organization to display good corporate citizenship toward employees, customers, and the public in general. These managers also had to suggest specific activities that their organizations could select to become better corporate citizens. Finally, in an attempt to delineate the expectations of customers and of public stakeholders, 28 French graduate students with a business major answered an open-ended survey that asked them to describe activities representative
of: (a) proactive corporate citizenship toward customers and public stakeholders and (b) reactive corporate citizenship toward customers and public stakeholders. Based on the information thereby gathered, a grid of corporate behaviors representative of corporate citizenship was built according to each type of responsibility and to each stakeholder group considered. This grid was then employed to generate a battery of 32 items.

Two pre-tests were conducted to assess the quality, face validity, and content validity of the items generated. In the first pre-test, a questionnaire presenting the items according to each of the dimensions of corporate citizenship was administered to six scholars with an interest in the field of business and society. They were asked to mark any ambiguous item and to rate all of them in terms of representativeness and consistency. In the second pre-test, the remaining 29 items were submitted to 48 French executives who identified any item that was difficult to answer or unclear. This process resulted in 29 items: seven items for economic, legal, and ethical citizenship, respectively, and eight items for discretionary citizenship.

A similar procedure was employed to develop a measure of customer loyalty. A set of items were generated by the authors on the basis of existing instruments that rely on information provided directly by consumers (e.g., Jacoby and Kyner, 1973; Keller, 1993; Dick and Basu, 1994). The items were then submitted to three marketing scholars, and thereafter to 48 French executives. This resulted in the selection of six items to measure customer loyalty (see Appendix A).

After the data were collected, the internal consistency and validity of each measure were evaluated with confirmatory factor analysis (Anderson and Gerbing, 1988). With respect to the corporate citizenship measure, confirmatory factor analysis was first used to select the best measurement model from a number of competing models. Empirical data provided support for our conceptualization of corporate citizenship dictating a measurement model composed of the four distinct but correlated dimensions of economic, legal, ethical, and discretionary citizenship. Then, the overall fit and component structure of the preferred model were evaluated. For existing instruments and for the measure of customer loyalty, only the overall model and its component structure were examined. This purification process resulted in keeping 18 items to evaluate corporate citizenship. Our conceptualization of corporate citizenship suggests that its four components are equally important; hence equal weights were applied to each of them. Accordingly, an SBU’s corporate citizenship level was computed as the simple average of the sums of the scores of the responses on the four components. The mean score for corporate citizenship scale was 3.41 with a standard deviation of 0.59.

A confirmatory factor analysis was also employed to examine the internal consistency and validity of the customer loyalty measure. The purification process led to the selection of five items. The mean score for customer loyalty was 3.20 with a standard deviation of 0.47. Five items were kept to assess customer loyalty. Some items included in the existing measures—one item of the market orientation scale, one item of the humanistic orientation scale, and three items of the competitive orientation measure—were deleted because of their low consistency with the overall measure. Appendix A presents the English version of initial and resulting measures, their source, and their associated coefficient alpha. The refined scales generally displayed good to high reliability coefficients that exceeded the levels recommended by Nunnally (1978).

Business performance was measured as the informant’s assessment of the SBU’s return on investment, return on assets, and profit growth relative to those of its competitors over the past three years. Previous research reported a strong correlation between subjective assessments of performance and objective measures (e.g., Dess and Robinson, 1984; Pearce et al., 1987). Two indicators—number of employees and sales volume—were employed to assess the size of the business unit considered.

### 2.3. Data analysis

The first 30 hypotheses (H1–6d) were examined with multiple regression analyses. Specifically, five regression models were employed to evaluate the main effects of market orientation, humanistic orientation, and competitive orientation, respectively, on corporate citizenship and on each of its components—economic citizenship, legal citizenship, ethical, and discretionary citizenship, respectively (H1–3d). The number of employees and sales volume were entered as control variables in the models because of their suspected influence on corporate citizenship (Eilbirt and Parket, 1973; Abbott and Monsen, 1979; Spicer, 1980). Twelve regression models were used to assess first the effect of corporate citizenship, then the effects of each of its four components on customer loyalty, employee commitment, ROI, ROA, profit growth, and sales growth, respectively (H4–6d). The two indicators of business size were included in the equations to account for their potential effect on performance. For every model, all the correlations between independent variables were examined and variance inflation factors estimated to assess multi-collinearity levels. The results were found to be below harmful levels (Mason and Perreault, 1991).

### 3. Results

#### 3.1. Antecedents of corporate citizenship

Overall, the results suggested that not all dimensions of organizational culture are helpful to explain discrepancies in corporate citizenship across businesses (Table 1). As predicted in H1–1d, market orientation was found to be positively associated with corporate citizenship ($\beta = 0.45,$
commitment (proactive the corporate citizenship, the greater the employee
3.2. Outcomes of corporate citizenship

The results on the impact of humanistic and competitive
cultures on the propensity to engage in corporate citizenship
were much more ambiguous. No support was found for H2:
values which foster harmony in the workplace do not induce
organizational decision-makers to adopt activities aimed at
displaying citizenship toward customers, employees, and
public stakeholders. Even though a humanistic orientation
does not foster greater overall citizenship, it is conducive of
greater economic citizenship (β = 0.20, p < 0.05). H2a was
supported: the greater the humanistic orientation, the greater
the economic citizenship. No significant relationship was
observed between a humanistic orientation and the other
three dimensions of corporate citizenship — legal, ethical,
and discretionary citizenship. No support was found for
H2b, 2c, and 2d.

The impact of a competitive culture on the likelihood to
engage in corporate citizenship was also differentiated. As
shown in Table 1, a competitive orientation was not asso-
ciated with a reactive corporate citizenship: H3 was not
supported. Furthermore, no significant association was
found between a competitive orientation and economic,
ethical, and discretionary citizenship, respectively. None-
theless, support was found for H3b: the greater the compe-
titive orientation in an organization, the more reactive the
legal citizenship (β = 0.19, p < 0.05).

Table 1
Antecedents of corporate citizenship — standardized regression coefficients (N = 120)

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Corporate citizenship</th>
<th>Economic citizenship</th>
<th>Legal citizenship</th>
<th>Ethical citizenship</th>
<th>Discretionary</th>
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<td>Market orientation</td>
<td>0.45***</td>
<td>0.26**</td>
<td>0.40***</td>
<td>0.36**</td>
<td>0.31**</td>
</tr>
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<td>Humanistic orientation</td>
<td>ns</td>
<td>0.20*</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Competitive orientation</td>
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<td>ns</td>
<td>−0.19*</td>
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<td>ns</td>
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<td>Number of employees</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Sales volume</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>R²</td>
<td>0.29</td>
<td>0.19</td>
<td>0.20</td>
<td>0.12</td>
<td>0.18</td>
</tr>
</tbody>
</table>

* p < 0.05.
** p < 0.01.
*** p < 0.001.

p < 0.001) and each of its components: β = 0.26 (p < 0.01)
for economic citizenship, β = 0.40 (p < 0.001) for legal
citizenship, β = 0.36 (p < 0.01) for ethical citizenship, and β
= 0.31 (p < 0.01) for discretionary citizenship (Table 1).

As revealed in Table 2, H4 was supported: the more
proactive the corporate citizenship, the greater the employee
commitment (β = 0.37, p < 0.001). However, as shown in
Table 3, employee commitment was significantly associated
only with discretionary citizenship (β = 0.31, p < 0.01).
Thus, H4d was supported, while H4a, 4b, and 4c were not:
no significant association was found between economic,
legal, and ethical citizenship, respectively, and employee
commitment. Hence, the positive relationship observed
between overall corporate citizenship and employee com-
mitment was accounted for entirely by the positive effect of
discretionary citizenship on employee commitment.

Table 2 indicates no support for H5: no significant
relationship was found between corporate citizenship and
customer loyalty. In addition, no significant association
was observed between each of the components of
corporate citizenship and customer loyalty: H5a–5d were
not supported. Hence, customers did not appear to
respond to corporate citizenship initiatives with increased
levels of patronage.

Table 2 reveals that corporate citizenship was posi-
tively associated with relative ROI (β = 0.31, p < 0.01),
ROA (β = 0.27, p < 0.01), profit growth (β = 0.23, p < 0.01).
H6 was supported: proactive corporate citizenship was
associated with greater performance levels. However, as
shown in Table 3, only economic citizenship appeared
to have a positive effect on all performance measures
(β = 0.22, p < 0.01 for ROI; β = 0.28, p < 0.05 for ROA; and
β = 0.36, p < 0.001 for profit growth). No significant
association was found between each of the other three
dimensions of corporate citizenship and the four indicators
of performance. H6a was supported, while H6b, 6c, and 6d
were not. Accordingly, the positive association between
corporate citizenship and the three indicators of perfor-
ance was driven fully by the positive effect of economic
citizenship on business performance.

Table 2
Benefits of corporate citizenship: Overall assessment — standardized regression coefficients (N = 120)

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Employee commitment</th>
<th>Customer loyalty</th>
<th>ROI</th>
<th>ROA</th>
<th>Profit growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate citizenship</td>
<td>0.37***</td>
<td>ns</td>
<td>0.31**</td>
<td>0.27**</td>
<td>0.23**</td>
</tr>
<tr>
<td>Number of employees</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Sales volume</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>R²</td>
<td>0.12</td>
<td>0.02</td>
<td>0.31</td>
<td>0.29</td>
<td>0.07</td>
</tr>
</tbody>
</table>

** p < 0.01.
*** p < 0.001.
Overall, a humanistic culture was not found to be conducive of greater corporate citizenship levels. Therefore, the values that foster harmony and cooperation among co-workers do not appear to encourage organizational decision-makers to be highly attentive to the demands of business stakeholders. Even though a humanistic orientation was not associated with greater levels of overall corporate citizenship, it was conducive of greater economic citizenship. The findings mainly suggest that harmonious and supportive relationships in the workplace are essential to maintaining a competitive position in France. This observation confirms past research findings which demonstrated the existence of a relationship between a humanistic orientation and reduced employee turnover, greater job satisfaction (Pritchard and Karasick, 1973; Victor and Cullen, 1987, 1988), and increased motivation and teamwork (Cooke and Burack, 1989).

The empirical investigation did not support the idea that competitive values in the workplace are barriers to the achievement of greater levels of overall corporate citizenship. Specifically, no significant association was observed between competitive orientation and corporate citizenship. However, our findings showed a significant and negative relationship between a competitive orientation and legal citizenship. Accordingly, French organizations that encourage competitiveness in the workplace induce organizational members to pay scant attention to their legal responsibilities toward employees, customers, or public stakeholders. Yet, a competitive orientation does not hinder the three other components of corporate citizenship—economic, ethical, and discretionary citizenship.

Taken altogether, the results imply that proactive corporate citizenship is not engaged in de facto by every business in France. Instead, it is most likely to be practiced by organizations that foster certain values. Accordingly, managers cannot be assured that the introduction of episodic citizenship programs—for example, ethics training or corporate volunteerism—will systematically be synonymous of proactive corporate citizenship. In fact, such activities are likely to have limited effects unless they are backed by a set of values spread throughout the organization. Once organizational members sense that keeping abreast of market forces is at the core of the organization’s success, they are more likely to grasp the importance of stakeholders’ demands and to cater to them. In addition, organizational values encouraging collaborative work relations appear to induce French employees to perform at their best and to help the economic citizenship of the firm.

Past research on the potential benefits of corporate citizenship has yielded ambiguous results mainly because of the various measures of corporate citizenship adopted. Our study displayed consistent results: proactive corporate citizenship was found to be systematically associated with greater levels of business performance evaluated with three indicators—ROA, ROI, and profits growth. How-

---

**Table 3**

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Employee commitment</th>
<th>Customer loyalty</th>
<th>ROI</th>
<th>ROA</th>
<th>Growth</th>
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</thead>
<tbody>
<tr>
<td>Economic citizenship</td>
<td>ns</td>
<td>ns</td>
<td>0.22**</td>
<td>0.28*</td>
<td>0.36***</td>
</tr>
<tr>
<td>Legal citizenship</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Ethical citizenship</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Discretionary citizenship</td>
<td>0.31**</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Number of employees</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
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<tr>
<td>Sales volume</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
</tbody>
</table>

**R²**

0.17 0.07 0.11 0.13 0.09

* p < 0.05.  
** p < 0.01.  
*** p < 0.001.

4. Discussion

The empirical investigation in a French business environment provided support for the conceptualization of corporate citizenship as a construct consisting of the four distinct but correlated behavioral components of economic, legal, ethical, and discretionary citizenship. Accordingly, corporate citizenship is not the result of episodic and unrelated activities aimed at displaying the goodwill of the business toward its stakeholders. Instead, proactive corporate citizenship emerges when the organization systematically monitors and addresses the demands of each stakeholder group, regardless of whether these demands are exercised in the economic, legal, ethical, or discretionary area.

Our conceptualization of corporate citizenship and its associated measure indicate linkages between activities that may already be performed independently throughout their organizations, but that are rarely integrated altogether. For example, a company’s public relations department may be in charge of monitoring philanthropic donations, while its legal affairs department implements ethics compliance, and its human resources department coordinates work–family programs. Even though these activities are spread throughout the organization, they all represent attempts at being a proactive corporate citizen. The organization is in the best position to build the image of a proactive corporate citizen when it coordinates these various efforts and monitors them as a whole.

Our results suggest that corporate values are likely to affect the organization’s likelihood to get involved in corporate citizenship. First, the findings revealed the existence of a strong association between a market-oriented culture and proactive corporate citizenship. In fact, this association held for each of the four components of citizenship. Thus, in accordance with Narver and Slater’s (1990) prediction, businesses that are responsive to market forces—as reflected in high levels of market orientation—are also likely to be proactive in addressing non-market forces.

Our results showed that the effects of a humanistic orientation on corporate citizenship are more ambiguous.
ever, our findings suggested that improved levels of performance are not systematically associated with all facets of corporate citizenship. Instead, only economic citizenship is positively associated with business performance. This finding may result mainly from the fact that economic citizenship is required to achieve high levels of performance. In order to remain competitive, businesses must engage in processes such as the monitoring of customer satisfaction, the control of employee productivity, the maximization of profits, or the establishment of long-term strategies — all activities significant of proactive corporate citizenship. Thus, economic citizenship is naturally associated with greater performance levels since it incorporates the basic business activities that a company must engage in to assure its prosperity. Even though legal, ethical, and discretionary citizenship were not found to be positively associated with business performance, they did not appear to affect it negatively either. Thus, investments in these three areas of citizenship should not be viewed as detrimental expenses.

Our empirical investigation in France did not support the idea that corporate citizenship is conducive of customer loyalty. This finding may suggest that French consumers are not supportive of corporate citizenship. The traditional lack of involvement of French businesses in society’s welfare, and the resulting suspicion toward corporate social involvement (Perret and Roustang, 1993) could explain this finding. However, our results also need to be interpreted with caution. Indeed, the assessment of customer loyalty was not provided by consumers themselves but by company informants. Furthermore, the study did not take into account the extent to which businesses do or do not communicate their corporate citizenship to customers. Even if French customers were supportive of corporate citizenship, they could not support proactive corporate citizens unless their knew of these companies’ efforts to meet their stakeholders’ demands.

By contrast, our results showed a significant association between corporate citizenship and employee commitment. Past research established that employee commitment is likely to engender greater job satisfaction and motivation (Mowday et al., 1979), lower levels of absenteeism and turnover, along with extra-role behaviors (O’Reiley and Chatman, 1986). These desirable outcomes of employee commitment may in turn improve the overall competitive position of the business, and may at least partially explain the positive association observed between corporate citizenship and business performance. However, an investigation of the effects of each dimension of corporate citizenship on employee commitment revealed that only discretionary citizenship is conducive of employee commitment. This finding implies that employees are especially responsive to the efforts undertaken by their organization to meet their social responsibilities beyond those imposed by economic, legal, and ethical requirements. Accordingly, discretionary citizenship emerges as a valuable tool for internal marketing in France. By contrast, economic, legal, and ethical citizenship do not appear to be conducive of tighter bonds between the French organization and its members.

With these findings, organizations operating in France may choose to promote discretionary citizenship to their employees in order to generate their active support. Our results further suggest that corporate citizenship is important in France since it is already practiced, and since it does not appear to hurt businesses’ performance. Accordingly, our investigation should comfort international managers as they attempt to establish global corporate citizenship standards. Our study provides preliminary evidence to suggest that corporate citizenship practices as established in the US may be well received within the European Union.

5. Limitations and directions for future research

Despite the authors’ efforts to provide a meaningful conceptualization and measure of corporate citizenship, the research is not without limitations. First, the study relied solely on the information provided by marketing executives in a survey. Thus, the data gathered is reflective of managerial evaluations of organizational culture, corporate citizenship, and business outcomes. The investigation did not assess the extent to which these perceptions are linked to the actual organizational culture, corporate citizenship, and business performance. It was assumed that the executives surveyed were sufficiently knowledgeable and were willing to provide an accurate depiction of their company. Since no effort was undertaken to ensure that this assumption was met, the analysis reports mainly managerial evaluations, not actual corporate behaviors. Similarly, managers were asked to evaluate the loyalty of their firm’s customers. This approach is insufficient to tackle both the attitudinal and behavioral components of customer loyalty defined in past literature (Dick and Basu, 1994).

Future research could address these caveats by relying on multi-informants research designs. Surveys of consumers, employees, and public stakeholders could be combined in order to obtain a better assessment of corporate citizenship and a deeper understanding of its benefits. Non-intrusive measures of employee and customer behaviors could also be employed to compare managerial evaluations with facts. For example, philanthropic donations, layoffs practices, or customer complaints could be considered as indicators of corporate citizenship, while the turnover rate and the percentage of sales made of repeat purchases could be used to assess employee commitment and customer loyalty, respectively.

A second limitation of the study is to include French informants only. Consequently, the results reported above are representative solely of French business practices.
However, this research constitutes a benchmark for a more comprehensive assessment of corporate citizenship across countries. It calls for future inquiries that examine cross-cultural variations in corporate citizenship practices, antecedents, and benefits. Specifically, additional research is needed to investigate whether the findings observed in the present study can be replicated in other nations of the European Union. The identification of a common set of practices characterizing corporate citizenship across Europe would be helpful for managers to define pan-European citizenship strategies and for policy-makers to establish uniform standards throughout the European Union. Future research could also extend the scope of our study beyond Europe to other developed nations in North America or Asia. This type of research is definitely needed in order to help international managers determine whether corporate citizenship should be adapted to each individual culture, or whether global practices are feasible.

A third limitation of the analysis is to provide an overall assessment of the relationships considered regardless of industry types and business size. There is some indication in past research that the involvement of corporate citizenship and the fruits to be expected from it may vary across industries. For instance, Clarkson (1988) reports that banks are more proactive than manufacturers. Consequently, scholars interested in examining the antecedents and outcomes of corporate citizenship may want to include the industry type as a moderator. Likewise, business size was not included as a moderator of the relationships surveyed. Yet, one could assume that larger organizations have more resources to monitor social demands, address them, and to communicate their efforts to be proactive citizens. Furthermore, the study did not incorporate small businesses (less than 50 employees). Hence, future research could examine whether the relationships investigated show the same patterns across organizations of various sizes.

A fourth limitation refers to the nature of the stakeholders considered. Only three groups of primary stakeholders were included: customers, employees, and public stakeholders. These groups are not the only ones who can impose responsibilities on businesses and who can directly influence their welfare. Channel members and investors are two powerful primary stakeholders that were not included in this research. The incorporation of their demands in the measure of corporate citizenship would improve its scope and would yield a more accurate evaluation of its benefits.

Similarly, the research included only three dimensions of organizational culture as potential antecedents of corporate citizenship. This focus entails a limited depiction of the role of organizational culture. Future research could incorporate more comprehensive measures of corporate culture such as Reynolds’ (1986) scale that incorporates 16 dimensions of organizational culture. In addition, other antecedents could include the level of dedication to corporate citizenship displayed by organizational leaders.

Finally, the study did not analyze the impact of varying proportions of the components within a given magnitude of corporate citizenship. Such inquiries could establish whether inequalities in the levels of the four components of corporate citizenship lead to different outcome levels. For example, two businesses could display similar levels of overall corporate citizenship and yet benefit from differentiated levels of employee commitment because one focuses equally on the economic, legal, ethical, and discretionary citizenship, while the other focuses on the legal and economic citizenship at the expense of the discretionary and ethical citizenship. Future analyses could establish the relative importance of the four dimensions of corporate citizenship in generating positive business outcomes.

Overall, our research constitutes a preliminary attempt at gaining a holistic understanding of corporate citizenship from a marketing perspective. Our conceptualization and operationalization of corporate citizenship suggest that meeting social demands does not come at the expense of performance levels. Instead, it is by blending their economic and non-economic objectives that organizations may best be able to address the various responsibilities assigned to them by their stakeholders. Our preliminary findings highlight the marketing value of corporate citizenship and should encourage further efforts investigating how corporate citizenship can be developed and can be fruitful for both businesses and society.

Acknowledgments

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References


### Appendix A. Survey instruments, source of instruments, and reliabilities

<table>
<thead>
<tr>
<th>Scale and source</th>
<th>Scale items</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market orientationa</td>
<td>(Narver and Slater, 1990)</td>
<td>Competitor orientation</td>
</tr>
<tr>
<td>(1) We rapidly respond to competitive actions that threaten us.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Our salespeople regularly share information within our organization regarding our competitors’ actions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Top management regularly discusses competitors’ strengths and strategies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) We target customers where we have an opportunity for competitive advantage.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) We can usually anticipate how our competitors will respond to our competitive moves. b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) We systematically analyze the products offered by our competitors. b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer orientation</td>
<td>0.91</td>
<td></td>
</tr>
<tr>
<td>(1) We constantly monitor our level of commitment and orientation to serving customers’ needs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Our business objectives are driven primarily by customer satisfaction.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Our strategy for competitive advantage is based on our understanding of customer needs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Our business strategies are driven by our beliefs about how we can create greater value for customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) We give close attention to after-sales service.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) We measure customer satisfaction systematically and frequently. b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfunctional coordination</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td>(1) All of our business functions (e.g., marketing/sales, manufacturing, RD, etc.) are integrated in serving the needs of our target markets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) All of our business functions and departments are responsive to each other’s needs and requests.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Our top managers from every function regularly visit our current and prospective customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) We freely communicate information about our successful or unsuccessful customer experiences across all business functions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Our managers understand how everyone in our business can contribute to creating customer value.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive orientationa</td>
<td>(Cooke and Rousseau, 1988)</td>
<td>Extent to which people are expected to:</td>
</tr>
<tr>
<td>(1) Out-perform their peers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Maintain an image of superiority.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Be seen and noticed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Compete rather than cooperate.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Be the center of attention.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) Never appear to lose.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7) Always try to be right.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) Be a winner. b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(9) Win against others. b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10) Turn the job into a contest. b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humanistic orientationa</td>
<td>(Cooke and Rousseau, 1988)</td>
<td>Extent to which people are expected to:</td>
</tr>
<tr>
<td>(1) Show concern for the needs of others.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Involve others in decisions affecting them.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Be supportive of others.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Help others to grow and develop.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Give positive rewards to others.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) Resolve conflicts constructively.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7) Encourage others.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) Help others to think for themselves.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(9) Be a good listener.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10) Take time with people. b</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Corporate citizenship (new scale)

Economic citizenship

(1) Our business has a procedure in place to respond to every customer complaint.\(^b\)
(2) We continually improve the quality of our products.\(^b\)
(3) We use customer satisfaction as an indicator of our business performance.\(^b\)
(4) We have been successful at maximizing our profits.
(5) We strive to lower our operating costs.
(6) We closely monitor employees’ productivity.
(7) Top management establishes long-term strategies for our business.

Legal citizenship

(1) Managers are informed about relevant environmental laws.\(^b\)
(2) All our products meet legal standards.\(^b\)
(3) Our contractual obligations are always honored.\(^b\)
(4) The managers of this organization try to comply with the law.
(5) Our company seeks to comply with all laws regulating hiring and employee benefits.
(6) We have programs that encourage the diversity of our workforce (in terms of age, gender, or race).
(7) Internal policies prevent discrimination in employees’ compensation and promotion.

Ethical citizenship

(1) Our business has a comprehensive code of conduct.
(2) Members of our organization follow professional standards.\(^b\)
(3) Top managers monitor the potential negative impacts of our activities on our community.\(^b\)
(4) We are recognized as a trustworthy company.
(5) Fairness toward co-workers and business partners is an integral part of our employee evaluation process.
(6) A confidential procedure is in place for employees to report any misconduct at work (such as stealing or sexual harassment).
(7) Our salespersons and employees are required to provide full and accurate information to all customers.

Discretionary citizenship

(1) The salaries offered by our company are higher than industry averages.\(^b\)
(2) Our business supports employees who acquire additional education.
(3) Our business encourages employees to join civic organizations that support our community.\(^b\)
(4) Flexible company policies enable employees to better coordinate work and personal life.
(5) Our business gives adequate contributions to charities.
(6) A program is in place to reduce the amount of energy and materials wasted in our business.
(7) We encourage partnerships with local businesses and schools.
(8) Our business supports local sports and cultural activities.\(^b\)

Customer loyalty (new scale)

(1) Many of our customers would not buy the products offered by our competitors.\(^b\)
(2) The large majority of our sales are made up of repeat purchases.
(3) We have trouble keeping our existing customers.
(4) Customers often switch from our products to our competitors’ products.
(5) Most of our customers have used our products more than once.
(6) Customer loyalty is a major strength of our business.

Organizational commitment (Jaworski and Kohli, 1993)

(1) Employees feel as though their future is intimately linked to that of this organization.
(2) The bonds between this organization and its employees are very strong.
(3) Employees would be happy to make personal sacrifices if such sacrifices were important for the business’ well-being.
(4) In general, employees are proud to work for this organization.
(5) Employees often go above and beyond the call of duty to ensure the company’s well-being.
(6) Our people are very committed to this firm.
(7) It is clear that employees are fond of the firm.

Business performance

Relative to our competitors, over the past 3 years:

(1) Our return on investment has been ___.
(2) Our return on assets has been ___.
(3) Our sales growth has been ___.
(4) Our profit growth has been ___.

\(^a\) Scale ranging from 1 to 5 (from Strongly Disagree to Strongly Agree).
\(^b\) These items were eliminated based on the refinement procedure described in the text.
\(^c\) Scale ranging from 1 to 5 (from Much Worse to Much Better).
## Appendix B. Correlations among research measures

<table>
<thead>
<tr>
<th></th>
<th>V1</th>
<th>V2</th>
<th>V3</th>
<th>V4</th>
<th>V5</th>
<th>V6</th>
<th>V7</th>
<th>V8</th>
<th>V9</th>
<th>V10</th>
<th>V11</th>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Humanistic orientation</td>
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<td>1.00</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Competitive orientation</td>
<td>−0.14</td>
<td>−0.33</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Economic citizenship</td>
<td>0.30</td>
<td>0.20</td>
<td>−0.01</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Legal citizenship</td>
<td>0.37</td>
<td>0.10</td>
<td>−0.19</td>
<td>0.23</td>
<td>1.00</td>
<td></td>
<td></td>
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<tr>
<td>Ethical citizenship</td>
<td>0.37</td>
<td>0.09</td>
<td>−0.08</td>
<td>0.41</td>
<td>0.50</td>
<td>1.00</td>
<td></td>
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<tr>
<td>Discretionary citizenship</td>
<td>0.34</td>
<td>0.26</td>
<td>−0.12</td>
<td>0.32</td>
<td>0.44</td>
<td>0.28</td>
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<tr>
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<td>0.33</td>
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