The Impact of Corporate Social Responsibility and the External and Internal Motivation of IT Professionals in European Countries.

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Abstract:. The impact of corporate social responsibility (CSR) on company performance is a popular topic in researches. Relatively recently, the influence of CSR has begun to be analyzed at the individual level. Studies analyzing the relationship between CSR and employee satisfaction, CSR and company commitment have developed. The purpose of this study is to examine the impact of CSR on the extrinsic and intrinsic motivation of employees in the creative industries. Using the example of the European IT industry market. The results show that CSR activities have a positive impact on both kind of motivation. That is, CSR commitment can be used as an effective tool to stimulate both intrinsic motivation and extrinsic motivation. This influence is more significant for young IT specialists. No gender differences in the motivation system were found in the study.

1 INTRODUCTION

In recent years, corporate social responsibility (CSR) has been the subject of an extensive stream of research on its impact on organizational performance (Kunz, 2020). CSR refers to a company's voluntary activities that are not aimed at achieving goals related to the company's business, but rather at achieving some kind of social good (Ali et. al, 2021). Examples of such activities include adopting progressive human resource management programs, reducing environmentally harmful emissions, charitable activities, and supporting local initiatives (Abdelnur, 2021). Thus employee motivation, social support for employees is part of CSR policy.

From the perspective of a profit-seeking firm, the consequences and benefits of investing in socially responsible activities are important issues that must be analyzed and considered holistically. If CSR investments do not improve the company's financial performance, do not improve the company's image, and do not increase customer loyalty, then these investments cannot exist in the long term.

It is particularly difficult to study the benefits of CSR investments in creative industries. The products of traditional industries are usually evaluated by their practicality and functionality. In creative industries, products are not evaluated on functionality, but on "expressive value," i.e., on their creativity, originality, and novelty (Turner, et al., 2019). The basis for creating expressive value is the creativity of employees. How creative employees are determining the success of companies operating in the creative market. The business model of companies operating in the creative industries is the commercialization of expressive value, and the main task of management is to motivate the creativity of employees, motivate their desire to develop their creative skills, motivate them to gain new knowledge and new experiences.

The present article investigates the influence of CSR on the extrinsic and intrinsic motivation of employees in the IT industry. As the researchers emphasize, the intrinsic motivation is particularly important for creative workers because "traditional top-down incentive systems seem to have reached their limits" (Bhatti, et al.2018, Gribanova, 2020). Intrinsic motivation is especially important for

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creative professionals working in science and technology (Hur et al. 2018). IT professionals are exactly among such employees.

Despite claims by a number of scholars that many companies invest in CSR in particular to positively influence their employees' motivation (Alrowais et al, 2020), there is a little empirical researches on the relationship between CSR and motivation, especially intrinsic motivation (Alrowais et al., 2020; Hur et al. 2018).

It can be assumed that the relationship between a company's investment in CSR and employee motivation is not straightforward, but has a more complex nature, as participation in CSR changes the company's goals. These goals are not limited to profit maximization, they become multidimensional, which does not exclude conflicts of interest (Kunz, 2020).

Self-determination theory divides motivation into extrinsic and intrinsic (Deci, Ryan, 2000). This division is based on the fact that work can be done not only for reward, but also for the pleasure of completing a task, of solving a problem. External conditions can affect intrinsic and extrinsic motivation in different ways. Therefore, the inclusion of CSR initiatives in company activities can lead to contradictions that result in conflicts or behaviors that are difficult to predict and manage (Verhoeven, Zureigat, 2020).

A study by Hur et al. (2018) showed a positive relationship between CSR and intrinsic motivation, but in this study intrinsic motivation was analyzed without considering extrinsic motivation. Thus, the impact of CSR on various types of employee motivation is still a largely unexplored topic.

There are studies which show that investing in CSR improves the company's image and this has an indirect effect on the psychological state of employees by increasing intrinsic motivation. Moreover, research results show that the impact of CSR depends on the social status of the employee and his/her age (Islam et al., 2021). Younger people are more interested in environmental and ethical aspects of CSR (Mitra,2021) and older employees are more interested in human resource management programs. These findings are also important because the decline of the younger generation in European countries has led to a shortage of talented young employees. Attracting and motivating young talented IT professionals is a management priority in the creative industries market.

This article explores the importance for creative employees to participate in socially important projects. The aim of the study is to build a model that connects intrinsic motivation, extrinsic motivation, CSR, age and gender. The objectives are examined using the example of the IT market in European countries. The data for the research were obtained by means of a representative on-line survey of IT specialists in European countries.

1.1 Multidimensional Approach to the Concept of CSR

CSR is a voluntary activity of a company aimed at increasing social benefits. Examples of such activities may be environmental programs (reduction of harmful production), human resources management programs, employee support, charity programs. Usually, researches use two approaches to operationalize the concept of CSR. The first approach uses a one-dimensional dimension that combines all the activities that are part of CSR. The second approach consists of several dimensions, each represented by a group of different types of socially responsible activities (e.g., Latapí Agudelo et al., 2019, Latif, 2020). Generally, two dimensions of such activities are distinguished: ethical and philanthropic.

Ethical responsibility refers to a firm's activities that it is not legally obliged to perform, but society expects the business to do so. Charitable (philanthropic) responsibility is what a firm does beyond society's expectation, what sets this company apart, creates its image (Carroll, 2016).

The multidimensionality of CSR can be assessed through a system of primary stakeholders. Primary stakeholders include individuals, groups, and/or institutions. These include shareholders and owners, employees, suppliers, customers, and community stakeholders such as society and the natural environment (Emmanuel, Priscilla, 2022). Each of these parties has different interests and rights in the firm, so the firm implements policies to meet the needs of each stakeholder (Kunz, 2020). These policies are the different dimensions of CSR.

Many studies use 5 categories of data: (1) employee relations (employee quality improvement programs), (2) product quality (safety, product innovation, consumer relations), (3) community relations (charity, volunteer projects), (4) environmental projects, and (5) representation of women and ethnic minorities in the company (Velte, 2021). In this study, we will consider only three dimensions of CSR: employee relations, community relations, and environmental projects.

2.2. Motivation of Employees and CSR of the Firm

The multidimensional approach to the concept of CSR allows us to distinguish levels of social responsibility. The first level of social responsibility of a company is the company's responsibility to produce goods and services that society needs and to profit from it (Kunz, 2020). This is the economic responsibility of the company.

The economic activities of the company must comply with the legal system of society. That is, the company is legally responsible. This is the second level of responsibility.

In addition to legal norms, companies face ethical norms. Compliance with these norms is the firm's ethical responsibility. Finally, firms may engage in social activities that are not expected of them by society. This is a philanthropic responsibility.

Carroll (2016) arranged these four categories in the form of a pyramid, with economic responsibility at the bottom and philanthropic responsibility at the top.

Legal responsibility constitutes the second layer, and ethical responsibility is the third. Carroll goes on to emphasize that this pyramid should not be viewed as a sequence of responsibilities, where the bottom layer must be fulfilled first and then the next can be addressed. Rather, the pyramid represents a whole (Carroll 2016), that is, firms must implement all four parts in order to fulfill their responsibilities.

It is important to note that economic and legal responsibility are forced on the company by society, while ethical and philanthropic responsibility are voluntary behaviors of the company. Consequently, although these four categories form a whole, to better understand the impact of CSR on employee motivation they must be analyzed separately in order to more accurately work through their individual impact. This study focuses on ethical and philanthropic responsibility.

2.3. Self-Determination Theory

Deci and Ryan defined intrinsic motivation as "doing an activity for its inherent satisfactions rather than for some separable consequence" (Ryan and Deci, 2000, p. 56) or "performing an activity for the pleasure inherent in the activity rather than working for reward or recognition.

In their research Ryan and Deci found that "intrinsic motivation makes an individual much more likely to be motivated and perform well as opposed to those that were extrinsically motivated" (Deci, Ryan 2000). In fact, those who were intrinsically motivated were less motivated by material incentives. Thus, intrinsically motivators are the sense of satisfaction employees get from doing important work, especially when that work is done well (Singh, 2016).

Extrinsic motivation is defined as "doing something because it leads to a separable outcome" (Deci and Ryan 1985). It may be some kind of encouragement or reward (usually material), but not a sense of satisfaction from doing the work. Such motivation is called extrinsic because the means used to motivate are external to the content of the work and to the employee himself or herself. They are set and controlled by other people. Remuneration depends on the decisions of these people. Money is not the only motivator that is considered external. External motivators include working conditions, job security, and opportunities for advancement.

The concept of extrinsic and intrinsic motivators is not only important for individual performance, but also plays an important role and influence on the performance of the team working on a project or the entire organization. Therefore, they deserve attention and study.

Creating attractive workplaces that align with employee values and create opportunities for autonomy, self-development, personal and professional growth is especially important for companies operating in the creative industries market and IT technology in particular. In this market there is a high demand for professionals, and the success of the company largely depends on the willingness of professionals to cooperate, on the effectiveness of their work (Akben-Selcuk, 2019).

To derive a possible impact on intrinsic motivation, it is necessary to focus on the possible impact of CSR on the need to belong to a group. Kunz's (2020) research showed that corporate engagement with the community can work as a signal to its satisfaction because it shows employees that they are taken care of, so they can engage in their interests (Kunz, 2020). Consequently, a socially engaged organization is perceived as caring for both internal and external people, and therefore provides a fair environment for its employees as well.

Moreover, companies that care about their stakeholders, and thus their employees, usually try to create positive material working conditions, including the payment of fair wages, which increases extrinsic motivation.

However, extrinsic and intrinsic motivation can conflict with each other. As Deci's research showed, material rewards (namely, money) can undermine an employee's intrinsic motivation to be creative. Further research uncovered the mechanism of contradictions between extrinsic and intrinsic motivation. The results showed that rewards that depend only on participation in the project, not on the result obtained, are not perceived by people as a confirmation of their competence, and have a negative effect on intrinsic motivation. Rewards that are paid for completing a task, regardless of quality, are perceived as even stricter control, and have an even more negative effect on intrinsic motivation. However, in a situation where the performance of a task really requires high professional skills and competences, and the employees understand what kind of specialist they need to be to perform such work, understand what in this case a job well done can mean, then a reward conditioned on the completion of the project is perceived as a confirmation of competence, which neutralizes the negative controlling effect.

Finally, performance-related rewards, where the amount of reward is linked to quality standards, to set deadlines, are perceived as a very strong controlling effect. In this situation, people understand that in order to maximize their reward, they have to meet some standards, some deadlines and parameters, rather than putting their maximum skills, their maximum creativity to do the project really well. When it comes to really challenging tasks and a decent amount of rewards, rewards can be perceived as evidence of competence and professionalism rather than control (Deci, Ryan, 2000).

CSR initiatives are not only a signal of caring for employees, but also a signal of fair distribution of rewards. Consequently, CSR programs should not only positively affect intrinsic motivation but also extrinsic motivation. This assumption is the main hypothesis of this research.

2 METHOD

Empirical data for testing the hypothesis was obtained by online survey of IT professionals in the EU countries. The sample size is 1092 respondents from Italy (19%), Spain (14%), Poland (13%), France (9%), Portugal (8%), Hungary (7%), UK (6%), Germany (5%), Bulgaria (5%), Latvia (4%), Lithuania (3%), Estonia (3%), Romania (3%).

The survey questionnaire included questions aimed at determining, assessing respondents' intrinsic motivation and extrinsic motivation, CSR1 (ethical responsibility), CSR2 (philanthropic responsibility). All of these variables are constructs and represent multiple variables.

Table 1 shows from which observable variables the analyzed multiple variables are constructed. Extrinsic and intrinsic motivation have a Cronbach's alpha of 0.63 and 0.77, respectively. The study contained two control variables: gender (67% male, 33% female), age (mean is 42 years, minimum is 19 years, maximum is 70 years).

Table 1: Construction of concepts.

Intrinsic Motivation	Job gives me an opportunity to fully realize my skills and abilities	I get much pleasure from the work I do	This work inspires me. I want to perform all tasks as efficiently as possible
Extrinsic Motivation	Job brings me good material income	In this job I have career prospects	In this job, I enjoy the authority of my colleagues
CSR1	This company has good working conditions (good office, sports, social package, food)		This company implements the principle of fair remuneration for each employee
CSR2	This company participates in realization of socially significant projects that help people, improve the environment, make the world better.		

OLS regression analysis was used as a method of analysis to test hypotheses in the study. Intrinsic and extrinsic motivation were used as dependent variables, ethical and philanthropic CSR, as well as gender and age were used as independent variables.

3 RESULTS

Table 2 provides a detailed summary of the descriptive statistics of the variables.

Table 2: Descriptive Statistics.

	Minimum	Maximum	Mean
Instrinic Motivation	3	12	5,7619
Extrinic Motiation	3	12	5,957
CSR1	2	8	3,8993

CSR2	1	4	2,0128
Age	19	70	42,0101

Tables 3 and table 4 show the results of the OLS regression analysis. The results presented confirm the hypotheses that both types of CSR increase both intrinsic and extrinsic motivation. At the same time, ethical responsibility increases both types of motivation more strongly.

Table 3: OLS Regression Analysis. Depend variable is Intrinsic Motivation.

	B	Std. Error	Sig.
Constant	2,008	0,264	0
CSR1	0,711	0,036	0
CSR2	0,661	0,058	0
Gender	0,049	0,087	0,573
Age	-0,01	0,004	0,022

It is important to note that IT specialists have no gender differences in the motivation system. This applies to both intrinsic and extrinsic motivation. If we talk about the effect of age on the relationship between CSR and intrinsic motivation, the intrinsic motivation of young IT professionals is stronger stimulated by the company's participation in CSR than that of older employees.

Table 4: OLS Regression Analysis. Depend variable is Extrinsic Motivation.

	B	Std. Error	Sig.
Constant	1,64	0,245	0
CSR1	0,722	0,033	0
CSR2	0,686	0,053	0
Gender	0,071	0,081	0,384
Age	0,001	0,004	0,868

The relationship between external motivation and a company's participation in CSR is not affected by age. I.e., if a company spends money on charity projects, on improving the working conditions of employees and on social programs, and at the same time maintains a system of fair wages, then the external motivation of employees is not reduced.

4 DISCUSSION

This study has confirmed the hypotheses that have been put forward by showing that CSR has a positive effect on extrinsic and intrinsic motivation. CSR represents a signal of caring for employees, conveys a desire to share resources with them. The Kunz (2022) study states that CSR positively affects intrinsic motivation, and has no effect on extrinsic motivation. But, Kunz's study involved only young employees (average age 24 years).

The findings support the observation of Hur et al. (2018) about the positive effect of CSR on intrinsic motivation. Thus, they indicate that CSR positively affects precisely the part of motivation that is rather difficult to affect positively by monetary incentives, as evidenced by the large body of research on the displacement effect of motivation (Agyabeng-Mensah, et al., 2020; Del-Castillo-Feito et al.2019; Que et al., 2019).

The findings expand on what actually activates employees' intrinsic motivation and the extent to which the broader context of an employee's work environment needs to be considered in order to better understand employee reactions. Research to date has focused on the impact of a company's CSR activities on various psychological and behavioral characteristics of employees, such as job satisfaction or job involvement. They have also focused on the impact of external factors on a firm's CSR activities (Aguinis, Glavas, 2019).

The results of this study can help improve both employer image to attract talented young employees and organizational processes to retain them, as they point to CSR engagement as a possible way to motivate young employees. Thus, these results provide valuable material for further research on the impact of CSR on employer attractiveness (e.g., Sharma, 2020).

The findings can be used with research on sustainable human resource management, i.e., HRM strategies and practices that achieve financial, social, and environmental goals. This direction of research is relatively new (Wikhamn 2019) and includes various conceptualizations of sustainable HRM (Singh, Misra, 2021).

Sustainable HRM aims not only to use HRM practices to build CSR in organizations, but also to provide a sustainable foundation for a skilled workforce. The results of this study reinforce this perspective by providing evidence that engaging in CSR to promote well-being in the community also increases employee motivation.

Finally, the findings provide an important element for understanding the effects of CSR in companies. Yazid (2020) argues that CSR can be viewed as a strategy for managing the relationship between the organization and employees. However, as Emmanuel and Priscilla (2022) note, firms typically do not implement CSR in order to motivate their employees, but the authors find that when businesses analyze CSR outcomes, employee motivation becomes a major impact outcome.

The present results support this observation. Consequently, CSR activities have positive spillover effects on organizational outcomes beyond their primary purpose, which is to promote public welfare.

5 CONCLUSION

This paper focuses on extrinsically controlled extrinsic motivation. However, as self-determination theory shows, extrinsic motivation is a complex construct, containing different types of motivation depending on the degree of internalization. Consequently, future research should take a more differentiated view of them and test the connection between CSR and different types of extrinsic motivation. In this context, we should also note the interesting finding that in the absence of CSR1 and CSR2, intrinsic motivation is significantly lower than extrinsic motivation compared to other cases. This result is also a starting point for additional research.

The present study, like any result of empirical research, has certain limitations. For example, related to the fact that the study involved IT professionals. This profession is quite prestigious and well-paid. Perhaps in other markets the identified patterns are not so obvious. Nevertheless, the study provides important evidence for company executives and sets the stage for important future research. In particular, it directs attention to the complex interaction effects of CSR engagement at different organizational levels.

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