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The Power of CSR:  
How business managers can hold office without election

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## **Resumo**

Na sequência de vários escândalos e casos de corrupção na classe política, os gestores empresariais têm surgido como potenciais atores políticos, com a capacidade percebida de participação nos processos de decisão política, que afetam uma determinada comunidade. A investigação tem aceito que as práticas de responsabilidade social (RSO) podem ser uma estratégia política adotada pelas organizações, resultando num novo conceito: a responsabilidade social política. Mais especificamente, a perspectiva Habermasiana da RSO política assume que as organizações envolvem-se neste tipo de atividade para obter legitimidade política, ou seja, o direito a serem obedecidas.

Com base numa amostra de 220 participantes, este estudo procura facultar uma medida quantitativa de RSO política, que está em falta na literatura, e com base na perspectiva Habermasiana. Neste sentido, o estudo testa em que medida o envolvimento em práticas de RSO se reflete na legitimidade política dos gestores empresariais. Também procura identificar em que medida a competência política reconhecida nos gestores está associada ao envolvimento na RSO e na legitimidade política individual.

Os resultados mostram que as práticas de RSO focadas na comunidade, natureza e voluntariado bem como as focadas nos empregados contribuem para construir a legitimidade política dos gestores. Em acréscimo, a competência política dos gestores desempenha um papel importante ao facilitar a adoção de estratégias políticas eficazes, neste caso, de RSO.

**Palavras-chave:** RSO; RSO política; Atividade política corporativa; Legitimidade política.

## **Abstract**

Following many scandals and corruption cases among political class, business managers have been emerging as potential political actors, with a perceived ability to participate in political decision-making processes, which affects a determined community. Previous research has been considering engagement in CSR as a political strategy adopted by organizations, resulting on a new concept linked to this idea: Political CSR. More specifically, the Habermasian perspective of political CSR assumes that organizations engage in these practices in order to obtain political legitimacy, i.e., the right to be obeyed.

Based on a sample of 220 participants, this study aims to provide a quantitative measure of political CSR, which is lacking in the literature, regarding the Habermasian perspective. In this sense, this study tests the extent to which engagement in CSR practices reflects on business managers' political legitimacy. It also seeks to know if attributed business managers' political skill affects CSR engagement and individual political legitimacy.

Results show that engagement in specific CSR practices, namely towards community members plus nature and volunteering issues, as well as towards organizations' employees, build business managers' political legitimacy. Additionally, business managers' political skill plays an important role since it facilitates the adoption of an effective political strategy, in this case, CSR.

**Key Words:** CSR; Political CSR; Corporate Political Activity; Political Legitimacy.

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## List of acronyms

AS	Apparent Sincerity
CFA	Confirmatory factor analysis
CMIN/DF	Chi-square / Degrees of freedom ratio
CPA	Corporate Political Activity
CSR	Corporate Social Responsibility
CSR1	CSR towards society, natural environment future generations and NGOs
CSR2	CSR towards employees
CSR3	CSR directed to customers
CSR4	CSR directed to government
II	Interpersonal Influence
NA	Networking Ability
PCSR	Political Corporate Social Responsibility
PSI	Political Skill Inventory
RMSEA	Root Mean Square Error of Approximation
SA	Social Astuteness
TLI	Tucker Lewis Index

# INTRODUCTION

The political class has been a target of skepticism following many scandals and corruption cases that have been discrediting at large the political institutions. The same has been observed in corporate business world, mostly in finance and banking (Palazzo & Scherer, 2006).

For over 40 years, scholars endeavored to determine why individuals behave unethically in the workplace and its consequences (Kish-Gephart, Harrison & Treviño, 2010). Consequently, researchers have also developed several models of ethical behavior, conduct and ethical decision-making (e.g., Kohlberg, 1969; Trevino, 1986; Jones, 1991).

Due to the increasing research on this topic, not only scholars but also stakeholders such as customers and suppliers have been paying greater attention to firms' ethical reputation (Garcia de los Salmones, Perez & Rodriguez del Bosque, 2009).

From a marketing perspective, some organizations started to consider ethical behavior as a competitive advantage and a differentiation factor from other organizations of the same industry (Natale & Sora, 2009). Corporate Social Responsibility (CSR) is an ethically charged concept. Several studies examined how companies can "do well by doing good" and its positive impact on their stakeholders (Turker, 2009).

Research on CSR field has recently considered that, among other advantages, engagement in CSR practices also provide a political advantage to organizations, resulting in an emerging concept: Political CSR (PCSR). This concept has multiple definitions and applications of general theories within PCSR literature, however several scholars consider the legitimacy concept when defining PCSR (Frynas & Stephens, 2015). Legitimacy can be defined as the conformation with social norms, values and expectations (Oliver, 1996), therefore resulting in society's desirability, i.e., in meeting stakeholders' sense making (Suchman, 1995).

Previous research suggests that business firms that adopt CSR practices, specifically for the welfare of the community, build their legitimacy, thus considering CSR as a strategy to achieve legitimation on the society where they operate (e.g., Suchman, 1995; Cashore, Auld & Newsome, 2003; Palazzo & Scherer, 2006; De Blasio, 2007; Scherer, Palazzo & Seidl, 2013). According to the Habermasian perspective, political CSR concerns the engagement in CSR practices as an intended strategy to obtain political legitimacy, i.e., companies increase their political influence and become political actors, due to their legitimacy, which is acquired with CSR (Scherer, Rasche, Palazzo & Spicer, 2016).



# Chapter I – LITERATURE REVIEW

## 1.1. Reputational and Political Capital

According to Bordieu (1986), “capital” is a multidimensional concept that enables companies’ profit making and achievement of organizational goals. This author identified three categories of capital – i.e., economic, social, and cultural capital, and characterized a least known form of capital – i.e., symbolic capital.

Although research about this topic has been increasing thenceforth by proposing other categories of capital, Goodwin (2003) distinguished the five most featured types of capital: financial, natural, produced, social, and human capital.

Financial Capital is considered one of the most important as it ultimately facilitates economic production (Goodwin, 2003). It is controlled by a system of ownership and includes various instruments of the global financial system such as money, securities and currencies (Roland & Landau, 2011).

Natural Capital stems from the ecosystem that provides raw and ultimately processed resources (Goodwin, 2003) while Produced Capital is obtained by manipulating natural assets, which according to Roland & Landau (2011) mainly result in infrastructures (e.g., modern buildings and technologies in general).

One of the most controversial and hardest to measure forms of capital is social capital. It generally is taken as an expression of the ability of an organization to influence and to make connections (Roland & Landau, 2011). To gain social capital, companies must establish relations of mutual understanding, shared values and socially held knowledge (Goodwin, 2003). In turn, this type of capital enables a company to ask favors, influence decisions and to communicate efficiently (Roland & Landau, 2011).

Lastly human capital refers to the capacities of individuals, inherited or acquired through education and training, and its contribution to the organization (Goodwin, 2003). Within this, intellectual capital refers to “knowledge and knowing capability of a social collectivity, such as an organization, intellectual community, or professional practice” (Nahapiet & Ghoshal, 1998, p. 245).

Although those are the most featured types of capital according to Goodwin (2003), other least known categories are also acknowledged in the extant literature. Amongst these, is Bourdieu’s symbolic capital.

Following Max Weber's analysis of status, Bordieu (1986) identified and described symbolic capital. According to this author, this type of capital derives from social position, i.e., every resource or power is attained due to business managers' prestige or recognition. In turn, investing on social activity builds social status. The accumulation of symbolic capital occurs primarily from the fulfillment of social obligations, which are embedded with potential for prestige. For that reason, symbolic capital is not always recognized as a type of capital but as a legitimate competence.

Bordieu (1991) highlights the importance of this type of capital by considering symbolic power as invisible that can lead to the same outcomes as other strategies such as economic ones. It offers managers the primacy in society due to their legitimacy.

More so than symbols, a good reputation provides to business firms obvious advantages among stakeholders (Jackson, 2004). Corporate Reputation (CR) is formed by people's beliefs, experience, knowledge and relationship gained through mass media or word of mouth towards an organization (Barnett, Jermier & Lafferty, 2006).

Research on this field received increased attention by many scholars over the last decade and CR has been defined as a multidimensional construct (e.g., Siltaoja, 2006; de Castro, López & Sáez, 2006; Love & Kraatz, 2009). It involves three clusters of meaning (Lange, Lee & Dai, 2011) based on Barnett, Jermier and Lafferty (2006) proposal: reputation as a state of awareness (being known); reputation as assessment (being known for something); reputation as an asset (generalized favorability). Reputation requires being known, which refers to the visibility of the firm and to the overall perceptions about the firms. It also requires being known for something, i.e. being valued as important by specific stakeholders. Lastly, if both are present, organizations can receive good, attractive and appropriate judgments. Literature does show that a favorable reputation predisposes stakeholders to make decisions in favor of the organization (e.g., Fombrun, 1996; Ponzi, Fombrun & Gardberg, 2011).

Therefore, reputation emerges as a form of capital. Considered as an organizational asset, reputational capital brings organizational advantage by attracting consumers and good investors (Preston, 2004). This type of capital is defined as an intangible, valuable, rare inimitable and non-substitutable organizational asset (Boyd, Bergh & Ketchen Jr., 2010).

Previous research about CR showed that companies that take into consideration ethical aspects on their businesses, particularly by engaging in CSR activities, accumulate reputational capital (e.g., Agarwal, Osiyevskyy & Feldman, 2014). CR is considered as one of the most important outcomes of CSR and a crucial mediator between CSR and other

organizational outcomes such as organizational improvement (e.g., de Castro, López & Sáez, 2006; Vallaster, Lindgreen & Maon, 2012), employee turnover and customer satisfaction (Galbreath, 2010), labor productivity and efficiency (Stuebs & Sun, 2010), customer trust and loyalty (Stanaland, Lwin & Murphy, 2012), preference and financial performance (Galbreath & Shum, 2012).

In addition, some scholars selected criteria that help building reputation within the field of CSR to society (e.g., Fombrun, 1998). According to Lewis (2001), the main criteria are product quality, customer service, treatment of staff, financial performance, management quality, environmental responsibility and social responsibility as the criteria for reputation within the field of CSR.

Research has also been taking into consideration the political aspects of business firms. Epstein (1969) considered government as a competitive tool since it enables organizations to create a more favorable environment. In turn, due to the significant effects on the organizations' environment, firms increase their effort to influence policy decisions (e.g., Hillman & Hitt, 1999).

Through political behavior, organizations are not only able to influence public policies but also to increase their market size, gain competitive advantage and an increasing power towards customers and suppliers (Hillman & Hitt, 1999).

According to Macneil (1978, 1985), approaches to political behavior should be taken into consideration. The transactional approach to political action concerns a short term interaction or relationship with relevant political parties. In contrast, relational approach involves a continued and long-term exchange relationship. Therefore, the development of this kind of interactions facilitates the obtainment of political advantages and also build up social capital.

Political capital is a type of capital that emerges from political activity and is described as the capacity to influence political decisions (Schugurensky, 2000). Although it is the least explored amongst the different types of capital (Zuydam, 2014) it is not less important since it provides organizational advantages by enabling a company to gain power in the community and to influence the distribution of resources (Jacobs, 2011).

This type of capital has been described in various ways and perceived according to different approaches. Regarding the resource dependence theory, Birner and Wittmer (2000), proposed a conception of political capital based on the convergence of two resource theories developed by Hicks and Misra (1993) and Leicht and Jenkins (1998). In these theories, the

authors distinguish between types of resources and assume that they are relevant to explain policy adoption.

Hicks and Misra (1993) distinguish instrumental resources, i.e., resources used to achieve actor's perceived interests (e.g., electoral leverage, interest organizations and sub-governmental administrative authority), and infra-resources which are defined as those that facilitate diverse actors' fulfillment of their interests by conditioning the effectiveness of specific instrumental resources or by empowering their actions (e.g., state fiscal capacity and state internal organization).

Following this resource theory, Leicht and Jenkins (1998) share the idea that contextual combinations of instrumental resources and infra-resources are relevant for explaining policy adoption.

Therefore, based on this distinction, Birner and Wittmer (2000) assume that organizations have heterogeneous resources and make specific political action choices according to differential resources. In turn, these authors define political capital on the basis of two lenses: instrumental and structural.

*Instrumental political capital.* Defined as private perspective, instrumental political capital correspond to the instrumental resources in the political resources theory. According to this approach, political capital consists on a set of resources disposed by an individual or a group, which is used to achieve goals useful to an actor's perceived interest and to influence policy formation processes.

*Structural political capital.* This perspective, defined as public perspective, corresponds to the infra-resources in the political resources theory. This approach refers to the structural variables of the political system (Birner & Wittmer, 2000), i.e., these structures aim to influence the possibilities of the actors to condition and to accumulate instrumental political capital.

In addition, while some approaches consider political capital as a structural phenomenon, others consider it results from a personal attribute (Zuydam, 2014).

*Political capital as a structural phenomenon:* According to Whiteley and Seyd (1997, p. 128) "political capital refers to citizen feelings about the political regime as a whole, not just about the party or coalition which is currently incumbent. It is broader than the concept of legitimacy, since it encompasses citizen perception of regime competence, as well as of regime legitimacy". Besides political regime, the structural phenomenon can also extend to organizations that get involved in political issues.

*Political capital as a personal attribute.* In contrast, this perspective concerns political capital that is gained and managed by certain individuals who have the power and gather the characteristics to do so. This approach is regularly related with “board political capital”, i.e., individuals with some political capacity are appointed to the board of directors and posteriorly become responsible for the management and acquisition of organization’s political capital (e.g., Hillman, 2005; Sun, Mellahi & Wright, 2012).

Board political capital approach is also highlighted by the resource dependence theory (e.g., Hillman & Dalziel, 2003). Since organizational growth and survival depends on boards’ ability to acquire and to manage resources, previous research suggest that board political capital reduces environmental uncertainties and secure external resources (e.g., Hillman, 2005; Faccio, 2006). It provides opportunities to network with political actors (Hillman, 2005), to access a wide range of regulatory and financial resources controlled by political institutions (Sun, Mellahi & Wright, 2012) and to build organizational legitimacy (Goldman, Rocholl & So, 2013).

Boards and other individuals responsible for the organization’s political capital should be politically skilled in order to exert influence through negotiation, manipulation and persuasion, enhancing one’s personal and/or organizational objectives (Ahearn, Ferris, Hochwarter, Douglas & Ammeter, 2004).

Regarding the importance of political skill to the accomplishment of business objectives, Ferris, Treadway, Kolodinsky, Hochwarter, Kacmar, Douglas and Frink (2005) distinguished four main political skills that should be included in order to measure individuals’ political skill. These authors also developed a scale of political skill which has found empirical support as regards psychometric properties, thus suggesting construct validity. The four political skills as social astuteness, interpersonal influence, networking ability, and apparent sincerity.

Social astuteness refers to the ability individuals have to observe and understand the social situation and interpersonal interactions. Pfeffer (1992) names this as “sensitivity to others”.

Interpersonal influence refers to the capability to adapt behavior to the situation aiming at achieving goals. This adaptability is thought of as the ability to persuade and influence.

Networking ability refers to the capacity to develop friendships and to build beneficial and strong coalitions and alliances. Networking is the strategy and resources these individuals build to extend their reach.

Apparent sincerity refers to being able to be perceived as sincere, authentic, and genuine. Its political nature lies in being able to inspire trust and confidence, and thus, leverage influence.

Bennister, t'Hart and Worthy (2015) add that political capital should be conceptualized not only as leaders' skills but also relations and reputation.

Firstly, development of leaders' 'hard skills' such as technical competence and 'soft skills' which includes inspiring one's audience, results respectively in tangible achievements and improvement of leaders' relations, i.e., relational capital. In turn, the quality of the relations established with different parties are perceived by these authors as an important tool since they consider that political capital occurs when leaders relate with their stakeholders.

In addition, reputation is helpful in building leaders' political capital when audience perceives a fit between promise and reality. Therefore, in order to obtain political capital, there is a need to be perceived as credible. Leaders' characteristics should lead to a perception of credibility, including competency, caring for people, and honesty.

## **1.2. Corporate Political Activity**

Corporate political activity (CPA) can be described as any company attempt to shape government policy in ways that are beneficial (Hillman & Hitt, 1999). Baines and Viney (2010) argue that involvement in CPA include domain advantage, i.e., organizations have the desire to pursue their private interest; domain defense, i.e., organizations have the desire to manage public policy that might be at the odds with their strategic goals, and domain maintenance, i.e., organizations influence public policy that can threaten the means by which a firm achieves its goals.

Within CPA research, Lawton, McGuire, & Rajwani (2013) departed from Hillman, Keim & Schuler (2004) to propose three theoretical approaches to this concept.

The first approach focuses on resources and capabilities. From a resource-based view, firms use their resources to influence public decision-makers and attempt to influence governments in order to gain specific competitive advantage. Resources can be financial (e.g., political campaign financing); human (e.g., the use of lobbyist and lawyers) and political (e.g., political coalition building).

The second approach focuses on institutions. Institutional theory considers firms embeddedness in local cultures, history and law, and offers an account of how social,

economic and political issues affect firms. This approach explains how firms adapt to changes in the non-market environment by considering the resource-based view. Institutional theory is particularly helpful in explaining the process of adaptation and change in the context of globalization, and the pressures to adopt internationally desirable norms and rules.

The third approach focuses on the political environment referring to the regulation, political risk and the certainty of political processes, and how companies develop strategies to react to those changes. It takes into consideration specific organizational aspects of political systems and how they interact with CPA. More specifically, this perspective pays more attention to cultures, political structures and political risks.

Despite the different approaches to the concept, the dominant focus is placed on organizations' political strategies (Scherer et al., 2016) as well as explanations about success factors of political strategies adopted by business firms (Hillman, Keim & Schuler, 2004). Political strategies used to influence organizations' regulatory environment and public policy, include lobbying, contributions, political inducements, establishing relationships with government officials, and corruption (Lawton, McGuire, & Rajwani, 2013).

Information strategy includes tactics such as lobbying and aims to influence public policy by providing policy makers with specific information (e.g., information about the costs and benefits of different issues). Another resource that can be used strategically for political purposes is the provision of financial inducements to policy makers, resulting on the influence of public policy (e.g., financial support and PAC contributions). Lastly, one can gain support from individual voters and citizens who express their policy preferences to political decision makers. In order to influence public policy, the targets of this strategy are mainly individuals linked to the firm and societal members.

Although corruption has been a matter of concern due to several ethical and social issues (Ring, Lenway & Govekar, 1990), it has also been considered beneficial to business firms since it facilitates the purchase of services and regulatory decisions (Boddewyn & Brewer, 1994). The dominant tone is negative as recurrent news on unethical behavior in business has been raising awareness among stakeholders namely due to corruption. The adoption of unethical practices bounces back negatively to organizations, e.g., by stakeholders refusing to doing business with perceived unethical business firms (Farah & Newman, 2010).

Although CPA scholars highlight the political advantages obtained by the adoption of political strategies, this area of research has been criticized due to the focus on the benefits brought by unethical or sociopathic organizations' behavior (Mantere, Pajunen, & Lamberg,

2009). By focusing only on self-interested manipulation of regulatory actors and entities, literature about CPA originally did not consider CSR as a political activity (Scherer et al., 2016). However, some scholars did argue that CSR is also an important tool to achieve a political advantage (e.g., Palazzo & Scherer, 2006) and thus should not be discarded within this line of research.

### **1.3. Corporate Social Responsibility**

Since 1950s, increasing concerns about humanity and natural environment have been resulting on more pressures on business firms. Due to citizen raised awareness, companies have been adopting ethical and socially responsible practices (Turker, 2009).

As in most multidimensional constructs, CSR definition varies. CSR can be briefly referred to the degree to which organizations consider social and environmental aspects, alongside with economic ones (Aguinis, 2011). In turn, CSR is associated with a set of policies and practices that contribute to the social good, often transcending legal compliance and regulatory obligations (e.g., Blowfield & Frynas, 2005).

Various scholars consider CSR concept as an umbrella construct that include a variety of concepts, dimensions and a broad range of practices that result in positive impacts of businesses on their stakeholders. The pragmatic approach, e.g. Turker (2009), proposes that social responsible practices should be categorized according to the area where they are implemented. These practices include environmental impact reduction, people's development and management, community support and assurance of economic sustainability (Neves & Bento, 2005). Accordingly, Turker (2009) distinguishes four types of CSR practices: those directed to society, natural environment, future generations and NGO's; those directed to employees; those directed to customers, and those related with government.

Many studies describe engagement in CSR as offering competitive advantage to companies. Research on CSR field have been demonstrating that being socially responsible provides organizational benefits such as financial performance, sales, organizational image, corporate reputation, employee motivation, attraction and retention, among others (e.g., Kotler & Lee, 2005; Porter & Kramer, 2006).

According to Carroll's (1999) historical account on CSR construct consistent interest in it started only in the 1960s. Up to the 1970s, researchers put effort in defining it. By the late 1970s (e.g. Carroll, 1979) researchers start dealing with its multidimensional nature (e.g. the pyramid of Corporate Social Responsibility). According to Carroll (1979), CSR refers to the organizations' ability to gather economic, legal, ethical and philanthropic responsibilities simultaneously. Therefore, organizations must have profit, obey the law, adopt an ethical conduct and also get involved in social causes. Thenceforth, most research have been treating CSR as a multidimensional construct.

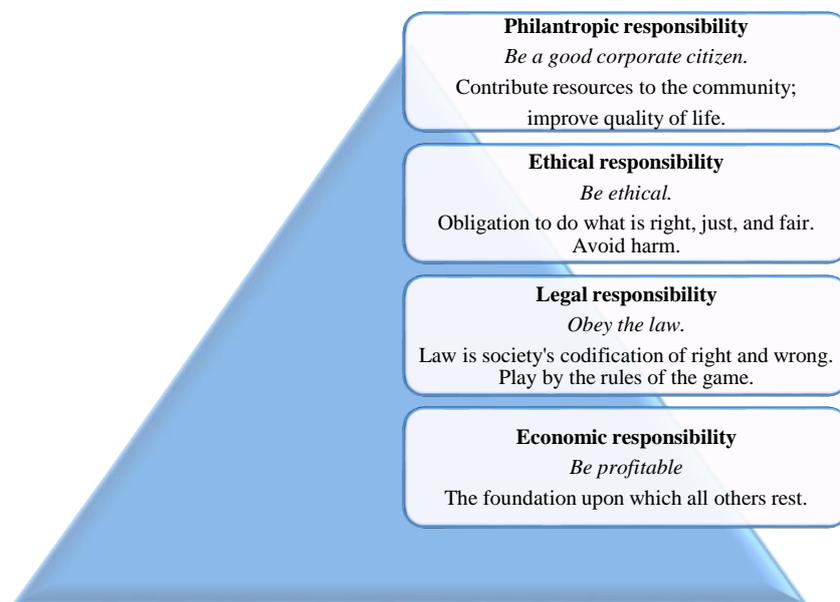


Figure 1.1. Pyramid of CSR (Carroll, 1979)

During the 1980s, some research on CSR advocated it should be viewed as a process and not as a set of results (Jones, 1980). Drucker (1984) emphasized the idea that CSR should be converted into business opportunities. In addition, one of the most cited theories related with this construct emerged during this decade – Stakeholder Theory (Freeman, 1984). According to his theory, organizations and stakeholders are interdependent, i.e., stakeholders affect and are affected by corporate strategies and practices. In addition, business firms must have obligations towards their investors, work-people, consumers, suppliers and other stakeholders (Freeman, 1984).

In the 1990s interest in researching CSR increased and a European and American perspective emerged (Carroll, 1999). Their difference starts with definitional issues: the

north-American perspective considers that economic performance is a responsibility towards the society. In contrast, European scholars consider that economic issues are the reason for an organization to survive, therefore should not be considered as social responsibility (Turker, 2009).

The European Commission (2001) divided the construct in two dimensions. The internal dimension refers to the practices implemented that affect internal stakeholders, e.g., actions that derive from the Human Resources Management (HRM) department. On the other hand, the external dimension refers to the practices implemented that affect external stakeholders such as local community, consumers, business partners and suppliers among others.

Due to the increasing conceptualization of CSR regarding different approaches and theories, Kreitlon (2004) distinguished three main CSR approaches that depart from different assumptions. One of the approaches, business ethics, provides a normative conception of CSR. Based on the normative theory, this perspective considers that business firms are subject of ethical judgment. In turn, they have the duty to act in a socially responsible manner, i.e., organizations' actions must be in line with the moral values of the society where they operate.

The second approach, business & society, departs from integrative contracts theory. This perspective shares the idea that both organization and society are connected to each other. Due to a constant interaction, both are bounded by a social contract i.e., members of society operate according to the rules implicitly established by the organization and, on the other hand, the company is also under control of society. Within this perspective, Donaldson and Dunfee (1994, 1999) proposed a framework for ethical conduct. In addition, Freeman (2002) and Philips (2003) have developed a Rawlsian approach to CSR. Another approach, social issues management, takes CSR engagement as organizations' strategic approach to provide benefits not only for the society but also for itself, on a middle and long-term.

## **1.6. Responsible Leadership**

Pless (2007, p. 438) described responsible leadership as “a value based and thorough ethical principles-driven relationship between leaders and stakeholders who are connected through a shared sense of meaning and purpose through which they raise one another to higher levels of motivation and commitment for achieving sustainable values creation and social change”. Responsible leadership brings together two concepts: CSR and leadership.

Leadership has long been considered one of the most important components of organizations' culture (e.g. Schein, 1985), i.e., leaders are expected to create, reinforce or modify culture by adopting organizational strategies and making long-term decisions. The importance of leaders' characteristics explain variance in organizational outcomes, such as financial performance (e.g., Hambrick & Quigley, 2014).

At board level, research suggests that independent boards, with stronger governance mechanisms are positively associated with engagement in CSR activities (Jo & Harjoto, 2011; 2012).

Maak, Pless & Voegtlin (2016) reason that leader's political skills, as a form of social complexity, is a required ability for leaders to be acknowledged as responsible. Adding to their values, it is necessary to adapt behavior to the social situation in order to gain effectiveness.

In line with the research developed by Jo and Harjoto (2011; 2012) and following reasoning of Maak, Pless & Voegtlin (2016) we aim to examine to which extent business managers political skill, as perceived by employees, are more likely to engage in socially responsible activities since they perceive CSR as a political strategy.

*H<sub>1</sub>: Managers' ascribed political skills are positively associated with perceived CSR.*

## **1.7. Political Corporate Social Responsibility**

Recently there has been a rising interest on the political aspects of CSR (Mäkinen & Kourula, 2012), coining the concept of Political Corporate Social Responsibility (PCSR).

According to Frynas and Stephens (2015), PCSR can be briefly described as a set of "activities where CSR has an intended or unintended political impact or where intended or unintended political impacts on CSR exist (i.e. impacts related to the functioning of the state as a sphere of activity that is distinctive from business activity)".

This concept was proposed about one decade ago, due to major geopolitical changes that have been occurring since the fall of the Berlin Wall (Scherer et al., 2016). Ever since, globalization diminished state power in favor of an increasing business power (Kobrin, 2009).

As a consequence, business leaders are expected to provide public goods and to shape regulations when governmental entities fail to do so. The reasons involve governments'

insufficient work, failure in enforcing relevant regulations or because public authorities deliberately shift governance to business firms (Matten & Crane, 2005; Bell & Hindmoor, 2009; Wood & Wright, 2015).

The frontiers between political class and corporate business have been more blurred due to the entanglement between economics and political initiative (Palazzo & Scherer, 2006).

Since PCSR integrates both political and social domains (Schrempf-Stirling & Palazzo, 2016) this concept is closely related to akin research such as CPA, International business, corporate citizenship.

As CPA literature assumes that corporations engage with the political system and adopt political strategies in order to gain economic advantages and ways to prevent and to influence the public policy and regulations in general (Hillman, Keim & Schuler, 2004), recent research on this field has been considering the engagement on CSR activities as a philanthropic strategy to achieve companies' objectives (e.g., Weyzig, 2009; den Hond, Rehbein, de Bakker & Kooijmans-van Lankveld, 2014). In turn, research on CPA field provides an instrumental view of this concept, i.e., PCSR derives from a fusion between CSR and CPA. Likewise, corporate citizenship research emphasizes collective decisions and a concern for public goods (Young, 2004; Scherer, Palazzo & Matten 2014). Based on a normative theory about companies' responsibilities (i.e., theory of deliberative democracy), corporate citizenship scholars developed an alternative view of PCSR (e.g., Moon, Crane & Matten, 2005; Scherer & Palazzo, 2007).

Habermas (1996; 1998) deliberative democracy theory advocates that when it comes to increasing political power of organizations, one must take into consideration not only economic bargaining but also ethical discourse. The incorporation of an ethical discourse, legitimizes organizations through a new form of democracy that allows them to produce the norms (that must be valid and with a constitutional-democratic legal order). Therefore, this approach explains the increasing political legitimacy of non-political actors, i.e., those actors get involved in political decision-making.

Following this perspective, the nation state remains a dominant institution but business firms will be democratically accountable (Frynas & Stephens, 2015). With this theoretical background, an Habermasian perspective of political CSR emerged. Palazzo & Scherer (2006), proposed a notion of political CSR, which is based in the belief that companies become political actors due to the engagement in CSR activities.

According to a survey on political CSR developed by Frynas and Stephens (2015), research about this concept varies according to multiple levels of analysis and different PCSR perspectives (Table 1.1).

From political theory, the most popular perspectives about PCSR include the social contract perspective – which considers the Social Contract mechanism as a support to increase the political role of business firms (e.g., Cragg, 2006; Dunfee, 2006; Sacconi, 2006) - and the Habermasian perspective. Although political CSR has been theorized according to different perspectives, most published research is fairly recent and mostly of a sociological nature.

Table 1.1. Most cited theoretical perspectives on political CSR

Theoretical perspective	Main political CSR-related rationale
Habermasian	Appeals to either/both the Habermasian concept of discourse ethics and/or deliberative democracy to offer an account of the way in which political CSR can be legitimized
Institutional Theory	Explains the changing function of CSR as a result of the companies' conformity to different institutional pressures
Stakeholder Theory (normative)	Asserts that the legitimacy gap created by political CSR should be addressed by appealing to the interests of stakeholders and increased involvement of affected parties in the decision making processes of the corporations
Stakeholder Theory (descriptive)	Explains the changing function of CSR in terms of its response to stakeholder demands
Social Contract Theory	Employs the Social Contract mechanism to offer an account of what the political role of companies should be and/or how it could be realized

(adapted from Frynas & Stephens, 2015)

Regarding methodological choices, previous measures of PCSR include analyzing organizations' involvement in different stakeholders' initiatives and organizations' development and implementation of social innovations (e.g., Maak, Pless & Voegtlin, 2016). Empirical research is still lacking a quantitative operational measurement other than qualitative, as well as a psychosocial perspective that considers group-based perceptions on PCSR.

Therefore, we set ourselves to measure this concept in a quantitative manner, following the Habermasian perspective. In addition, this research also aims to quantitatively test if all types of CSR (distinguished by Turker, 2009) are predictors of political legitimacy.

*H<sub>2</sub>: The higher the investment in CSR practices, the higher the perceived political legitimacy.*

Frynas and Stephens (2015) also described the prominence of the different levels of analysis on political CSR research. At *macro level*, institutional theory dominates PCSR research, i.e., the idea that companies comply with their institutional context. Therefore, by adopting CSR practices, perceived as desirable and appropriate by stakeholders, business firms earn external legitimacy. In contrast, stakeholder theory dominates the *meso-level* of analysis in PCSR research, which explores the relations between companies and their stakeholders. This approach shows how stakeholders mediate and influence the regulatory process due to organizations' engagement in CSR activities.

Although literature on this concept raised awareness about the crucial role of CEOs and boards in managing political CSR (e.g., Borghesi, Houston & Naranjo, 2014; Chin, Hambrick & Treviño, 2013), Frynas and Stephens (2015) have not found a single paper that addressed the micro level of analysis on its own. This call for research is yet to be fully answered despite some ensuing research on micro level variables (e.g., Maak, Pless & Voegtlin, 2016). Scherer (2017) acknowledges that further understanding on the relation between PCSR and individual behavior is needed although he states that relevant micro-level research has been actually conducted although under different constructs' umbrella, e.g. ethical decision-making, organizational citizenship behavior, or responsible leadership.

Therefore, this paper takes up the challenge to focus on the micro level of analysis of the PCSR by testing how extensively business managers perceived as holders of high political skill are more likely to be perceived as adopting CSR practices as a means to achieve political legitimacy.

*H<sub>3</sub>: CSR mediates the relation between political skills and political legitimacy.*

## 1.8. Organizational Legitimacy

Research on PCSR field emphasized the crucial role of legitimacy, a concept that crosses various theories applied to PCSR (Frynas & Stephens, 2015).

Legitimacy can be defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (Suchman, 1995, p.574). This concept can also be referred to both individuals and institutions (Wiechnik, 2013). Three main factors influence organizational legitimacy (Kostova & Zaheer, 1999): the characteristics of the societal environment and its demands; the congruence between organization’s norms and values and those accepted in the community, and the process by which legitimacy is produced and managed. Accordingly, organizational legitimacy deals with the appropriate role of organizations in society and it can be briefly characterized as stakeholders’ positive perceptions about a company due to their appropriate actions (Palazzo & Scherer, 2006).

This explains why the 2008 global financial crisis and the new environmental and social challenges, increased organizations’ interest on the legitimacy processes, i.e., organizations concern with values, norms and rules compliance (Burlea & Popa, 2013).

Such interest may express itself, according to Scherer and colleagues (2016), as organizations protecting their legitimacy by providing solutions to public issues, complying with societal expectations, and submitting their options to democratic scrutiny. Engaging in CSR activities can be an option to enhance organizations’ legitimacy in the eyes of stakeholders and wider public (Stanaland, Lewin & Murphy, 2011).

Legitimacy theory has a rich multi-disciplinary background based on institutional theory, stakeholders’ theory and management theory and is important to understand its nature (Burlea & Popa, 2013).

Considered one of the most cited theories within the social and environmental research (Tilling, 2004), legitimacy theory takes legitimacy as a necessary characteristic to a well-established institution. In turn, institutionalization and legitimacy are virtually synonymous (Tilling & Tilt, 2010).

On the other hand, stakeholders’ theory contribute to legitimacy by taking into consideration the importance of having appropriate and desirable actions since stakeholders have the ability to affect the direction of the business firms (Phillips, 2003).

Management theorists have been focusing on the strategic approach of legitimacy. Suchman (1995) distinguishes between strategic and institutional approaches of legitimacy.

Focused on management action, the strategic approach considers legitimacy as an asset that can be controlled and used in favor to companies' own interests (e.g., Driscoll & Crombie, 2001). On the other hand, the institutional approach emphasizes the organizations' structures and the individuals outside the organization that control and decide about the legitimation of organizational actions (Suchman, 1995).

Also in line with management theory, Scharpf (1999) argues that in order to be perceived as legitimate, companies should adopt a legitimation tactic. Organizations' legitimation tactic can occur in the input of an organization by using strategies such as democratization (e.g., Bernauer & Gampfer, 2013) or equity in procedure (Tyler, 2001). On the other hand, legitimation can occur in the output of an organization, which is related to the favorability and distribution of outcomes as a legitimation process.

Management theorists have also been assuming that legitimacy can be categorized with different constituent elements (Suddaby, Bitektine & Haack, 2017). Therefore, Suchman (1995) distinguishes three types of organizational legitimacy.

*Pragmatic legitimacy.* This kind of legitimacy emerges from the perceptions of organizations' audience such as key stakeholders and public in general. By taking into account their own self-interests, these individuals will perceive an organization as legitimate if they benefit from organizations' activities (e.g., by providing cost reductions). Therefore, companies should adopt strategies that aim to influence positively those individuals. These strategies include provision of direct benefits, inviting stakeholders to participate in organizations' decision-making, instrumental public relations or symbolic management. In turn, strategies will persuade the wider public about the usefulness of organization's output, structures, procedures and leaders (Ashforth & Gibbs, 1990). This type of legitimacy includes three subsections, i.e., exchange legitimacy (derived from organizational policies), influence legitimacy (which result from individuals' belief that companies will respond to their larger interests) and dispositional legitimacy (occurs due to the perception of organization's positive attributes).

*Cognitive legitimacy.* According to this type of legitimacy, organization's and leaders' appropriate behavior is necessary and inevitable so constituents support organization due to their taken-for-granted assumptions. By operating at the subconscious level, it becomes difficult to an organization to influence these perceptions directly and strategically.

*Moral legitimacy.* This kind of legitimacy results from constituents' moral judgments about organization's output, structures, procedures and leadership behavior. Moral legitimacy

is obtained when organization's activities and values are judged to be moral. Related with normative approach of this concept, moral legitimacy is socially constructed since it is a result of "explicit public discussion" (Suchman, 1995, p. 585). According to Suchman (1995), the vigorous participation in these discussions can provide this type of legitimacy. Therefore, the communication is the key to convince others by reasonable arguments. The author divides this type of legitimacy into four sub-sections, i.e., consequential legitimacy (when organizations' criteria is appropriate, regardless of its pragmatic value to the constituent), procedural legitimacy (which can be obtained by adhering to socially accepted procedures), structural legitimacy (the organizations' structural characteristics increase legitimacy) and personal legitimacy (which is derived from individual leaders' charisma).

Regarding legitimacy theory applied to political CSR, previous research demonstrates that organizations strategically increase desirability by engaging in social and environmental activities. In turn, organizations access to various forms of state resources and support (Zhao, 2012).

The Habermasian perspective of PCSR and the legitimacy theory both share the idea that the engagement in CSR activities lead to an increased perception of legitimacy, resulting on political advantages. However, the Habermasian view goes further by proposing that CSR enables companies to gain political legitimacy, i.e., organizations obtain the right to govern and/or to participate in political decisions (e.g., Scherer & Palazzo, 2011; Mena & Palazzo, 2012; Scherer et al., 2016).

## **1.9. Political Legitimacy**

Political legitimacy is another subset distinguished on organizational legitimacy literature. Research about political legitimacy argues that actors or institutions are politically legitimate when they claim to have the right to govern. Due to their legitimacy, society allows them to govern and to participate in political decisions (Bernstein & Cashore, 2007).

Organizations obtain legitimacy when others perceive their actions as appropriate and desirable, which results on an internal motivation that lead to the obedience to legitimate authorities (Skitka, Bauman & Lytle, 2009).

In contrast with other means (such as coercion), political legitimacy also offers the "right to be obeyed" due to the authorities' compliance with norms and rules (Wiechnik, 2013).

Coicaud and Curtis (2002) highlight the importance of individuals' values, responsible for providing the basis for the three sources of political legitimacy, i.e., norms, laws, and consent. According to these authors, political legitimacy derives, firstly, from the society's norms and values that establish how people should behave. Political legitimacy is gained through the adherence to the law accepted by the society. Additionally, the ethical behavior leads to people's consent which is responsible for an implicit duty to obey and the recognition of the right to rule.

Political legitimacy can be owned by multiple players in the society that are perceived as legitimate, namely government institutions and organizations in the society at large (Wiechnik, 2013). However, most research on this field focuses on political legitimacy owned by the state. Related with this perspective, Barker (1990, p. 11) defines this concept as "the belief in the rightfulness of a state, in its authority to issue commands, so that those commands are obeyed not simply out of fear or self-interest, but because they are believed in some sense to have moral authority, because the subjects believe they ought to be obeyed".

In this research, we focus on the political legitimacy owned by non-state actors, in particular organizations' business managers. Previous research argued that politically skilled leaders with high levels of position are perceived as more legitimate (e.g., Schütte, Blickle, Frieder, Wihler, Schnitzler, Heupel & Zettler, 2015). Taken into consideration the different political skills distinguished by Ferris and colleagues (2005), we intend to verify how far being politically highly skilled is associated to political legitimacy.

*H<sub>4</sub>: Managers' political skills are positively associated with political legitimacy.*

## Chapter II – METHOD

### 2.1. Procedure and Sample

For this research, we sent an invitation to voluntary participate in the study stating guarantees of anonymity and confidentiality. The invitation also explained the general goals of the study, the estimated response time, and an institutional contact for further information. The participants completed an individual online survey (via Qualtrics) containing questions regarding the organization they are working at. This survey contained questions about organizations' and leaders' engagement in CSR practices, political skill and political legitimacy.

Since we are analyzing participants' perceptions about the organizations they are working at, the only criteria defined for the sample is being legally employed (at the time of the study). Participants come from a variety of industries from Services to Manufacture without special incidence on any (Table 2.1.).

Table 2.1. Sample distribution according to industry

	Frequency	Percent	Valid %	Cumulative %
Automotive Industry	6	2.7	2.7	2.7
Beauty and Cosmetics	2	.9	.9	3.6
Construction Sector	2	.9	.9	4.5
Education	5	2.3	2.3	6.8
Energy Sector	3	1.4	1.4	8.2
Engineering and Architecture	4	1.8	1.8	10.0
Entertainment	4	1.8	1.8	11.8
Finance and Banking	7	3.2	3.2	15.0
Health	15	6.8	6.8	21.8
Hotels and Catering Services	6	2.7	2.7	24.5
Human Resources	8	3.6	3.6	28.2
Information Technology (I.T)	7	3.2	3.2	31.4
Journalism	1	.5	.5	31.8
Marketing	4	1.8	1.8	33.6
Military Sector	5	2.3	2.3	35.9
Primary Sector	3	1.4	1.4	71.4
Public Function	3	1.4	1.4	72.7
Real Estate Industry	7	3.2	3.2	75.9
Security and Surveillance	5	2.3	2.3	78.2
Sports and Nutrition	6	2.7	2.7	80.9
Telecommunications Sector	3	1.4	1.4	82.3
Tertiary Sector	25	11.4	11.4	93.6
Tourism	11	5.0	5.0	98.6
Transportation Sector	3	1.4	1.4	100.0
Other	75	34.1	34.1	70.0
Total	220	100.0	100.0	

A non-probabilistic convenience sample of 220 participants aged between 20 and 64 ( $M=30.80$ ;  $SD=8.78$ ) voluntarily participated in this study. Most of the participants were male (59.2%) and reported the following educational level: 4.9% have less than nine years of schooling, 4.4% have completed nine years of schooling, 38.3% have completed 12 years of schooling and 51.4% have a higher education qualification. The majority has stable work contracts (54.9%), is tenured less than 3 years (55.2%).

## 2.2. Measures

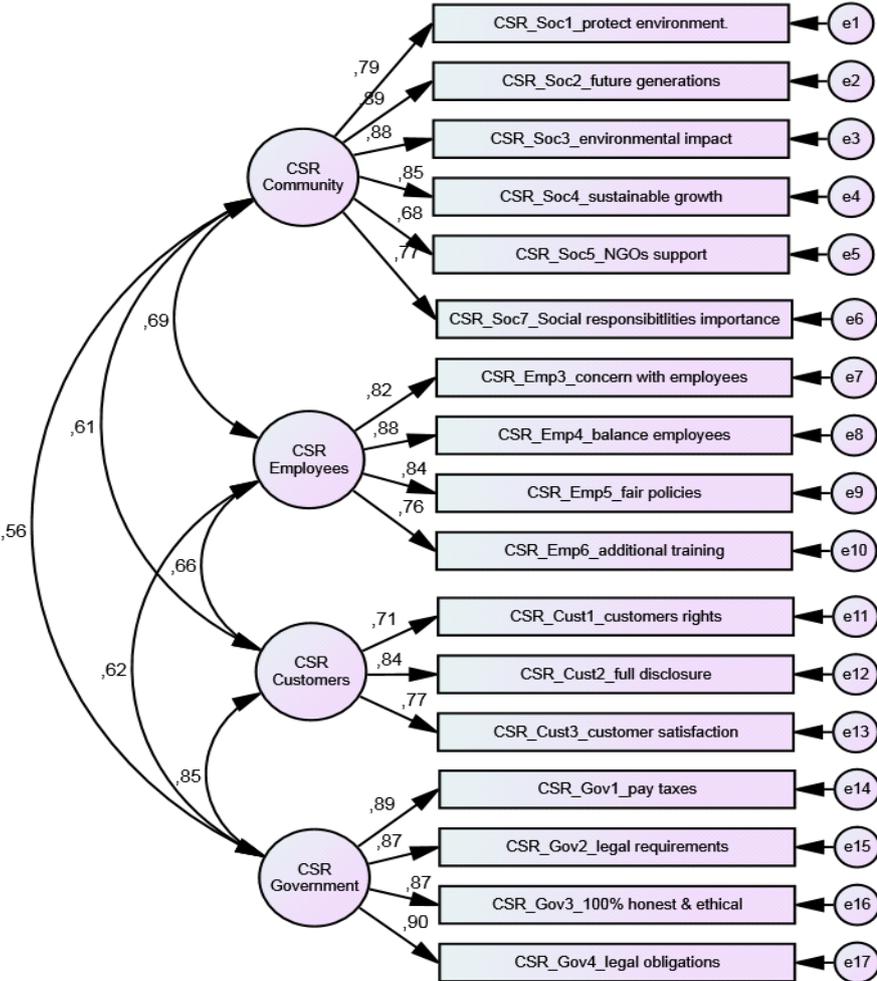
**Political CSR.** There are several published scales on CSR but none explicitly measuring PCSR. We reasoned, on the basis of this concept's definition on Habermasian theory that its measure should comprehend two founding concepts: engagement in CSR practices (Turker, 2009), and political legitimacy (Anderson, 2015). In the more recently published empirical research on CSR, five scales matched our requirements of multidimensionality, adequate psychometric testing, and content validity pertaining the scope of the scale (Table 2.2). Among these, Turker's (2009) scale offers the most comprehensive measure on CSR, and therefore, we opted to consider it.

Table 2.2. CSR scales considered for this research

Authors/Year	Title	No of Items	No Dimensions	Dimensions	Scale ( $\alpha$ )
Turker (2009)	Measuring CSR: A Scale Development Study.	18	4	Society, Environment, Future Generations and NGO's ( $\alpha=.89$ ) Employees ( $\alpha=.88$ ) Customers ( $\alpha=.86$ ) Government ( $\alpha=.93$ ) Employees ( $\alpha=.87$ )	$\alpha=.90$
Duarte (2011)	CSR from an Employees' Perspective: Contributes for Understanding Job Attitudes.	16	3	Community and Environment ( $.87<\alpha<.89$ ) Economic ( $.62<\alpha<.75$ ) Employees ( $.81<\alpha<.86$ )	Not reported
D'Aprile & Taló (2013)	Measuring CSR as a Social Construct: A New Multidimensional Scale.	12	3	Cognitive ( $\alpha=.81$ ) Affective ( $\alpha=.79$ ) Community Employee Shareholders	$\alpha=.91$
Öberseder, Schlegelmilch & Murphy (2013)	Consumers' Perceptions of CSR: Scale Development and Validation.	42	7	Customer (.89) Employee (.91) Environmental (.94) Supplier (.94) Local community (.93) Societal (.90) Shareholder (.90)	$\alpha=.95$
Toliver (2013)	Measuring CSR Through Organizational Values: A Case Validation Study.	30	5	Corporate Governance Social Responsibility (Environment) Education	$\alpha=.97$

**Perceived engagement in CSR** was measured with Turker’s (2009) scale concerning CSR practices towards four stakeholders: 1) society, environment, future generations, and NGOs (e.g., Our company participates in activities which aim to protect and improve the quality of the natural environment); 2) employees (e.g., The managerial decisions related with the employees are usually fair); 3) customers (e.g., Customer satisfaction is highly important for our company), and 4) government (e.g., Our company complies with legal regulations completely and promptly). The response scale ranged from 1 (totally disagree) to 5 (totally agree). Taking into consideration that the last factor comprehended only two items and that we felt it was lacking relevant aspects (namely ethical concerns on taxes) we added two more items: “I believe my organization is 100% honest and ethical on their taxes obligations”, and “My organization is an example on complying with legal obligations”.

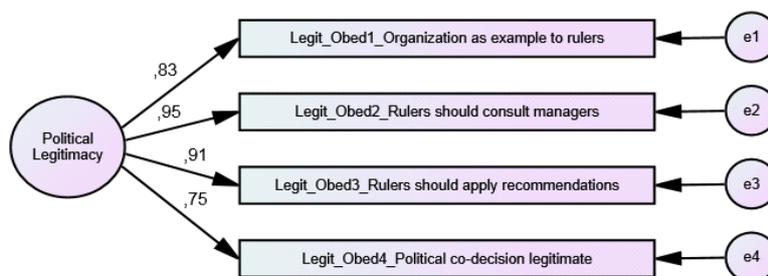
Figure 2.1. CFA for CSR



The CFA for Turker’s (2009) revised 20-item scale showed unacceptable fit indices (CMIN/DF=3.061  $p<.001$ , CFI=.906, TLI=.891, RMSEA=.097, SRMR=.067). By using Lagrange multiplier test indices we removed three items (Soc6, Emp1, Emp2) leading to a valid model (CMIN/DF=2.123  $p<.001$ , CFI=.956, TLI=.947, RMSEA=.072, SRMR=.049). All factors showed good reliability (F1 society, environment, future generations, and NGOs, 6 items,  $\alpha=0.919$ ; F2 employees, 4 items,  $\alpha=0.891$ ; F3 customers, 3 items,  $\alpha=0.812$ , and F4 government, 4 items,  $\alpha=0.933$ ).

**Political legitimacy.** In a complementary fashion, we searched for political legitimacy measures. Since political legitimacy is described as “the right to be obeyed”, it was measured with an adaptation of Anderson’s (2015) 3–item subscale “obedience” which we adapted to measure how far individuals confer political power to their organization’s leaders thus extending their scope of action to the political societal domain (i.e. “Rulers of this country should look to my organization as an example and learn with it”; “Rulers of this country should consult with my organization’s managers and listen to them even if they don’t like what they hear”; “Rulers of this country should get advice with my organization’s managers and apply their recommendations even if they are not welcomed by electors”). The response scale ranged from: 1 – totally disagree to 5 – totally agree. Because the original subscale was overlooking some topics in our conception of political legitimacy we added a couple items (i.e. “It is legitimate for my organization to seek to influence local political decision makers (e.g. county) so to make favorable decisions (without breaking the Law); “Organizations such as mine, that contribute to the local economy, should be always listened as regards the local economic issues, namely public budget and State investment decisions”).

Figure 2.2. CFA for Political Legitimacy

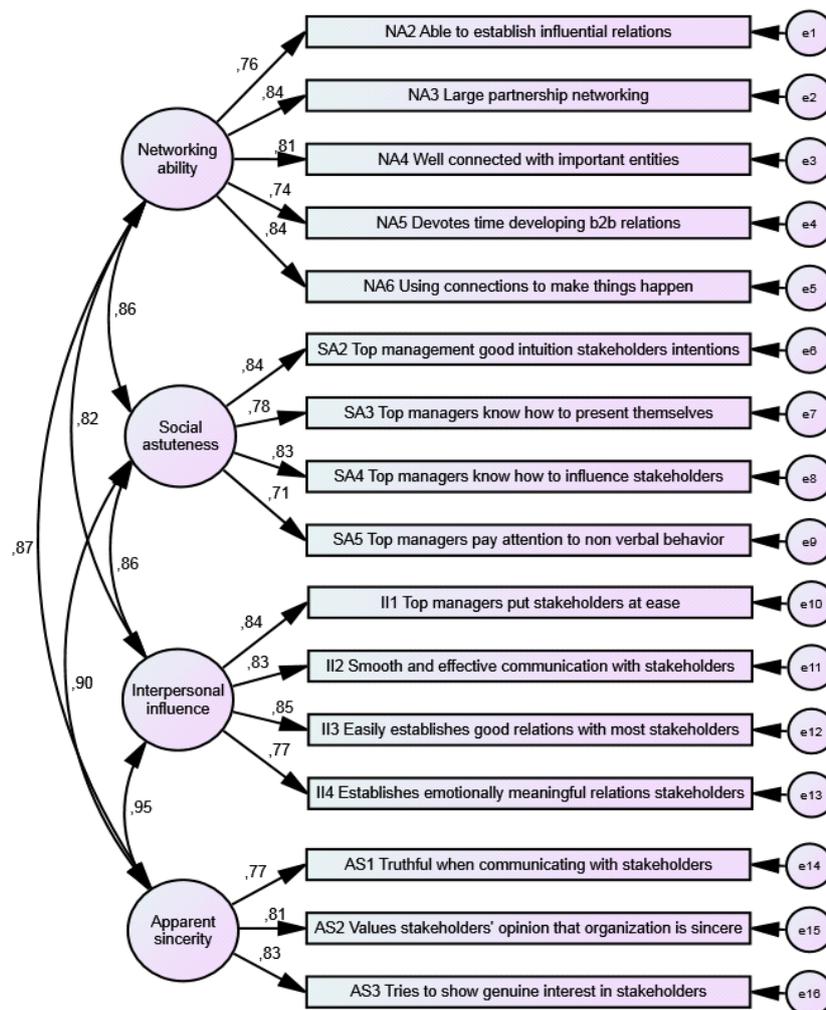


The CFA for the adapted Anderson’s (2015) 3+2 item scale showed unacceptable fit indices (CMIN/DF=4.611  $p<.001$ , CFI=.979, TLI=.958, RMSEA=.128, SRMR=.0313).

The removal of one item due to Lagrange multipliers test indices showed a valid single factor 4 item solution (CMIN/DF=1.326  $p=.265$ , CFI=.999, TLI=.997, RMSEA=.039, SRMR=.0087) with high reliability (4 items,  $\alpha=0.919$ ).

**Perceived political skill** was measured with an adaptation of Ferris and colleagues' scale (2005) comprehending four factors: 1) networking ability (e.g., My firm's manager tries to show a genuine interest in other people); 2) social astuteness (e.g., My firm's manager spends a lot of time at work developing connections with others); 3) interpersonal influence (e.g., At work, my firm's manager knows a lot of important people and am well connected) and 4) apparent sincerity (e.g., My firm's manager pays close attention to people's facial expressions) (response scale: 1 – totally disagree to 5 – totally agree). All items were rephrased to change focus from self-report to reporting what the organizational decision makers do.

Figure 2.3. CFA for Political Skill



The CFA for the full 18-item scale showed liminally acceptable fit indices but there were two cases of covariance between errors which suggested removal, namely NA1 and SA1. The revised 16-item solution showed acceptable fit indices (CMIN/DF=1.762,  $p < .001$ , CFI=.971, TLI=.965, RMSEA=.059, SRMR=.0376). All factors showed good reliability (F1 networking ability, 5 items,  $\alpha = 0.898$ ; F2 social astuteness, 4 items,  $\alpha = 0.870$ ; F3 interpersonal influence, 4 items,  $\alpha = 0.892$ , and F4 apparent sincerity, 3 items,  $\alpha = 0.845$ ).

## Chapter III – RESULTS

Results start by showing descriptives and bivariate analyses in order to gain a general overview of the interrelations between variables and their respective magnitude in the sample. The section will develop by showing hypotheses testing results with INDIRECT Macro for Multiple Mediation in SPSS developed by Preacher and Hayes (2008). Before that, in order to test for the premise of this research (that politicians have less occupational trustability than business agents) we included a simple measure of trustability.

### 3.1. Ranking politicians versus business agents

The measure of trustability is a single item asking respondents to state their degree of trust in a list of occupations (placed alphabetically) by using a 5 point scale ranging from 1 (don't trust at all) to 5 (absolutely trust). The table shows that the mean value for politicians is the lowest in the scale but businessmen is not at the top positions. Therefore we compared businessmen (both in SME and large multinationals) with politicians to find both sort of businessmen have higher mean than politicians [ $t_{(204)} = 16.130, p < .01, t_{(204)} = 11.068, p < .01$ ], respectively]. This offers reassurance that the departing premise is founded.

Table 3.1. – Occupational ranking by trustability.

Occupation	N	Mean	s.d.
Firefighters	206	4.39	.762
Professors	203	4.01	.826
Physicians	204	3.97	.853
Military	205	3.80	1.012
Policemen	205	3.63	1.070
SME businessmen	205	3.30	.943
NGOs	206	3.25	1.084
Judges	203	3.23	1.000
Lawyers	205	2.99	1.087
Labor union delegates	205	2.85	1.117
Large multinational companies directors	206	2.79	1.047
Party youth leaders	204	2.52	1.085
Politicians / Government	206	1.93	1.075
Valid N (listwise)	191		

### 3.2. Descriptives and bivariate analysis

Table 3.2. Descriptives and bivariate analysis.

	N	Min-Max	Med.	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Gender	206	1-2	-	1												
2. Age	206	20-64	30.8	.404	1											
3. Civil status	205	1-3	-	.191*	.521**	1										
4. Education	206	1-6	3.56	.309**	-.142*	-.049	1									
5. Tenure	194	1-5	2.20	.144	.661**	.311**	-.055	1								
6. CSR_society	220	1-5	3.19	.353	.010	.468	-.070	.169*	1							
7. CSR_employees	220	1-5	3.23	.261	-.120	.413	.057	-.010	.639**	1						
8. CSR_customers	220	1-5	3.91	.230	-.012	.397	.010	.091	.542**	.586**	1					
9. CSR_government	220	1-5	4.01	.239	.065	.321	.069	.178*	.521**	.576**	.750**	1				
10. Board_Network_Ability	220	1-5	3.69	.286	-.093	.435	.017	.036	.546**	.535**	.587**	.595**	1			
11. Board_Social_astuteness	220	1-5	3.42	.161	.000	.594	.039	.059	.502**	.595**	.589**	.626**	.750**	1		
12. Board_Interpersonal_influence	220	1-5	3.51	.324	.006	.616	.044	.082	.562**	.604**	.599**	.570**	.736**	.765**	1	
13. Board_Apparent_sincerity	220	1-5	3.62	.329*	-.048	.512	.063	.059	.551**	.592**	.616**	.587**	.747**	.765**	.830**	1
14. Political_legitimacy_obedience	206	1-5	3.09	.226	.007	.463	-.014	.194**	.698**	.575**	.459**	.490**	.503**	.481**	.532**	.488**
Valid N (listwise)		189														

\* p<.05, \*\* p<.01 For nominal variables statistics pertain Cramer's V or Phi coefficient.

Variables show moderate to high level of CSR in all dimensions with the highest (M=4.01) in CSR\_government (basically, legal compliance) followed by CSR\_customers (M=3.91). Both CSR\_society and CSR\_employees fall close to the midpoint of the scale. Amongst political skills, respondents rate higher in Networking Ability (M=3.69) followed by Apparent Sincerity (M=3.62). Slightly below are Social\_astuteness and Interpersonal Influence (M≈3.4). Political legitimacy, obedience is moderately present falling close to the midpoint of the scale (M=3.09).

Correlations show expectable patterns within the same constructs, i.e. factors correlate in a logical and significant way between factors of the same construct (e.g. Network Ability x Apparent sincerity,  $r=.747$ ,  $p<.01$ ). Political legitimacy correlates positively with all variables within the model and also modestly with tenure ( $r=.194$ ,  $p<.01$ ). Likewise, all factors in CSR and all political skills are significantly and positively correlated, thus unveiling a pattern that encourages hypotheses testing.

### **3.3. Common method variance**

When variables have a perceptual nature and have been measured simultaneously and with a single data source, there is motivation to suspect for common method variance, which is a distortion of findings leading to correlation inflation (Podsakoff, McKenzie, Lee & Podsakoff, 2003). Although there are reasons to believe common method bias has been overstated (Fuller, Simmering, Atinc, Atinc & Babin, 2016), we upfront opted to take measures to prevent it. Namely, we introduced distractor variables between the ones composing the research model, by asking participants to answer a scale on stakeholder contact frequency and also on occupational trust. Additionally, offer guarantees of anonymity stating there were no right or wrong answers. Also, we conducted Harman's one-factor test. The resulting Exploratory factor analysis (EFA) matrix produced a six factor solution, where the first factor accounted for less than 50% explained variance before rotation and only included items from the political skills inventory. There is a clear separation of items' nature across the factor matrix with CSR splitting into two. Hence we trust common method did not biased our findings.

### 3.4. Mediation Analysis

We tested four multiple mediation models, one per each political skill. As stated, we conducted it using the INDIRECT Macro for Multiple Mediation in SPSS, which tests statistically both direct and indirect effects using a bootstrapping approach (Hayes, 2013). We opted for the default value of 1000 bias corrected bootstrap samples.

Indirect effects are considered significant when the bias corrected and confidence interval do not include zero. The multiple mediation models share the same mediator variables and dependent variable (Figure 3.1).

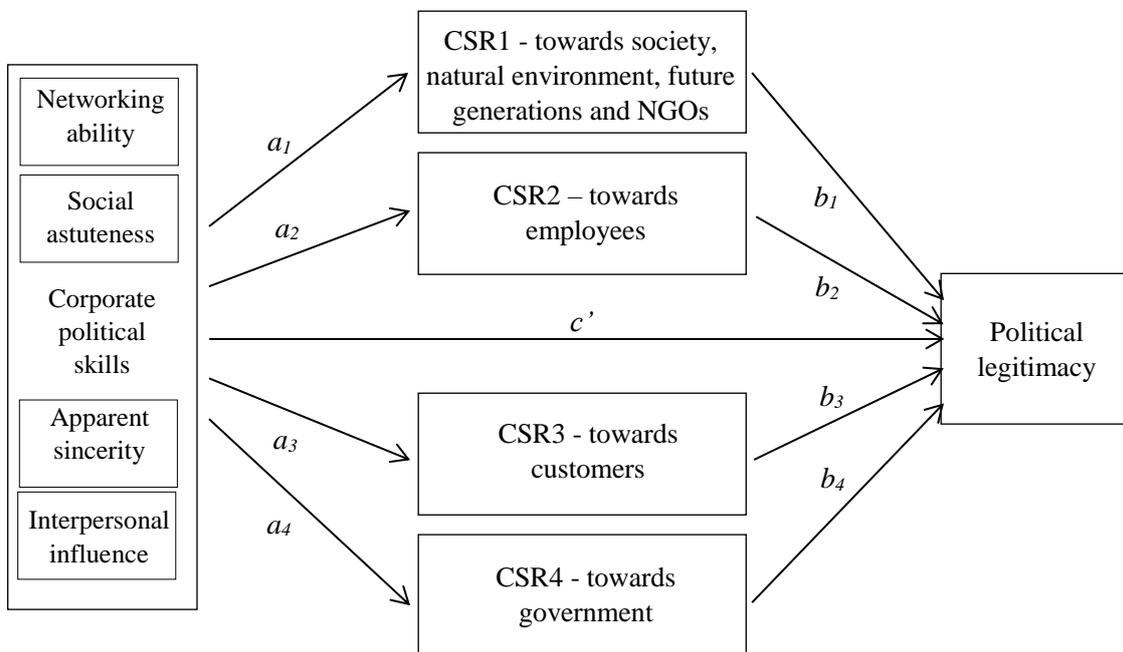


Figure 3.1. Multiple mediation model

We acknowledge CSR dimensions as mediator variables in the four models i.e., sub-scales were entered simultaneously. According with the macro data processing structure, all these dimensions are treated as mediators but also as intermediate dependent variables in a given step of the model relations ( $a_1$ ,  $a_2$ ,  $a_3$  and  $a_4$ , in figure 5).

Political legitimacy was entered as the dependent variable in the four multiple mediator models. The four political skills described by Ferris and colleagues (2005), i.e., social astuteness (SA), interpersonal influence (II), networking ability (NA) and apparent sincerity (AS), were entered as independent variables.

The four models were significant and each accounted for around 50% of the variance in political legitimacy (table 3.3.). Tables 3.4 to 3.7 shows the brief description of findings.

Table 3.3. Analysis of variance of the four mediation models

Independent variable (IV)	Mediating variable (M)	Dependent variable (DV)	Mediation Models		
			R <sup>2</sup> <sub>adj</sub>	F (5, 200)	p
NA	CSR	PL	.523	45.941	<.001
SA	CSR	PL	.521	45.507	<.001
II	CSR	PL	.526	46.472	<.001
AS	CSR	PL	.518	45.045	<.001

Table 3.4. Mediation results (with networking ability)

I.V.	M.V.	D.V.	Results
NA	CSR directed to society, natural environment, future generations and NGOs	Political Legitimacy	Total Mediation There is no evidence that Political Legitimacy is influenced by Networking Ability when this mediator is considered.
NA	CSR directed to employees	Political Legitimacy	Total Mediation There is no evidence that Political Legitimacy is influenced by Networking Ability when this mediator is considered.
NA	CSR directed to customers	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.
NA	CSR directed to government	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.

Table 3.5. Mediation results (with social astuteness)

I.V.	M.V.	D.V.	Results
SA	CSR directed to society, natural environment, future generations and NGOs	Political Legitimacy	Total Mediation There is no evidence that Political Legitimacy is influenced by Social Astuteness when this mediator is considered.
SA	CSR directed to employees	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.
SA	CSR directed to customers	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.
SA	CSR directed to government	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.

Table 3.6. Mediation results (with interpersonal influence)

I.V.	M.V.	D.V.	Results
II	CSR directed to society, natural environment, future generations and NGOs	Political Legitimacy	Partial Mediation Political Legitimacy is positively influenced by Interpersonal Influence even when this mediator is considered.
II	CSR directed to employees	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.
II	CSR directed to customers	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.
II	CSR directed to government	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.

Table 3.7. Mediation results (with social astuteness)

I.V.	M.V.	D.V.	Results
AS	CSR directed to society, natural environment, future generations and NGOs	Political Legitimacy	Total Mediation There is no evidence that Political Legitimacy is influenced by Apparent Sincerity when this mediator is considered.
AS	CSR directed to employees	Political Legitimacy	Total Mediation There is no evidence that Political Legitimacy is influenced by Apparent Sincerity when this mediator is considered.
AS	CSR directed to customers	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.
AS	CSR directed to government	Political Legitimacy	Inconsistent There is a total effect but no direct or indirect effects.

The total effects (c) indicated significant relations between political skill and political legitimacy (Table 3.8).

In addition, according to the multiple mediation models analysis, CSR emerged as a significant mediator of the relation between political skill and political legitimacy (Table 3.8).

Although CSR in general is a significant mediator in the total models, when one considers each dimension separately, CSR towards society, natural environment future generations and NGOs (CSR1) is a significant mediator variable between all political skills and political legitimacy.

CSR towards employees (CSR2) is also a significant mediator when political skills networking ability (NA) and apparent sincerity (AS) act as independent variables (Table 3.8).

In addition, when CSR is considered as a mediator between political skill and political legitimacy, the direct effect of networking ability (NA) and social astuteness (SA) on political legitimacy (c' path) is not statistically significant. On the other hand, despite significant mediation, direct effects (c') on political legitimacy remained significant when interpersonal influence (II) and apparent sincerity (AS) were taken as independent variables (Table 3.8).

More specifically, the positive effects of the four political skills on the overall CSR practices were significant (a path), i.e., towards society, natural environment, future generations and NGOs (CSR1), CSR towards employees (CSR2), CSR towards customers (CSR3), and towards government (CSR4). On the other hand, CSR practices towards society, natural environment, future generations and NGOs (CSR1) and CSR towards employees (CSR2) have positive and significant effects on political legitimacy. Full information available in tables 3.9 to 3.12. In contrast, CSR towards customers (CSR3) and CSR towards government (CSR4) are not significantly associated with political legitimacy (Table 3.8).

Table 3.8. Summary of multiple mediator model analyses with the four political skills (1000 bootstraps).

Independent variable	Mediating variable	Effect of IV on M	Effect of M on DV	Direct Effect	Indirect Effect	Total Effect	
(IV)	(M)	(a)	(b)	(c)	95% CI (a x b)	(c)	
NA	CSR1	9.100***	7.591***	1.648	[.2102, .4426]	.3078*	.8.310***
	CSR2	8.721***	2.406*		[.0052, .2125]	.0980*	
	CSR3	9.702***	-.585		[-.1396, .0852]	-.0281	
	CSR4	9.474***	1.528		[-.0306, .2200]	.0766	
SA	CSR1	8.063***	8.011***	1.301	[.1870, .4079]	.2818*	7.845***
	CSR2	10.366***	2.181*		[-.0161, .2149]	.1036	
	CSR3	9.869***	.487		[-.1243, .0949]	-.0227	
	CSR4	10.914***	1.506		[-.0306, .1923]	.0741	
II	CSR1	9.554***	7.628***	1.992*	[.2149, .4344]	.2994*	8.984***
	CSR2	10.684***	2.044*		[-.0118, .2246]	.0937*	
	CSR3	10.330***	0		[-.1551, .0779]	-.0358	
	CSR4	9.410***	1.683		[-.0366, .1914]	.0753	
AS	CSR1	9.424***	7.835***	.777	[.2011, .4152]	.2979*	7.981***
	CSR2	19.437***	2.361*		[.0038, .2188]	.1011*	
	CSR3	10.798***	-.497		[-.1471, .0870]	-.0263	
	CSR4	9.821***	1.790		[-.0230, .2028]	.0828	

*Note: Dependent variable: Political Legitimacy*  
*(a), (b), (c) and (c'): \*p<.05, \*\*p<.01, \*\*\*p<.001*  
*(a x b): \*CI include zero*  
*(N=206)*

Table 3.9. Networking Ability-Political Legitimacy mediation

Antecedent		Consequent																		
		<i>M</i> <sub>1</sub> (CSR1)			<i>M</i> <sub>2</sub> (CSR2)			<i>M</i> <sub>3</sub> (CSR3)			<i>M</i> <sub>4</sub> (CSR4)			Y (PL)						
		Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>				
X (NA)	<i>a1</i>	.629	.069	<.001	<i>a2</i>	.606	.070	<.001	<i>a3</i>	.537	.055	<.001	<i>a4</i>	.637	.064	<.001	<i>c'</i>	.123	.074	.101
<i>M1</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b1</i>	.496	.065	<.001
<i>M2</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b2</i>	.164	.068	.017
<i>M3</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b3</i>	-.054	.091	.559
<i>M4</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b4</i>	.119	.078	.128

Table 3.10. Social Astuteness-Political Legitimacy mediation

Antecedent		Consequent																		
		<i>M</i> <sub>1</sub> (CSR1)			<i>M</i> <sub>2</sub> (CSR2)			<i>M</i> <sub>3</sub> (CSR3)			<i>M</i> <sub>4</sub> (CSR4)			Y (PL)						
		Coeff.	SE	<i>p</i>	Coeff.	SE	<i>P</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>				
X (SA)	<i>a2</i>	.550	.068	p<.001	<i>a2</i>	.653	.063	p<.001	<i>a3</i>	.519	.052	p<.001	<i>a4</i>	.645	.059	<.001	<i>c'</i>	.096	.073	.195
<i>M1</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b1</i>	.513	.064	<.001
<i>M2</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b2</i>	.153	.070	.030
<i>M3</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b3</i>	-.044	.091	.627
<i>M4</i>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b4</i>	.119	.079	.134

Table 3.11. Interpersonal Influence-Political Legitimacy mediation

Antecedent		Consequent																		
		<i>M</i> <sub>1</sub> (CSR1)			<i>M</i> <sub>2</sub> (CSR2)			<i>M</i> <sub>3</sub> (CSR3)			<i>M</i> <sub>4</sub> (CSR4)			Y (PL)						
		Coeff.	SE	<i>p</i>	Coeff.	SE	<i>P</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>				
X (II)	<i>a</i> <sub>3</sub>	.619	.065	<.001	<i>a</i> <sub>2</sub>	.662	.062	<.001	<i>a</i> <sub>3</sub>	.532	.052	<.001	<i>a</i> <sub>4</sub>	.581	.062	<.001	<i>c'</i>	.146	.073	.048
<i>M</i> <sub>1</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>1</sub>	.494	.065	<.001
<i>M</i> <sub>2</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>2</sub>	.142	.070	.042
<i>M</i> <sub>3</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>3</sub>	-.067	.092	.466
<i>M</i> <sub>4</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>4</sub>	.129	.077	.094

Table 3.12. Apparent Sincerity-Political Legitimacy mediation

Antecedent		Consequent																		
		<i>M</i> <sub>1</sub> (CSR1)			<i>M</i> <sub>2</sub> (CSR2)			<i>M</i> <sub>3</sub> (CSR3)			<i>M</i> <sub>4</sub> (CSR4)			Y (PL)						
		Coeff.	SE	<i>p</i>	Coeff.	SE	<i>P</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>				
X (AS)	<i>a</i> <sub>4</sub>	.590	.063	<.001	<i>a</i> <sub>2</sub>	.627	.060	<.001	<i>a</i> <sub>3</sub>	.527	.049	<.001	<i>a</i> <sub>4</sub>	.576	.059	<.001	<i>c'</i>	.055	.071	<.438
<i>M</i> <sub>1</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>1</sub>	.510	.065	<.001
<i>M</i> <sub>2</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>2</sub>	.165	.070	.019
<i>M</i> <sub>3</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>3</sub>	-.046	.093	.620
<i>M</i> <sub>4</sub>		-	-	-		-	-	-		-	-	-		-	-	-	<i>b</i> <sub>4</sub>	.139	.077	.075

## Chapter IV – DISCUSSION AND CONCLUSION

### 4.1. Discussion

There is plenty indication in literature that CSR has a political dimension that requires further understanding. Within political CSR there has been a call for research focused on micro-level of analysis (Frynas & Stephens, 2015), a need to quantify a measure of PCSR, to deal with its multidimensional nature, and to link it to a key-variable in this field of political corporate activity: legitimacy.

The current study analyzed the importance of managers' political skills and the adoption of political strategies, in this case CSR practices, intended to increase their own political legitimacy following the Habermasian perspective. The complexity of PCSR lends it a twofold nature: that of implying CSR activities, and that of being linked with political legitimacy (Palazzo & Scherer, 2006). In this sense, the research model incorporated both concepts into a hypothesized relation. To complete the model, it tested a proposition by Maak, Pless and Voegtlin (2016) that political skills (at a board level) would be necessary to act responsibly. We built the ensuing model on a possible mediator role of ascribed CSR between perceived board's political skills and political legitimacy.

In order to test this model it was necessary to adapt existing scales. We adapted Ferris et al. (2005) PSI from self-report to reporting what the decision makers do and we added a couple items to legitimacy scale (Anderson, 2015) i.e. to the obedience dimension in order to make it "political legitimacy". Despite these adaptations, the scales survived the confirmatory factor analysis and showed good internal consistency, ensuring good validity and reliability of the measures. As the model is essentially a cognitive-based one, dealing with perceptions and prescriptions, we endeavored to prevent common method variance by following Podsakoff et al. (2003) namely introducing distractors, offering guarantees of anonymity, and *a posteriori* testing with Harman's single factor. No indication of such a bias was found and the findings strongly suggest ruling it out because it would be expectable that all predictors (VI) would be significantly associated with either political legitimacy or all CSR dimensions, which did not occur.

Amongst corporate political strategies one can find e.g. lobbying or financial inducements (e.g., Hillman & Hitt, 1999; Hillman, Keim & Schuler, 2004; Lawton,

McGuire, & Rajwani, 2013), CSR is also taken as a potential political advantage (Boddeyn, 1988). However political strategies can backfire such as when corruption becomes scandalous which has been discrediting not only the political class but also organizations in general (Palazzo & Scherer, 2006). We share the assumption of Palazzo and Scherer (2006) that CSR may emerge as an ethical alternative political strategy by companies. In contrast with corruption, engagement on CSR practices builds intangible reputational capital (e.g., Galbreath, 2010; Stuebs & Sun, 2010; Vallaster, Lindgreen & Maon, 2012; Agarwal, Osiyevskyy & Feldman, 2014). In fact, engagement in CSR enables companies to establish positive relationships with trusted partners that, over time, turns into a mutually beneficial network (Balkundi & Kilduff, 2005), generating stakeholder social capital (Maak, 2007). Such engagement in CSR does not occur in the abstract but, as we propose in this study, by means of board decisions that accumulate board political capital once stakeholders politically legitimate board members.

Thus, legitimacy acquired due to being socially responsible, generates symbolic capital, i.e., confers to their business leaders prestige and recognition. In line with the Habermasian perspective of PCSR, findings suggest that engagement in some specific socially responsible practices is more likely to provide and/or increase business managers' political legitimacy, i.e., they become political actors, able to participate and to directly influence political decision-making processes.

The partial support of H1 shows that CSR practices directed to society, environment, future generations, and NGOs increase managers' political legitimacy. This is in line with Coicaud & Curtis (2002) statement that gives society the primal role in conferring political legitimacy. As mentioned, political legitimacy derives mostly from the conformity with society's norms and values, adherence to the law accepted by the society and finally from the ethical behavior that leads to a society's implicit duty to obey. This also means that the search for political legitimacy is not an exclusive of political actors (e.g. during the electoral process) and is always targeting the society, as the source of legitimation. Accordingly, our findings suggest business managers do try to reach society by engaging in CSR activities directed to society's members which include environmental and volunteering issues. It may be intentional or just accidental, but the consequences will be the same: PCSR. Alongside, it also corroborates Frederick (1998) view that organizations that balance their own power and influence with social responsibility, as a form ethical behavior, win the support of the society members. In turn, increased political support from society enables business managers to obtain the

“licence to operate”, due to their credibility (Asemah, Okpanachi & Edegoh, 2013). This research supports previous findings by showing that CSR activities, specifically towards society members, seem to be an effective political strategy.

All this dynamics can be seen as an exchange of benefits, i.e., companies and business managers provide public goods and in turn, society members offset by conferring them political legitimacy.

On the other hand, CSR practices directed to these targets fall on the external dimension of CSR, i.e., they are directed to external stakeholders (e.g., community and NGOs). These practices differ from those focusing on the internal dimension of CSR which are directed to internal stakeholders, such as employees. CSR activities towards employees include workplace safety and working conditions (Jamali, Safieddine & Rabbath, 2008; Neves & Bento, 2005).

We assume that external CSR practices draws more attention towards companies and their business managers when compared with internal CSR practices, since both internal and external stakeholders are more likely to take notice of external activities. Due to this increased visibility, these practices have more impact among stakeholders and for that reason these are the main practices that potentially lead to business managers’ political legitimacy.

Another finding showed CSR practices directed to employees act as a potential predictor of business managers’ political legitimacy. According to Austin, Stevenson & Wei-Skillern (2006), employees’ awareness of the responsible and philanthropic activities adopted by employers result on a feeling of pride about the company where they work in. In turn, this sense of pride follows them outside the workplace, transforming employees into potential promoters of the companies. Acting as promoters of their organization and their managers’ benevolent behavior in the surrounding community, employees ultimately facilitate community members’ awareness and political support.

Due to their perceived positive image about their business managers’ philanthropic actions, we believe that employees want to benefit from their business managers’ CSR practices not only on their workplaces but also at a community level. In turn, employees attribute business managers the right to hold office, i.e. to rule or at least participate in political decision-making processes.

In contrast our findings show CSR practices towards organizations’ clients and towards government do not increase political legitimacy of organizations’ managers,

i.e., to provide benefits to organizations' clients/suppliers, and complying with legal requirements do not build political legitimacy. We contend that these findings suggest that political legitimacy gained by CSR requires as a condition that the perceiver (the society members) believes it was intentional, altruistic, and beyond legal obligation. As pleasing clients and obeying the law is within the interest of the organization, such actions might be taken as self-serving rather than altruistic.

Regarding political skill dimensions developed by Ferris and colleagues (2005), findings in this study suggest that although these skills are considered political, they are also potential important skills in CSR context. Additionally, significant coefficients found between all political skills and all CSR dimensions, strongly suggest that highly politically skilled managers are more likely to engage in all types of CSR activities. Therefore, we assume that business managers with political skill may engage in all types of CSR practices for political purposes.

By engaging in CSR activities, business managers are able to increase their own interpersonal influence and networking. Furthermore, since they are socially astute and are able to be taken as sincere, they gather the sufficient conditions to be successful on their mission to achieve their political objectives, in this case, political legitimacy. This is reflected on the significant indirect effect found for community and employees CSR focused practices.

Additionally, being politically skilled i.e., to have networking ability, being socially astute and to appear sincerity is not enough to guarantee political legitimacy to managers on its own, i.e., this relation occurs via a CSR practice in order to achieve political legitimacy. In this study such CSR practices were those focused on the community, environment, future generations and NGOs. However, being able to influence others lead to political legitimacy directly, without needing to use CSR to achieve it.

Methodological options always imply limitations. In this case we could not find a way of building in the same scale the full concept of PCSR. It is a concept that should not be directly asked to respondents as it would activate social desirability answers. Therefore, the only way to reflect its conceptual nature was to bring together a measure of CSR and another of CPA. Although our theoretical model was conceived as a causal nexus (CSR->Political legitimacy) it would also be admissible just to correlate those, conceiving them as operating circularly (so at the same level in the model).

Another issue pertains the adoption of obedience subscale as a suitable measurement of political legitimacy as we were unable to find an explicit measure of the latter. However one would hardly dispute the semantic identity between political legitimacy (as the right to be obeyed) and obedience scale.

Considering findings, we found peculiar that interpersonal influence was directly related to political legitimacy and such role could be a matter of future research. Hereupon, we suggest a future study that takes into consideration how long this political skill on its own is effective in achieving political legitimacy. We suggest a study about interpersonal influence effectiveness and a further comparison with relevant political strategies, such as lobbying or financial inducements to policy makers.

Additionally, since the micro-level of PCSR has been understudied, we also suggest further research take into consideration this level of analysis. Future studies may consider other business managers skills or personality traits and their relation with the adoption of political CSR. Further studies can also analyze the effect of leadership styles on the adoption of PCSR, for example, testing responsible leadership as a potential predictor.

A single scale of PCSR can simply add to existing CSR the scale of political legitimacy where the requisite to be measuring PCSR is that the internal correlations between CSR dimensions and legitimacy be significant.

## **4.2. Conclusion**

This study intended to overcome some limitations in PCSR research, namely the absence of a quantitative measure of political CSR. Additionally, this study adds a new perspective on PCSR research by taking into consideration the multidimensionality of CSR construct. In fact, only specific CSR practices lead to business managers' political legitimacy, i.e., political CSR is gathered by directing CSR practices towards key-stakeholders, which are mostly society, future generations, NGOs, employees and engagement in environmental issues. This study also took into consideration the micro level of PCSR concept, which has been called for (Frynas & Stephens, 2015), by theorizing on political CSR as an outcome of business managers' political skill. Therefore, we also extend research on responsible leadership (Pless, 2007) by

demonstrating that business managers are able to get involved into political issues by engaging in CSR activities, in line with Jo and Harjoto (2011; 2012).

We believe this study offers a modest but relevant contribute for PCSR field and additionally for other related fields such as CSR and CPA literature. On a practical side, this paper provides useful knowledge to business managers that aim to achieve political legitimacy, i.e., the right to be obeyed without belonging to political class.

We conclude that organizations' engagement in CSR activities effectively confers a political advantage to business managers. CSR thus emerge as an ethical alternative form of increasing political legitimacy and capital, which goes against other unethical political strategies, namely corruption that ultimately result on a bad image to both companies and their business managers.

We believe our findings corroborate the Habermasian perspective of PCSR concept, i.e., business managers socially responsible can turn into political actors that can actually rule or at least influence directly the political decision-making processes.

Considering CSR as a multidimensional construct that gathers a set of practices, we conclude that one cannot generally state that PCSR occurs whenever any CSR practice is deployed. Instead only certain types of practices actually lead to managers' right to be obeyed. In order to gain political legitimacy, business managers should invest on CSR practices that go beyond self-interest, i.e. directed to the different elements of the society, which includes involvement in environmental and humanitarian concerns and providence of benefits to community members.

Additionally, politically skilled managers are more likely to adopt CSR, which leads us to consider that CSR is adopted as a means to achieve business managers' set of political advantages.

Although CSR is a potential political strategy that actually transforms managers into political actors, we conclude that stakeholders increase managers' political legitimacy not only when they perceive them as ethically concerned but also when managers are able to influence others i.e., interpersonal influence, which seems to be the most important political skill when it comes to gain the license to operate politically.

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## APPENDIX

### A. Questionnaire applied to the participants

Caro(a) participante,

No âmbito do Mestrado em Psicologia Social e das Organizações, encontro-me a desenvolver um trabalho de investigação que incide na perceção que os trabalhadores possuem sobre alguns aspetos referentes ao funcionamento da organização onde trabalham, nomeadamente ao nível do comportamento ético.

Para o efeito, venho por este meio solicitar a sua colaboração no preenchimento deste questionário que demorará aproximadamente 10 minutos.

Todos os dados recolhidos visam apenas o tratamento estatístico, pelo que o questionário é totalmente anónimo e confidencial.

Não existem respostas certas ou erradas. Apenas a sua opinião pessoal e sincera interessa, pelo que procure ser o mais sincero possível nas suas respostas. É indispensável que responda a todas as questões para que os dados possam ser corretamente analisados.

Apresento-me totalmente à disposição para prestar qualquer esclarecimento, através do email: [afbpa@iscte-iul.pt](mailto:afbpa@iscte-iul.pt).

Obrigada pela sua colaboração!

Andreia Pereira

### **Escala de Liderança Socialmente Responsável (Voegtlin, 2011)**

Pedimos-lhe que pense na organização onde trabalha atualmente e que indique com que frequência a sua chefia interage com os seguintes grupos de *stakeholders*.

(1- Nunca; 2- Quase nunca; 3- Regularmente; 4 – Frequentemente; 5 – Quase sempre/Sempre)

1. Clientes;
2. Colaboradores;
3. Parceiros de Negócio;
  
4. Sindicatos;
5. Representantes da Comunidade Local (e.g., Associações, Igreja local);
6. Organizações Não-Governamentais (e.g., grupos ativistas sociais e ambientais);
7. Acionistas e Investidores;
8. Instituições Estatais ou Autoridades Reguladoras (e.g., interações com funcionários da Administração Pública central ou autárquica);
9. Fornecedores;
10. Gestão de Topo
11. Outro. Qual?

A minha chefia direta...

1. Demonstra estar consciente sobre as principais reivindicações dos *stakeholders*.
2. Tem em conta as consequências das suas decisões para os *stakeholders* envolvidos.
3. Envolve os *stakeholders* nos seus processos de tomada de decisão.
4. Antes de tomar uma decisão, pondera sobre os diferentes direitos dos *stakeholders*.
5. Tenta chegar a um consenso junto dos *stakeholders* envolvidos.

### **Escala de Competência Política/Capital Político (Ferris et. al, 2005)**

Tendo em conta a organização onde trabalha atualmente, bem como os stakeholders identificados na questão anterior, indique o grau em que cada uma das seguintes frases se aplica à sua organização, utilizando a seguinte escala:

*(1- Discordo Totalmente; 7 – Concordo Totalmente)*

1. A minha organização investe muito tempo e esforço para desenvolver contactos com os seus *stakeholders*.
2. A gestão de topo da minha organização consegue fazer com que a maior parte dos *stakeholders* se sintam à vontade quando lida consigo.
3. A minha organização consegue comunicar de forma fácil e eficaz com os *stakeholders*.
4. A minha organização desenvolve facilmente um bom relacionamento com a maioria dos *stakeholders*.
5. A gestão de topo da minha organização compreende muito bem os *stakeholders*.
6. A minha organização tem facilidade em construir relações com pessoas e/ou entidades influentes no seu meio.
7. A gestão de topo da minha organização é particularmente boa a intuir as motivações e as segundas intenções dos *stakeholders*.
8. Ao comunicar com os *stakeholders*, a minha organização tenta ser verdadeira no que diz e faz.
9. A minha organização desenvolveu uma grande rede de parceiros no seu meio com quem pode contar para a apoiarem quando precisa que algo seja feito.
10. A minha organização está ligada a entidades importantes e está bem relacionada em termos institucionais e empresariais.
11. A minha organização dedica muito tempo a construir relações com outras organizações.
12. A minha organização consigo facilmente desenvolver uma relação com significado emocional com os seus *stakeholders*.
13. A minha organização considera importante que os *stakeholders* acreditem que é sincera no que diz e faz.
14. A minha organização tenta mostrar um interesse genuíno nos seus *stakeholders*.

15. A minha organização tem facilidade em usar as suas relações e conhecimentos para fazer com que as coisas aconteçam no seu meio.

16. A gestão de topo da minha organização sabe como se deve mostrar aos outros.

17. A gestão de topo da minha organização parece saber sempre instintivamente o que deve dizer ou fazer para influenciar os *stakeholders*.

18. A gestão de topo da minha organização presta muita atenção às expressões faciais das pessoas.

## **Escala de Responsabilidade Social (Turker, 2008)**

*(1- Discordo Totalmente; 7- Concordo Totalmente)*

1. A minha organização participa em ações que visam proteger e melhorar a qualidade do meio-ambiente.
2. A minha organização investe na criação de melhores condições de vida, nomeadamente para as gerações futuras.
3. A minha organização implementa programas especiais com o objetivo de minimizar o seu impacto negativo no meio-ambiente.
4. A minha organização procura o crescimento sustentável, para acautelar o interesse das gerações futuras.
5. A minha organização apoia organizações não-governamentais que atuam em situações problemáticas.
6. A minha organização contribui para campanhas e projetos que promovem o bem-estar da sociedade.
7. A minha organização estimula os colaboradores a participar em ações de voluntariado.
8. A minha organização realça a importância das suas responsabilidades sociais para com a sociedade.
9. A minha organização tem políticas que estimulam o desenvolvimento de competências e carreira profissional dos colaboradores.
10. Os gestores da minha organização têm como principal preocupação as necessidades e os desejos dos colaboradores.
11. A minha organização implementa políticas flexíveis, que visam proporcionar aos colaboradores equilíbrio entre o trabalho e a vida pessoal.
12. As decisões tomadas pelos gestores de topo, no que concerne aos colaboradores, são geralmente justas.
13. A minha organização apoia os colaboradores que pretendem adquirir formação adicional em contexto académico.
14. A minha organização respeita os direitos dos seus clientes para além do que é exigido legalmente.
15. A minha organização dá informações completas e exatas sobre os seus produtos aos seus clientes.

16. A satisfação dos clientes é extremamente importante para a minha organização.
17. A minha organização paga sempre os seus impostos de forma regular e continuada.
18. A minha organização cumpre com os regulamentos legais na sua totalidade e com prontidão.
19. Creio que a minha organização é 100% honesta e ética no cumprimento das suas obrigações fiscais.
20. A minha organização é um exemplo do cumprimento das obrigações legais a que está sujeita.

### **Escala de Legitimidade Política (Anderson, 2015)**

*(1- Discordo Totalmente; 4- Concordo Totalmente)*

1. Os governantes deste país deveriam olhar para a minha organização como um exemplo e aprender com ela.
2. Os governantes deste país deveriam consultar os gestores da minha organização e dar-lhes ouvidos ainda que não gostem do que ouvem.
3. Os governantes deste país deveriam aconselhar-se junto dos gestores da minha organização e aplicar as recomendações ainda que não sejam bem aceites pelo eleitorado.
4. Considero legítimo que a minha organização procure influenciar os decisores políticos locais (Câmara Municipal) no sentido de tomarem decisões que lhe sejam favoráveis (sem quebrar a Lei).
5. As organizações, como a minha, que contribuem para a economia local deveriam ser sempre ouvidas nos assuntos económicos locais, nomeadamente quanto a orçamentos públicos e decisões de investimento do Estado.