



Crowd-out effect on consumers attitude towards corporate social responsibility communication

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ABSTRACT

Corporate social responsibility (CSR) is assumed to function better in open societies and competitive markets where market forces drive communication and voluntary adoption of self-regulated quality CSR practices. Thus, the common wisdom maintains that consumer awareness of positive CSR activities of an organisation elicits positive perceptions about the organisation. Contrarily, we find negative and insignificant effect of CSR communication on perceived CSR performance in the context of Norway. The findings are consistent with predictions of crowding-out theory which submits that moderately enforced government policies can displace consumers' intrinsic motivations to contribute to public good. Further, we find support for the contention that context affects decisions, especially where there are no clearly defined norms for appropriate behaviour and decisions are sensitive to social considerations. Building on existing literature, we provide a novel contribution by introducing explanations for consumers' attitude towards CSR communication based on context and crowding-out theory.

1. Introduction

The rapid development of many companies has come at the expense of economic and social cost. Hence, corporate social responsibility (CSR) has become a vital concern amongst business managers because companies are evaluated not only on their products or financial performance, but also on their social and environmental performance (Barchiesi and Colladon 2021; Nirino et al., 2021; Rhou et al., 2016). Accordingly, there has been a significant increase in the volume and size of CSR implementation and reporting (Boiral and Heras-Saizarbitoria 2020; Brogi and Lagasio 2019; (Gamerschlag et al., 2011). It stems from an increase in consumers' awareness regarding the effects of the externalities of human activities on the ecosystem and human health (Chen 2020). Many firms are warming to the possibility of gaining competitive advantage and legitimacy by being socially responsible and doing good (Blomgren 2011).

Originally, the concept of CSR was based on the notion that businesses must be responsible enough to contribute to social and environmental goals voluntarily without requiring the government's involvement (Gjølberg 2009; Branco et al., 2018). Yet, in the situation of

unregulated competition, free trade tends to undermine basic moral principles including fairness, dignity, and justice (Kapeller et al., 2016). Thus, acknowledging the relevance of CSR and the important role they play in providing the enabling environment for businesses' CSR activities, governments around the world have been encouraged to introduce sound environmental policies and to support global movements that promote CSR (European Commission 2019). As a result, in many countries, CSR reporting is mandatory and required by law (Vormedal and Ruud 2009). However, as a voluntary activity, CSR approaches vary amongst countries, since governments try to adapt, translate, and promote CSR to suit their national context (Gjølberg 2010).

Thanks to its nature, CSR has become "a state-market-society model that is neither politically nor culturally neutral" (Gjølberg 2009, p. 204). It is regarded as voluntary despite the mandatory requirements from governments and the expectations from consumers to know more about CSR practices (Kim and Ham 2016). The combination of government policies and pressures from consumers (civil society) are considered as good blend to ensure quality CSR practices (European Commission 2019; Frey 1999). Nevertheless, government environmental and social welfare policies and interventions can crowd-out individual

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contributions or feelings of a sense of responsibility for promoting social welfare (Ezzine-de-Blas et al., 2019; Frey 1999). In this regard, Midttun et al. (2015) posited that conflicting outcomes might occur when advanced welfare states that already have welfare systems introduce CSR into their public policies.

Several studies have shown how public policies crowd-out individuals' moral or norm-based motivations for making voluntary contributions to social goods (Nyborg and Rege 2003). For instance, Frey and Oberholzer-Gee (1997) reported that residents were less willing to accept a hazardous waste plant in their local neighbourhood when the government offered monetary compensation to them. Similarly, Boyer et al. (2014) noted that respondents were less likely to make voluntary contributions when taxes were imposed as external norms. Researchers have also documented that monetary rewards undermine the intrinsic motivations of volunteers (Frey and Goette 1999).

While various governments are trying to adapt CSR to their context to promote responsible practices amongst businesses, some countries appear to be particularly successful in this regard (Gjølborg 2010). For example, the Scandinavian countries enjoy the reputation of being at the forefront of movements concerning CSR (Midttun et al., 2006). Studies often point to countries such as Norway, the "humanitarian superpower," as well as Denmark, Sweden, and Finland as exemplars (e.g., Smith et al., 2005). These countries are traditionally known as embedded welfare states with neocorporate relations and coordinated markets. They were also amongst the first to join corporate responsibility initiatives such as the Global Compact, and the World Business Council for Sustainable Development (Vormedal and Ruud 2009).

Nevertheless, recent studies in the Norwegian context show that a relatively small percentage of firms actually disclose their CSR principles, processes, and results (Utgård 2018). The quality of most firms' voluntary disclosures are poor, and a significant percentage of private firms do not comply with the mandatory legal requirements for environmental reporting (Vormedal and Ruud 2009). This failure implies that the alleged best practices of Norwegian companies may be overstated (Vormedal and Ruud 2009). These emerging revelations may point to the unintended consequences of governments social and fiscal policies which are under-studied in the literature.

A range of factors are involved in the rate, content, and quality of CSR reporting (Alon et al., 2010). Context (Alon et al., 2010; Román et al., 2020) including political, regulatory, ethical, societal, and market-based forces are key determinants of CSR reports (Ihlen and Hoivik 2015). When a country's political and regulatory forces are inadequate, consumer demands as corporate citizens could compel businesses to improve their CSR reporting practices (Lewis 2003; Gjølborg 2009).

In a situation where the civil society such as consumers think the government's system is taxing them for a public good, the tax may serve as an adequate reason for the civil society as market agents to relax the pressure for CSR reports and improvements (Boyer et al., 2014; Frey 1999). Thus, government taxes could result in a crowding-out effect. As Carlson and Spencer (1975) explained, crowding-out generally refers to the economic effects of an expansion in fiscal actions where an increase in government spending for a public good through taxes or debt issuance may crowd out (drive down) exactly the same amount, or more or less of the private demand for the same public good.

So, the question here is, do government's policies or approach to CSR indirectly crowded out the civil society's sense of responsibility and need for information regarding voluntary CSR performance and disclosure? This study examines consumers' perception of a government's role in promoting CSR quality by using Norway as a study context due to this country's established image as welfare state that embeds CSR related programmes into their social and fiscal policies (Midttun et al., 2006; Vormedal and Ruud 2009). Specifically, by drawing on the theory of planned behaviour and crowding-out theory, we seek to investigate whether consumers perceptions about the CSR performance and communication practices of restaurants affect their purchasing

intentions and their attitudes toward the restaurants, as well as whether their perception of government's policies crowd out those intentions and attitudes.

Our study focuses on the restaurants in the hospitality industry in Norway. Whereas CSR is a concern for all firms, those in the hospitality industry that are typically patronized with consumer discretionary expenditure and are more exposed to consumer evaluations based on CSR performance (Rhou et al., 2016). For instance, the restaurant industry is noted for rapid changes in consumer purchasing decisions in response to economic changes (Rhou et al., 2016). Hence many restaurants are increasingly involved in CSR initiatives to attract loyal customers who are willing to pay premiums for restaurant services when such restaurant adhere to good CSR practices (Rhou and Singal, 2020). In recent times, several CSR practices such as the reduction of food waste and environmental pollution, the sale of green food, employee development and nutritional labelling have become common amongst many restaurants (Rehman et al., 2021; Rhou and Singal, 2020).

Our empirical results supported our theoretical expectations. We found that government policies can have a crowding-out effect on consumers' intrinsic motivations to contribute to public good. This study contributes to the literature in two ways. First, whereas previous studies largely considered the effects of monetary rewards on individuals' intrinsic motivations and behaviour regarding a social good (e.g., Frey and Goette 1999; Gneezy and Aldo 2000; Nyborg and Rege 2003), we focus on individuals' perceptions about the government's role in CSR. Second, we draw on the theory of planned behaviour to highlight how contextual factors affect people's perceptions and behaviour towards firms based on their CSR performance and disclosures.

2. Literature review

CSR disclosure is the communication of information on a company's social, economic, environmental, and ethical practices that impact the lives of people and the environment (Hazel and Kang 2018). As such, CSR is defined as "the responsibility of enterprises for their impacts on society" (European Commission 2019, p. 6). Pollution, environmental degradation, global warming, and several other externalities including scandals involving human rights and safety as well as the recent current COVID-19 pandemic have led to an increased awareness and pressure from consumers and governments about the unethical practices of individuals and businesses (Bae et al., 2021; Gjølborg 2009; Hazel and Kang 2018). The pressures are in the form of regulatory requirements and consumer boycotts (Rode et al., 2015). In response to this pressure there has been a significant increase in the size and volume of CSR reports (Boiral and Heras-Saizarbitoria, 2020) shared on organizations' websites, annual reports, and television ads (Du et al., 2010).

The history of CSR dates back to the 1930s and 1940s when publications of corporations' social performance begun appearing in the literature with discussions on what constituted the social responsibility of an organization (Agudelo et al., 2019; Carroll 2008). From then to 1967 social responsibility (SR) as it was known was focused on philanthropy (Murphy, 1978). The concept has since evolved to encompass a range of economic, legal, ethical, and voluntary activities (Carroll 2008). Different ideologies currently exist about CSR practices. For example, while CSR is widely defined as a voluntary activity, there is a huge debate about defining CSR as voluntary when there are mandatory aspects of CSR such as the CSR reporting (Gatti et al., 2019; Waagstein 2011). Also, social enterprises are organizations with social value creation as their core mission (Naatu and Alon, 2019; Naatu et al., 2020), whereas CSR is the "responsibility of enterprises for their impacts on society" (European Commission 2019, p. 6). Yet, a strand of the literature regards these two concepts as same (e.g., Baron 2007). There is also the debate about the role of the firm regarding shareholders and stakeholders which includes the neoclassical perspective and the stakeholder theory (Bae et al., 2021). The neoclassical perspective holds that the sole social responsibility of a firm is to maximize its

shareholders' wealth. This view assumes it is erroneous to invest in social and environmental activities (Friedman 1970). On the flipside, the stakeholder theory insists that CSR activities covering all legitimate stakeholders are necessary to enhance a firm's value and reputation (Freeman 1984). Between the two arguments is the enlightened stakeholder view, which maintains that a business cannot sustain its shareholders' long-term value without considering the interests of its internal and external stakeholders (Jensen 2001).

Consistent with Freeman's (1984) and Jensen's (2001) arguments is a large body of academic research suggesting that there is a wide range of benefits associated with CSR and its communication (e.g., Du et al., 2010; Giannarakis 2014; Hazel and Kang 2018). Such benefits include improved market performance, financial performance (Vishwanathan et al., 2020), legitimacy with government authorities (Giannarakis 2014), and positive brand image (Rhou et al., 2016). Returns on CSR are contingent on stakeholders' awareness of a company's CSR activities (Du et al., 2010; Rhou et al., 2016). But beyond the awareness are positive and negative reactions from stakeholders. Amongst the positive outcomes are consumer loyalty, free positive word-of-mouth (Du et al., 2010), more favourable attitudes, and stronger intentions to purchase from a company (Kim, 2017). One negative reaction is scepticism (Du et al., 2010), although perceptions about positive CSR performance may serve as a buffer against such scepticism (Rhou et al., 2016). Since creating stakeholder awareness and managing their attributions about a company's CSR activities are necessary for a successful business initiative, it is not surprising that many firms are making their CSR initiatives readily available on many platforms (Du et al., 2010).

2.1. Crowding-out theory and CSR

Crowding-out theory can be explained using meanings from different contexts. But it is essentially an economic effect of fiscal action where a government's demand which is financed by taxes or debt issuance displaces an equal or near-equal amount of private demand or spending for same (Carlson and Spencer 1975). Basically, it is a question of how extrinsic motivation in the form of taxes or government policies and regulations affects individuals' intrinsic motivation to contribute towards a common good in a society (Boyer et al., 2014; Frey 1999). According to (Deci and Ryan, 1985), an external intervention may undermine an individual's internal motivation if the individual perceives that his/her behaviour is considered unsatisfactory such that it may fail to be acknowledged. As such, the person may refrain from engaging in the behaviour. If such occurs, a crowd out effect is said to have taken place (Carlson and Spencer 1975).

Regulations and government policies designed to improve social welfare are important and cannot be undermined. However, they have their externalities or unintended consequences, and these constitute the crowding-out effect (Schmelz 2021). Government policies and regulations are often designed on the premise that individuals are selfish, but to some behavioural theorists, this is not always the case as individuals tend to seek a balance between self-interest and group-interest (Cardenas et al., 2000). It is upon this notion that CSR is premised in the capitalist context, where consumers boycott an organisation if the organisation is not perceived to be socially and environmentally responsible (Du et al., 2010). Thus, the creation of consumer awareness of CSR is a precondition to elicit a rewarding consumer behaviour (Loussaief et al., 2014).

Studies have shown that public policies crowd-out individuals' moral or norm-based motivations for making voluntary contributions to social goods (Nyborg and Rege 2003). For instance, Boyer et al. (2014) noted that respondents were less likely to make voluntary contributions when taxes were imposed as external norms. Cardenas et al. (2000) experiment showed how environmental regulations crowded out participants intrinsic desire to contribute towards an environmental problem. A most recent study in Germany also shows how citizens are willing to support anti-COVID-19 policies voluntarily rather than being forced (Schmelz

2021).

2.2. Background of CSR in Norway

While CSR is universally accepted, it is interpreted and translated differently in different countries. For instance, in the USA, CSR is a voluntary effort of a business whereas in Norway, CSR forms part of governmental directives. Norway, as a rule-based welfare state, has included CSR as part of its government apparatus since 1998 with "KOMpakt" as the consultative body to the government on CSR related matters (Gjølborg 2010). Although the tax burden in Norway is amongst the highest in the OECD (Organisation for Economic Co-operation and Development) (OECD 2019), the country is very concerned with social security (Ihlen and Hoivik 2015). There is full employment, gender equality, and the incorporation of several other social interventions linked to CSR in its public policies and legislations (Ihlen and Hoivik 2015). An example is the *Mattilsynet* (the Norwegian Food Safety Authority).

There is also the Accounting Act, and the Working Environment Act. The Accounting Act 1998 was amended in 2013 to require companies to provide information on their integration of human and labour rights, social issues, the environment, and anti-corruption practices into their business strategies (Ihlen and Hoivik 2015). The Working Environment Act requires companies to observe safety considerations and arrange working hours in a way that employees are not exposed to adverse physical or mental strain (Schmidpeter and Idohu 2015). Together these requirements reflect the Economic, legal, social, environmental, and ethical elements of CSR except philanthropy. Philanthropy is viewed sceptically by many in Norway as a manipulative tool for suppressing the working class (Schmidpeter and Idohu 2015). The country's international CSR policies are globally recognized. Indeed, such recognition was the rationale behind the World Bank's initiative to facilitate knowledge exchanges between India and Norway with the aim of improving CSR practices amongst businesses in India (World Bank 2012).

Despite the requirement for companies (large, small or medium sized companies) to report their CSR activities by the Accounting Act, there are no regulatory sanctions against companies that do not report. As such, it has been observed that only a few companies report or meet the established accounting reporting requirements (Loussaief et al., 2014; Schmidpeter and Idohu 2015; Utgård 2018). Research have also established that the youth lack information regarding companies CSR activities (Loussaief et al., 2014).

2.3. Theoretical underpinnings - The theory of planned behaviour

Several theoretical approaches have been applied in examining CSR studies, including stakeholder theory, slack resource, managerial opportunism, signalling and expectation-disconfirmation theories (e.g., Park and Lee 2009; Utgård 2018; Naatu 2021). Nevertheless, the theory of planned behaviour is more relevant for predicting and understanding consumer attitudes and behaviour (Arvola et al., 2008; Conner and Sparks 1995; Paul et al., 2016). Its predictive power is well established according to many meta-analyses including McEachan et al. (2011) and Sparks et al. (1992). Accordingly, we regard the theory of planned behaviour as a fit model for our study.

The theory of planned behaviour is an extension of the theory of reasoned action. The latter is built on the assumption that people can control their behaviour. Given that human beings are sensible, they use the information available to them to consider the implications of their personal actions (Fishbein and Ajzen 1977). The theory of planned behaviour extends this notion by adding considerations about possible limitations to the areas over which people have control (Ajzen 1985). According to the theory of reasoned action, human intentions about engaging in a behaviour involve two predictors – people's positive or negative evaluations of the outcome of performing the behaviour, and

their perceptions about the pressure on them from the important people in their lives to engage in this behaviour or refrain from doing so (Ajzen 1985). The former reflects *attitudes toward the behaviour* and the latter is a *subjective norm*.

The theory of planned behaviour highlights the insufficiency of intention alone to predict a behaviour. Intentions are worthless without control over behaviour (Paul et al., 2016). The theory admits that personal inabilities and external obstacles can prevent people from engaging in a behaviour (Ajzen 1985). For instance, intentions to patronize food from restaurant without the ability to pay cannot guarantee that the intention will be carried out. Internal factors such as skills, abilities, knowledge, and adequate planning in addition to external factors such as time, opportunity and the cooperation of other people are sometimes necessary to determine the degree to which one can exercise control over engaging in a behaviour (Ajzen 1985). However, it is often difficult to ensure in advance that one has the control needed to engage in a behaviour. Therefore, researchers have introduced the notion of *perceived behavioural control*, meaning beliefs about the ease or difficulty of engaging in a behaviour as the fundamental determinant of the successful execution of an intention (Ajzen and Madden 1986). This term pertains to the set of beliefs about the availability of resources and opportunities to engage in a behaviour. Thus, the theory of planned behaviour proposes purchase intentions, attitudes towards a behaviour, subjective norms, and perceived behavioural control as predictors of purchase behaviours.

In this study, we seek to investigate whether the level of consumers' concern for the environment affect their response purchase intentions and firms' CSR communication. We do so by drawing on the theory of planned behaviour which has been used by several studies to examine behaviours related to social responsibility (e.g., Fielding et al., 2008; Paul et al., 2016). Whereas the literature defines environmental concern as people's awareness of and concern for the effect of human beings on the environment (Chen 2020), CSR is deemed to encompass organizations' activities to minimize their negative impact on the environment and stakeholders (European Commission 2019). In the next section, we develop the conceptual framework and formulate our hypotheses.

2.4. Conceptual framework and hypotheses

2.4.1. Environmental concern

As a result of increasing environmental problems, consumers, governments, and policy makers have become very concerned about their choices and consumption (Chen 2020; Ezzine-de-Blas et al., 2019; Gjølborg 2009). This concern is generally referred to as environmental concern (Paul et al., 2016). A business's ability to demonstrate that it engages in CSR affects its relationship with the government (Gjølborg 2009) and improves its public image leading to increases in consumer purchases and loyalty (Du et al., 2010).

Environmental concern reflects people's awareness to preserving the environment and their personal willingness to find solutions (Fransson and Gärling 1999). The construct is commonly used in the literature to measure the relevance of the environment and people's attitude towards its protection (e.g., Hu et al., 2010; Paul et al., 2016). Mounting evidence in the literature indicate that consumers are becoming choosy and willing to pay more for environmentally safe products (Ferreira and Ribeiro 2017) in order to avoid products and firms that are harmful to life and the natural environment (Hu et al., 2010; Kim et al., 2013). To the extent that this is true, we expect that, the level of consumers' concern for the environment will influence their attitudes towards responsible restaurants.

Studies in the context of Norway (e.g., AJ Honkanen et al. 2006; Sopha and Klöckner 2011; Torjusen et al., 2001) show that consumers in the country are concerned about the environment to safeguard their personal health and the general good of the planet (Wandel and Bugge 1997). Such concerns also affect their attitudes (P Honkanen et al. 2006). Moreover, they are noted for adhering to the norm of

safeguarding each other's interests and looking out for the collective good (Beekun and Westerman 2012). Thus, the level of consumers' concern for the environment can be impacted by significant others in their lives. By this token, one can expect a positive link between environmental concern and subjective norms. Furthermore, because many of them enjoy high incomes (OECD 2019), their level of perceived behavioural control may be high. Hence, we expect a significant and positive relationship between environmental concern and perceived behavioural control. Based on the above arguments, we formulate the following hypotheses:

H1a: There is a positive relationship between environmental concern and consumers' attitudes towards patronizing social and environmentally responsible restaurants.

H1b: There is a positive relationship between environmental concern and consumers' subjective norms towards patronizing social and environmentally responsible restaurants.

H1c: There is a positive relationship between environmental concern and consumers' perceived behavioural control towards patronizing social and environmentally responsible restaurants.

2.4.2. Attitudes toward behaviours

Attitudes toward the consumption of products and services is one of the most important antecedents for predicting and explaining consumers' intentions and choices (Chen et al., 2020; P Honkanen et al. 2006; Paul et al., 2016; Prakash et al., 2019). It refers to the beliefs and evaluations that consumers as decision makers have regarding the outcome of their purchase behaviour (Ajzen 1985; Chen et al., 2020; Pham et al., 2019). Hence, attitudes toward patronizing a socially responsible restaurant involve the degree to which people have favourable or unfavourable personal evaluations and beliefs about the cost and outcomes of eating in the restaurant (Ajzen and Madden 1986; Filimonau et al., 2020; Pham et al., 2019). A prior study established that many people in Norway are interested in environmentally sound food production process; as a result, over 70% were willing to pay about 5% additional prices for environmentally sound products (Wandel and Bugge 1997). Relatedly, another study reported a significant positive relationship between Norwegians' attitudes and their intentions to purchase environmentally safe products (P Honkanen et al. 2006). Based on these findings, we hypothesize that Norwegians' attitudes toward environmental and socially responsible organizations will predict their intentions of patronizing social and environmentally responsible restaurants. Therefore:

H2a: There is a positive relationship between people's attitudes toward social and environmentally responsible restaurants and their intentions to patronize them.

2.4.3. Subjective norms

Subjective norms refer to people's perceptions about the social pressures from the important others in their life to engage in a particular behaviour or to refrain from doing so (Ajzen 1985). Pressure from those whom people care about can influence their intentions (Paul et al., 2016). Subjective norms are well established as an important determinant of behavioural intentions. For instance, Dean et al. (2012), Han et al. (2010) and Cheng et al. (2006) reported the positive effect of subjective norms on intentions to purchase environmentally safe products. In their examination of sustainable behaviour amongst Norwegians, Bruvold et al. (2002) revealed that many people are mindful about other people's perceptions regarding how environmentally responsible they are in their behaviour. Based on these prior findings, we hypothesize that:

H2b: There is a positive relationship between subjective norms toward social and environmentally responsible restaurants and people's intentions to patronize them.

2.4.4. Perceived behavioural concern

Perceived behavioural control, one of the antecedents of the theory of planned behaviour, refers to the fact that people can engage only in those behaviours over which they have control (Ajzen 1985). Hence, it is defined as the perceived difficulty or ease associated with performing a given behaviour (Paul et al., 2016). Ajzen (1985) argued that internal and external factors might interfere with the successful execution of a behaviour. According to him, internal factors include personal characteristics or limitations such as lack of skill, ability, information, or knowledge. External factors include control over time, opportunity, or the cooperation of other people. Many studies have established a positive relationship between perceived behavioural control and people's socially responsible related intentions such as recycling (Taylor and Todd 1995), consumption of organic food (Thøgersen 2009) and intention to adopt environmentally sound technology (Sopha and Klöckner 2011). As such, we hypothesize that:

H2c: There is a positive relationship between perceived behavioural control toward social and environmentally responsible restaurants and the intentions to patronize them.

2.4.5. Purchase intentions

Purchase intentions refer to the willingness or motivation to carry out a certain behaviour under certain conditions (Younus et al., 2015). People with intentions of purchasing a product or service often exhibit higher actual buying rates than those who express no intentions of buying (Brown et al., 2003). Hence, intentions are good predictors of behaviour. For instance, some studies consider analysis of the determinants of intentions as identical to analysis of the determinants of behaviour itself. An example is P Honkanen et al. (2006) who studied the values and motives that drive the choice of green food in Norway. We therefore argue that consumers' intentions to patronize social and environmentally responsible firms in Norway are associated with them actually doing so. Thus, we hypothesize that:

H2d: There is a positive relationship between intentions to patronize social and environmentally responsible restaurants and actual purchase behaviour.

2.4.6. Perceived government role and the crowding-out of consumers' motivations

Consumers' social and environmental concern or interest in protecting the environment can be broadly classified into intrinsic and extrinsic motivations (Ezzine-de-Blas et al., 2019). The first refers to the inherent interest or joy that motivates one to care about others and behave in an environmentally friendly way. The second involves influences outside oneself (Frey 1994). Intrinsic motivations influence consumers' decisions to be environmental and socially responsible (Brekke et al., 2003) by choosing providers that have good social and environmental practices (Kim and Ham 2016). Extrinsic motivations include attempts by governments to improve environmental and social situations by introducing policy guidelines and mandatory CSR reporting requirements for businesses (Gjølberg 2009), imposing environmental taxes, and providing monetary incentives to consumers (Ezzine-de-Blas et al., 2019; Rode et al., 2015).

These extrinsic motivations have gained prominence in environmental policies as a means of promoting environmentally friendly consumption and behaviours (Rode et al., 2015). However, there is a large body of empirical evidence suggesting that they can crowd-out the intrinsic motivation of consumers (Brekke et al., 2003; Rode et al., 2015). Consumers may regard the taxes or monetary incentives as a hint that they should not pollute the environment (Nyborg et al., 2006, p. 359). Alternatively, they may regard such actions as an indication that the government has taken charge in overseeing firm's social and environmental quality and has even possibly ensured that firms' have secured the most optimal social and environmental quality through

policies and regulations (Nyborg et al., 2006, p. 359).

Norway's public spending and taxation are comparatively high, possibly indicating to consumers that the government is committed to comprehensive support for the public services and social welfare that are integral to its socio-economic approach (OECD 2019). As a result, they may feel relieved of the responsibility for matters related to CSR. They may expect the government to take charge in ensuring that firms are environmentally and socially responsible (Nyborg et al., 2006). We term this phenomenon as "perceived government role." We expect that such perception of consumers will impact their perceptions about the CSR performance of firms as well as their own purchase behaviour. We maintain that this effect will persist whether the firm communicates its CSR activities or not. Establishing such a relationship would demonstrate that the government's policies have crowded out the motivation of the public to be concerned about CSR. As such, we hypothesize that:

H3a: There is a positive relationship between perceived government role towards CSR and perceived CSR performance.

H3b: There is a positive relationship between perceived government role towards CSR and consumers' purchase behaviour.

2.4.7. Firms' CSR disclosures (FCSR) and perceived CSR performance (PCSRP)

Information about firms and their product offerings has long been recognized for their effect in influencing consumer attitudes and buying behaviours (Eisingerich et al., 2011). As consumers are becoming more aware of the effects of their buying behaviour, they expect companies to be more socially responsible (Hazel and Kang 2018). Moreover, their choice of products and services are based not only on quality, but also on perceptions about the organizations' social and environmentally responsible activities (Rhou et al., 2016). Since consumers need to be informed to be aware of an organization's CSR performance, CSR disclosures are considered imperative (Du et al., 2010). CSR disclosure is the tool that business managers use to inform their stakeholders of how they perform with regards to environmental and social activities (Kim and Ham 2016). The disclosures are based on the premise that information affects consumers' decision-making processes (Carlini et al., 2019) and their purchase behaviour (Rhou et al., 2016).

Thus, publicizing a firm's CSR performance increases the supposition that the firm is transparent (Hazel and Kang 2018). Given that such disclosures provide information that are supposed to shape consumers' impressions about the firm, it is natural to expect that higher CSR communications should have an improved consumer perception about the firm. As a welfare state, consumers in Norway may expect government regulations and policies to ensure quality CSR performance from companies. Hence, while positive perceptions about CSR performance would have a strong effect on purchase intentions (Kim 2017; Kim and Ham 2016). We operationalize perceived CSR performance as the extent to which people believe that a restaurant is environmentally and socially responsible. We therefore hypothesize that:

H4a: There is a positive relationship between a restaurant's CSR disclosure and consumers' perceptions about its CSR performance.

H4b: There is a positive relationship between consumers' perceptions about a restaurant's CSR performance and their purchasing intentions for the restaurant.

H4c: There is a positive relationship between consumers' perceptions about a restaurant's CSR performance and their purchase behaviour.

3. Methodology

The context of this study is Norway, a welfare state well known for its persistent support for CSR related initiatives such as the Global Compact, the World Business Council for Sustainable Development, Millennium Development Goals, and the United Nations Sustainable Development Goals (Vormedal and Ruud 2009). The unique position of

Table 1
Summary of the survey participants.

Variable	Categories	Frequency	Percentage
Age	19–29	114	40.7
	30–39	103	36.8
	40–49	45	16.1
	50 & above	18	6.40
Gender	Male	164	58.6
	Female	116	41.4
Nationality	Norwegian	177	63.2
	Other	103	36.8
Educational Level	Masters	151	53.9
	PhD	129	46.1

Norway in relation to global CSR matters and the debate in the literature about the poor CSR reporting performance of companies in the country (e.g., [Utgård 2018](#); [Vormedal and Ruud 2009](#)) make the context interesting and relevant. In this study, we primarily seek to investigate how environmentally concerned consumers are. We also seek to probe how their orientation towards the government's role in CSR matters affect their intentions, attitudes, and behaviour towards restaurants' reporting practices. The study is important because it contributes to understanding the effect of contextual factors, such as government's fiscal and social policies, on consumers' consumption behaviour and attitudes towards restaurants' CSR reporting.

3.1. Sample composition and size

Corporate social responsibility is a topic that is rarely understood or discussed amongst young people. Also, evidence show that young people such as bachelor's students have poor understanding and knowledge of CSR ([Čočkalo et al., 2015](#)). Hence, we focused on adults and people with higher levels of education: master's degree, PhD degree, and post-doctoral candidates. These groups are more familiar with the issue, have a better comprehension of the subject and can give more accurate responses to self-reported surveys.

A total of 3550 surveys were sent out to masters, PhD candidates and post-doctoral candidates who reside in Norway as consumers in the restaurant industry. The data collection was conducted between April 2019 and August 2020. To ensure that the participants were genuinely interested and willing to voluntarily participate in the survey, they were assured of anonymity. We also avoided enticing them with gifts for participation, which obviated one of the problems that emerges in surveys that do so. We retrieved 291 responses, and amongst these responses, 9 were incomplete and 2 contained speed answers (straight-lining). We excluded the responses that were incomplete or those that contained speed answers and conducted the analyses with the remaining 280 valid responses. According to [Kline \(2015\)](#), a minimum of 100 observations is enough to estimate a structural equation model (SEM), particularly covariance-based SEM. In addition, according to [Schreiber \(2008\)](#), the rule of thumb for the number of observations per item for a SEM can be 5–10 observations. Our study had a total of 9 constructs and 41 items. Therefore, a minimum of 205 observations would have been sufficient for the study. Hence, we deemed the 280 valid responses as adequate for the analysis. See [Table 1](#) for the statistical summary of the survey's participants.

3.2. Measurement

For constructs that are abstract, multi-faceted and cannot be measured directly, are typically operationalized utilizing multiple measurement items. Content validity is the key to good measurements. It involves an instrument that can measure the major content of the construct of interest ([Li et al., 2006](#)). To ensure content validity, we followed four rigorous steps including item generation, a pre-pilot study,

Table 2
Response bias check.

Variable	Mean First Responders	Mean Last Responders	T -stat/ χ^2	Df	P-value
Age	1.95	1.81	1.260	277.9	0.209
Gender	1.37	1.46	0.065	1	0.798
Nationality	1.73	1.54	1.335	1	1.000
Education	1.37	1.55	1.040	1	0.308

Null hypothesis: at $P < 0.05$ there is no significant difference between the first and second group of subsamples.

a pilot study and large-scale data analysis adopted from [Li et al. \(2006\)](#) to determine the measurements for the new constructs in addition to the well-established ones.

All the items were measured on a 5-point Likert scale ranging from strongly disagree to strongly agree. From earlier studies, we used three items for attitude (*Att*) from [Chan \(2001\)](#), four items for subjective norms (*SNr*), seven items for perceived behavioural control (*PBC*), five items for environmental concern (*EnV*), and five items for purchase intentions (*PrI*) from [Paul et al. \(2016\)](#). We also included five items for perceived CSR performance (*PcP*) from [Kim and Ham \(2016\)](#) in addition to three items for purchase behaviour (*PrB*). The newly generated items included four for perceived government role (*PGR*) and five for perceived firm CSR communication performance (*FCSR*). To ensure the validity of our new measures, two professors reviewed them, and we pilot tested them with 20 graduate students before the large-scale data collection. The first and third authors were involved in the pre-pilot study design of the survey, including the measurements for the new constructs through an extensive review of the literature.

We then conducted an exploratory factor analysis to identify and remove items that were not loading properly on their respective factors. As a result, we removed several of the items including item 1 for (*EnC*); items 1, 2, 3 and 5 for (*PBC*); items 4 and 5 for (*PcP*); and item 4 for (*PGR*). Next, we performed a confirmatory factor analysis (CFA) (see [Appendix 1](#)), which confirmed the constructs of our conceptualization. All the factor loadings were significant at ($p < 0.001$). This finding suggests that the items loaded on each latent factor reflected the underlying construct, thus, supporting convergent validity.

3.3. Non-Response bias

To check for possible bias in the responses, we divided the sample into two equal groups of 140 participants each. Based on the chi-squared statistics and p-values reported in [Table 2](#), there was no significant difference between the two groups with respect to selected variables such as, gender, level of education, nationality, and age. As a result, we concluded that there was no serious issues of bias in the responses.

3.4. Common method bias

In addition, we checked for common method bias by utilizing Herman's single factor technique, common latent factors, and common marker variables ([Podsakoff et al., 2003](#)). Initially, we conducted the factor analysis without rotation by loading all of the measurement items in the conceptual model onto one latent factor. The factor could only explain 27% of the variance, which is far below the maximum acceptable threshold of 50%. Next, we created a common latent factor that did not correlate with the other latent variables in the original CFA model and constrained the loadings of all of the measurement items of the common factor to be equal. The equal standard loading was (0.002). It explained only 0.20% of the variance, which is also less than 50%. For further assurance, we included life satisfaction as a marker variable. The resulting common variance explained was merely 0.20% (<50%). Overall, the results indicate that the data were free from common method bias.

Table 3
Correlation matrix of latent variables and reliability (Cronbach's alpha).

Variable	(α)	Mean	SD	1	2	3	4	5	6	7	8	9
1. EnC	0.82	4.32	0.67	1.00								
2. PrI	0.92	3.49	0.86	0.53	1.00							
3. Att	0.86	4.28	0.67	0.61	0.68	1.00						
4. PBC	0.82	2.99	0.88	0.02	0.31	0.15	1.00					
5. SNr	0.92	2.76	0.91	0.20	0.51	0.20	0.49	1.00				
6. PcP	0.79	3.87	0.66	0.35	0.45	0.46	0.25	0.26	1.00			
7. PrB	0.93	3.90	0.78	0.44	0.59	0.58	0.15	0.34	0.54	1.00		
8. FCSR D	0.90	3.79	0.76	0.14	0.06	0.26	-0.28	-0.13	0.04	0.25	1.00	
9. PGR	0.87	4.21	0.71	0.30	0.45	0.55	0.01	0.12	0.40	0.48	0.24	1.00

Note: Obtained from the confirmatory factor analysis.

Table 4
Discriminant validity.

Variable	1	2	3	4	5	6	7	8	9
1. EnC	0.53								
2. PrI	0.28	0.69							
3. Att	0.37	0.46	0.69						
4. PBC	0.00	0.10	0.02	0.61					
5. SNr	0.04	0.26	0.04	0.24	0.74				
6. PcP	0.12	0.20	0.21	0.06	0.07	0.57			
7. PrB	0.20	0.35	0.34	0.02	0.12	0.29	0.81		
8. NcP	0.02	0.00	0.07	0.08	0.02	0.00	0.06	0.64	
9. PGR	0.09	0.21	0.30	0.00	0.02	0.16	0.23	0.06	0.69

Note: Divergent validity is confirmed since the squared correlations of each latent variable are less than the Average Variance Extracted (AVE).

Table 5
SEM results.

Hypothesis		A. Model without control variables		B. Model without control variables		C. Model with control variables		Confirmation
		Coefficients (β)	P-values	Coefficients (β)	P-values	Coefficients (β)	P-values	
EnC → Att	H1a	0.660	0.000	0.503*	0.000	0.503*	0.000	Supported
EnC → SNr	H1b	0.218	0.002	0.196*	0.001	0.196*	0.001	Supported
EnC → PBC	H1c	0.058	0.467	-0.087	0.156	-0.087	0.156	Not supported
Att → PrI	H2a	0.596	0.000	0.603*	0.000	0.603*	0.000	Supported
SNr → PrI	H2b	0.375	0.000	0.359*	0.000	0.359*	0.000	Supported
PBC → PrI	H2c	0.052	0.361	0.023	0.701	0.022	0.704	Not supported
PrI → PrB	H2d	0.415	0.000	0.400*	0.000	0.395*	0.000	Supported
PGR → PcP	H3a	0.430	0.000	0.201*	0.051	0.202*	0.051	Supported
PGR → PrB	H3b	0.152	0.032	0.143*	0.035	0.146*	0.033	Supported
FCSR D → PcP	H4a	-0.056	0.423	-0.096	0.133	-0.096	0.134	Not supported
PcP → PrI	H4b	0.121	0.063	0.063	0.319	0.064	0.318	Not supported
PcP → PrB	H4c	0.287	0.000	0.295*	0.000	0.295*	0.000	Supported
PGR → Att	-	-	-	0.410*	0.000	0.410*	0.000	Positive effect
Att → PcP	-	-	-	0.387*	0.001	0.386*	0.001	Positive effect
PBC → Att	-	-	-	0.158*	0.004	0.158*	0.004	Positive effect
SNr → PBC	-	-	-	0.509*	0.000	0.509*	0.000	Positive effect
Gender → PrB	-	-	-	-	-	0.037	0.426	No effect
Age → PrB	-	-	-	-	-	0.051	0.189	No effect
Edu → PrB	-	-	-	-	-	0.006	0.894	No effect
EnC → Att	-	-	-	-	-	-	-	-

Note: EnC = Environmental concern Att = Attitudes SNr = Subjective norms PBC = Perceived behavioural control PrI = Purchase intentions PrB = Purchase behaviour FCSR D = Firm's CSR disclosure PcP = Perceived CSR performance PGR = Perception of government role (A) Model fit: $\chi^2/df (874.820/479) = 1.826 < 3$ CFI = 0.928 TLI = 0.921 RMSEA = 0.056 SRMR = 0.108 RMR = 0.092 (B) Model fit: $\chi^2/df (745.822/ 475) = 1.581 < 3$ CFI = 0.951 TLI = 0.945 RMSEA = 0.047 SRMR = 0.068 RMR = 0.057 (C) Model fit: $\chi^2/df (858.909/ 571) = 1.504 < 3$ CFI = 0.949 TLI = 0.944 RMSEA = 0.044 SRMR = 0.073 RMR = 0.056.

3.5. Scale reliability

The Cronbach's alphas (α) and average variance extracted (AVE) confirmed the constructs' reliability and convergent validity, respectively. The scores for α of the latent variables were very good, as they were above the lowest threshold of 0.70, ranging from 0.79 to 0.93 (see Table 3). We found similar results for the AVE where the values of all of the variables exceeded the lowest acceptable threshold of 0.50, i.e., 0.53 to 0.811 (evident in Table 4). The AVE values provide further evidence of convergent validity. Moreover, the AVE scores of each construct exceeded the variance they share with other constructs, confirmed

discriminant validity (Fornell and Larcker 1981).

4. Findings

Testing distributional assumption of data, particularly, normal distribution is essential for choosing the most appropriate approach to SEM estimation. Multivariate and univariate normality tests were performed using the Mardia and Shapiro-Wilk tests, respectively. The significant p-value of the Mardia test suggests that our data failed to support the null hypothesis of multivariate normality. This conclusion was confirmed by the Shapiro-Wilk test, as all of the items included for the study were

Table 6
Indirect paths from model (B).

Indirect paths	Coefficients (β)	Standard errors	P-values
EnC \rightarrow Att \rightarrow PrI	0.303*	0.098	0.000
EnC \rightarrow SNr \rightarrow PrI	0.070*	0.032	0.007
EnC \rightarrow PBC \rightarrow PrI	-0.002	0.006	0.689
Att \rightarrow PrI \rightarrow PrB	0.241*	0.071	0.000
SNr \rightarrow PrI \rightarrow PrB	0.144*	0.032	0.000
PBC \rightarrow PrI \rightarrow PrB	0.009	0.021	0.703
PBC \rightarrow Att \rightarrow PrI	0.095*	0.031	0.005
PBC \rightarrow Att \rightarrow PcP	0.061*	0.016	0.039
SNr \rightarrow PBC \rightarrow Att	0.080*	0.020	0.007
PGR \rightarrow Att \rightarrow PcP	0.159*	0.041	0.004
PGR \rightarrow Att \rightarrow PrI	0.114*	0.059	0.011
PGR \rightarrow PcP \rightarrow PrB	0.060*	0.039	0.060
Att \rightarrow PcP \rightarrow PrB	0.106*	0.055	0.012

significant at 1% ($p < 0.001$). Hence, we followed [Satorra and Bentler's \(1994\)](#) recommendations of utilizing the rescaling method in SEM estimations, also known as robust maximum likelihood estimation procedure.

In [Table 5](#), we present the SEM results obtained from the use of Lavaan, which is a software package for structural equation modelling implemented in the R software (version 3.6.1). Lavaan is a statistical package designed for a large variety of multivariate statistical models, such as path analysis, confirmatory factor analysis, growth curve analysis, and structural equation modelling ([Rosseel, 2012](#)). For robustness of the results, we estimated three models: Models A, B, and C. Models A and B had no control variables, while in Model C, we controlled for gender, age, and the level of education of the respondents. Our initial model, Model A, did not fit the data properly as indicated by relatively higher SRMR and RMR values. In such cases, it is common to modify initial model (see e.g. Paul et al.'s (2016)) by introducing additional paths (direct and indirect), that resulted Model B (See [Table 6](#) for the results of the indirect path estimations). Subsequently, we estimated the model with control variables to obtain Model C. The ratio of the chi-squared and degrees of freedom (χ^2/df) for all the three models: 1.826, 1.581, and 1.504, respectively, were below the recommended threshold (<3) for nested models ([Schreiber et al., 2006](#)).

The results in [Table 5](#) indicate that, based on [Hu and Bentler, \(1999\)](#) recommendations, Model B is a better fit than Model A. Model B has the lower ratio of chi-squared and degrees of freedom (χ^2/df) of 1.581. In addition, it has a standardized root mean square residual (SRMR) of 0.068 which is less than 0.08, and the value of its root mean square error of approximation (RMSEA) is 0.047 which is less than the upper-bound 0.07. Furthermore, both its comparative fit index CFI (0.951) and Tucker-Lewis index TLI (0.950) are within the required threshold (≥ 0.95). In Model C, none of the control variables had any significant effect on the purchase behaviour of the consumers.

In both Models B and C, our hypotheses about a positive effect of environmental concern on consumers' attitudes (H1a) and subjective norms (H1b) are supported. Environmental concern has a positive significant effect on attitude (H1a: $\beta = 0.660$; $p < 0.01$) and subjective norms (H1b: $\beta = 0.196$; $p < 0.01$). Meanwhile, environmental concern is negatively associated with perceived behavioural control (H1c: $\beta = -0.087$; $p > 0.10$), although not statistically significant.

The results show significant positive effects of attitudes (H2a) and subjective norms (H2b) on purchase intentions, likewise, the effect of purchase intentions on purchase behaviour (H2d). Again, while the impact of attitudes ($\beta = 0.603$; $p < 0.01$) and subjective norms ($\beta = 0.359$; $p < 0.01$) on purchase intentions is significant and positive, perceived behavioural control has a positive but statistically insignificant effect ($\beta = 0.023$; $p > 0.10$). Further, although environmental concern significantly affects purchase intentions through the mediating effects of attitudes ($\beta = 0.303$; $p < 0.01$) and subjective norms ($\beta = 0.070$; $p < 0.05$), the mediating effect of perceived behavioural control is negative and insignificant ($\beta = -0.002$; $p > 0.10$) (See [Table 6](#)).

Further, our findings support Hypothesis 3a and 3b. Perceived government role has significant positive effects on perceived CSR performance (H3a: $\beta = 0.201$; $p < 0.10$) and purchase behaviour (H3b: $\beta = 0.201$; $p < 0.05$). Our results show that the effect of a firm's CSR disclosures is statistically not significant and negatively associated with perceived CSR performance (H4a: $\beta = -0.096$; $p > 0.05$). In addition, although perceived CSR performance do not significantly affect purchase intentions (H4b: $\beta = 0.063$; $p > 0.05$), it has a significant positive effect on purchase behaviour (H4c: $\beta = 0.295$; $p < 0.01$).

As shown above, a restaurant's CSR disclosures are negative and

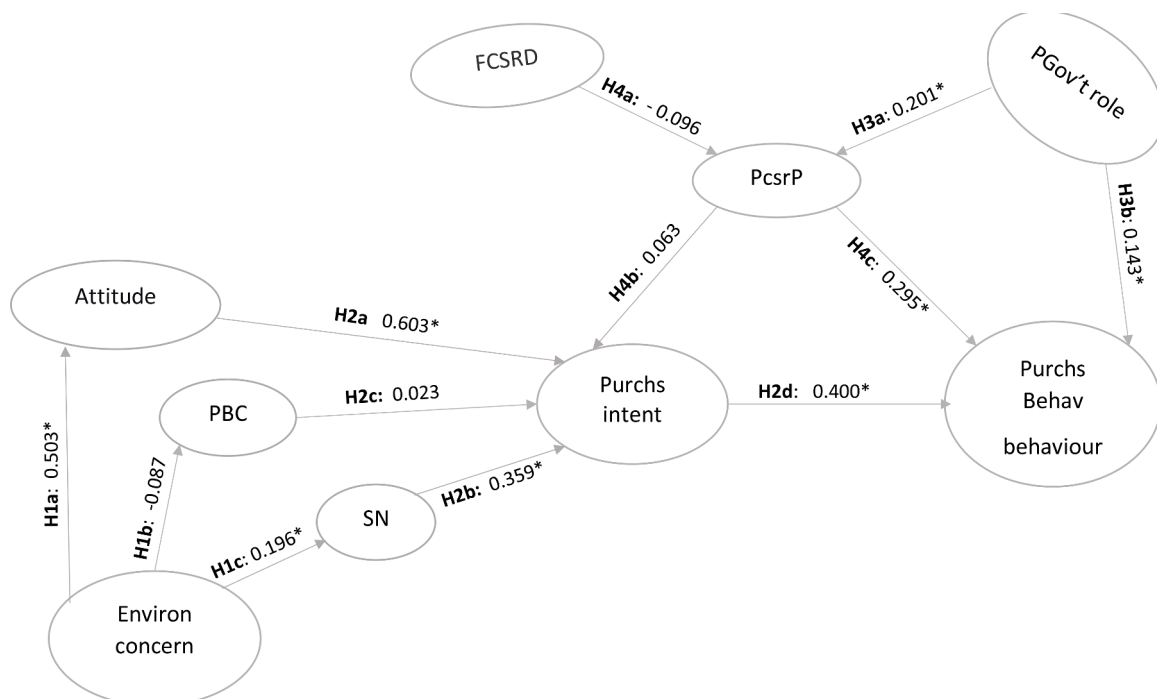


Fig. 1. Estimated conceptual model (Model B).

insignificantly correlated with perceived CSR performance, as well as perceived CSR performance has no effect on purchase intentions. Together, these results hint at consumers' scepticism about CSR communications in Norway. Moreover, the positive effect of perceived government role on perceived CSR performance and the negative insignificant relationship between a firm's CSR disclosures and perceived CSR performance suggest that the more consumers perceive that government has a role to ensure that firms' are socially and environmentally responsible, the less their interest in a firm's CSR disclosures. Our findings agree with Nyborg et al. (2006) who argued that consumers can interpret taxes as a signal that responsibility (i.e., consumer responsibility) has been transferred to government. Fig. 1

5. Discussion

This study examines consumers' environmental concern, attitudes, and behaviour with regards to patronizing restaurants in Norway based on their corporate social responsibility (CSR) communication practices. The study tackles the question of whether consumers in Norway are concerned about the CSR performance of firms (Utgård 2018). Previous studies have established that if consumers are environmentally and socially concerned, they will pressurize firms to behave in a socially and environmentally responsible manner (Du et al., 2010) and that would consequently affect their CSR communication quality (Utgård 2018). As one of the key stakeholders of a firm, consumers can influence the success or failure of a business through loyalty, boycotts, brand switching and activism (Du et al., 2010). Thus, consumer behaviour plays a significant role in shaping the quality and activities of a business (Du et al., 2010).

Using the theory of planned behaviour and the crowding-out effect, we present evidence that is consistent with Charness (2000) contention that context affects decisions. This is especially true when the decisions are sensitive to social considerations, and where there are no clearly defined norms for appropriate behaviour. We find that consumers' environmental concern affects their attitudes and subjective norms but not their perceived behavioural control. In addition, subjective norms have a significant effect on consumers' perceived behavioural control. These norms also have a significant impact on consumers' attitudes by mediating the effect of their perceptions about lacking the ability to affect the firms through their purchase behaviour. This outcome suggests that consumers perception about their inability to impact companies through purchase behaviours may be a general social issue amongst Norwegian consumers.

Furthermore, the findings show how consumers' perceptions about a firm's CSR performance, their attitudes, and purchase behaviour are significantly and positively influenced by the consumers' beliefs that the government should "regulate" the quality of social and environmental performance. As a result, consumers' perceptions about firms that communicate their CSR practices have a negative and insignificant effect on their perceptions about the CSR performance of the firms. From this finding, we can conclude that Norwegians are sceptical about CSR disclosures from companies.

The findings support the literature on the crowding-out effect of government policies on consumers' intrinsic motivations to contribute to the public good (Boyer et al., 2014; Frey 1994; Nyborg et al., 2006). Although government social welfare and environmental policies are appealing (Midttun et al., 2015; Rode et al., 2015) and perhaps effective in some industries (Prooijen et al., 2020), the crowding-out debate suggests they can have an adverse impact on consumers' sense of responsibility towards the quality of social and environmental practices (Cardenas et al., 2000). As it stands now, Norway is an advanced, developed welfare state with strong government involvement in social and environmental issues (Nyborg et al., 2006). Given the strong market regulation and extensive taxation (Nyborg et al., 2006; OECD 2019), Norwegians might conclude that there is no need for them to demand CSR reports from the restaurants they patronize.

Nyborg et al. (2006) argued that policies such as taxes and regulations may be interpreted by consumers as a signal that the government is taking charge of overseeing social and environmental issues. As a result, consumers might also believe that the government is best positioned for ensuring firms' optimal level of social and environmental quality through taxation. These underpin our findings that consumers show lack of interest in firms' CSR communications when they perceive oversight over social and environmental issues to be the responsibilities of the government. The consumers are convinced that they are paying enough taxes for the government to ensure that firms in Norway are engaging in the optimal social and environmental practices.

The finding is further reinforced by the explanation about how social and environmental policies that are modestly enforced may trigger a crowding-out of a socially desirable behaviour (Cardenas et al., 2000). For instance, despite extensive investment in Norway's international companies including massive support for international initiatives such as the Global Compact, UN Special Representative on Business and Human Rights, International Labour Organization (ILO) and OECD guidelines, domestically, its CSR policies are weakly enforced (Gjølberg 2009; Midttun et al., 2015). In other words, the government's focus is on companies' conduct abroad and on building a humanitarian foreign policy and image (Midttun et al., 2015). As a result, the quality of firms' CSR performance and communication is affected (Midttun et al., 2015). In addition, the pressure that should have come from consumers is unlikely because they tend to believe that the government is in control.

6. Conclusion

Overall, our findings contravene the expectations and arguments that take for granted that, CSR disclosures can impact positively on all consumers. For instance, in the literature, there is a supposition of transparency accompanying CSR disclosures (e.g., Hazel and Kang 2018; Rhou et al., 2016). Studies argue that CSR disclosures open the door for transparent dialogue between a firm and its stakeholders (Lewis 2003; Hazel and Kang 2018). Contrary to expectations, our findings show a negative effect of CSR communications on perceived CSR performance. There are two likely explanations for this inconsistency. The first comes from the comments of our respondents that they are sceptical about CSR disclosures. Rather than interpreting them as a transparent initiative, they regard them as camouflage or greenwashing, whereby companies make unsubstantiated claims to deceive the public into thinking that they are socially and environmentally responsible (Du et al., 2010).

The other explanation is that consumers think that the government is overseeing firms' social and environmental related matters. Thus, the more they believe this, the less interested they are in CSR communications. While Norwegian consumers are generally socially and environmentally concerned, they interpret the government's welfare policies and high taxes to mean that the government is in charge and taking the optimal measures that make firms socially and environmentally responsible. As such, consumers' intrinsic motivation to pressure firms to be socially responsible is crowded out by the government's social and environmental welfare policies and taxes.

Similar to Kapeller et al. (2016) and Prooijen et al. (2020), we do not downplay the importance of welfare and environmental regulations and policies in other industries like the energy sector. However, our results strongly support the contention that contextual effects can minimise potential benefits of government welfare policies contrary to standard theory's predictions (Cardenas et al., 2000).

5.1. Practical implications of findings

Our findings reveal several insights which can help governments and restaurant managers in predicting and understanding the likely effects of government welfare and CSR related policies on consumers' attitudes and behaviours.

First, governments must be aware of the unintended consequences of

their fiscal policies, public spending, and social welfare programs and policies. While such policies empower the government to protect its citizens and the environment, it can encourage citizen apathy and discourage consumer activism with regards to environmental concern. In this instance, a lapse in the government's monitoring apparatus can lead to environmentally irresponsible activities amongst organizations. The crowding-out of consumers' concern for the environment means that the government needs stronger and effective monitoring systems to ensure compliance by firms to environmental standards. An inadequate environmental oversight by the government can incentivize firms to engage in greenwashing which will go unnoticed due the less consumer activism. Hence to encourage citizens participation, the design and implementation of welfare programs may require broader citizen engagement where consumers become informed and vigilant partners to the government in monitoring companies' CSR practices (AJ He and Ma 2021). It is also important for the government to evaluate the long-term implications of citizen's apathy toward the CSR activities of firms.

Second, restaurant managers would find our findings useful in resource allocation. While CSR is important in its entirety, management of restaurants in Norway should be mindful of the perspectives of their key stakeholders during the allocation of resources to CSR activities and disclosure. O'Connor and Shumate (2010) distinguished CSR communication into two dimensions. The first being CSR communication at the institutional level, where companies focus on conformance to institutional order by engaging in normative responsibilities owed by all corporations to society. The second being CSR communication at the industry level that are targeted at activists to reap benefits related to customer loyalty, better employee recruitment and retention and higher investors valuation. Our study shows that, in a welfare state such as Norway, consumers have high trust in the government to protect them and the environment. Further, while consumers acknowledge the importance of CSR, they may perceive its public disclosure as a greenwashing tactic. This implies that, restaurant manager's ought to dedicate more of their organization's CSR budget and resources to fulfilling government regulatory requirements related to social and environmental issues rather than to CSR disclosure targeted at consumers. After all, most consumers in Norway seem to only value their government's CSR policies and hence it will be dire for any restaurant to be flagged by the government. Failure to be in good standing in terms of the government's minimum regulatory requirements may result in damaged reputation and loss of customers for restaurants. To be able to consistently implement an effective CRS strategy, restaurants managers may have to hire CSR officers that understand both the Norwegian context and the specific needs of the restaurant in question. It might be more likely to obtain such candidates from within the organization.

Third, whereas our findings are largely applicable to other similar contexts (welfare states), it should be generalized with caution since citizenry perception of and trust in the government can vary amongst countries with similar prevailing political philosophies. The success of such programs can be affected by the government's performance in other sectors and the effectiveness of government's communication to its nationals (AJ He and Ma 2021; Porumbescu 2017). Additionally, governments should carefully evaluate the costs and benefits of taking full charge of environmental and CSR activities through comprehensive welfare programs and policies.

The novelty of our study comes from the empirical method and the focus of the research. There are many CSR studies as well as crowding-out literature. However, it is rare to find an investigation examining the reasoning behind consumers' attitudes and behaviour towards firms based on their CSR practices and taking the context into consideration.

We deem our study timely and important because it adds to the debate on how government policies crowd-out consumers' intrinsic motivation to contribute to the public good. It also highlights the importance of contextual effects on consumers' attitudes towards CSR communications in the restaurant industry.

6. Limitations and directions for future research

Our study has limitations. Although the context is unique and interesting for a study on CSR, it would have been much more interesting if there were more than one context (two or more countries) for comparison purposes. Such a comparison would have revealed further insights into how contextual factors influence consumer behaviour as a result of CSR communications. This is a fruitful avenue for future research. In addition, the study did not examine the firm-level CSR activities, and instead focused on consumer perception of firms that disclose CSR information in the restaurant industry. Thus, the findings may be idiosyncratic and not generalizable to the perceptions of customers in other industries. It is also important to analyse CSR performance and customer choice of restaurant at firm-level as doing so may offer meaningful practical implications. Despite the increasing interest in the impact of CSR on restaurants performance, studies on key topics such as the trade-offs consumers are willing to make in relation to food taste and quality as against restaurants CSR performance remain unexplored. Moreover, a major concern raised by some of the respondents was the issue of greenwashing. They maintained that businesses do not reveal their true social and environmental performance voluntarily. Hence, they tend not to believe CSR disclosures. It would be important to investigate if this claim is true. Also, while consumer scepticism about CSR communications constitutes an important phenomenon that deserves academic enquiry, studies on the topic are lacking (Skarmeas and Leonidou 2013). This dearth of research is an opening for future exploration. In line with Cardenas et al. (2000), we see the need for consumers to be educated on the importance of their contribution to social and environmental sustainability. Thus, we envisage the need for more research on the design and implementation of social and environmental policies that promote cooperation from consumers rather than crowding-out their opinions and actions.

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CRedit authorship contribution statement

Felicia Naatu: Conceptualization, Data curation, Methodology, Formal analysis, Writing – original draft, Writing – review & editing. **Samuel Anokye Nyarko:** Validation, Writing – original draft, Writing – review & editing. **Ziaul Haque Munim:** Methodology, Validation, Writing – review & editing. **Ilan Alon:** Conceptualization, Writing – review & editing.

Declaration of Competing Interest

The study is an original unpublished work that has not been submitted to any other journal for review. Its content has not been copyrighted, published previously, or under consideration for publication anywhere else.

Appendix

Table A1

Table A1

.Construct and measurement and loadings.

Constructs	Measurement indicators	Loadings	Source
Subjective norms	People whose opinion I value prefer that I go to restaurants that have positive social and environmental reputation.	0.824	Paul et al., 2016
	Most people who are important to me think I should go to social and environmentally friendly restaurants when I want to buy food.	0.916	
	People who are important to me would want me to purchase food from social and environmentally responsible restaurants.	0.905	
	My friends' positive opinion influences me to visit social and environmentally responsible restaurants.	0.779	
Purchase intentions	I always have the intention to buy food from social and environmentally responsible restaurants because they pollute the environment less and promote the welfare of employees and communities.	0.738	Paul et al., 2016
	I intend to switch to buying food from social and environmentally friendly restaurants.	0.847	
	I plan to spend more at social and environmentally responsible restaurants rather than conventional ones.	0.863	
	I expect to go to social and environmentally responsible restaurants because of their positive social and environmental contributions.	0.874	
	I will be definitely buying food from socially and environmentally responsible restaurants in the near future.	0.834	
Attitudes	I like the idea of purchasing food from restaurants that are social and environmentally friendly.	0.831	Chan, 2001
	It is a good idea to buy food from social and environmentally responsible restaurants.	0.854	
	I have a favourable attitude towards social and environmentally responsible restaurants.	0.809	
Social and Environmental concern	I am very concerned about the environment and peoples welfare.	0.705	Paul et al., 2016
	There is the need for major social changes to protect peoples welfare and the natural environment.	0.736	
	I am willing to reduce my consumption to help protect the environment.	0.756	
	I think we need political changes to protect the natural environment and social welfare.	0.722	
Perceived behavioural control	Social welfare and anti-pollution laws should be enforced more strongly	Dropped	Paul et al., 2016
	I have the resources, time and willingness to visit social and environmentally friendly restaurants now and anytime I wish.	0.720	
	Social and environmentally friendly restaurants are generally available in Norway where I currently reside.	0.792	
	The ability to visit social and environmentally friendly restaurants is totally within my control.	0.822	
	I believe I have the ability to visit social and environmentally friendly restaurants.	Dropped	
	I am confident it is entirely up to me to purchase food from social and environmentally responsible restaurants.	Dropped	
	I foresee that I am capable of going to social and environmentally responsible restaurants in the near future.	Dropped	
	There are likely to be lots of opportunities for me to patronize social and environmentally friendly restaurants.	Dropped	
	Restaurants that disclose their CSR information are transparent.	0.850	
	Restaurants that disclose their CSR information make it easy for people to know what they do.	0.820	
Firm's CSR communication performance	Restaurants that communicate their CSR activities do not hide anything from the public.	0.889	Self-generated
	Restaurants that disclose their CSR information are likely to be responsible.	0.703	
	Restaurants that disclose their CSR information may not want to be irresponsible in anyway.	0.722	
	CSR matters should be a concern to only the government and politicians not consumers.	0.826	
	We pay enough tax for the government to take care of CSR activities with firms so consumers should not worry themselves about CSR.	0.782	
Perceived government responsibility	The government and politicians rather than consumers must be concerned about CSR matters including CSR information.	0.876	Self-generated
	Restaurants should make CSR information available to government authorities not consumers.	Dropped	
	Restaurants that disclose CSR information are:	0.608	
	Aware of social and environmental issues.	0.898	
Perceived CSR performance (PcP)	Socially and environmentally responsible.	0.735	Adapted from Kim and Ham, 2016
	Committed to improving society's welfare.	Dropped	
	Satisfy consumers' needs.	Dropped	
	Protect consumers' rights.	Dropped	
Purchase behaviour (PrB)	I will definitely revisit a restaurant that communicates its social and environmental activities.	0.872	Adapted and modified from Kim and Ham's 2016 construct of loyal behaviour
	I will recommend a restaurant that communicates its social and environmental activities to others who seek my advice.	0.934	
	I will say positive things about the restaurant to others.	0.894	

Total 280 observations all measurement items. $p < 0.001$. Model fit: $\chi^2/DF (694.995/ 459) = 1.514 < 3$, CFI = 0.957 > 0.90, TLI = 0.951 > 0.90, RMSEA = 0.044 < 0.08, SRMR = 0.046 < 0.08. The alpha (α) values represent the reliability results based on the Cronbach alpha.

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