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**CORPORATE SUSTAINABILITY AS A SOURCE FOR EMPLOYEE
ENGAGEMENT AMONG MILLENNIALS**

Master`s Thesis in
International Business

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ABSTRACT

Corporate sustainability has emerged to be one of the most influential forces shaping today's business world. At the same time, having employees that are engaged is a huge benefit to an organization, but globally only a minority of employees identify themselves as engaged. This Master's thesis connects these two topics with Millennials as a focus group. The objective of the thesis is to establish whether corporate sustainability plays any role on Millennials' employee engagement, and to distinguish factors that have an impact on this relationship. Consequently, this distinction is helpful in better utilizing corporate sustainability as a potential source for engagement.

In order to answer the research questions, the study was carried out as an exploratory study that uses qualitative data collected through interviews. Nine Millennials representing various industries and positions were interviewed on corporate sustainability and the impact it has on their perceived level of engagement. The collected data was then analysed via content analysis.

The findings of the study indicate that corporate sustainability can enhance employee engagement via value alignment, meaningfulness, organizational pride, and sense of safety. General awareness of organizational sustainability and sustainability practices tends to be greater among those employees whose engagement is affected by sustainability in comparison to those whose is not. Personal values and perceptions of sustainability authenticity did not play a role in this regard. In order to turn sustainability into a greater source of engagement leadership support and easiness to participate are called for. Furthermore, internal sustainability was distinguished as a precondition for sustainability to have any further impact on engagement.

This study contributes to extending the limited research on sustainability at the individual level of analysis. Moreover, it provides practical insights on the prerequisites of using corporate sustainability as a tool to enhance employee engagement among Millennials.

KEY WORDS: corporate sustainability; employee engagement; Millennials

1. INTRODUCTION

This master's thesis explores the relationship between corporate sustainability and employee engagement. The aim of the thesis is to distinguish what role corporate sustainability plays on employee engagement, to identify the factors that influence this relationship, and given the increasing importance of corporate sustainability, provide insights on how it could be harnessed as a potential source for employee engagement. This introduction chapter discusses the background of the study, presents the research gap as well as the research questions and the objectives of the thesis, explains the delimitations, and finally presents the structure of the thesis.

1.1. Background

Nowadays there are no questions about the relevance of the concept "sustainability". Rather, it has emerged to be a mainstream norm in business life (Frandsen, Morsing & Vallentin 2013), exemplified by for instance sections dedicated to the topic on company websites and hired sustainability professionals (Montiel and Delgado-Ceballos 2014). In line with the development in the organizations and business life in general, also the academia has taken increasing interest in studying sustainability in a corporate context (Amini and Bienstock 2014). What started from the Brundtland Report (WCED 1987) – the first document to bring up the concept of "sustainable development" and the role of organizations in achieving this – has now been described as "*the* strategic imperative of the new millennium" (Galpin, Whittington & Bell 2015). Consequently, the question of *whether* an organization should engage in organizational sustainability has switched to *how* this could be done, especially in an environment where managers are often pressured to create profits in the short term (Epstein & Rejc Buhovac 2014: 23).

If sustainability has emerged to be a crucial component for companies, employees are that as well. Employees are primary stakeholders and thus directly contribute to the success of the company (Bauman and Skitka 2012). Having employees that are engaged is a huge

advantage to an organization, as employee engagement is associated with benefits such as increased profitability, productivity, customer satisfaction and customer loyalty, safety (Harter, Schmidt & Hayes 2002), discretionary effort (Shuck, Reio & Rocco 2011), and innovation (Bhatnagar 2012). It has also been found to reduce for example voluntary absence (Shantz and Alfes 2015) and turnover intent (Shuck, Twyford, Reio & Shuck 2014). However, according to data collected by Gallup (2017) globally only 15% of the workforce identifies themselves as engaged in their job. Two thirds are not engaged, and the percentage of people who consider themselves so far as actively disengaged (18%) surpasses the amount of those who are engaged (Gallup 2017).

It has been suggested whether sustainability could contribute to filling this so called “engagement gap” (Chaudhary 2017), since it is an important theme for many employees nowadays. According to a US-based research conducted by Cone Communications (2016), a clear majority of respondents place high value on corporate sustainability when it comes to their employment decisions. This influence is particularly strong among Millennials. For instance, 88% of the respondents perceive their jobs as more fulfilling when they are provided opportunities to make a positive impact on social and environmental issues, and 89% wish to actively take part in helping their company develop responsible business practices, as well as expect employers to provide hands-on activities around environmental responsibilities. (Cone Communications 2016.)

In conclusion, given the ever-growing importance of corporate sustainability and the possible benefits achieved through employee engagement, this is an important connection to study (Rupp, Shao, Skarlicki, Paddock, Kim and Nadisic 2018). As Paul Polman, Unilever’s CEO and previous chairman for World Business Council for Sustainable Development, has stated: “The key to a vibrant and sustainable company is to find ways to get all employees, from top executives to assembly workers, personally engaged in day-to-day corporate sustainability efforts” (Polman and Battacharya 2016). This is however an extremely challenging task, and in order to achieve this a lot more information is required on the motives and internal and external factors that make people engaged in sustainability. This thesis thus aims to add another piece for solving this puzzle.

1.2. Research questions and objectives

This thesis approaches the relationship between corporate sustainability and employee engagement through two main research questions, which are as follow:

- 1) What is the role of corporate sustainability in employee engagement?
- 2) What are the factors that impact the relationship between corporate sustainability and employee engagement?

The thesis also has one supporting research question:

- 3) How can organizations turn corporate sustainability into a source for employee engagement?

The objective of the thesis is thus to provide an understanding of what are the internal and external factors that determine how and to what extent corporate sustainability influences employee engagement among Millennials. Consequently, this distinction is helpful in better harnessing corporate sustainability as a potential source for engagement as the biggest drivers and hinders for it are acknowledged.

1.3. Justification for the study

Sustainability and corporate social responsibility have developed to be important areas of research. However, literature on the topic has mostly focused on organizational or institutional level of analysis, whereas the individual level has been left for lesser attention. Corporate sustainability and related action on corporate social responsibility (CSR) do take place at the organizational level per se, but still they are the individual actors who plan and decide how CSR will be carried out and to what extent, and also the response to CSR efforts and subsequent action taken happens by individuals. (Aguinis and Glavas 2012.) Furthermore, employee buy-in has been found to play a key role in

implementing corporate social responsibility (Jenkins 2006), which further highlights the importance of understanding how employees perceive sustainability. Furthermore, there is a lack of understanding of how and why CSR can engage employees (Chaudhary and Akhouri 2019). All in all, a deeper understanding of the predictors that impact how individuals act on CSR activities is called for. (Aguinis and Glavas 2012.)

This call for micro-level analysis of CSR, i.e. the study of the effects and experiences of CSR in individuals (Rupp and Mallory 2015), has been noted and there has recently been a surge of research focusing on the relationship between sustainability and individual people (Gond, El Akremi, Swaen & Babu 2017). Studied themes include for example the relationships between perceptions of CSR and affective/organizational commitment (Ditlev-Simonsen 2015; Turker 2009; Glavas and Kelley 2014), job performances and organizational citizenship behaviour (Newman, Nielsen & Miao 2015), organizational identification (De Roeck, El Akremi & Swaen 2016; De Roeck, Marique, Stinglhamber & Swaen 2014) and job satisfaction (De Roeck et al. 2014; Glavas and Kelley 2014).

Exploring the relationship between sustainability and employee engagement further extends this research on the individual level of analysis. As the potential benefits achieved through employee engagement are well known but the actual engagement levels in general are very low (Gallup 2017), there is a need to search for new ways of making and keeping employees engaged (Chaudhary 2017). There are a few existing studies that examine whether sustainability and CSR could fill this gap. So far the results indicate that how employees perceive their employer's corporate social responsibility can indeed influence how engaged employees are at work (e.g. Chaudhary 2017; Gao, Zhang & Huo 2018). However, there are only a handful of studies that approach this topic, and for instance Chaudhary (2017) calls for examining further the contingencies that affect the nature of the relationship between sustainability and employee engagement. This thesis contributes to filling this research gap.

1.4. Delimitations

There is a lot of debate concerning the sustainability-related terminology. However, this thesis is not focused on extending the debate on correct definitions and terminology but rather focuses on understanding the underlying perceptions that relate to the larger construct of sustainability. As the aim of this study is to examine different employee perceptions of sustainability, it is not feasible to give a strict definition for it beforehand. That is why the thesis uses an overarching term “corporate sustainability”, understood as the idea that an organization must take into account all three aspects of sustainability, i.e. economic, social, and environmental, in order to sustain in the long term (Epstein et al. 2014: 42), and as a larger construct encompasses other related terms such as corporate social responsibility (Lo 2010). In particular a lot of articles referenced in this thesis discuss corporate social responsibility, but here CSR is perceived as one tool among others that aims for a more sustainable way of doing business.

In terms of the literature review, corporate sustainability is such a large concept that due to the length limitations of a Master’s thesis some outlining had to be done. Thus, after a general overview in the topic the part on corporate sustainability specifically address the topic from an individual perspective, leaving the organizational and institutional aspects for lesser attention. This delimitation supports building the background for the other main concept of the thesis, employee engagement, which is also a construct that takes place on an individual level.

Furthermore, it is argued that concepts such as employee engagement, job engagement, work engagement and organization engagement are distinct concepts (Schuk et al. 2017). However, for the feasibility of the study I have not seen it necessary to make a clear distinction in this regard. The empirical part is carried out as interviews and the fine differences between the terms may not be accurately reflected in the answers as the people interviewed will generally not be experts in this area. Thus, even though the previously mentioned terms do have some variations in meaning (Schuk et al. 2017), for the feasibility of this study I have chosen to use them interchangeably. That being said, I will mostly use the term “employee engagement” for consistency purposes. Employee engagement is hereby understood as the state in which employees see their personal talents, values, and aspirations aligned with organizational mission and goals, are

emotionally attached and committed to their work and the organization, and are also motivated to show discretionary effort that contributes to the organizations' success (Wilhelm 2013: 177–178).

The focus group of the thesis is Millennials. This thesis adopts the generally accepted definition of Millennials by Pew Research Center (2019), which defines Millennials as people that were born between years 1981 and 1996. Millennials are estimated to comprise 75% of the global workforce by 2025 (Deloitte 2014) and have some distinct characteristics from the previous generation X (Deloitte 2019), which makes them a relevant focus group for the study. It is also interesting to study whether corporate sustainability contributes to their engagement at work, as they have addressed their concern for topics such as environmental protection, income inequality and unemployment (Deloitte 2014). However, further discussion on the distinct characteristics of Millennials is left outside the scope of this study.

1.5. Structure of the thesis

The thesis is structured as follows: First, the introduction chapter sets the context for the thesis by discussing the background and justification for the study. It also presents the research questions and the delimitations set for the thesis. Second, a literature review covering the relevant concepts of the study is conducted in order to support the empirical section. The literature review is divided to three chapters, from which the first two are based on the key concepts of the thesis, corporate sustainability (Chapter 2) and employee engagement (Chapter 3). The last chapter of the theoretical part (Chapter 4) examines these two concepts with respect to each other. Chapter 5 (“Methodology”) presents the methodological choices of the thesis and explains the execution of the study. Chapter 6 (“Findings”) discusses the collected data and analyses the results. Chapter 7 (“Discussion”) discusses the findings with respect to the theoretical setting. Finally, Chapter 8 (“Conclusions”) presents the theoretical contributions and managerial implications of the study. Also the limitations are discussed and future research suggested.

2. CORPORATE SUSTAINABILITY

The relevance of corporate sustainability is firmly established nowadays. Not only global corporations but in an increasing manner also small- and medium sized enterprises are pushed towards integrating their strategies with sustainability, to transforming their operations and offerings to being more sustainable, and to disclosing and reporting on their sustainability efforts. (Sardá and Pogutz 2019.)

This chapter first gives an overview of the terminology and key concepts related to sustainability, and then discusses the factors that drive organizations to engage in sustainability. At the end of the chapter corporate sustainability is discussed in an individual context, i.e. how it can influence a single employee.

2.1. Terminology and background

The field of sustainability is filled with various terms that essentially refer to doing business in a way that is more humane, ethical, and transparent. For example, corporate citizenship, business ethics, Triple Bottom Line, and corporate social responsibility are terms that are all associated with this topic. (Van Marrewijk 2003.) The core of all of these concepts however lies in the notion of sustainable development, understood as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987). This definition from WCED’s report *Our Common Future* (1987), also known as The Brundtland Report, alongside the 1992 Earth Summit in Rio de Janeiro, brought the concept of sustainability to global attention even though some discussion about topics such as human rights and ecology had already emerged in the earlier decades (Dyllick and Hockerts 2002; Linnenluecke and Griffiths 2010).

In short, corporate sustainability takes the concept of sustainability to an organizational level. With respect to the above definition of sustainable development, corporate sustainability can thus be defined as meeting the needs of an organization's stakeholders without compromising its ability to meet the needs of future stakeholders (Dyllick and Hockerts 2002). In other words, corporate sustainability is understood as the idea that an organization contributes to the sustainable development of the society, which consists of economic growth, environmental protection and progress at a social level (Epstein et al. 2014: 23). Sustainability can thus take place on three different levels: economic, social, and environmental. This idea is often referred to as the *triple bottom line* (TBL), a term first coined by John Elkington in 1997. The TBL-approach gained large popularity and to this day remains a core idea in corporate sustainability (Milne and Gray 2013). The below figure depicts the three dimensions of sustainability.

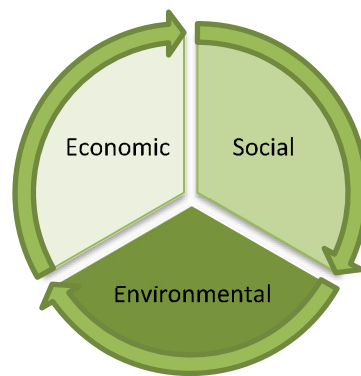


Figure 1. Three dimensions of sustainability (Epstein et al. 2014: 23).

Corporate sustainability can be perceived as an umbrella term that covers multiple other sustainability-related terms. Corporate sustainability thus refers to the way an organization operates on all dimensions of sustainability, whereas the sub-concepts focus more on specific policies and practices. (Saratun 2015). Corporate social responsibility is perhaps the term that comes up most often in sustainability-related literature. Like sustainability, this term does not have a single unanimous definition either. The most commonly referred definition of CSR (Tsourvakas and Yfantidou 2018) is that of Davis' (1973), who defines it as firms' obligations to the society that go beyond the legal

requirements. Turker (2009) has defined CSR as “corporate behaviours, which aim to affect stakeholders positively and go beyond its economic interest”. Bansal and Song (2017) address the discussion about the distinctiveness of corporate responsibility and sustainability. They argue that the two terms originated from different paradigms, but the research on these topics has since converged to using similar definitions, ontological assumptions, nomological networks and measurement, which has resulted in the loss of this distinctiveness (Bansal and Song 2017). However, as several other studies on the subject (e.g. Bauman and Skitka 2012; El Akremi et al. 2018), also this thesis adopts the definition of Aguinis (2011: 855), which perceives CSR as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance”. Aguinis (2011: 855) himself suggested using the term ‘organizational responsibility’ to emphasize that CSR concerns all kinds of organizations and that all types of stakeholders and topics must be considered.

To break these definitions into smaller and more practical pieces, Epstein and Rejc Bukovic (2014: 45–46) have distinguished nine principles of sustainability that further elaborate what it actually means in a corporate context. The first principle, *ethics*, maintains that the company follows ethical standards and practices with regard to all of its stakeholders. *Governance* refers to managing all resources with conscience and effectiveness while prioritizing the interests of the stakeholders over the interests of the management. A sustainable organization is also *transparent*, meaning that full disclosure is provided to the company stakeholders. Business relationships refer to engaging in fair-trading practices with suppliers and other business partners such as distributors and licensees. Company is also committed to balancing the interests of all stakeholders and thus providing competitive *financial returns* to their investors and lenders. *Community involvement and economic development* maintains that the company is sensitive to the culture, context, and needs of a community and by fostering a mutually beneficial relationship plays a part in improving the community. The principle of *value of products and services* reflects respect towards the needs and rights of the customer, and consequently commitment to integrity, satisfaction, and safety through high value products and services. *Employment practices* refer to respecting employees and seeing

their value to the business, and thus acting according to fair labour practices as well as promoting employee development, diversity, and empowerment and respecting human rights. Finally, a sustainable company is committed to *protecting the environment* and promoting sustainable development in their organizational activities. (Epstein et al. 2014: 45–49.) These principles are also presented in the figure below.



Figure 2. Nine principles of sustainability (Epstein and Rejc Bukovic 2014: 45–49).

In addition to distinguishing what constitutes corporate sustainability, it is important to look at how it is applied. The corporate sustainability framework by Amini and Bienstock (2014) consists of five elements: business level application & communication, scope of organizational focus, sustainability-oriented innovation, economic / ecology / environmental / equity-social emphasis and compliance stance.



Figure 3. The corporate sustainability framework (applied from Amini and Bienstock 2014).

In practice, corporate sustainability must be perceived as an overall strategic effort, which is communicated both internally and externally. Second, CS efforts must be extended to include the supply chain in order for the actions to have impact. Third, a shared sustainability-oriented innovation process with multiple stakeholders is required. Fourth, all aspects of sustainability must be considered. Finally, organizations should be proactive instead of simply reactively complying with the regulations. The framework further suggests that organizations implement different levels of “sophistication” in each of these elements. (Amini and Bienstock 2014.)

As corporate social responsibility is tightly connected to corporate sustainability, the multilevel and multidisciplinary model of corporate social responsibility by Aguinis and Glavas (2012) illustrates how CSR actually works as a process. The framework depicts its predictors, outcomes, mediators and moderators, all of which can take place either on an institutional, organizational, or individual level of analysis. This model is presented in the figure below in a simplified form.

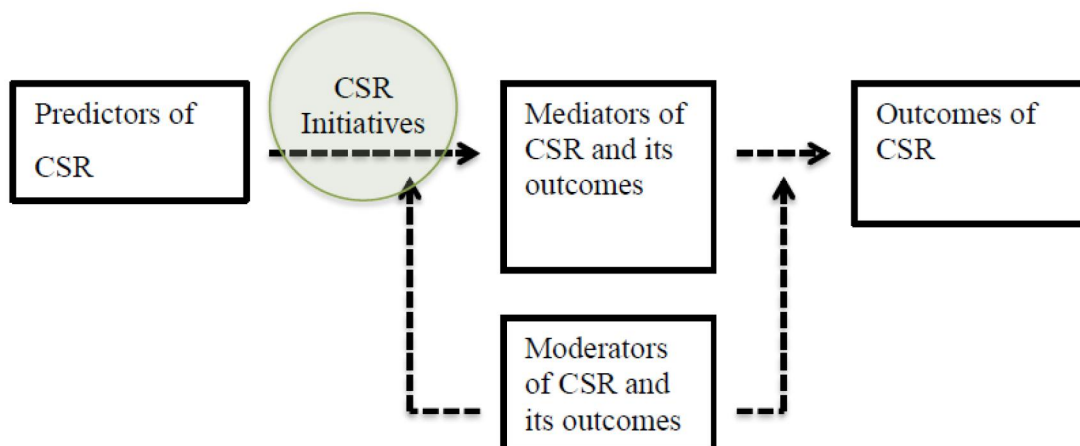


Figure 4. Multilevel and multidisciplinary model of CSR (applied from Aguinis and Glavas 2012).

According to Aguinis and Glavas (2012) the predictors of CSR can be reactive or proactive. Stakeholder pressure, regulation and standards are examples of institutional predictors of CSR, whereas firm mission and values as well as corporate governance structure come from organizational level. Personal values, needs, and awareness relating to CSR are individual level predictors. Stakeholder relations (institutional), managerial perceptions of the value that CSR can bring (organizational), and organizational pride and identity (individual) are relationship and value-based examples that mediate the relationship between CSR and the outcomes it brings. The moderators of this relationship include for instance industry regulation and growth (institutional), firm size and visibility with public (organizational) and supervisory influence and employee discretion (individual). The outcomes can affect either internal or external stakeholders, and include for example consumer loyalty and positive firm evaluation (institutional), enhanced financial performance and reduced risk (organizational) and improved organizational identification, attractiveness to potential employees and employee engagement (individual). (Aguinis and Glavas 2012.)

2.2. Motives for engaging in sustainability

In order to understand why companies would want to use sustainability as a tool for enhancing engagement, it needs to be understood what are the drivers for engaging in corporate sustainability in the first place. Scholars have been looking into this for more than two decades and consequently several theories have emerged. These are discussed below.

2.2.1. Sustainability theories

Main CSR theories and related approaches can be classified into four groups, which are presented in the table below. These theories present four dimensions, which are related to profits, political performance, social demands, and ethical values. (Garriga and Melé 2004).

Table 1. Main CSR theories (adapted from Garriga and Melé 2004).

Type of theory	Approaches	Key ideas
<i>Instrumental theories</i>	Maximization of shareholder value Strategies for competitive advantages	A corporation is only a tool for wealth creation, and social initiatives only seek to create profits
<i>Political theories</i>	Corporate constitutionalism Corporate citizenship	Corporations should use their political power in a responsible manner
<i>Integrative theories</i>	Stakeholder management Corporate social performance	Corporation seeks to respond to and satisfy social demands
<i>Ethical theories</i>	Stakeholder normative theory Universal rights Sustainable development The common good	Focus on ethical responsibilities that corporations have to society

Garriga and Melé (2004) have called for a new theory that would integrate all the above mentioned four dimensions. Sandhu (2013: 33) presents an integrated conceptual framework that constitutes from four different theoretical lenses: stakeholder theory, resource dependence theory, institutional theory and resource based theory. In brief, **stakeholder theory** maintains that organizations need to consider not only shareholders but also other stakeholders, which are defined as which are defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman 1984: 46). Consequently, organizations are pushed to adhering to principles of sustainability due to pressures from stakeholders (Sandhu 2013: 23). Understanding consumer preferences and purchasing behaviour is the starting point for any business, and thus consumer concerns and attitudes towards sustainability need to be

taken into account. Furthermore, civil society and non-governmental organizations have loud voices in society and thus can impact businesses in multiple ways. They can for example pressure companies to change their behaviours by organizing boycotts, lobbying for more sustainable policies and laws, or they can collaborate with companies and provide them their expertise on the matter. (Sardá and Pogutz 2019.) **Resource dependence theory** relates to the stakeholder theory, as it maintains that the more an organization is reliant on the stakeholder for critical resources, the greater influence the stakeholder has over the organization (Frooman 1999).

Organizations are also shaped by the institutional environment that surrounds them, which is the key idea behind **institutional theory** (Donaldson 1995: 79). A certain type of organizational form becomes institutionalised as the legitimated form within a certain field, and through imitative or mimetic adaptations other organizations conform to it (DiMaggio and Powell 1983). Public and private regulation, nongovernmental and other independent organizations monitoring corporate behaviour, and institutionalized norms regarding appropriate corporate behaviour are examples of these institutional forces (Cambell 2007). More precise examples of these institutional drivers include for instance international conventions (such as the 2015 Paris Agreement on climate change), long-term policy commitments (e.g. Sustainable Development Goals by the UN) and market mechanisms (e.g. EU Emission Trading Scheme) (Sardá and Pogutz 2019).

As the three previously discussed theories focus more on resource dependency or search for legitimacy, and thereby focus more on factors external to the firm itself, the fourth theory presented by Sandhu (2013: 33) turns to look at what happens inside the organization. **Resource based theory** asks what are the internal factors that impact the adoption of sustainability, and further suggests that the resources that an organization possesses determine also the extent and nature of their social and environmental initiatives. (Sandhu 2013: 32).

In addition to these previously discussed theories, research on the topic has distinguished multiple other and more concrete drivers for sustainability. These are discussed in the following chapter.

2.2.2. Further motives for sustainability

Drivers for corporate sustainability are generally divided into two categories: internal and external (Lozano 2015). Internal motivations include for example attracting and retaining employees, boosting innovation and reducing costs, whereas external motivations consist of for instance avoiding fines, meeting stakeholder expectations and improving customer expectations. (Lozano 2015.) The table below provides a more thorough list of different internal and external drivers.

Table 2. Internal and external drivers for sustainability (Lozano 2015).

Internal motivations	External motivations
<ul style="list-style-type: none"> • Attracting and retaining employees • Improving internal trust resulting in increased employee motivation and commitment • Having a more compliant workforce • Improving product quality • Boosting innovation • Managing risks, intangible assets and internal processes • Improving performance and generating more profits and growth • Reducing costs by eliminating inefficiencies and reducing waste 	<ul style="list-style-type: none"> • Avoiding fines and penalties • Improving external trust • Earning the “licence to operate” • Responding to stakeholder expectations • Behaving ethically • Improving relations with regulators and ease access to permits • Improving access to markets and customers • Improving customer satisfaction • Enhancing reputation

Hockerts (2015) has addressed more in detail how corporate sustainability can create competitive advantage, which is a big driver for any organizational efforts. This can happen through four different dimensions, which are reducing risks, increasing operational efficiency, branding, and creating new market space. Examples from risks that corporate sustainability can help reduce include accident risks, litigation risks,

regulatory risks, reputation risks, and the risk of losing the licence to operate. Eco-efficiency and employee productivity are two themes that are most associated with sustainability-derived increase in operational efficiency. Branding includes four main advantages, which are premium pricing, customer acquisition, customer retention and share of wallet, meaning that offering green products may increase the retailer's total share of customers' purchases. Finally, corporate sustainability can also create new market space. (Hockerts 2015.)

2.3. Corporate sustainability on an individual level

It is generally established that companies are concerned about CSR, and that employees are one of the most important assets to a company, but still relatively little is known about the impact that CSR activities have on employees (Ditlev-Simonsen 2015). It is however an important connection to consider, as employees are concerned about, contribute to, and react to their organizations' CSR activities and the subsequent perceptions of CSR in turn can reflect to their attitudes and behaviour at work (Rupp et al. 2006).

Bauman and Skitka (2012) have identified four distinct ways through which CSR may impact how employees feel about their organizations' corporate morality and consequently how it can satisfy the needs of the employees. These four different paths are derived from four universal psychological needs, from which the first is **safety**. The safety aspect implies that CSR gives employees a sense of security and safety in which their material needs will be met. Companies with good reputation regarding CSR tend to show cooperative behaviour toward stakeholder groups alike rather than acting opportunistically, which can enhance the trust employees have in the company. The second universal need in this context is **distinctiveness**, understood as the need for people to believe that their group compares favourably with others in important dimensions. CSR can be used as a tool to create positive distinctiveness and that way attracts and helps maintain employees. CSR can also satisfy the third universal need, **belongingness**, for employees whose values are aligned with those of the company. Finally, CSR can also be a source for finding greater sense of **meaning** from work. (Bauman and Skitka 2012.)

2.3.1. Sustainability and individual level outcomes

Research shows CSR can positively relate to multiple outcomes that are generally desired by organizations. An overview of the existing research on CSR that concerns how it impacts individual employees is presented in the below table. In addition, there are further studies that consider CSR with regard to for example avoidance of deviant workplace behaviour (Evans and Davis 2014; Flammer and Luo 2017), perceived organizational support (El Akremi et al. 2018) and employee well-being (Singhapakdi, Lee, Sirgy & Senasu 2015). CSR and its' relationship to employee engagement is addressed more thoroughly in Chapter 4.

Table 3. An overview of research on CSR at the individual level of analysis.

Individual level outcomes of CSR	Established mediating factors	Sources
Employee engagement	Collective self-esteem, organizational identification, authenticity, perceived corporate reputation	Gao, Zhang & Huo 2018; Chaudhary 2017; Ferreira and de Oliveira 2014; Glavas and Piderit 2009; Glavas 2016
Organizational commitment	Perceived external prestige, organizational pride, job meaningfulness, engagement	Ditlev-Simonsen 2016; Hofman and Newman 2014; Glavas and Kelley 2014; Turker 2009; El Akremi et al. 2018; Gupta 2017
Organizational identification	Overall justice, employee engagement	Evans and Davis 2014; De Roeck et al. 2016; El Akremi et al. 2018; Vlachos et al. 2014; Lamm

		et al. 2015; Gupta 2017; Glavas and Godwin 2013
Job satisfaction	Organizational identification	Glavas and Kelley 2014; El Akremi et al. 2018; De Roeck et al. 2014; Lamm et al. 2015
(Reduced) Turnover intentions	-	Carnahan et al. 2017; Lamm et al. 2015; Flammer and Luo (2017)
Job performance	-	Newman et al. 2015; Vlachos et al. 2014
Organizational citizenship behaviour	-	Evans and Davis 2014; Newman et al. 2015; Vlachos et al. 2014; Tsourvakas and Yfantidou (2018)
Organizational pride	-	El Akremi et al. 2018; De Roeck et al. 2016

First, it is important to establish that sustainability is a concept that can be perceived in various ways and different kinds of actions may raise different responses among employees (Frandsen, Morsing & Vallentin 2013; Farooq, Farooq & Jasimuddin 2014.) Thus it cannot be assumed that all of the established positive relationships apply under all circumstances. For example, research has established that who CSR is aimed at can significantly influence whether it has an impact or not. Turker (2009) argues that CSR that is targeted at social and non-social stakeholders, employees, and customers significantly predict organizational commitment. The study by Newman, Nielsen & Miao (2015) is partially in line with Turker's (2009) findings as they suggest CSR towards social and non-social stakeholders significantly relates to organizational citizenship behaviour. However, they argue that CSR towards employees and customers does not have an impact either on organizational citizenship behaviour nor job performance. The

findings by Turker (2009) and Newman et al. (2015) are in line regarding the CSR towards government, which they maintain to have no impact. Turker (2009) suggests that the reason this may be is that the legal aspect is not considered as part of CSR but is rather seen as a duty of the organization, in which case the definition of CSR could be extended to entail corporate behaviours that affect stakeholders positively and go beyond not only economic interests but also legal obligations.

De Roeck et al. (2014) found a positive relation between CSR and job satisfaction but highlight the role of internal CSR. They argue that internal CSR targets certain functional and psychological needs of the employee, such as work-life balance and career development, and that way contributes to job satisfaction and organizational identification (De Roeck et al. 2014). If employees feel like CSR activities are directed towards external stakeholders only and they are left for lesser or no attention they are likely to have a more sceptical attitude towards CSR initiatives (De Roeck et al. 2016), which is a hindrance considering the success of these initiatives (Vlachos et al. 2014). Lin (2010) further points out that employees may perceive activities aimed at secondary stakeholders as resources that could have been spent on them and the organization directly to serve their interests. On the contrary, Glavas and Kelley (2014) argue that work meaningfulness, which mediates the relationship between CSR and organizational commitment, relates to how the organization treats others and not so much how it treats the employees. This has to do with achieving a “higher purpose”, or in other words the aim to create greater good, and how that can contribute to work meaningfulness. Tsourvakas and Yfantidou (2018) found similar results in their study and suggest that employees are willing to “do extra” if they believe that their work matters for the community.

Some studies approach this discussion further by looking at the cultural orientations. Rupp et al. (2018) addressed the question of whether the impact of CSR perceptions is universal. In their study Rupp et al. (2018) applied motivational and cross-cultural theories and concluded that the relationship between CSR and work engagement is affected by how autonomously employees can regulate their compliance, participation, and advocacy for CSR. They suggest that this effect is even greater for those who score

higher on individualism, i.e. value autonomy. (Rupp et al. 2018). Farooq, Farooq & Jasimuddin (2014) suggest that employees that are more collective in orientation are more concerned about internal CSR actions, whereas individualist-oriented employees respond more to CSR actions that regard external CSR issues such as the community or environment. (Farooq, Farooq & Jasimuddin 2014.) Hofman and Newman (2014) continue by arguing that when internal stakeholders are treated well, those who are more collectivistic in orientation experience greater moral obligation to the organization than those who are more individualistic.

3. EMPLOYEE ENGAGEMENT

This chapter presents the second key concept of the thesis, employee engagement. Employee engagement as a concept is quite contested, but the following sections however seek to provide an understanding of what it means, and present main theoretical ideas related to it. Also, the determinants and antecedents of employee engagement are addressed.

3.1. Definition and background

The literature on employee engagement was almost non-existent at the beginning of the new millennium, even though the first major article in the field by William A. Kahn was published already in 1990. However, during the past decade employee engagement has received rapid growth of interest among both researchers and practitioners alike, and has in fact emerged to be one of the most popular topics in the field of management. (Saks and Gruman 2014.)

Despite the rapid growth in research regarding employee engagement, the current discussion on the topic is still not unanimous neither of the definition of employee engagement nor what it actually means (Saks et al. 2014; Schuck, Osam, Zigarmi & Nimon 2017). Even the name for the concept is not firmly established, as terms such as work engagement, job engagement, and organizational engagement are sometimes used interchangeably with employee engagement, despite the fact that some argue (see e.g. Schuk et al. 2017) that they all have separate definitions, theoretical structures and measurements that make them distinct concepts.

A further issue is that conceptually employee engagement overlaps in part with some previously established constructs such as job involvement and organizational commitment, even though they are distinct constructs as they reflect different aspects of attachment to work (Hallberg and Schaufeli 2006). Moreover, much of the research on

engagement has its basis on the research on job burnout, which has led to questions regarding the distinctiveness of engagement from burnout (Cole et al. 2012). Another issue regarding the research on employee engagement concerns how it is measured and how valid the existing measures are. Furthermore, there is a lack of a generally accepted theory of employee engagement. (Saks et al. 2014.)

The concept of employee engagement was first coined by Kahn (1990), who defined it as the “harnessing of organizations members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. In other words, when a person is fully engaged in their work they bring all their cognitive, emotional, and psychological aspects to their work role performance and thus are their full selves (Kahn 1990). Kahn’s later paper (1992) complemented this definition by introducing the concept of being “psychologically present”, i.e. being attentive, connected, integrated, and focused in a work role performance.

Another influential definition of engagement (Saks et al. 2014) is that of Schaufeli, Salanova, Gonzales-Roma and Bakker (2002) that defines engagement as “a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption”. This definition builds on the discussion of the relationship between work engagement and burnout, as Schaufeli et al. (2002) maintain that engagement is the opposite concept of burnout. In their definition *vigor* refers to high levels of energy as well as persistence and mental resilience at work, *dedication* stands for a sense of significance, enthusiasm, inspiration, pride and challenge, and *absorption* includes being fully concentrated and experiencing a positive state of “flow” at work (Schaufeli et al. 2002). These three elements can all be seen as opposites to the core elements of burnout, i.e. exhaustion, cynicism, and inefficacy (Maslach et al. 2001).

The main difference between these two definitions is that Kahn’s (1990) definition is more encompassing in nature as it includes elements such as personal agency and placing the full self in the work role, and thus is more distinct from job burnout (Cole et al. 2012). Further definitions have described employee engagement for example as “a positive, active, work-related psychological state that is operationalized by the maintenance,

intensity, and direction of cognitive, emotional and behavioural energy (Schuk et al. 2017). Schuk et al. (2017) argue that misunderstanding and occasional misuse of the concept have limited the applicability of employee engagement in both theory construction and practice.

3.2. Theories of employee engagement

There are a variety of different models and theories of employee engagement (Saks and Gruman 2014), but previous research on the topic has generally followed one of the two following approaches that are discussed next in understanding the precedents of engagement (Xu and Thomas 2011). Furthermore, an integrated model based on the combination of the two key theories is presented.

3.2.1. Psychological conditions of engagement

Derived from Kahn's (1990) definition of engagement discussed in the previous section, the first approach is Kahn's (1990) psychological conditions of engagement, which is constructed of three different components: meaningfulness, safety, and availability. In this context meaningfulness is understood as a "sense of return on investments of self in role performance", safety as "sense of being able to show and employ self without fear of negative consequences to self-image, status, or career" and availability as "the psychical, emotional, and psychological resources necessary for investing self in role performances" (Kahn 1990). In practice this means that the employee needs to have sufficiently meaningful work as well as to have the personal resources that allows him or her to do that work, and feel psychologically safe so that they are able to invest themselves in the work so that they can become engaged (Xu and Thomas 2011).

3.2.2. Job demands-resources model

The second approach, the job demands-resources (JD-R) model by Bakker and Demerouti (2007) has its roots in the burnout literature, and the original model was known as the Job

Demands-Resources Model of Burnout (Demerouti, Bakker, Nachreiner & Schaufeli 2001). This model comprises of two elements, *job demands* and *job resources*. Job demands refer to the physical, psychological, social, or organizational features of a job that require physical and/or psychological efforts and skills, which consequently lead to certain physiological or psychological costs. For example factors such as high work pressure, emotionally challenging interactions with clients and unfavourable physical working conditions are perceived as job demands. On the other side, job resources are physical, psychological, social, or organizational features that help in achieving work goals, in reducing job demands and the costs that relate to them, and in stimulating personal growth, learning, and development. Job resources can be derived from four different sources, i.e. the organization itself (e.g. salary, job security and career opportunities), interpersonal and social relations (e.g. team climate and received support), organization of work (e.g. role clarity and ability to contribute to decision making) and the task itself (e.g. task significance, autonomy, and performance feedback). (Bakker and Demerouti 2007.)

However, not all job demands automatically lead to burnout. Rather, there has emerged a distinction between job challenges and job hindrances, in which challenges are positively related to engagement and hindrances have the opposite, i.e. negative, impact (Van Den Broeck, De Cuyper De Witte & Vansteenkiste 2010). Job responsibility, time urgency and workload are examples of challenges that can in fact increase engagement, whereas administrative hassles, emotional conflict, organizational politics, resource inadequacies, role conflict and role overload represent hindrances that may lead a lower level of engagement (Crawford, LePine and Rich 2010). Similarly, Olafsen and Frølund (2018) have distinguished between challenge- and hindrance demands. They suggest that job challenges contribute to satisfaction of certain basic psychological needs and autonomous work motivation, whereas job hindrances have an opposite impact.

3.2.3. An integrated model

As stated, there is no single generally accepted theory of employee engagement, even though most research on employee engagement has focused on the JD-R model. The JD-

R model has also received some criticism, as it has been questioned whether the JD-R model can be seen as an actual theory or is it more a framework that classifies job demands and resources. (Saks and Gruman 2014.) Saks and Gruman (2014) have created a model that combines the JD-R model with Kahn's (1990) approach, which has more theoretical ground as it includes discussion about the psychological conditions required for engagement and their antecedents. Saks and Gruman (2014) have however extended Kahn's (1990) psychological conditions by dividing meaningfulness to meaningfulness *in* work and *at* work, and by adding personal resources to accompany the availability aspect. Furthermore, they have distinguished between different types of employee engagement, as it is likely that the extent of engagement can vary depending on whether it is related to work in general (work engagement), certain tasks (task engagement), or being a member of an organization or a group or team (organization engagement and group or team engagement). Acknowledging the type of engagement is beneficial in efforts to increase engagement as it provides information about the antecedents of each type of engagement. (Saks and Gruman 2014.) Saks and Gruman (2014) also take into account leadership by suggesting that transformational, empowering, and leader-member exchange types of leadership are related to job resources and demands and thus indirectly influence each type of employee engagement. This model is presented in the figure below.

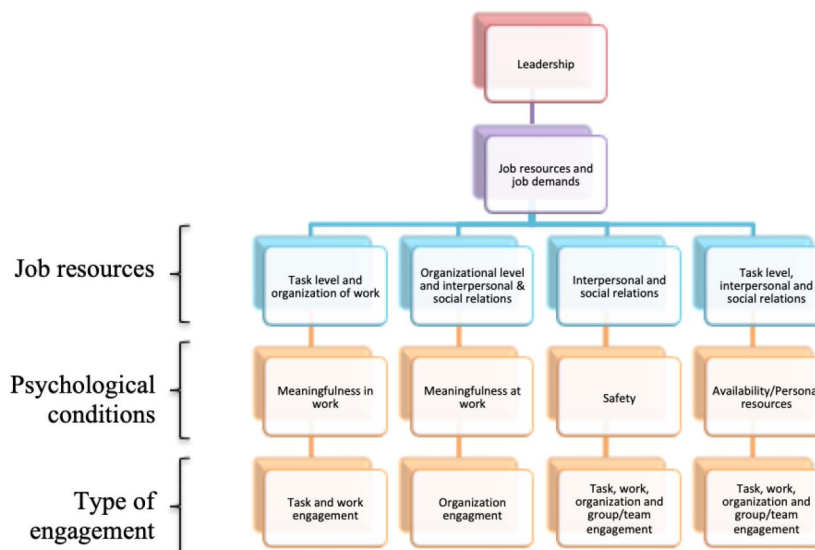


Figure 5. An Integrative Theory of Employee Engagement (Saks and Gruman 2014).

3.3. Determinants and antecedents

Multiple studies have addressed the determinants and outcomes for employee engagement. Based on a literature review, Al Mehrzi and Singh (2016) developed a framework that presents employee engagement as a dependent variable, and organizational culture, leadership, teamwork, and perceived organizational support as independent variables with employee motivation as a mediator. Based on the findings of their study they suggest providing employees with regular feedback, empowering and letting employees know that their efforts are being valued, and creating a collaborative culture that will motivate employees to be creative and loyal which will serve the organization's success and sustainability (Al Mehrzi and Singh 2016).

Leadership is another way to influence employee engagement. Reflecting on Kahn's (1990) three antecedent conditions to work engagement, Xu and Thomas (2011) argue that psychological safety is the condition that leadership can potentially have most impact on, as leadership can provide an environment that encourages employees to invest themselves into their work roles. The research by Xu and Thomas (2011) suggests that leadership behaviours are positively associated with subordinates' engagement. Supporting and developing the team was the most influential factor but also performing effectively and displaying integrity were established as leadership behaviours that encourage followers' engagement. Holding a leadership position was further associated with higher engagement whereas tenure did not show a positive impact. Thus, in practice their research suggests that leaders can increase their followers' engagement by acting in ways that support and develop their team members, such as being interested in team members' personal development and celebrating their success, through task-oriented behaviour such as effective task management, or through showing integrity by showing high ethical standards and communicating in an open and honest way. (Xu and Thomas 2011.) Also Breevart, Bakker, Hetland, Demerouti, Olsen and Espevik (2014) argue that different types of daily leadership affect employees' engagement both directly and

indirectly. According to their study transformational leadership and contingent reward enhances a positive working environment (Breevart et al. 2014).

Working environment and team and co-worker relationship were found to be the most influential determinants of employee engagement in a study by Anitha (2014), meaning that healthy work atmosphere and good interpersonal harmony between colleagues can significantly contribute to employee engagement in a positive manner. A healthy work environment thus helps employees in feeling both physically and emotionally safe at work (Anitha 2014), which thus supports Kahn's (1990) perception of employee engagement. Consequently, it can be assumed that employee engagement could be improved by taking measures that focus on creating a healthy working environment. Anitha's (2014) study also supports the relationship between employee engagement and employee performance.

Wollard and Shuck (2011) have distinguished between individual and organizational antecedents of employee engagement. Individual antecedents refer to the constructs, strategies, and conditions that directly target or are applied by the individual where as organizational antecedents are those that are applied across the organizations (Wollard and Shuck 2011). These are listed on the table below.

Table 4. Individual and Organizational Antecedents to Employee Engagement (Wollard and Shuck 2011).

Individual Antecedents	Organizational Antecedents
<ul style="list-style-type: none"> • Absorption • Availability to engage, curiosity • Coping style and optimism • Dedication and motivation • Emotional fit • Feelings of choice and control • Higher levels of corporate citizenship • Involvement in meaningful work • Linking individual and organizational goals and values • Perceived organizational support • Self-esteem and self efficacy • Vigor 	<ul style="list-style-type: none"> • Authentic and supportive corporate culture • Clear expectations • CSR • Encouragement, feedback • Job characteristics and job fit • Job control • Leadership and management • Level of task challenge and use of strengths • Mission and vision • Opportunities for learning • Perception of workplace and workplace climate • Rewards

<ul style="list-style-type: none">• Willingness to direct personal energies• Work/life balance	<ul style="list-style-type: none">• Talent management
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Shuck, Reio & Rocco (2011) argue that job fit, affective commitment and psychological climate significantly relate to employee engagement, which in turn relates to discretionary effort and intention to turnover. Supportive managers, sense of contribution and appropriate level of challenge are more likely to result in employees showing discretionary effort. When employees feel affective commitment to their work and that their work is meaningful and they have sufficient resources to perform their work, it decreases their intention to turnover. (Shuck, Reio & Rocco 2011.) Shirin and Kleyn (2017) argue that corporate reputation is an important predictor of employee engagement. They further suggest that psychological contract breach has negative impacts on corporate reputation, which further reflects to engagement levels.

4. ENGAGING EMPLOYEES THROUGH CORPORATE SUSTAINABILITY

This chapter discusses corporate sustainability and how it connects to employee engagement. First, existing studies concerning the relationship between corporate sustainability and employee engagement are addressed. This is followed by discussion on how corporate sustainability could be turned into a source for engagement.

4.1. The impact of corporate sustainability on employee engagement

Some existing studies have established a positive relationship between corporate sustainability and employee engagement (cf. Glavas 2016; Chaudhary 2017; Gao et al. 2018). Glavas (2016) argues there is a positive and significant relationship between perceived level of CSR and employee engagement. This relationship was mediated by authenticity (Glavas 2016), which links to Kahn's (1990) employee engagement theory of showing the whole self at work. Other studied mediator, perceived organizational support, did not have a mediating effect and may even have a negative impact. Glavas also considered the extra-role involvement in CSR and concluded that even if CSR has a positive impact on employees they prefer that CSR does not include work outside of the scope of their in-roles. This is an important point to consider and highlights the need of integrating sustainability into employees' day-to-day work tasks. This also takes a more bottom-up approach rather than top-down as in this case the impact of CSR on employees comes from the employees themselves as opposed to organizational efforts, which then reach the employee. (Glavas 2016.)

According to Chaudhary (2017), the strongest impact on employee engagement was derived from CSR actions towards employees themselves. Also the CSR efforts related to customers had significant impact on employee engagement. On the contrary, CSR aimed at society, natural environment, future generations and organizations did not significantly influence the employee engagement level. (Chaudhary 2017.) There are multiple possible explanations why CSR actions aimed at external stakeholders appear to

be of lesser importance in terms of employee engagement. Chaudhary (2017) suggests that this could be due to the fact that organizational activities targeted towards these stakeholders are perceived as normal organizational activities instead of additional responsibilities. Also the fact that these stakeholders do not have a direct role in the functioning of the organization may have an impact on why they do not have such influence on employees' workplace attitudes and behaviours. Additionally, lack of proper communication may cause that employees are simply not aware of the CSR activities aimed at these secondary stakeholder groups. In comparison, the CSR efforts that are directed to the employees themselves and the customers they are working with are better known because they are dealing with them directly. (Chaudhary 2017.) However, there is also contradictory research. Study results by Ferreira and de Oliveira (2014) show no statistical difference in employee engagement when facing different CSR situations. However, the data suggests that internal CSR actions are more efficient in achieving engagement as opposed to external CSR actions even though this was not statistically supported (Ferreira and de Oliveira 2014).

Personal and organizational CSR constitutes a benefit through the fulfilment created by social activities. CSR at a personal level reflects individual ethical values, whereas CSR at the organizational level reflects social exchange between the employee and the organization that is characterised by the level of their citizenship. In other words, engagement can happen on either, neither, or both of these levels and thereby create value through social fulfilment, societal gain and personal satisfaction. (Slack, Corlett & Morris 2015.) Slack et al. (2015) also point out that CSR engagement at the personal level may not necessarily lead to engagement at an organizational level.

4.2. Engaging employees via sustainability

Turning corporate sustainability into a source for employee engagement requires sustainability buy-in from the employees (Davies and Crane 2010). The below chapter discusses organizational adaptation for sustainability, as in order for sustainability to become a source for engagement, it needs to be embedded into the entire organization. In

the subsequent chapter a framework for three distinct ways how to engage employees via CSR is presented, and further influential factors are discussed.

4.2.1. Organizational adaptation

Companies are making sustainability a part of their strategic planning, but in order to successfully carry out these strategies they require an infrastructure that reflects and reinforces the initiatives supporting the strategy (Galpin, Whittington & Bell 2015). Galpin et al. (2015) present a framework for creating an organizational culture that enforces sustainability.

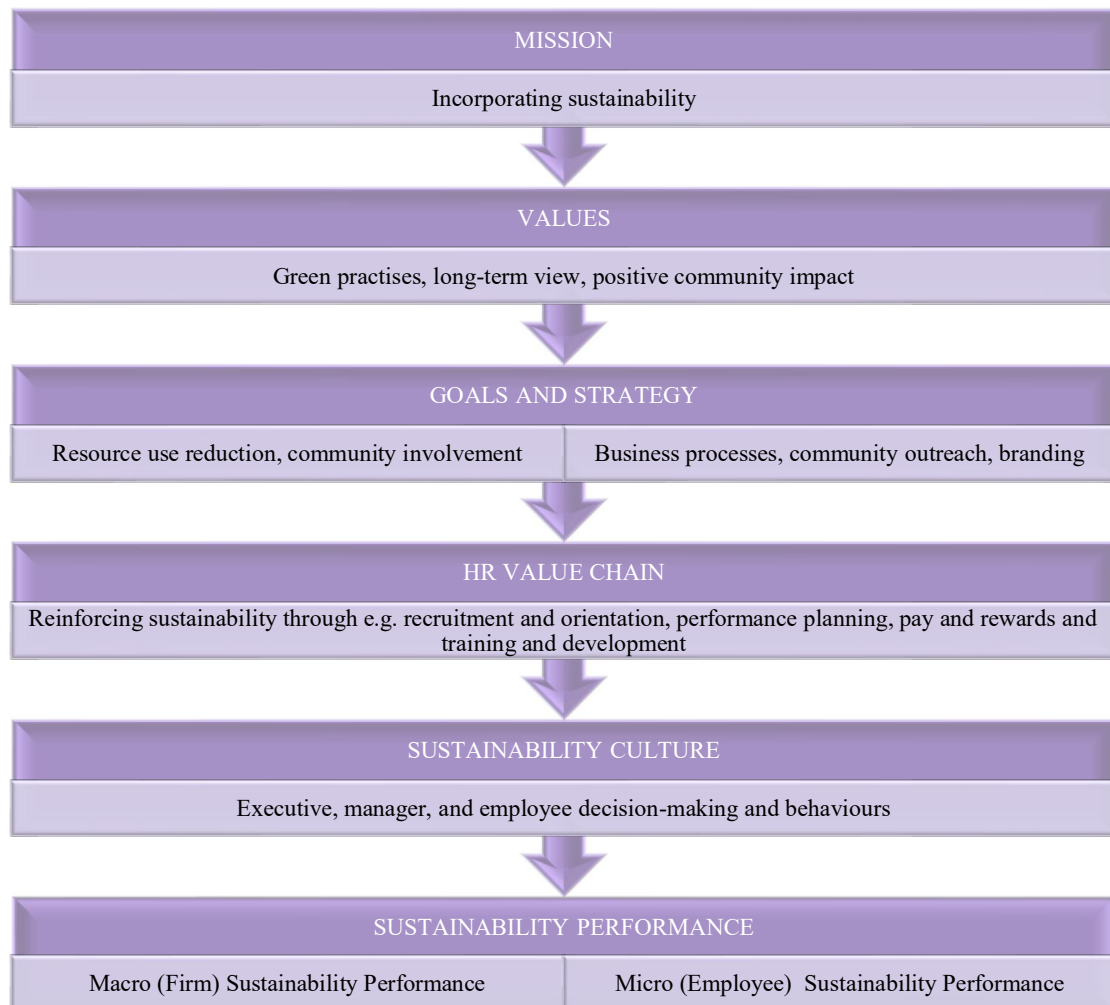


Figure 6. Culture of sustainability model (Galpin et al. 2015).

Sustainability needs to be first embedded into company mission and values, and then creating a culture that embraces sustainability by using a set of HR practices that encourage employees to share the commitment to sustainability. When the organization's commitment to sustainability spreads through the organization there are multiple benefits that can be achieved. First, in-role and extra-role behaviours by employees can be enhanced. Also increased employee engagement and commitment are associated with this. It may also have some reputational advantages and not only customers but also employees and investors see the company as an attractive partner. Finally, these can be turned into increases in brand equity, market share and customer loyalty. (Galpin et al. 2015.)

Multiple other authors support the ideas presented in the framework. According to Haugh and Talwar (2010), in order for sustainability to truly become a collectively held shared value in the organization, sustainability needs to be embedded across the entire organization and not only be restricted to certain groups. By providing employees with opportunities to be directly involved with sustainability initiatives can they increase their knowledge about the topic and thus become more interested and committed in them (Haugh and Talwar 2010). Chaudhary (2017) also suggests that organizations should include employees in the planning and execution of CSR activities in order to gain even greater benefits from their CSR efforts.

Hallstedt, Ny, Robèrt & Broman (2010) have highlighted similar points. They maintain that if a company wants to be successful in terms of sustainability, they first need to integrate sustainability into business goals and plans, which are supported by internal incentives and disincentives and decision support tools (Hallstedt et al. 2010). Furthermore, to ensure a corporate culture that embraces sustainability, sustainability needs to be a part of employee training and development programs. (Haugh and Talwar 2010).

Frandsen et al. (2013) continue on the role of corporate culture by suggesting that managers should aim at creating an atmosphere that allows discussion as employees may have very different concerns and views on sustainability, and find a way to integrate them.

They suggest that instead of forcing a “streamlined” sustainable profile by closing out internal debate, management development should pursue creating an organizational culture where various meanings of sustainability can be discussed and debated. Linnenluecke and Griffiths (2010) share a similar view, and suggest that employees who belong to different culture types value different aspects of corporate sustainability, which can vary from internal staff development to resource efficiency or stakeholder engagement. Furthermore, they argue that an organization does not necessarily have one single unified culture but rather suggest that there are different sub-cultures which can vary between shared assumptions, values and beliefs regarding sustainability. Finally, they suggest that by integrating sustainability measures in employee performance evaluation, publishing sustainability reports, and employee training can result in changes in values, beliefs and core assumptions that lead toward a more unified sustainability culture. (Linnenluecke and Griffiths 2010.)

Relating to the role of managers, leadership has also been often highlighted in the literature. Robertson and Barling (2013) maintain that transformational leadership can lead to enhanced pro-environmental passion and behaviour when the focus is on encouraging pro-environmental behaviours. Moreover, they identified four determinants of employees’ workplace pro-environmental behaviour. These were idealized influence (sharing their values), inspirational motivation (convincing employees they can reach high results), intellectual stimulation (helping employees to think out of the box) and individualized consideration (establishing a relationship with the employee that allows them to exert an influence on pro-environmental behaviours). They also highlight the role of employees’ harmonious environmental passion in engaging in pro-environmental behaviour. (Robertson and Barling 2013.) Blok, Wesselink, Studynka & Kemp (2015) have also called for support from workplace managers in employees’ endeavours to act in an environmentally friendly manner as well as showing exemplary behaviour themselves in this regard. Vlachos, Panagopoulos & Rapp (2013) go deeper into the topic by arguing that when managers show charismatic leadership, such as inspiring a shared vision and showing concern for the well-being of employees, subordinates are likely to believe in intentions of the company to do good in the society.

4.2.2. Framework for engaging employees via CSR

Mirvis (2012) presents three different ways how companies can engage their employees by the means of CSR. A **transactional** approach utilizes different CSR programs that target meeting the needs and interests of those employees that wish to contribute to their organization's socially responsible endeavours. CSR is perceived as an employee benefit that helps in recruiting and retaining talented individuals. (Mirvis 2012.) Mirvis (2012) suggests that this approach is suited for companies that have a highly differentiated culture and do not compete on their social and environmental performance. A **relational approach** sees CSR as essential to the identity of both the company and the employees, and together as a collective employee community they make a commitment to social responsibility. It is thus focused on the communal aspects of employment, and employee engagement is connected to mutual trust and shared interests. This approach is apt for companies that employ a lot of CSR-oriented workers, is collectivist in nature and in which employee loyalty is a source of competitive advantage. The third approach, **the developmental approach**, targets activating social responsibility and developing its employees to be responsible citizens by the means of providing them a deeper sense of purpose and meaning. It thus goes beyond asking what CSR can do for employees by broadening the scope to considering what employees can do to make the organization as well as themselves better corporate citizens. This approach is suited for companies that are innovative in CSR. Also industries where human capital is mobile and plays a crucial role to success are suited for this approach. What is in common for all these three models is that they all allow doing well both in terms of social responsibility but also succeed in employee commitment, reputational benefits and financial returns. The below table summarizes the key points of each approach.

Table 5. Three approaches for engaging employees via CSR (Mirvis 2012).

	<u>Engagement model</u>		
	Transactional	Relational	Developmental
Company Perspective			

<i>Strategic Intent</i>	HR management	Socially responsible culture	Socio-commercial innovation
<i>Intended Impact</i>	Improved recruiting and retention	Improved organizational identity and image	Enhanced impact on business and society
<i>Positioning</i>	Employee Benefit	Joint Obligation	Joint Opportunity
<i>Participants</i>	Employee segments	All company	Full corporate ecosystem
Employee Perspective			
<i>Personal motivation</i>	Need – What I want	Identity – Who I am	Purpose – Who I wish to be
<i>Benefits</i>	Self-satisfaction	Self-expression	Self-development
<i>Involvement</i>	Individual service	Collective service	Service and learning
Key Considerations			
<i>Risks</i>	Incentives are substitutable	“Total community” where other employee commitments and opportunities are superseded	Empowered employees challenging true practices
<i>Strategic space</i>	“Good enough” value proposition	Compete via cohesion and differentiation	Compete with CSR innovation
<i>Stage of CSR</i> <i>Serving society</i>	Engaged Reactive	Integrated Proactive	Transformative Leading

4.2.3. Further influential factors

A number of studies have researched the underlying factors that impact how eagerly employees engage in sustainability. Merriman, Sen, Felo & Litzky (2016) highlight

employee rewards as a source for employee engagement in sustainability efforts, even though in their research a minority of the respondents had rewards that stem from sustainability. Whether the organizational values in their respective organizations emphasized sustainability as opposed to emphasizing cost savings did not significantly increase employee engagement (Merriman et al. 2016). They suggest that employees on all levels of an organization engage in sensemaking when choosing how and to what extent to engage in the organization's efforts to respond to stakeholder demands. In other words, they evaluate the organizational context to make sense of what is their role and then act accordingly. (Merriman et al. 2016.)

CSR activities also need to be communicated effectively, because unless the employees are directly exposed to CSR activities they will remain unaware of these efforts and consequently the benefits that could otherwise be attained will not be realized (Chaudhary 2017). Veleva, Bodkin & Todorova (2017) support this statement, as based on their case study they further highlight effective communication and employee empowerment in identifying and implementing innovative sustainability initiatives. Luring and Thomsen (2009) also distinguished communication as a key point in their study concerning CSR identity management. The policies and goals need to be communicated clearly to the local departments, as it is not possible for them to be implemented efficiently if employees are unaware of them or do not understand them correctly (Luring and Thomsen 2009).

Chaudary (2019) has studied CSR and employee engagement with respect to Kahn's (1990) theory of psychological conditions of engagement. Chaudhary (2019) argues that all three psychological conditions, meaningfulness, safety and availability, at the work place fully mediate the effect of CSR on employee engagement. Furthermore, when employees have positive perceptions of their organization's CSR employees were found to derive greater meaning and purpose at work, to feel psychologically safer to bring their whole selves at work, and also to be more psychologically available at work. This in turn results in increased level of engagement. (Chaudhary 2019).

Chaudhary and Akouri (2018) argue that managing employees' scepticism is crucial in terms of the success of CSR implementation to optimize the returns on CSR investments.

Potoski and Callery (2018) also maintain that environmental employee engagement programs may not lead to increased engagement due to a lack of authenticity of the programs. They further studied peer communication as a mechanism to increase the credibility of these programs in the eyes of the employees, and concluded that peer communication does increase the credibility of the environmental activities of the company, as well as enhances employee participation in these programs. Their study further indicates that improvements in this area result in greater employee retention, recruitment and productivity. (Potoski and Callery 2018). In a similar vein, Frandsen et al. (2013) suggest that when managers focus on trying to conform to the external institutionalizing forces of sustainability instead of putting the emphasis on effective implementation, it may lead to a situation where internal legitimacy is questioned and there is no uniform perception of what in fact is sustainability in the first place.

According to Duthler and Dhanesh (2018) internal communication about CSR relates positively to CSR perceptions, which in turn predicts employee engagement. In their study employees rated organizations meeting their economic responsibilities as most important, but CSR towards society and environment still had more impact on their social and affective engagement towards the organization (Duthler et al. 2018).

According to Blok et al. (2015) the theory of planned behaviour can explain pro-environmental behaviour in the workplace. They identified several factors that influence pro-environmental behaviour, from which **intention to act** was the most significant. Also **social norms** and **leadership support** for acting pro-environmentally as well as exemplary behaviour by leaders are important factors. Personal norms and environmental awareness influence pro-environmental behaviour indirectly by having an effect on the intention to act pro-environmentally. (Blok et al. 2015.)

5. METHODOLOGY

This chapter discusses the methodology of the study. Research philosophy behind the study is presented, and the choices regarding research approach and research design are introduced and explained. The way in which the data was collected and further analysed are also discussed.

5.1. Research philosophy and research approach

Research philosophy is the ground upon which research is built. It determines the way research perceives development of knowledge and the knowledge itself, and contains certain assumptions about the way the world is seen. (Saunders, Lewis & Thornhill 2007: 101.) The first important set of philosophical assumptions is of *epistemological* nature. Epistemology relates to what is acceptable knowledge (Saunders et al. 2007: 102), i.e. it entails questions such as what forms of knowledge can be obtained and how one can distinguish true from false (Burrell and Morgan 2017: 1). The epistemology applied in this thesis is *interpretivism*, meaning that it does not seek to establish law-like generalizations but rather acknowledges that humans as social actors are different (Saunders et al. 2007: 106). Consequently, empathy and the ability to understand things from other people's perspective are crucial when conducting the research. (Saunders et al. 2007: 106–107.)

The second important guiding set of assumptions is the *ontological* position (Burrell and Morgan 2017: 1). Ontology relates to the nature of reality (Saunders et al. 2007: 106), in other words 'the very essence' of the phenomena that are being researched (Burrell and Morgan 2017: 1). The ontological position in this thesis is *subjectivistic*. Subjectivism maintains that social phenomena are constructed through the perceptions and actions of social actors, and that they are not fixed but rather in a constant process of evolving and changing (Saunders et al. 2007: 108). This thesis approaches the topic from a perspective that corporate sustainability as a phenomenon is not a fixed concept but rather something

that can have different meanings to different people, and that what is perceived as sustainable can change over time. Furthermore, as sustainability is studied in a complex and ever-changing business environment and employee engagement is something that takes into account factors such as feelings and attitudes, interpretivism and subjectivism as philosophical positions are aligned with the research.

This thesis falls under the *interpretive research paradigm*, paradigm referring to the way in which social phenomena are examined (Saunders et al. 2007: 112). With reference to the four paradigms for the analysis of social theory by Burrell and Morgan (1979: 22), the interpretive paradigm is the combination of subjectivism and regulation, the latter referring to examining the current state of things and how they may be improved without fundamental changes (Saunders et al. 2007: 112). In practise, a research that follows the interpretive paradigm aims to understand and explain what is going on (Saunders et al. 2007: 113). As this thesis tries to grasp the various perceptions people have on corporate sustainability and how it affects their employee engagement and why, interpretive paradigm best describes the way this research is carried out.

The *research approach* defines the theoretical setting and how theory is utilized in the research (Saunders et al. 2007: 117). This thesis applies the *inductive* research approach, which maintains that theory is developed based on the collected data as opposed to first drawing hypotheses from the theory and then testing them (Saunders et al. 2007: 117). As the aim of the thesis is to understand various different perspectives on corporate sustainability and its impact on employee engagement, it is not feasible to limit the scope of the study on only certain assumptions that can be deduced from the theory. Rather, this thesis seeks to explore all kinds of possible variations on how and why sustainability does or does not influence engagement and some of these explanations and reasons may yet to be discovered. Using qualitative data further supports the inductive approach (Saunders et al. 2007: 120).

These fundamental assumptions discussed further guide the choices about research strategy and methodology (Saunders, Lewis & Thornhill 2007: 101). These will be presented and discussed in the next chapter, “Research design”.

5.2. Research design

Research design lays out the overall plan of how exactly the research questions will be answered (Saunders et al. 2007: 131). However, it is important to first establish the purpose of the research. The purpose of this thesis is *exploratory*, meaning that seeks to provide an understanding of what is happening and provide new insights on phenomena that are relatively new and unexplored (Robson 2002: 59). As the relationship between corporate sustainability and employee engagement has a lot of uncovered ground due to very limited existing literature, this thesis seeks to examine this relationship without strict pre-defined assumptions and consequently discover new insights. The focus is thus rather wide in the beginning, but as the research progresses it is possible to establish the relevant themes and narrow down the scope (Saunders et al 2007: 133–134).

The *research strategy* of the thesis is case study. Robson (2002: 178) defines case study as a strategy for research that investigates certain contemporary phenomenon empirically using multiple sources of evidence from a real life context. With regard to Yin's (2003: 39) four case study strategies, this thesis applies *multiple case* and *embedded case* approaches. In other words, more than one person are being interviewed in order to see if certain findings can to some extent be generalized, and the interviewees are being examined as separate units of analysis as opposed to treating them as a whole.

Research choices include questions of which kind of data to use and consequently through which methods it will be analysed (Saunders et al. 2007: 143). The data collection technique applied in this thesis is *qualitative*, meaning that the data gathered is non-numeric as opposed to quantitative data that produces numerical data (Saunders et al. 2007: 145). More precisely, this thesis collects the data via interviews and will thus consist of words. Interviews are the sole data collection technique, which makes this study a *mono method* qualitative study as the data is also analysed using qualitative data analysis procedures. The qualitative method was chosen as the research question requires gaining

such a deep understanding of how each interviewed individual perceives this relationship and why, that it could not be sufficiently explained through numerical data.

Time horizon in research implies whether the study will cross-sectional, i.e. represent a “snapshot” of a particular time, or longitudinal in which the research will be conducted over a longer period of time which consequently allows observing change and development (Saunders et al. 2007: 148). Time horizon in this research is cross-sectional because it seeks to present how corporate sustainability is related to employee engagement at this particular point in time. By focusing on what the situation is now, the findings provide timely insights that already apply.

5.3. Data collection and analysis

As discussed in the previous chapter, in order to best answer the research questions this study is carried out as a exploratory study that uses qualitative data that is collected through a single technique, interviews. The data was thus primary and collected only for the purpose of this thesis. The below sections further elaborate how the data was collected and subsequently how it was analysed.

Nine interviews in total were conducted. All interviewees are Millennials, i.e. born between years 1981 and 1996, and work in various industries, companies, and tasks. As the interviews contained some sensitive personal and organizational information, and in order to ensure that the interviewees can speak freely, the interviewees are anonymous. An overview of the interviewees and their respective industries is presented in the table below.

Table 6. Overview of the interviewees.

Pseudonym	Interview method	Industry	Area of expertise
Interviewee 1	Face to face	Travel / Hospitality	Customer service
Interviewee 2	Call (skype)	Retail	Customer service

Interviewee 3	Face to face	Technology	R&D and strategy
Interviewee 4	Face to face	Management consulting	Business Development
Interviewee 5	Face to face	Financial services	Advisor
Interviewee 6	Face to face	Media	Media analysis
Interviewee 7	Face to face	Technology	Financial analysis
Interviewee 8	Call (phone)	Financial services	Audit, consulting
Interviewee 9	Face to face	Technology	Financial analysis

Before the interviews took place, the interviewees were sent out a brief overview of the main themes and questions (Appendix 1). They were also given the definitions of the key concepts, i.e. corporate sustainability and employee engagement, to ensure all interviewees understand what the terms mean in the context of this thesis. Seven of the nine interviews were conducted in person, and the remaining two interviews over phone and Skype.

In this thesis the type of the interview study is *emotionalist*, meaning that it is focused on participants' authentic experiences (Koivunen 2015: 16). Even if some of the addressed topics do have certain positivist, or in other words more fact-based, aspects (Koivunen 2015: 16), such as whether sustainability is incorporated in organizational values, they are still evaluated through individual perceptions and thus emotionalist type best describes these interviews.

The chosen interview type is semi-structured. As the research questions provided clear key themes and concepts to be addressed but the conversation should not be too tied to a formalized set of questions in order to allow interviewees' true opinions and feelings to emerge, this best supports the study. According to the characteristics of semi-structured interviews (Koivunen 2015: 18), main themes were distinguished beforehand and then suitable questions, among them both *what* and *how* questions, were prepared. The interviews were not limited to these questions only, and discussion was carried beyond

them when it was feasible. The outlined interview structure, following the literature review, is presented below.

Table 7. Interview structure.

Theme	Questions
Corporate sustainability	<ul style="list-style-type: none"> • Is sustainability an important value to you in personal life / corporate context? • Are you aware what role sustainability plays in your organization? How is it visible/evident (values/strategy/daily tasks/culture/communication)? • Do you honestly believe in the sustainability initiatives of your company?
Employee engagement	<ul style="list-style-type: none"> • Do you perceive yourself as engaged to your job? * • In what situations do you usually feel most engaged? Why is that? • What factors most impact your engagement/disengagement?
Corporate sustainability and employee engagement	<ul style="list-style-type: none"> • Does sustainability play any part in how engaged you feel? • How does it make you feel? Can you specify what kind of engagement is it exactly? • How interested are you in sustainability initiatives/activities? • Do you find a certain dimension of sustainability more important than some other? • What would it require to get you more engaged in sustainability?

* Questions have been raised regarding how to measure engagement and how valid the existing measures are (Saks et al. 2014). This thesis applies the Utrecht Work Engagement Scale (UWES) and the May, Gilson and Harter scale in determining whether the interviewees identify themselves as engaged or not by including sub-questions under the question “Do you feel engaged in your work?”. The UWES scale by Schaufeli, Salanova, Gonzalez-Romá & Bakker (2002) is based on three factors: vigor, dedication, and absorption. This is also the scale most of the research has adapted (Saks et al. 2014). The interviewees were hence asked questions that establish if they relate to these factors in their work. Most of the measurements scales developed are however based on Kahn’s (1990) definition of engagement, which is why the thesis also reflects on the scale by

May, Gilson and Harter (2004) that builds on Kahn's psychological conditions. The questions the interviewees were asked thus aimed to establish whether they experience these psychological conditions, i.e. meaningfulness, safety and availability.

All interviews were recorded and then partially transcribed in order to better summarize each interviewee's main points. In addition, some quotes were transcribed in full. Once all interviews had been written in text form, the interview data was analysed by content analysis. The first step in the analysis was to distinguish which parts of the interview relate to which of the three research questions. Thus, the interview data was divided to three sections according to which research question it relates to: role of corporate sustainability on employee engagement, influential factors and turning sustainability into a source for engagement. Once the data was structured according to these sections, it was further analysed to distinguish themes that could be used to structure the chapter.

5.4. Reliability, validity and ethicalness of the study

Reliability and validity of the study need to be carefully considered when planning the research design. When it is carefully thought out, the possibility of getting the answers or results wrong is decreased and consequently the credibility of the study is enhanced. (Saunders et al. 2007: 149.) *Reliability* in this context refers to how consistent findings will the chosen data collection and analysis techniques produce (Saunders et al. 2007: 149). In practice it can be assessed by considering if the measures would provide same results on other occasions, if other researchers would report similar observations, and if the way in which the data was analysed was transparent (Easterby-Smith, Thorpe & Lowe 2002: 53.)

According to Robson (2002), there are four threats to reliability. These include subject or participant error, subject or participant bias, observer error and observer bias (Robson 2002). All of the four threats were considered in the execution of the study. Subject or participant error was taken into account by ensuring that the interviews were conducted at a "neutral" time, i.e. none of the interviewees were in a particularly stressful situation

which would reflect on their overall engagement nor had their respective companies had any major negative events relating to sustainability (such as a scandal regarding the supply chain to give an example) happen in their recent past which could have an impact on the perceived importance of sustainability. This way the extreme conditions are ruled out. Participant bias was controlled by keeping the study anonymous. This way the interviewees could feel safe to express their true opinions without any fear of consequences. Moreover, the interviewees were chosen without having any prior knowledge on their interest on sustainability. Due to the thesis being conducted by one researcher only, there was no possibility to include multiple researchers in order to minimize observer error. However, as the interviews follow a non-standardized (semi-structured) interview type, which are characterised to reflect a certain point in time and situations which are subject to change, it is not realistic to assume that this type of research could be replicated by another researcher (Marshall and Rossman 1999). Instead, the research design and the emerged findings are explained in a very detailed manner so that the research process is transparent to the reader and the reliability of the conclusions can be evaluated based on this. Regarding observer bias, emphasis was placed on keeping wording of questions as similar as possible in terms of all interviewees, and also maintaining a similar tone of voice and non-verbal behaviour towards all interviewees in order to avoid imposing the researcher's own beliefs and attitudes in the replies of the interviewees.

Validity of the study refers to the extent to which the researcher can access the participants' knowledge and experience, and can interpret what the interviewee is saying the way it was intended. This also concerns whether the findings really are about what they seem to be. (Saunders 2007: 150, 319.) This was taken into account by structuring the interview questions in a way that the need for researcher's own interpretation, i.e. "reading between the lines", is minimized. The interviewees were informed about the key definitions of the thesis to ensure that they are all correctly understood. Furthermore, the interviews were all conducted in a private setting that allowed speaking freely and with anonymity. All interviewees were further selected from the researcher's personal network, which allowed a casual and trusting atmosphere for the interviewees to talk

about the topics in question, and also the possibility of misunderstandings may not be quite as strong as with complete strangers.

Generalisability is sometimes referred to as external validity, which relates to whether the research results are also applicable in other settings (Saunders et al. 2007: 151). This thesis was conducted based on a very limited number of interviewees, in a very limited geographical setting, and thus even though several industries and positions were involved the findings cannot be generalised to apply in other contexts. That being said, that was not the purpose of this study either. In a case study such as this thesis, the purpose is to provide an understanding of what is going on in this particular research setting (Saunders et al. 2007: 151). Furthermore, interpretivist approach, which this study applies, does not place such high value on generalisability as it maintains that the surrounding environment is in a state of constant change and what applies at this particular point in time may not do so even in close future (Saunders et al. 2007: 107).

A further point to establish regarding the methodology is the ethicalness of the study. This thesis was conducted as an independent study and other than adding to the research conducted on this topic, the results are not used for any particular purpose. All interviewees were willing to volunteer as interviewees and expressed their consent to record and transcribe the interviews and use their input as data for the thesis within the limits of anonymity.

6. FINDINGS

This chapter presents the findings of the study. It is structured according to the research questions, i.e. what role sustainability plays in employee engagement is discussed first, after which certain influential factors that emerged from the theory are addressed in order to establish whether they differ between those who do experience that sustainability influences their engagement and those who do not. Finally, how organizations could better turn corporate sustainability into a source of engagement is discussed.

However, first it needs to be pointed out that there was variation between how people perceived corporate sustainability. Some identified it more closely with environmental issues only whereas others had a somewhat wider perspective. Also what constitutes a sustainable organization had different meanings for the interviewees. Some considered sustainability campaigns as a sign for a sustainable organization whereas some had a more critical approach maintaining that for example having recycling at the office is such a small thing and the focus should be shifted towards on the core business, which can have much larger impacts.

6.1. The role of sustainability in employee engagement

Based on the interviews, two types of roles were identified for corporate sustainability in terms of employee engagement. The first role is *engagement enhancing* where the interviewees perceived corporate sustainability as a factor that positively contributes to their engagement. Interviewees belonging to this group are later on the analysis referenced as Group 1. The second role is neutral, where interviewees perceived corporate sustainability as a positive thing but not to an extent where it would have an impact on their general engagement level. Interviewees that belong to this group are referred to as Group 2. These two roles are discussed below. None of the interviewees perceived sustainability as something that would have a negative impact on their engagement.

Table 8. Summary: Role of corporate sustainability on employee engagement.

Impact	Number of interviewees	Interviewees	Explaining factor
Positive (enhances engagement) (<i>Group 1</i>)	6	Interviewee 2 Interviewee 3 Interviewee 4 Interviewee 6 Interviewee 7 Interviewee 9	Personal values Meaningfulness Organizational pride Safety
Neutral (no impact) (<i>Group 2</i>)	3	Interviewee 1 Interviewee 5 Interviewee 8	-
Negative (decreases engagement)	0	-	-

6.1.1. Engagement enhancing role

Most of the interviewees considered corporate sustainability to have an enhancing effect on their engagement. Three main themes emerged to explain why is that, i.e. personal values, meaningfulness, and organizational pride.

The first distinguished theme relates to *personal values*. All interviewees were unanimous in the sense that they felt like sustainability and being sustainable matters to them in their personal life, and if an organization operated in a manner that would not be aligned with their personal values it would have an impact on their experienced engagement. Several interviewees stated that even if their actual work tasks were interesting and they would have great colleagues but the organization itself would not act sustainably, such as look after its employees or care about the society, they wouldn't want to support that or use their inputs towards the success of company. Companies producing tobacco and offering quick cash loans were mentioned as examples that the interviewees would not take up job offers on even if they were in principle better than their current ones.

“If I came across a project for example that was really against my values, well it would be hard to say no to your employer as it would not include breaking the law or anything like that, but it would definitely have an impact on my engagement.”

“I wouldn’t want to work for an organization that disregards sustainability, as work is a big part of my identity it’s important that the organization plays along with my personal values”

For two of the interviewees this misalignment with personal sustainability values has led them to leaving jobs they no longer could identify with. Consequently, it has guided them towards organizations with less value incongruence.

“I previously worked as a sales person in a clothing store and at some point I realized that I couldn’t really stand behind the company values. Pushing people into consuming more made me anxious and I just couldn’t sell the same way I used to and that was a huge disengagement factor.” (Interviewee 5)

The second theme stems from sustainability bringing more *meaningfulness* to work. This was the case in particular for those who had already considered sustainability in their study choices and who considered sustainability as a larger construct than pro-environmental behaviour or certain campaigns at the work place. For example, they maintained that sustainability is required at all levels in order for companies to sustain in the first place and thus it should be at the core of the strategy and can not only be focus on smaller acts such as having recycling at the office. For them, the engagement was derived from getting to work with sustainability themes that have an impact on everyone’s future. They further highlighted the role that organizations have on the development of society and more sustainable future, and want to be part of organizations that contribute to that.

“Already during my studies I knew I wanted to work for at an industry and a company that does have a purpose in terms of sustainability and that has guided me to where I am now.”

The third theme how corporate sustainability can influence employee engagement is derived from *organizational pride*. According to the interviewees it's important they can stand behind their organizational and proudly be an advocate for that company. Various sustainability initiatives or campaigns and pro-environmental behaviour were factors that enhanced the general perceptions of the organizations and through that made the interviewees more engaged towards the organizational.

“The influence on engagement comes from organizational pride mostly, like I'm proud to say that I work for this company. Many people may think we only do cheap mass production but we also work hard for sustainability so it's nice to be able to tell people about those things as well”

One of the interviewees also brought forward the safety aspect. She maintained that when an organization acts according to the principles of corporate sustainability it gives a sense of safety, for example if something were to happen the organization would have her back. As a concrete example, she said that her organization provides all employees insurances that cover accidents that happen even outside of work. Furthermore, knowing that the company is acting in a sustainable manner, she doesn't have to spend time pondering whether she is doing the right thing or not working for the organization, and can consequently focus on the core tasks instead.

6.1.2. Neutral role

Three of the interviewees perceived sustainability as a positive thing that can have certain positive impacts but not to an extent where it would contribute to their engagement. All highlighted that they would definitely rather work for an organization that is sustainable than an organization that is not, but in terms of their own engagement there are factors that weigh a lot more in comparison.

“Sure it may contribute a little bit to how much I like working there, and I do think that it is important, but I wouldn’t really go as far as say that it has an impact on my engagement”

“I would love to say that yes, it does [influence my engagement], but how I feel at a personal level has more impact.”

One of the interviewees stated that at this (early) point of her career she doesn’t feel like she can just choose where she works based on how sustainable the firm. Moreover, finding a job that pushes her forward professionally is more important. None of the interviewees usually pay attention to sustainability matters either when they first apply for jobs. One of the interviewees working in travel industry highlighted that she is not willing to compromise on doing what she really enjoys because of sustainability issues.

“I know that air traffic causes massive pollution, but I could and would happily work for an airline.”

Furthermore, if all other important elements of the job are in place, the interviewees did not feel like there was something missing even if the organization did not emphasize sustainability in any way.

“In my previous job where sustainability did not really play that much of a role, I really liked my time there so I wasn’t really longing for anything more or felt like something was missing as all the factors that I value most regarding engagement were there”

6.2. Influential factors and characteristics

This section discusses some characteristics of the interviewees and their work, with the aim to distinguish if there are some factors that differ between those that perceive that sustainability influences their engagement and those who think that it does not. The below

table summarizes the responses from both groups to the questions that were asked relating to the potential influential factors. These are then further elaborated in the below sections, divided into four main categories: personal characteristics, general awareness of sustainability in their organization, sustainability practices, and authenticity. In this section, Group 1 refers to those who experience that sustainability influences their engagement and Group 2 to those who do not.

Table 9. Summary: Influential factors.

Question	Positive impact (Group 1)	No impact (Group 2)
<i>Personal characteristics</i>		
Is sustainability important to you?	“Yes it is” “Nowadays I take it a lot more into account than what I used to”	“Yes, it is important and I consider sustainability in my everyday life and the choices I make”
Do you currently feel engaged towards work?	“At times” “Yes, I do” “Yes, but my engagement has decreased” “Most of the time, yes”	“No” “No, I would take it if I were to get another job offer” “I feel kind of conflicted, one way yes but at the same time no”
<i>General awareness</i>		
Are you aware of the role sustainability has in your organization?	“Yes, it is at the very core of our operations” “I have a feeling of it” “Yes I am” “Yes, or at least I think I do”	“Unfortunately not really” “Kind of, it’s sometimes brought up” “Not really”
Is sustainability incorporated in organizational values and strategy?	“Yes, very clearly so” “I think it’s values like integrity and responsibility that are highlighted” “I’m not sure” “In principle yes”	“Not entirely sure, maybe in the strategy somehow but that might be more related to employer branding” “Not that I am aware of” “I don’t know”
Is sustainability visible in your organizational culture?	“It should be as it’s so vital to our operations but it seems a bit glued on top to be honest” “I think there are many sub-cultures within our organization and for some yes and for some no” “Not so much” “Yes it does, but I think it’s stronger among younger employees”	“No” “Maybe to some extent but not very clearly, at least not yet”

	“In my opinion yes”	
<i>Organizational practices</i>		
Was sustainability somehow addressed when you first applied for the job or started at the company?	“In some of the introduction materials maybe” “Yes and that is why I applied for this position in the first place” “A little bit” “Not really”	“No” “Maybe, but it was mostly about diversity and how we accept everyone with all kinds of backgrounds” “Some topics related to it were touched upon”
Is sustainability somehow incorporated into your day-to-day job?	“Yes, it is visible in my daily job” “Yes as I work with related themes” “No it’s not” “Yes, quite heavily”	“No” “Well no, not really”
Is sustainability communicated well internally?	“It could be done better, as externally it’s a really big part of it” “Yes it definitely is” “Not at a general level, it’s mostly just someone’s own initiative” “Yes but the scope is quite narrow”	“I think the message probably doesn’t always come all the way to me” “We’re not informed on these topics”
Do you experience support from your managers regarding sustainability?	“Yes I do see it” “Not really” “In a way yes” “Not directly, this could be improved”	“No” “I wouldn’t say so, at least that I would have noticed that”
<i>Authenticity</i>		
Do you believe sustainability in your organization is authentic?	“I have seen it in practice and I know it’s there at some level but I don’t buy all of it” “I do see that we do a lot of good things, and that what we do is honest, but it could be better” “Yeah I think so” “Not fully” “I do believe it but there’s always room for improvement”	“I don’t buy it at all” “I do believe it’s honest and that we’re doing quite ok at that regard, even if at the same time I think it’s a strategic move kind of”

6.2.1. Personal characteristics

There were no significant differences in how important interviewees found sustainability as a personal value, and how it shows in their daily lives. All interviewees, regardless of whether sustainability had an impact on their experienced engagement or not, perceived sustainability as something that they care about. For some it played a bigger role than others as it had reflected on larger life choices such as what they had studied at the university, but everyone was unanimous of the fact that it is important. In both groups the interviewees took sustainability into consideration by for example recycling, considering their purchasing behaviour, using public transport, minimizing food waste and overall paying attention to news and general discussion of the topic.

“Sustainability is an important value to me, and has been especially since I moved out to live on my own and became more responsible for my own choices. I don’t eat meat, I recycle and consider sustainability in my consumer behaviour” (Interviewee from Group 1)

“I do care about sustainability. I recycle and try to buy locally produced food and minimize food waste and I use public transport” (Interviewee from Group 2)

Furthermore, there were people in both groups that said they are not always living quite as sustainably as they would like to, and that there are certain limits up to which they’re willing to compromise on their choices.

“It’s still a work in progress kind of, and I’m not willing to make any huge compromises and I wish to do it within my own limits, financial and other, and also make choices that still suit my lifestyle”

Both groups also considered it important that organizations operate in a sustainable manner. However, the difference that emerged is that those whose engagement was not influenced by sustainability perceived corporate sustainability as important on a general level, whereas those who found it had an impact on their own engagement also found it important that sustainability somehow reflects to their own work or organization.

In terms of overall engagement towards work, all of the interviewees in Group 1 felt engaged towards their work at least sometimes, some most of the time or consistently. In Group 2, none of the interviewees identified themselves as particularly engaged, some even disengaged. However, the sources where engagement was derived from was very similar among both groups. Engagement towards the organization was mentioned least, even though few of the interviewees mentioned organizational reputation as an influential factor regarding their engagement. People and the actual work tasks thus played a more important role.

In addition, almost all of the interviewees emphasized getting feedback and feeling valued as an employee as crucial to their engagement. Further mentioned factors that enhance engagement include encouragement for learning and development to support professional growth, employee benefits, seeing concrete results of one's work, feelings of success, and getting support when necessary.

6.2.2. General awareness

Comparing the general of awareness levels of sustainability in their organizations between the two groups, it appears to be greater for those whose engagement is influenced by sustainability. It is however noteworthy that the interviewees who were most precise about this worked in organizations that are quite resource intensive and their service and product offerings have a lot of environmental impact.

“Sustainability is right at the core of our operations and strategy, and also our technologies are supposed to be efficient and clean in terms of the environment -- and I think in a way they have to be because the organization is so resource intensive and causes a lot of emissions so sustainability needs to be highlighted”

“I think sustainability has two roles, there are the sustainability and/or CSR initiatives, i.e. individual single things that are being done, which to some extent stem from true desire to do that but also part of it has more to do with image and

getting certain stakeholders involved. Then the second role is the very core, where we as a company drive for sustainable goals with our basic operations.”

Not all interviewees from Group 1 were able to be quite as specific regarding the role and values, but the majority of the interviewees in this group were however able to elaborate what sustainability means to their organization. In comparison, interviewees from Group 2 had vague or no idea at all of what kind of role sustainability plays in their organizations and neither were they aware of whether it was incorporated into their organizational values and strategy. One of the interviewees from Group 2 stated that sustainability might be included in the strategy, but mostly due to reasons related to employer branding.

“I’m not sure [if sustainability is embedded to organizational values and strategy], I mean we have campaigns related to sustainability and so on but every time we do something like that it’s always advertised quite heavily on social media so maybe it’s a strategic decision that way”

The above also reflected to organizational culture. The difference between the two groups was not quite as obvious as in terms of the role and values, but overall sustainability was more visible in the organizational cultures of those belonging to Group 1. However, it was pointed out that there are multiple sub-cultures especially within larger organizations, which can differ even quite radically. One of the interviewees also criticized that even though sustainability in principle should be present in their organizational culture as it’s so vital to their business that may in fact not always be the case at the deep core.

“I actually sometimes feel like it’s a bit glued on top, i.e. having recycling at the office and communicating about it, but I don’t think it’s really present in people’s conversations or such and the focus is more on economic factors”

In terms of sustainability being visible in the interviewees’ daily tasks, none of the interviewees from Group 2 had sustainability as part of their day-to-day jobs. This was not the case for all interviewees in Group 1 either, but most of them were somehow able to connect their daily tasks with sustainability. One of the interviewees who works within

customer service explains this being visible mostly through various campaigns, such as customers could return their old items when purchasing new ones and the organization would take care of recycling them properly. For others, it was mostly because they were working with areas such as water and energy and that way connected to sustainable use of resources.

6.2.3. Organizational practices

The interviewees were also asked whether they received any kind of information on sustainability when they applied for a job in their organizations or if it was brought up during their training. For interviewees in Group 1 there were mixed results as for a few it had not been addressed at all really, whereas for others it had had a significant role both in the applying phase as well as the actual training period.

“Quite a lot in fact [whether sustainability was emphasized in applying for job and training] and the marketing for the position for heavily reliant on it as well. We also talked about it a lot in the interview, and that especially came from the HR side”

For interviewees in Group 2 this was very limited. Only one of the interviewees belonging to this group said it had been addressed at all, and it was mostly focused on supporting diversity and equality in terms of the employees.

In the interview the role of leadership in enforcing sustainability was also brought to discussion. The same trend continued, as interviewees in Group 1 had various perceptions and interviewees in Group 2 reported no support from leadership towards sustainability initiatives. From Group 1, one of the interviewees who worked in smaller company stated that the CEO had a very supporting attitude and encouraged especially themes that related to the wellbeing of the employees. Another interviewee said that sustainability issues are acted upon, when defects are identified.

“Just recently we got feedback that not everything had been recycled correctly – we were informed by the executive board and we informed it onwards to our team and made sure everyone knew how to recycle everything properly and also told them why we encourage them to do that, i.e. why is recycling important not only in general but also for the company”

Some of the interviewees also called for a bigger role for leaders in this regard.

“For example our team calls are very much business focused, and we rarely or never address topics such as is this project even something we should a part of or are we doing a right thing by doing this”

“Not directly [get encouragement from leaders regarding sustainability], this could be improved and that could be one way of developing a more sustainable culture. I know you can’t create culture from the top but you do need to have good examples.”

One of the interviewees stated that she believes that management supports sustainability but also addressed that in her current role she rarely comes across situations where she would have to make a choice between two alternatives where one is more sustainable than the other, which is why it may not be so evident.

Communicating about sustainability is another topic that was addressed in the interviews. Also in this regard interviewees in Group 2 had weaker perceptions in comparison to those in Group 1. One of the interviewees could not recall any kind of communication on sustainability, and another one stated that they are not communicated on any of such topics, as the management just wants them to be efficient in their core tasks. One of the interviewees stated that maybe there is communication regarding sustainability but it doesn’t always reach her.

“I think these things are decided somewhere higher up and the message just does not always reach me -- I mostly hear about it through various campaigns because I don’t spend much time reading the intranet or such.”

All except for one interviewee in Group 1 sustainability maintained that sustainability is communicated internally, even though some criticism was raised on how it could be communicated even more and how it is often rather one-sided.

“I think the scope in sustainability communications is quite narrow. It’s very focused on for example using renewable sources of energy or having the most sustainable product, but I’d like to see and hear more about for example how our company has impacted the society or the city or how well we have done on occupational well-being surveys and such.”

6.2.4. Authenticity

The interviewees were also asked about how authentic they perceive the sustainability of their organizations to be. For Group 1, interviewees typically perceived that what their organizations are saying is mostly true, however they acknowledged that there are defects and identified matters that could be done better. The trust in it came from seeing it in practice, such as seeing the shifts in organizational practices to for example using more renewable materials or thinking about methods of transport.

However, the interviewees raised questions about certain things. One interviewee highlighted how important it is to look things through a critical lens and that the impacts should be measured instead of simply stating that something is sustainable.

“I think that our technologies are as new and as good as there is and we sell it to the customer that this is the cleanest and the most efficient but I think we should focus more on the impacts and actually measure that instead of just stating things. Like in sustainability reports for example you can twist things into sounding better than what they are in reality”

One interviewee however pointed out that even if there is a difference between what the company says and does, sometimes a bit of an overstatement is required in order to raise awareness and make people more engaged in it.

Some of the interviewees called for shifting the focus to things that are larger in impact.

“In our operations focusing on small things such as recycling in the office is a bit naïve as our business causes so much emissions that the main focus should be on the things that have most impact”

“It’s great that we have all these sustainability initiatives, but as long as it’s not incorporated in our core business it doesn’t change my perception of how sustainable this firm is.”

Another thing that was highlighted that even if all operations are conducted in a way that meets the law and other requirements, they could be often taken further. However, sometimes the business realities get in the way, and there are market conditions where you simply cannot offer the most sustainable option if you want to have business there in the first place.

In Group 2 the interviewees had very differing perceptions. One of the interviewees believed that all the sustainability initiatives and campaigns come from real desire to good, even if lot of it is highlighted on social media. In contrast, one interviewee had extremely negative perceptions, which stemmed from her perceived very low level of internal sustainability regarding the employees.

“It’s a big organization and it probably looks pretty shiny on the outside but on the inside rules are bent and played to the benefit of the organization. It of course doesn’t go as far as violating human rights or such but I still feel like some employees are treated unequally and how I see it this is something that could be easily fixed if the organization only wanted to -- this definitely eats up the credibility from all their other sustainability initiatives and to be honest I don’t really care

about the rest as I feel like the resources spent on other initiatives could have been used to fix the internal issues”

6.3. Turning sustainability into a source for engagement

The third research question asks how sustainability could be turned into a source for employee engagement. The below table summarizes the interviewees’ answers on how to utilize sustainability as a potential source for engagement.

Table 10. Summary: Turning sustainability into a source for engagement.

Required characteristics	Convenience Incorporated in daily tasks
Required actions	Leadership support Ensuring internal sustainability

One of the most often mentioned factors is that engaging in sustainability should be made easy. People are often really busy, so if it takes too much of their time or requires lots of effort they simply do not have the energy nor the time to do that. Furthermore, as sustainability campaigns or initiatives are often based on voluntary action, they get pushed to the bottom of the priority list as there are always more pressing issues that emerge. When the first step to participate doesn’t take too much effort in can also act as a “gate” to doing even more the next time. Also the format, i.e. how is something done and how people can get involved in it has a big impact.

“It requires that it doesn’t take too much effort to participate, that’s the most important thing that even if it’s something really small you can still contribute. That way when you do something small and it gives you a nice feeling, then that makes it easier to maybe doing something bigger next time”.

Relating to the above, many interviewees emphasized that sustainability should somehow be incorporated into their daily tasks. One of the interviewees maintained that keeping it separate from actual tasks would make it feel like something that is just “glued on top” without any real meaning. However, it was noted that this should be done in a way that doesn’t seem like a burden as that may even have negative impacts. Rather, it should be approached via positivity and voluntary action and not force it onto people.

“It should be done in a way that doesn’t seem like it’s adding to the work load because really easily, if it’s not related to the core business but rather around it, people are busy and they just don’t care about it enough so it’s quite tricky business”

Pro-environmental behaviour at the work place was mentioned as one example how sustainability could be addressed without making it too hard and thus discouraging.

“Yes it absolutely should be incorporated in my daily tasks and it should be small things that you can do throughout the day, i.e. taking the stairs instead of the elevator and not printing out everything, so it’s the small choices that I could do on the side of my actual work.”

The interviewees were also asked whether they would be willing to do something for sustainability that is outside of their core role, i.e. show some extra-role behaviour. In this regard there was a clear division between the interviewees. Some maintained that sustainability should be incorporated into their core tasks only, whereas others said they would be willing to spend even some of their free time on sustainability-related issues at the work place. However, how working time is measured also has an impact.

“I would be happy to do something extra, especially if it was towards a cause that I find particularly meaningful, but my working hours are not billable from customers so it’s kind of easier -- if I was measured in terms of the hours that I can bill from clients the step would be a lot higher”

“In my opinion it should be embedded in my core tasks somehow, I don’t really see my input so valuable that I would do something extra”

Some of the interviewees called out for greater support from management, even though it was addressed that sustainability has a lot to do with internal motivation and thus there is only so much that the organization and management can do in terms of external motivation that drives towards sustainability. However, supporting attitude from the management and providing platforms where individuals that also do have that internal motivation for sustainability can turn their passion into action were called for.

“There should also be support from managerial level, if every initiative or idea gets shut down straight away it really kills the overall motivation to even try in the first place so giving “a green light” or showing some kind of support at least is really important”

“But because some people also have internal motivation, the organizations should provide platforms where these people can fulfil themselves and their ideas, like I don’t think there’s enough of them and you actually have to search for ways to implement and influence things”

The final aspect that was studied was whether the interviewees perceived a certain dimension of sustainability more meaningful and thus more engaging than other. Almost every interviewee highlighted the role of internal sustainability. One of the interviewee who perceived this internal sustainability to be very low at her current organization maintained that internal sustainability being in order is in a way a precondition to the other aspects to have any impact.

“This [unequal treatment of employees] definitely eats up the credibility from all other initiatives and to be honest, I don’t really care about the rest as I feel like the resources spend on other initiatives could have been used to fix the internal issues”

“For me, it’s most important that the core is in place, and that the organization behaves responsibly towards me and the other employees and that everyone has a fair chance. When the basics are done well, so us employees and also customers are treated with respect and everything is transparent, then comes what we do for the society and the environment”

Besides internal corporate sustainability no one theme emerged to be more important than some others and all dimensions, economic, social, and environmental were mentioned by multiple interviewees.

6.4. Conclusion

This chapter briefly summarizes the findings of the study. The first research question asks what is the role of corporate sustainability in employee engagement. Two groups were identified from the interviews. Interviewees in the first group found corporate sustainability having a positive impact on their perceived level of engagement, whereas interviewees in the second group considered it a positive thing without having actual impact on their engagement. Four different sources for the positive impact on engagement were identified. These are alignment with personal values, bringing more meaningfulness to work, creating organizational pride and bringing a sense of safety.

The second research question addresses the factors that impact the relationship between corporate sustainability and employee engagement. Some characteristics on both personal and work level were discussed to see if there are differences in these characteristics between the two groups. The findings indicate that on a general level those whose engagement is affected by corporate sustainability report higher levels on general awareness of organizational sustainability as well as organizational sustainability practices. Personal characteristics and perceptions of sustainability authenticity did not differ significantly. However, as this is a qualitative study based on a limited number of interviews, neither definite conclusions can be drawn nor there is any statistical analysis to support this.

The third and final resource question asks what the organization could do in order to turn its corporate sustainability into a source of engagement. The findings suggest that first and foremost it should be made easy and convenient to participate and preferably be somehow embedded into daily tasks. Leadership support was also called for. Finally, employees' own wellbeing and treatment at the workplace was distinguished to be a precondition for any sustainability initiatives to have impact.

7. DISCUSSION

This thesis studies the relationship between corporate sustainability and employee engagement. More specifically, it looks at the below three research questions:

- 1) What is the role of corporate sustainability in employee engagement?
- 2) What are the factors that impact the relationship between corporate sustainability and employee engagement?
- 3) How can organizations turn corporate sustainability into a source for employee engagement?

This chapter discusses these three research questions based on the findings while also reflecting on the existing literature.

7.1. The role of corporate sustainability on employee engagement

The findings of the study are in line with the existing literature on the topic (see e.g. Chaudhary 2017, Gao et al. 2018) as they indicate that corporate sustainability can indeed impact employee engagement. The study identified four main reasons how corporate sustainability can contribute to engagement. These four reasons, i.e. personal values, meaningfulness, organizational pride and safety, are fully aligned with the study by Bauman and Skitka (2012). In their study they argued that CSR can impact employees through four distinct ways, which are derived from universal psychological needs. First, according to Bauman and Skitka (2012) CSR can provide employees a sense of safety and security, which was reflected in one of the interviews where the interviewee stated that her organization being sustainable gives her a feeling that the organization will take care of her and have her back in case something were to happen. Second, Bauman and Skitka (2012) distinguished distinctiveness, which can be connected to organizational pride that was highlighted by the interviewees, as it posits that their own organization does well in comparison to other organizations. The third dimension is belongingness that

maintains that employees' values are aligned with those of the company (Bauman and Skitka 2012). Almost all interviewees considered it important that they can live up to their own personal values also in their working life. Finally, Bauman and Skitka (2012) argue that CSR can be a source for finding greater meaning from work, which was a theme that also emerged from the interviews.

The findings also connect to the main engagement theories. Kahn's (1990) theory of psychological conditions of engagement concludes that engagement is composed of meaningfulness, safety and availability, which Chaudhary (2019) has found to mediate the effect of CSR on employee engagement. This thesis supports this in terms of CSR providing a greater sense of meaning, but CSR creating psychological safety to bring whole self at work or being more psychologically available did not emerge from the interviews as sources for engagement. With regard to the Job Demands-Resources theory by Bakker and Demerouti (2007), it can be concluded that corporate sustainability mostly contributes to organizational and task engagement, and in those cases can be perceived as a job resource. On the contrary, when corporate sustainability is conducted in a way that it adds to the workload and is considered a hindrance as opposed to a challenge, it can turn into a job demand that has an engagement decreasing effect.

7.2. Factors influencing the relationship between sustainability and engagement

This study examined factors that can potentially influence the relationship between sustainability and engagement by comparing certain personal and organizational characteristics. Whether interviewees perceived sustainability as an important personal value or not did not emerge as a determining factor on how sustainability affects their engagement as several interviewees considered sustainability to be important without it having an effect on their perceived level of engagement. This is aligned with Slack et al. (2015), who argue that sustainability engagement at a personal level may not necessarily lead to organizational sustainability engagement. Consequently, reflecting on the previously discussed topic of sustainability enhancing engagement via increased meaningfulness (Bauman and Skitka 2012), it can be argued that sustainability as a

personal value does not automatically lead to it creating more meaningfulness to one's work.

The findings of the study further indicate that those who are more aware of both the general role of sustainability in their organizations as well as can distinguish sustainability as a part of organizational practices generally find more engagement from sustainability in comparison to those who do not. This is also aligned with the existing literature, which suggests that sustainability needs to be embedded across the entire organization and be reflected in organizational practices in order to become a source for engagement (e.g. Galpin et al. 2015; Haugh and Talwar 2010; Hallstedt et al. 2010). Hallstedt et al. (2010) argue that sustainability needs to be integrated into business goals and plans, which are supported by various incentives and decision-making tools. The lack of these was clearly reflected in the interviewees who did not experience sustainability influencing their engagement. In a similar vein, Chaudhary (2017) suggests that employees should be included in the planning and execution of CSR activities. One of the interviewees specifically stated out that there are very few platforms where people actually can contribute to planning such activities and wished for more support from organizations in that regard.

Giving the employees more opportunities to make an impact and share their views would also better take into account the various perceptions and concerns on sustainability that people have, as opposed to forcing a "streamlined" sustainability profile as highlighted by Frandsen et al. (2013). One of the interviewees also maintained that there are various sub-cultures within the company, a point also noted by Linnenluecke and Griffiths (2010). They also share the above observation and argue that employees belong to different culture types and thus value different aspects of sustainability. If employees were included in the planning of these activities, it would give the people in charge a better "feeling" of what matters to the employees, which in turn would help them derive more engagement from such initiatives. This is also supported by Haugh and Talwar (2010), who argue that in order for sustainability to become a collectively held value within the company, it should not be restricted to certain groups only. One of the interviewees whose engagement was not influenced by sustainability stated that they have people working on

sustainability on their organization, but that currently it's not spread outside of that unit and the message may not always reach her.

That relates to the role of communication, which has been emphasized by multiple authors (cf. Chaudhary 2017; Veleva et al. 2017). If the communication about sustainability is not sufficient, the employees that are not directly exposed to it are likely to remain unaware of everything that has been done in that regard. It is logical to assume that if an employee is not aware of something, it will not have an impact on his or her engagement levels either.

In the literature leadership has often been referred to as an influential factor regarding engagement (see e.g. Xu and Thomas 2011; Breevart et al. 2014), but its role as a mediating factor between corporate sustainability and employee engagement is not as clearly established. For example, Glavas (2016) has studied perceived organizational support as a mediator between perceived level of CSR and engagement but concluded it does not have a mediating effect. In this study the results concerning leadership support for sustainability were mixed and no definite conclusions can be drawn in that regard.

Literature has also established sustainability authenticity as crucial to its effectiveness (cf. Chaudhary and Akouri 2018; Potoski and Callery 2018; Glavas 2016). However, in this study the perceived level of sustainability authenticity did not seem to have any impact on whether sustainability influences employee engagement or not.

7.3. Turning sustainability into a source of engagement

The third and final research question seeks to find out how sustainability could be turned into a source for employee engagement, or how this impact could be enhanced. Several interviewees highlighted that contributing to sustainability should be made easy and convenient, as that increases the likelihood of taking the necessary first step, which can then turn into something more once the employees notice how rewarding it can feel to “do good”. Alternatively, if sustainability is executed in a way that it turns into something

that is considered a burden, or a job demand as in the Job Demands-Resources theory (Bakker and Demerouti 2007), it can have even a disengaging effect.

The interviewees called out for support and encouragement from leadership, which has been addressed also in the literature especially with regard to pro-environmental behaviour at the work place. Blok et al. (2015) argue that managers should lead by example and show behaviour that is environmentally friendly, and Robertson and Barling (2013) suggest that engagement to pro-environmental behaviour can be increased by sharing values, providing inspirational motivation, intellectual stimulation and individualized consideration.

Several studies have established that not all kinds of sustainability raise the same kind of impact (cf. Turker 2009; Newman et al. 2015; Chaudhary 2017). What clearly emerged from the interviews is the crucial role of internal sustainability as a prerequisite for sustainability to have any further impact on engagement. Chaudhary (2017) found similar results in terms of engagement, and multiple other authors have established the same impact of internal sustainability with regard to other concepts such as organizational commitment and organizational citizenship behaviour. There are several potential explanations for this. D Roeck et al. (2014) argue that internal CSR targets the functional and psychological needs of the employee, such as work-life balance and career development. Career development and opportunities for learning and development were highlighted as important by the interviewees, which supports this argument. One of the interviewees also shared the argument with Lin et al. (2010), who suggest that employees may perceive activities that are aimed at secondary parties as resources that could have been used on the employees themselves. Furthermore, the importance of internal CSR may be increased if the employee is not directly involved with external stakeholders or perceives them as regular organizational activities instead of voluntary activities (Chaudhary 2017). Unawareness of sustainability that relates to external parties may also enhance the role of internal sustainability.

In conclusion, it can be stated that even though Millennials are sometimes referred to as a single unanimous bunch there are differences among them, even in small, and on a large

perspective homogenous, groups. There are similarities too, such as all of the interviewees in this study did perceive sustainability as something very important, but in an organizational context it does not have the same effects for everyone. Thus, reflecting to the three approaches of engaging employees via CSR by Mirvis (2012), there isn't a single approach that suits Millennials better than another. Rather, there are elements in each that would be appropriate regarding the interviewees in this study, and thus it is important to not be fixated on one approach or idea only in terms of finding the most suitable way to harness corporate sustainability as a source for employee engagement.

8. CONCLUSIONS

The final chapter of the thesis discusses the theoretical contributions and managerial implications of the study. Finally, as a concluding remark the limitations of the study are discussed and suggestions for future research presented.

8.1. Theoretical contributions

This study contributes to filling the gap on corporate sustainability at the individual level of analysis by examining how corporate sustainability relates to employee engagement. The findings of the thesis provide support to the existing literature that sustainability can indeed enhance employee engagement. The underlying reasons that influence this relationship are also examined. The findings indicate that general awareness of the role that sustainability plays in the organization, as well as sustainability being embedded in organizational practices, strengthens this relationship between sustainability and engagement. This supports the argument already established in the existing literature that sustainability should be embedded across the organization in multiple ways. Furthermore, a favourable perception of internal sustainability emerged to be a precondition for corporate sustainability to have any further impact on engagement.

8.2. Managerial implications

The managerial implications of the study are twofold. First, the study suggests that corporate sustainability can contribute to employee engagement and thus is a relevant topic to consider regarding how to enhance employee engagement among Millennials. However, this cannot be taken for granted and assume that it is something that happens automatically. Rather, the findings indicate that the previously mentioned advantage only applies when employees have favourable perceptions of internal sustainability. In other words, employees' dissatisfaction with internal sustainability cannot be compensated or

replaced with efforts that focus on external sustainability as in such circumstances the impact of external sustainability efforts is decreased or completely diminished. The management should thus pay close attention to internal processes if hoping to leverage on sustainability.

Second, the findings provide insights on how exactly organizations could find new ways to engage employees, i.e. turn sustainability into a source for engagement for those whose engagement is currently not influenced by it, or alternatively enhance its impact on engagement. The direct findings emphasize that sustainability needs to be implemented in way that is interesting and that it doesn't add to the workload, and also that it is encouraged to from management level. Furthermore, Millennials generally derived engagement from getting feedback and feeling appreciated. This suggests that managers should give employees positive feedback on their sustainability efforts and make them aware that their work in that regard is valued. The actual work tasks and co-workers also play a very influential role on the engagement among Millennials, which again suggests that sustainability should be embedded into the daily tasks and creating a culture where sustainability is seen as a collective effort would be beneficial.

8.3. Limitations and future research

There are certain limitations to the study. First of all, even though certain definitions to the key concepts of the thesis were established it is unlikely that the interviewees' perceptions are within these definitions only. For example, the perceptions of engagement reflect characteristics from other related terms such as job involvement and organizational commitment. Second, due to the length and scope of a Master's thesis some lines had to be drawn and certain related themes and theories had to be left outside the scope of the study. Thus only the topics that best support the empirical section and the thesis as a whole were included, and the theoretical section cannot be perceived as an all-encompassing summary of the relevant literature. Third, the empirical section is based on nine interviews, which constitutes an extremely small fraction of the focus group that it represents. The interviewees were chosen to represent various industries and they hold

various positions, but all interviewees represent same nationality, geographic region, and belong to the personal network of the researcher. The generalisability of the findings is thus very limited.

The limitations however provide some opportunities for further research. It would be interesting to study for example what kind of impacts would including various cultural orientations have on these results. Conducting a similar study within a single company or single industry while interviewing people in similar positions would also be interesting, as that would allow a closer inspection on the impact of personal characteristics (single company) or firm specific characteristics (different firm but similar task and same industry). Alternatively, it would be fascinating to do a longitudinal study as opposed to a cross-sectional one where the factors or events that influence a single person's engagement could be identified.

In conclusion, given the ever-increasing role of sustainability in the world of business and the existing engagement gap, this is a relevant area for further research. Another spice to the mix is the Millennial generation, soon to become the largest generation in working life, who value very different things in comparison to the previous generations and thus are likely to cause a fundamental change in the business world.

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APPENDIX 1. Interviewee handout.

Topic of the thesis

“Corporate Sustainability as a Source for Employee Engagement among Millennials”

The aim of the thesis is to examine whether corporate sustainability has any impact on how engaged employees are and also examine the reasons behind this. The thesis also looks at how an organization can better engage employees in its sustainability initiatives.

Key definitions:

Corporate Sustainability

Corporate sustainability is understood as the idea that an organization contributes to the sustainable development of the society, which consists of economic growth, environmental protection and progress at a social level.

Employee Engagement

A positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption.

Questions:

General on corporate sustainability:

- Is sustainability an important value to you in your personal life?
- How important do you find that organizations consider sustainability in their operations?
- Are you aware of what role sustainability plays in your organization?
- How is sustainability visible in your organization?
- Do you honestly believe in the sustainability initiatives of your organization / do you think it is authentic?

General on employee engagement:

- Do you feel engaged at work?
- If yes, in what situations do you usually feel most engaged? What is the source for the experienced engagement?
- What factors most influence your engagement or disengagement?

The role of corporate sustainability on employee engagement

- Does sustainability play any part in how engaged you feel at work?
- Why / why not? How does it make you feel?
- If your organization has some sustainability initiatives/activities, how interested are you in them? Why / why not?
- What kind of sustainability influences you the most? What is it targeted at? (Environment, community, consumers, employees etc...) Which dimension of sustainability? (Economic/Social/Environmental)
- What would it require to get you more engaged in sustainability?