Corporate Social Responsibility: A Quantitative Analysis of the Differences between Black and White Employees in the Financial Services Industry

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Abstract

Corporate social responsibility initiatives affect all stakeholders within an organization to varying degrees. There is often a lack of understanding by key company decision-makers of how CSR activities affect employees of different races. The purpose of this casual-comparative study was to examine the differences in mean CSR scores between employees in the financial services industry who self-identify their race as White or Black. The stakeholder theory, which stresses the interconnectedness of various organizational stakeholders, provided the theoretical framework of this study. One hundred and fifty participants employed in the financial services sector and living in the Midwest region of the US were recruited to complete Turker's CSR survey. An Independent Samples *t*-test was used to evaluate the mean differences in CSR scores in Black and White employees. The findings indicated a statistically significant difference between the two groups' attitudes and perceptions of CSR. An organization's leadership team should be mindful of these differences when creating and implementing CSR initiatives, as it may impact their ability to recruit and retain top talent and maximize their overall profitability.

Keywords: leadership, human resource management, corporate social responsibility, race, stakeholder theory

Introduction

Corporate social responsibility is a business model that focuses on the environmental, ethical, social, and financial impacts of strategic business decisions (Hayes & Khartit, 2022). Saad et al. (2021) and Soni and Mehta (2020) found that how organizations advertise and maintain positive corporate social responsibility (CSR) activities can directly increase employee engagement, motivation, and retention. When CSR policies and practices are promoted effectively, they can directly impact an organization's bottom line. CSR efforts can provide tremendous benefits for leadership and human resource management (HRM) teams by assisting them in attracting and retaining top talent (Schaefer et al., 2020).

There is a gap in the literature on how the effects of CSR activities differ among employee race groups. Logan (2019) states, "when corporations embrace a responsibility to race, they have an opportunity to demonstrate their commitment to operating ethically while differentiating their organizations from those of the past and present that directly or indirectly support racial inequality and injustice" (p. 985). McWilliams et al. (2019) suggest that organizations need to understand how CSR-related actions affect their ability to attract and retain women and minorities in the future.

Many research studies focus on the impact of CSR activities on different cultures (Rank & Contreras, 2021; Rosati et al., 2018; Simpson & Aprim, 2018), but there is a lack of research that focuses specifically on differences by race. By utilizing a quantitative, nonexperimental, casual-comparative approach, this research study examined the differences in mean CSR scores between Black and White employees in financial service organizations in the Midwest region of the United States. The results of this study may assist leaders and HRM teams in understanding how CSR activities impact these two primary racial groups working within Midwest financial service organizations. The general problem examined in this study is a lack of an organization's leadership team's understanding of how CSR activities can impact financial services employees who self-identify as Black or White. Existing research studies regarding how CSR activities impact employees within an organization focus on increasing employee engagement (Saad et al., 2021; Soni & Mehta, 2020), employee motivation (Hur et al., 2018; Kunz, 2020), and employee retention (Lee & Chen, 2018; Zainee & Puteh, 2020).

Background of the Study

The growing awareness of societal and environmental challenges continues to increase the need for studies on how CSR activities impact organizations. Stakeholders are pressuring companies "to become more accountable towards their employees, customers, suppliers, environment, and society as a whole" (Saad et al., 2021, p.32). Positive perceptions of an organization's CSR activities generate significant benefits (Hayes & Khartit, 2022; Schaefer et al., 2020). Additionally, research studies have shown that CSR activities impact employees within an organization by increasing their engagement (Saad et al., 2021; Soni & Mehta, 2020), motivation (Hur et al., 2018; Kunz, 2020), and retention (Lee & Chen, 2018; Zainee & Puteh, 2020).

A gap exists in the research on how CSR activities impact employees of different ethnicities. For example, a study by Rank and Contreras (2021) used a qualitative method to analyze how generations differ in work beliefs, such as internal CSR perception and leadership motivation. Their stated limitations note that focusing solely on age groups was too simplistic. Additionally, Simpson and Aprim (2018) used a quantitative method to evaluate how CSR activities attract prospective employees from undergraduate students in Ghana. The stated limitations note that further research should encompass gender and social-cultural factors.

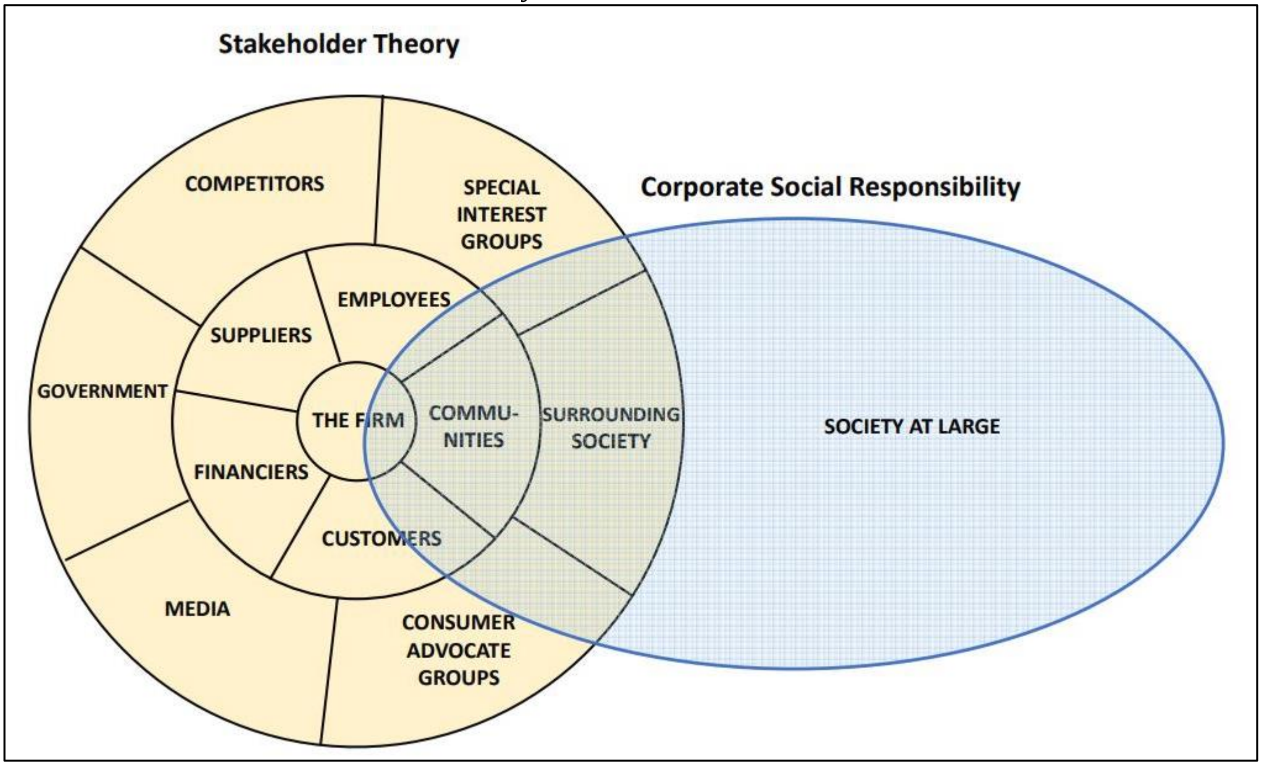
There are additional factors that financial service industries must be mindful of when considering their engagement in CSR activities. In light of historical financial scandals in the United States, including Enron and WorldCom and the 2008 bank failures, financial service organizations must maintain their integrity and hold themselves accountable to their stakeholders through oversight of their CSR programs (Andrei et al., 2018). Diaz et al. (2020) point out that there is a low percentage of people of color in the financial services industry and that Blacks are 1.4 times more likely than Whites to leave a financial services firm.

By leveraging the stakeholder theory as a theoretical framework, the aim of this study was to examine the differences in the mean CSR scores between employees working in financial service industries in the Midwest region of the United States who self-identify as Black or White. Popularized by R. Edward Freeman, the stakeholder theory "presumes a virtuous circle by which business is best served when the interests and values of all stakeholders are accommodated in company practices" (Moon, 2014, p. 22).

Freeman and Dmytriyev (2017) examine the relationship between CSR and stakeholder theory. They identify that stakeholder theory and CSR incorporate the social significance of an organization's operations. Therefore, the stakeholder theory is essential in building relationships and generating value for each stakeholder, encompassing employees and their relationship with the organization. Introduced in 1984 by R. Edward Freeman, the stakeholder theory advocates that organizations and their leaders should create value for all stakeholders, not just their shareholders (Dmytriyev et al., 2021). For example, an organization's focus on non-financial constituencies, such as consumers, employees, and local communications, can result in significant benefits, like improved employee morale and job satisfaction (Freeman, 1984). This theory provides a foundation for understanding how financial services employees who self-identify as Black or White in the Midwest region of the United States can be affected by CSR activities.

Additionally, the stakeholder theory and CSR both emphasize the importance of an organization's CSR toward communities and society as a whole (Freeman & Dmytriyev, 2017). Figure 1 illustrates the relationship between stakeholder theory and CSR. A company's overall purpose, mission, and values on all of its stakeholders can be examined through the lens of the stakeholder theory, which can guide how the organization should operate.

Figure 1
The Relation between Stakeholder Theory and CSR



Note. Freeman and Dmytriyev (2017) utilize this visual to illustrate the relationship between the stakeholder theory and CSR in society.

Summary of the Literature

With today's business complexities, an organization committed to CSR is concerned with growth and profitability and its impact on the economy, the environment, culture, and society (Kumar, 2019). With recent publicized acts of police violence against Black individuals, particularly in the Midwest, it is even more critical that organizations focus on racial injustice when assessing their commitment to society (Taylor & Wilcox, 2021). By focusing on corporate responsibility to race (CRR), organizations can advocate for racial justice, improve race relations, and enhance society's equality and harmony (Logan, 2021).

Increasing stakeholder interest and more complex global business phenomena have pushed the development and integration of socially responsible proactive measures within business organizations over the last few decades (Freeman & Dmytriyev, 2017). Various theoretical frameworks can be found within the existing literature regarding CSR and its incorporation within an organization. Some of these different theoretical frameworks include mainstream theories like legitimacy, stakeholder, and institutional theories (Fernando & Lawrence, 2014; Vashchenko, 2017). The stakeholder theory is one of the most prominent theoretical frameworks in literature (Vashchenko, 2017) and is this study's theoretical foundation.

Stakeholder Theory

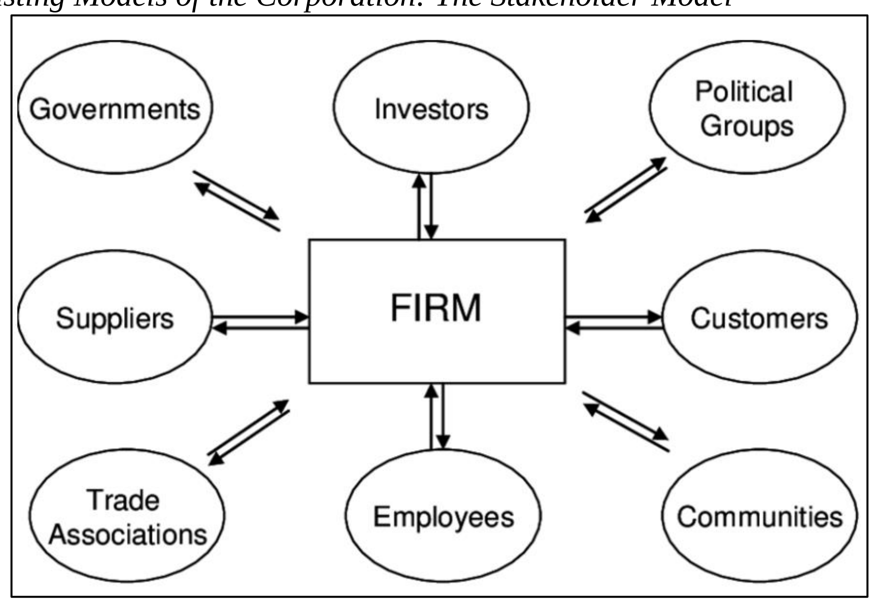
The stakeholder theory is based on the "relationships between an organization and its stakeholders" (Fernando & Lawrence, 2014, p. 157). Freeman's (1984) theory is centered around the idea that stakeholders' interests should be a primary focus when management makes business decisions. An organization's success depends on its ability to manage relationships with its stakeholders, which includes its customers, employees, suppliers, communities, financiers, and other stakeholders (Freeman & Phillips, 2002).

An organization's stakeholders can be classified into two stakeholder groups: primary and secondary (Clarkson, 1995). Primary stakeholders, like employees, customers, shareholders, and government, directly influence the company and are essential for its survival. Secondary stakeholders, like the media and special interest groups, indirectly affect the company and are not critical for its survival. Although secondary stakeholders are not essential for a business's survival, these groups can cause significant damage to an organization (Freeman, 1984). Thus, a company's management must acknowledge the equal value of all stakeholders, eliminate trade-offs between them, and align their interests. (Freeman & Dmytriyev, 2017).

To advance the stakeholder theory and argue whether its salience is relevant, Donaldson and Preston (1995) identify the theory as having three perspectives: descriptive, instrumental, and normative. From a descriptive perspective, the company comprises various stakeholders, each with its own interests. The instrumental view implies that stakeholder management is connected to financial results, suggesting that stakeholder interests should be managed appropriately to contribute to a positive bottom line. The normative perspective, which forms the basis for the stakeholder theory, proposes that the stakeholders' interests are intrinsically valuable, thereby identifying that each stakeholder deserves consideration for its own sake rather than simply because of its potential to serve another group, such as the organization's shareholders. Figure 2 depicts how stakeholders are identified based on their interest in the organization or the organization's interest in them.

Figure 2

Contrasting Models of the Corporation: The Stakeholder Model



Note. Donaldson and Preston (1995) utilize this visual to illustrate that individuals or groups with an interest in a particular organization do so to obtain benefits, and no set of interests and benefits has primacy over another.

The stakeholder theory states that stakeholder pressure is a crucial driving force behind CSR adoption (Yu & Choi, 2016). In the stakeholder framework, identifying differences between a corporation's economic and social goals is no longer relevant because the critical issue is the business's survival. Milton Friedman opposed the stakeholder theory by arguing that management should concentrate on activities that generate as much revenue as possible. Specific initiatives like CSR can reduce profit maximization, violating shareholders' obligations (Freeman & Dmytriyev, 2017). Moreover, Friedman (1970) asserts that CSR is fundamentally an immoral concept that impacts the rights of an organization's owners and that leadership engaging in these initiatives is stealing from its shareholders. Friedman also argued that a distinction should be made between the goals of organizations and the goals of individuals and the government (Hart & Zingales, 2017). The main focus of organizations should be maximizing their profits, while individuals and the government should focus on handling ethical issues. Based on stakeholder theory, however, there is plenty of evidence that social responsibility can be associated with profit maximization (Elrick et al., 2018).

Corporate Social Responsibility

According to Davis (1973), CSR is defined as "the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm" (p. 312). Carroll (1979) described CSR as "the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (p. 500). Matten and Moon (2008) defined it as "policies and practices of corporations that reflect business responsibility for some of the wider societal good" (p. 405). In addition, Turker (2009) described it as "corporate behaviors that aim to affect stakeholders positively, and that goes beyond its economic interest" (p. 413). An organization's CSR initiatives tend to have a direct focus on a broad range of societal concerns, such as labor standards, human rights, and global warming (Moon, 2014).

In today's business environment, organizations are increasingly focused on CSR initiatives. A business that creates a sustainable business model will support maximizing its investment and profit (Goedeke & Fogliasso, 2020). Mosca and Civera (2017) suggest that the intention of CSR may be a way to establish a foundation for an organization to become an active social and sustainable partner. Turker (2009) explains that "the increasing pressures of businesses on humanity and the natural environment have raised concerns among people all around the world considerably" (p. 411). Furthermore, the increase in stakeholder engagement, consumer sensitivity to ethical concerns, the rise of non-governmental organizations (NGOs), and the immediate demands of employees continue to spark the need for the continued growth of CSR concepts within organizations (Carroll, 2015).

Race

Ray (2019) states, "seeing race as constitutive of organizations helps us better understand the formation and everyday functioning of organizations" (p. 26). The racial makeup of the American workforce is continuously changing, making it a critical topic that organizations must research and comprehend. According to the 2022 US Census, employees who self-identify as White (75.8 %) currently encompass most of the United States labor force (US Bureau of Labor Statistics, 2022). Employees who self-identify as Black account for 13.6% of the workforce. However, it is important to note that the United States workforce is becoming increasingly diverse yearly. For example, Long and Van Dam (2019) reported before the pandemic that people of color (Blacks and Hispanics) were overtaking white hires in the prime age bracket of 25 to 54-year-old workers. Colby and Ortman (2015) forecast that the percentage of white Americans will continue to decrease, reaching 43.6% by 2060. The results suggest that the country's workforce will consist of a combination of ethnicities and races rather than one group holding a majority share, demonstrating the importance of understanding how business initiatives and decisions affect each ethnic group within the workforce.

Organizations must be equipped with solid diversity, equity, and inclusion (DEI) programs and the ability to recruit diverse top talent to remain competitive in today's marketplace programs. However, corporate leadership is often reluctant to implement these DEI programs as they can lead to complications for organizations. According to Leslie (2019), the primary objective of organizational diversity initiatives is to improve the workplace experience for marginalized groups. Several of these initiatives focus on generating non-discrimination, resource, and accountability practices and can lead to unintended consequences for the organization. For example, the outcome of the initiatives can negatively impact the organization's diversity directive and lead to decreased diversity representation in the organization or increased career gaps amongst races. Additionally, these initiatives can create a negative spillover where the outcome of the diversity initiatives causes undesirable effects, such as negative attitudes from nontargeted employees towards the organization, which can directly impact company performance.

Although diversity and inclusion programs have kept race at the forefront of organizations' minds, racial tension remains prominent and has become more prevalent in the United States in recent years. After the murders of George Floyd, Breonna Taylor, Ahmaud Arbery, and Rayshard Brooks in 2020, racial tensions rose significantly, sparking discussion regarding race, police brutality, and institutional racism (Tarin et al., 2021; Taylor & Wilcox, 2021). The attack on the United States Capitol in 2021 further sparked racial tensions nationwide (Cameron, 2021). These events have resulted in varying realities for racial groups in the United States due to experienced and publicized harassment, discrimination, and racism (Bowdler & Harris, 2022). Therefore, understanding the needs and differences between specific ethnic groups in the workplace, such as Black and White races, is necessary.

Corporate Social Responsibility and Race

The racial diversity of an organization can impact its CSR activities and overall performance. During a six-year study, Sharma et al. (2020) examined 204 organizations across nine industries and twenty-one countries to determine how racial diversity affected corporate social responsibility performance (CSRP). A company's CSRP in this study was based on evaluating its financial, social, and environmental performance. According to the findings, racial diversity can positively affect CSRP until a certain point, and then it can negatively affect the organization's overall performance. Therefore, organizations focusing on addressing the underrepresentation of minority groups in the workplace should continuously monitor their CSRP progress to minimize any negative impact.

Yacobian et al. (2022) examined the direct impact of consumers' perceptions of a company's CSIR behaviors by surveying 160 millennial and Generation Z undergraduate students. Their results found that non-white consumers have more awareness of and concern for the behaviors of an organization's CSR initiatives. These findings suggest that people of color can be more concerned with an organization's CSR initiatives than white people.

Methods

This study was centered around one research question, which focused on determining if the mean CSR scores (dependent variable) significantly differ between the two independent variable race groups of Black and White.

Research Question. – What is the difference in the mean CSR scores between financial services employees in the Midwest region of the United States who self-identify as Black or White?

This study includes null and alternative hypotheses for the quantitative research question regarding the difference in the mean CSR scores between the two identified race groups.

H_0 – There is no statistically significant difference in the mean CSR scores between financial services employees in the Midwest region of the United States who self-identify as Black or White.

H_A – There is a statistically significant difference in the mean CSR scores between financial services employees in the Midwest region of the United States who self-identify as Black or White.

A quantitative explanatory methodology was used to collect survey data to identify the differences in mean CSR scores between employees who self-identify as Black or White in financial service organizations within the Midwest region of the United States. A quantitative approach is best when using a survey method, such as Turker's (2009) 5-point Likert CSR survey instrument used in this study, to test hypotheses and expand on existing theories by explaining a phenomenon based on data collected (Verhoef & Casebeer, 1997).

The population for this study was employees working in financial service organizations in the Midwest region of the United States who self-identify as Black or White. Centiment, a third-party online organization that builds surveys and recruits potential targeted participants from their audience panel, was utilized to collect survey responses based on this population's specific inclusion and exclusion criteria, including using purposive sampling techniques to recruit and acquire potential participants.

A total of 64 responses were required for each race group based on the G*Power calculation. All the respondents needed to reside in the Midwest region of the United States and self-identify as Black or White to participate in the survey. This study used the five Likert scale CSR Development Survey Scale designed by Turker (2009) to identify the differences in mean CSR scores between the two target groups. An aggregated data score was calculated for each variable using the scale 1 = *Strongly Disagree*; 2 = *Disagree*; 3 = *Neither Agree nor Disagree*; 4 = Agree; 5 = *Strongly Agree*. A lower score from a respondent indicates they experience no level of satisfaction based on the CSR activities, versus a higher score indicating an increased satisfaction based on the CSR activities within their company.

Data Collection

Participants were asked to classify their self-identified race for the first demographic question. They could choose Black, White, or Other/Prefer Not to Answer. If they selected either Black or White, they would advance further in the survey. If they selected Other/Prefer Not to Answer, they were thanked for their participation, the survey stopped, and no further data was collected.

Next, participants were asked to confirm whether they lived in the Midwest region of the United States. For clarity purposes, this question identified the following states (North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Indiana, Michigan, and Ohio) as the Midwest region of the United States. If participants confirmed they currently resided in the Midwest region, they advanced to complete the survey. If not, they were thanked for their participation, and the survey ended. The next question asked participants to identify what financial service organization best described where they worked. This question listed Government – Local, State, or Federal, Credit Union, Commercial or Retail Bank, Mortgage Company, Investment Bank, Investment Company, Brokerage Firm, Insurance Company, and None of the above. If the participant selected None of the above, they were thanked for participating, and the survey ended. A choice of any other available option allowed them to move forward with completing the survey.

Additional demographic questions identified the participant's age range (18-29, 30-44, 45-59, 60 years or older), biological gender (male or female), the highest level of education (high school diploma, Associate degree, Bachelor's degree, Master's degree, Doctorate), and current household income ($0-$24,999, $25,000-$49,999, $50,000-$74,999, $75,000-$99,999, $100,000-$149,999, $150,000-$199,999, $200,000 and higher). Each of these questions also included an option for the participants to select that they preferred not to answer. Participants were not prevented from completing the survey due to their responses to any of these additional demographic questions.

After completing the seven demographic questions, the participants advanced to completing Turker's (2009) 17-question CSR survey scale. In each question, participants were asked to select one (strongly disagree) to five (strongly agree) on a 5-point Likert scale to describe their opinion of how their company demonstrates CSR. The 24-question survey, which included all of the demographic qualifying questions and Turker's complete CSR scale, was slated to take participants 15-20 minutes to complete. Names and other personally identifiable information about participants were not collected during the survey. Centiment uses a unique tagging system to assign each participant who enters the survey an anonymous identifier. This system ensured that participant information was kept confidential, and they could not complete the survey multiple times. Once all survey data had been collected, an encryption protocol through transport layer security (TLS) was utilized to transmit the data in Excel format for analysis. Data collected will be stored on an encrypted flash drive in a fireproof safe for a minimum of three years. After three years, the flash drive content will be erased, and the device will be destroyed.

Data Analysis

The study sample consisted of 150 participants (75 Black and 75 White), which exceeded the minimum of 128 surveys needed to ensure a .80 power (64 Black and 64 White respondents). Based on these results, post hoc G*Power was calculated, confirming the results had a power of 0.86, corresponding to an 86% chance the study results are significant. Additionally, testing was completed to determine the validity of the questions from Turker's (2009) 17-question CSR survey. This test was accomplished using the R commander scale reliability test. According to the results, the 17-question CSR survey was internally consistent and reliable, with 0.9139 alpha reliability and 0.9149 standard reliability.

Descriptive and numerical summaries of the CSR variable's maximum and minimum values and each race group's mean and standard deviation (SD) were calculated. The mean results comprised all participants' responses to the 17 questions from Turker's (2009) CSR Survey Scale based on the 5-point summated Likert rating scale. Participant responses from one (strongly disagree) to five (strongly agree) were added together and divided by 17 to understand the overall mean per race group. The results of the SD assisted in understanding how far the survey question responses varied against the mean results (Andrade, 2020). A lower distance from the mean of the dataset indicated that the mean represented the data well. In contrast, a higher distance indicated that the mean was not representative of the data (Richard, 2010).

Statistical data analysis is enhanced by using graphical representations of the observations (Rani Das, 2016). A histogram, box plot, and QQ plot of the CSR variable for each race group were built to facilitate comprehension and assess the normality assumptions of the data set. A histogram helped to identify outliers or gaps in the data, and a boxplot provided information regarding the symmetry of the data and graphically displayed the normality pattern of the data. The QQ plot graphically compared the two data sets to determine whether they were from populations with a similar distribution. In addition, the Anderson-Darling normality test was also completed on the CSR variable to assess deviation from the normality to ensure normal distribution existed for both the Black and White race groups (Krithikadatta, 2014).

Levene's test was used to test the assumption of homogeneity of variance among each group (Derrick et al., 2018). The researcher used R Commander software to calculate and determine the p-value result for this test. If p is $>.05$, the group variances were treated equally; however, if it is $<.05$, it identified that there were unequal variances between the two groups. After these assumption tests were completed, the independent *t*-test was administered. The independent t-test results determined whether the null hypothesis could be rejected, suggesting whether there was a statistically significant difference in the mean CSR scores between financial services employees in the Midwest region of the United States who self-identified as Black or White.

Descriptive Statistics

The study sample consisted of 150 participants currently employed who self-identified as Black or White, worked in the financial service industry, and lived in the Midwest region of the United States. Table 1 presents the demographic statistics of the collected survey data.

Table 1

Demographic Statistics from Survey Data Set

Demographic Statistics	Full Sample	
	n	%
Race		
Black	75	50
White	75	50
Financial Srvcs Industry		
Credit Union	13	9
Comm/Retail Bank	35	23
Mortgage Co	14	9
Investment Bank	15	10
Investment Company	14	9
Brokerage Firm	16	11
Insurance Company	43	29
Gender		
Female	79	53
Male	71	47
Age		
18-29	34	23
30-44	63	42
45-59	38	25
60 and older	14	9
Prefer not to answer	1	1
Education		
High School Diploma	33	22
Associate Degree	24	16
Bachelor's Degree	58	39
Master's Degree	29	19
Doctorate	6	4
Household Income		
$0-$24,999	6	4
$25,000-$49,999	30	20
$50,000-$74,999	41	27
$75,000-$99,999	22	15
$100,000-$149,999	33	22
$150,000-$199,999	11	7
$200,000 and higher	6	4
Prefer not to answer	1	1

Out of the 150 surveys, the participants who self-identified as Black (n = 75) were equal to those who self-identified as White (n = 75). Insurance companies (29%, n = 43) constituted the participants' most significant industry category, followed by commercial or retail banks at 23% (n = 35). The fewest participants were from brokerage firms (11%, n = 16), investment banks (10%, n = 15), mortgage companies (9%, n = 14), investment companies (9%, n = 14), and credit unions (9%, *n* = 13), respectively. There were more female respondents (53%, *n* = 79) than male respondents (47%, *n* = 71).

The smallest age groups of workers were those 60 years of age or older (9%, *n* = 14), whereas the largest group ranged from 30-44 years old (42%, *n* = 63). The highest percentage of participants held a Bachelor's degree (39%, *n* = 58), and the lowest percentage was a Doctorate (4%, *n* = 6). Lastly, the most prominent household incomes for the participants were in the range from $50,000-$74,999 (27%, *n* = 41), followed by $100,000-$149,999 (22%, *n* = 33) and $25,000-$49,999 (20%, *n* = 30). The lowest percentage of participants held a household income ranging from $75,000-$99,999 (15%, *n* = 22), $150,000-$199,999 (7%, *n* = 11), $0-$24,999 (4%, *n* = 6), and $200,000 and higher (4%, *n* = 6).

The numerical summaries of the CSR variable for Black and White groups were calculated using R Commander software (Table 2).

Table 2

Numerical Summaries of CSR Variable for Black and White Groups

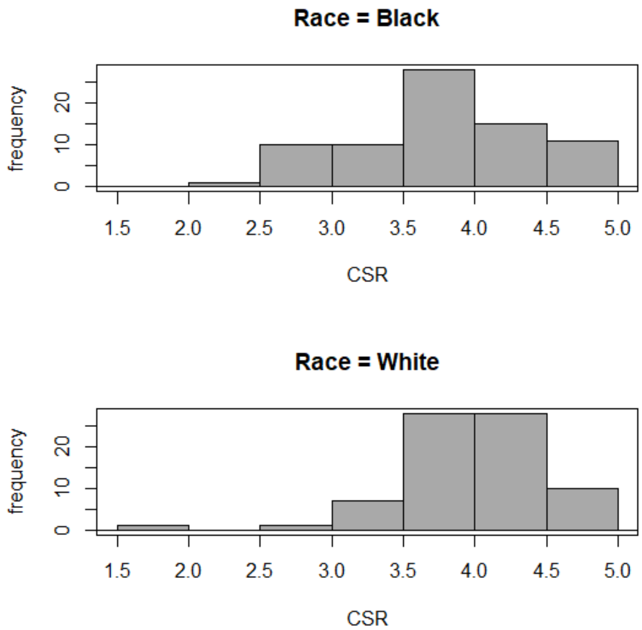
	M	*SD*	*Skew*	*Kurt*	*n*
Black	3.83	0.63	-0.13	-0.34	75
White	4.01	0.53	-1.17	4.04	75

Preliminary Statistics

After identifying the descriptive statistics, including the demographic statistics and numerical summaries of the CSR variable for Black and White race groups, a histogram, boxplot, and QQ plot of the CSR variable for each race group was created utilizing R Commander software. The graphs assisted in facilitating comprehension and assessing the data set's normality assumptions. Reviewing the histogram in Figure 3, both race groups primarily represent a normal distribution. However, the White race identifies outliers within the 1.5 to 2.0 frequency range, representing a negative skew.

Figure 3

Black Versus White Group Histogram

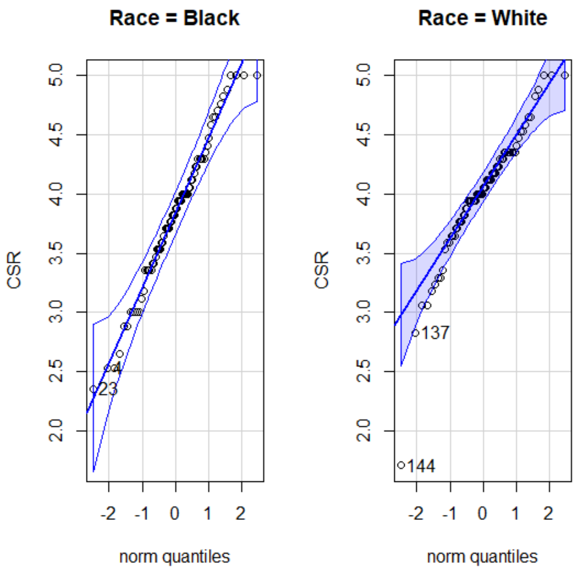


Note. This figure represents a histogram for the CSR variable based on Black and White race groups.

The QQ plot results (Figure 4) identified the CSR variable presented as normally distributed for the Black race group. However, outliers were recognized primarily in the lower portion of the QQ plot for the White race group. As a result, these outliers were identified as survey results outside of the 95% confidence line, in which the researcher was not confident that White race group results met normal distribution expectations. Lastly, the boxplot results (Figure 5) suggest that the CSR variable's Black and White race groups show signs of agreement, although two prominent outlines exist for the White race group.

Figure 4

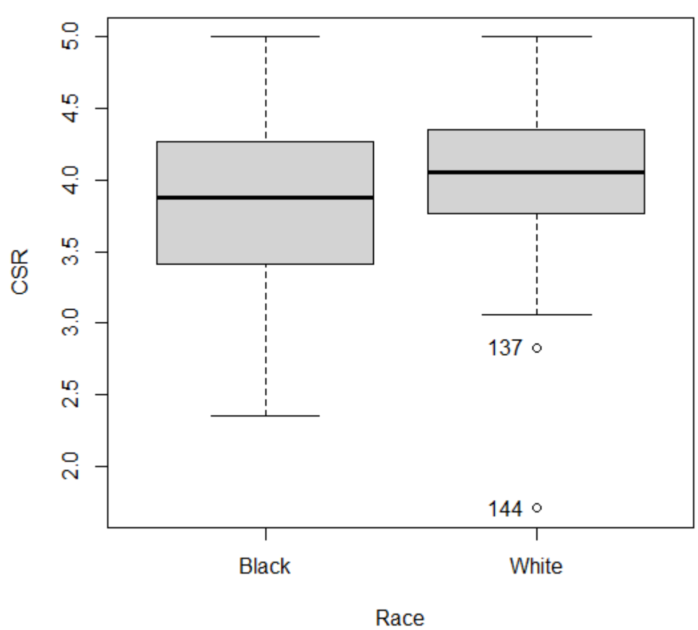
Black Versus White Group QQ Plot



Note. This figure represents a QQ plot for the CSR variable based on Black and White race groups.

Figure 5

Black Versus White Group Boxplot



Note. This figure represents a boxplot for the CSR variable based on Black and White race groups.

The Anderson-Darling test was used to assess deviations from normality. The results of the test on the CSR variable based on both race groups were significant: Black (A = 0.27, p = 0.68) and White (A = 1.11, p = 0.01). Thus, the CSR variable was not considered normally distributed. Due to the requirement that the data be normally distributed to perform an independent samples *t*-test, the identified outliers were examined in the boxplot results for the White race group. The relative ease of online survey data collection can be found to cause participants to potentially experience disinterest when completing surveys (Singh & Sagar, 2021). This participant disinterest can disrupt the representativeness and validity of the survey findings. In this study, data files 137 and 144 were identified as outliers and noted in the White race box plot (Figure 5) and were removed, and the Anderson-Darling test was re-run to assess deviations from normality. The test results on the CSR variables based on both race groups were not significant: Black (A = 0.27, p = 0.68) and White (A = 0.46, p = 0.26). With the CSR variable found to be normally distributed, the independent-sample *t*-test could be used to complete the study's hypothesis testing. Lastly, Levene's test of the homogeneity of the mean-variance of the CSR variable based on Black and White race groups was performed. The test results were significant, $F(1, 146)$, p = 0.003, identifying that the variances between the two race groups are not to be considered equal.

Summary of Results

An Independent Samples *t*-test was performed on the CSR variable. The variable was considered normally distributed, and the group variances were not considered equal. The result of the Welch two-sample *t*-test was significant, t(148) = -2.56, p = .001. The Black race group (M = 3.83, SD = 0.63) and the White race group (M= .401, SD = 0.53) are considered statistically different. Therefore, the null hypothesis was rejected as there is a statistically significant difference in the mean CSR scores between financial services employees in the Midwest region of the United States who self-identify as Black or White.

Discussion and Implications

There has been a growing stakeholder interest for organizations to act on developing and enhancing their social responsibility functions. By establishing successful CSR initiatives, an organization can successfully increase employee engagement (Saad et al., 2021; Soni & Mehta, 2020), motivation (Hur et al., 2018; Kunz, 2020), and retention (Lee & Chen, 2018; Zainee & Puteh, 2020), along with the ability to enhance its profitability (Zheng, 2020).

This study supported the idea that an organization's leadership should create value for all stakeholders (Dmytriyev et al., 2021). The stakeholder theory and CSR emphasize the importance of a company's commitment to its community and society (Freeman & Dmytriyev, 2017). However, the research on the effects of CSR activities on different races is limited in the literature.

The results of this study provided empirical evidence that there is a statistically significant difference in the mean CSR scores between financial services employees in the Midwest region of the United States who self-identify as Black or White. This study may help an organization's leadership team understand the importance of implementing programs designed to address the current concerns of all their employees. The results of this study are relevant to the Midwest region as the region consists of over 1.63 million people employed within the financial services sector (Statistical Atlas, n.d.). Moreover, these two racial groups comprise the majority of the workforce in the region, with the White population comprising 79.5% and the Black population comprising 10.4% (US Census Bureau, 2022). While this study surveyed equal numbers of Black and White financial services employees, the number of Black employees who work in the financial services industry is only 14.6%. In comparison, White employees comprise 72% of the financial services sector (Hickey, 2021). The significant disparity becomes evident when comparing the proportion of black and white employees to those of black and white individuals in the overall population, which could have skewed the results.

As one of the most prominent theoretical frameworks surrounding CSR, the stakeholder theory advocates that business leaders must create value for all stakeholders; an organization's success depends on its ability to manage these stakeholder relationships (Freeman & Phillips, 2002). This study contributes to the stakeholder theory by recognizing stakeholders' awareness and expectations regarding CSR, which vary between races. The results of this study support the need for organizations to continue to broaden their strategic CSR efforts to maximize their investments and profits (Goedeke & Fogliasso, 2020).

The United States continues to face racial conflict, leading to the need for organizations to place greater emphasis on issues related to race, identity, and difference (Tarin et al., 2021). The theory of CRR promotes racial justice within organizations to improve race relations and enhance social equality and harmony (Logan, 2021). Employees perceive organizations that actively engage in CSR activities as bringing positive benefits (Zelazna et al., 2021). As Brunton et al. (2015) found, specific measures must be taken by leadership and HRM teams to communicate effectively with employees. Leadership must develop effective communication plans around their CSR initiatives that can aid in recruiting and retaining top talent to maximize their overall profitability (Elrick et al., 2018). The results of this study support the idea that an organization's CSR approach can affect and motivate employees of diverse race groups differently.

Recommendations

The target population for this study focused specifically on the financial service sector within the Midwest region of the United States in reviewing employees who self-identified as either Black or White race. Future studies should be conducted in different areas of the United States to see if the results of this study could be replicated in different geographic locations. A follow-up qualitative study should be conducted to determine whether specific social and cultural factors occurring within the Midwest region impacted the results of this study compared to other regions of the United States. Another consideration would be to review and compare other race group populations. Since the United States is seeing an increase in Asian, Hispanic, and Black populations within the workforce, it is crucial to understand how multicultural populations influence how different races view CSR initiatives within an organization (US Census Bureau, 2022).

Additionally, future studies might examine a different industry sector. Given the study's focus on the financial service sector, it would be beneficial for researchers to consider how an organization's CSR activities may affect the technology, retail, or healthcare sectors. Furthermore, although gender was included in this study as demographic information, looking at any CSR differences between male and female employees may be beneficial. It is recommended that organizations develop an effective CSR philosophy that applies to all employees and that takes into consideration different employee characteristics (Rosati et al., 2018).

Concluding Remarks

The purpose of this quantitative, nonexperimental, casual-comparative study was to examine the differences in mean CSR scores between Black and White employees in financial service organizations in the Midwest region of the United States. The study found a statistically significant difference in the mean CSR scores between Black and White race groups amongst this target population. A limited amount of literature exists on the relationship between CSR and race. The results of this study contribute to the literature by providing valuable information that can be used by an organization's leadership and HRM teams to develop impactful CSR strategies and initiatives that consider the apparent differences between the races of Black and White employees. Corporate responsibility to race provides a way to identify and analyze how a company's leadership team communicates about race. Research supports that companies with successful CSR programs are more profitable than those without (Elrick et al., 2018; Kumar, 2019; & Zheng, 2020). As Brunton et al. (2015) state, an organization's leadership must be "seen as not simply *talking the talk*, but rather 'walking the walk,'" suggesting that employees must understand and effectively translate the organization's CSR vision for it to have continued success.

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