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## **Authentic leadership's influence on strategic corporate social responsibility in South Africa: mediated by participative decision-making**

Bradley Majil'andile Nqumba and Caren Brenda Scheepers \*

Gordon Institute of Business Science, University of Pretoria, Johannesburg, South Africa

\* Corresponding author: Caren Brenda Scheepers can be contacted at: [scheepersc@gibs.co.za](mailto:scheepersc@gibs.co.za)

### **Abstract**

**Purpose:** The purpose of this paper is to investigate the influence of authentic leadership on strategic corporate social responsibility (CSR) in a less researched environment. This study set out to fill that gap in researching the direct influence of employees' perceptions about the authenticity of their leaders as well as indirect effect through participative decision-making on strategic CSR which means the genuine intention to benefit society.

**Design –** A quantitative research approach was followed, with an online survey to employees in large South African corporations across various industries that were mostly more than 10 years old. There were 1417 useable questionnaires. Structural equation modelling was used to test proposed hypotheses of mediation effects.

**Findings -** The results revealed that authentic leadership has a significant indirect effect through participative decision-making on employees' perceptions around strategic CSR – that is, whether their corporations are genuinely socially and environmentally responsible.

**Research limitations/ implications –** The data collected were cross-sectional and survey based in the South African corporate environment, therefore limited generalisations can be made and causality could not be claimed.

**Practical implications –**Authentic leadership and participative decision- making are required to significantly influence employees' perceptions about companies' genuine interest in benefiting external stakeholders. Consistency between leaders' words and deeds is important for employees and therefore companies must be socially responsible towards employees.

**Originality/ value –** The main contribution of this research lies in showing that perception of leaders' authenticity was enhanced when employees were allowed to participate in decision-making, which then increased positive perceptions about the organisation's CSR focus. The study highlights similarities between authentic leadership and the African humanism philosophy of Ubuntu.

**Keywords:** Authentic leadership; Participative Decision Making; Strategic CSR; Sustainability; Ubuntu leadership; Humanism

**Paper type:** Research paper

## **Introduction**

The South African business environment is characterized by sometimes strained relationships and low trust levels (Giokos, 2016) between businesses and their surrounding communities (Heyns & Mostert, 2018). South Africa could therefore benefit from leaders who are sincerely caring towards the broader society (Hilson, Hilson, & Dauda, 2019). An organization which are perceived as caring for society build trust by signalling to its stakeholders that it is not purely self-interested (Barnett, 2019). In this regard, South Africa is one of the 195 countries to have adopted the United Nations' Sustainable Development Goals (SDGs), the main imperative of which is to end poverty, protect the planet and ensure prosperity for all (Dyllick & Muff, 2016). Inekwe, Hashim, & Yahya (2020, p.228) define Corporate Social Responsibility (CSR) as, "...the will of a corporation to accomplish sustainable development and to improve the quality of life through cooperation with employees, families, communities...". Fatma, Rahman and Khan (2016) note that the majority of research on CSR has been carried out in western nations. Our research adds to the sparse literature about CSR in emergent nations by answering the calls for more systematic empirical studies in developing countries (Fatma et al., 2016), especially Africa (Inekwe et al., 2020).

The intention of CSR is to make a positive contribution to a community, as an important stakeholder group, originally described by Carroll (1979) as an act of goodwill. Stakeholders are "any group or individual who can affect or is affected by the achievement of the firm's objectives" (Freeman, 1984, p. 46) and primary stakeholders are those who directly influence a company. Employees are one of these important primary stakeholder groups.

Barnett (2019) emphasises that employees view a company involved in CSR as more trustworthy and therefore a more desirable place to work and then reward the company with greater loyalty (Fombrun, Gardberg, & Barnett, 2000). Waddock and Smith (2000) also point out that CSR activities may not only make a positive contribution to society, but signals that the business is a caring employer, which benefits its employee recruitment. Metcalf and Benn (2013) emphasise that leadership plays an important role in enabling CSR activities, in particular, that sustainable development is complex and requires human capacity to provide authentic leadership. Steffens, Wolyniec, Okimoto, Mols, Haslam and Kay (2021) confirm that authenticity influences a range of positive outcomes among followers, groups and organisations.

Comprehensive literature reviews (Gardner, Coglisser, Davis, & Dickens, 2011) and meta-analyses on authentic leadership (Banks, McCauley, Gardner, & Guler, 2016) indicate several positive consequences of authentic leadership, including increased authenticity in followers (Leroy, Anseel, Gardener, & Sels, 2015) and employee engagement (Scheepers & Elstob, 2016). While previous studies have specifically focused on the influence of authentic leadership on employees perceived organisational citizenship behaviour (Yammarino, Dionne, Schriesheim, & Dansereau, 2008), the current study goes further than considering support for employees; instead, it considers employees' perceptions about support for the organisation's external stakeholders. A further question concerns whether the organisation's CSR reflects that the organisation is sincerely caring for society.

We propose that there may be boundary conditions to consider in studies about the influence of authentic leadership on employee perceptions (Alvesson & Einola, 2019; Gardner, Karam, Alvesson & Einola, 2021). This study therefore contributes to the conversation in academic literature about authentic leadership's impact on employees. Relevant to the African context, we refer to Ubuntu as a philosophy which is shared by ethnic tribes across the African continent. The current study's literature review shows that the Ubuntu philosophy is based on humanity, respect, caring and empathy, and

community interests are more important than individual interests and therefore is a good fit with the characteristics of authentic leadership.

We propose that, because consistency between leaders' words and deeds is important for employees (Gardner et al., 2005), leaders must demonstrate their consistent authenticity by taking actions that allow employees to participate in decision-making (PDM). Employees expect to be involved in decisions that influence their work (Aramovich & Blankenship, 2020). We suggest, therefore, that the perception of leaders' authenticity is enhanced by participative decision-making, which then increases positive perceptions about the organisation's CSR focus.

The article is structured as follows: The literature review below pays attention to the current theory around CSR, to which this study contributes. It then focuses on authentic leadership as the independent variable in the study and finally participative decision-making as a mediator. The discussion then moves to the methodology section where we explain the collection of data via an online survey. The results follow as well as linking the results to current literature and the article concludes with implications for theory and practice.

## **Literature Review**

### ***Stakeholder theory and Corporate Social Responsibility***

Corporate Social Responsibility (CSR), defined as philanthropy by business, first emerged in the 1950s in the USA and was perceived as the donation that would be given by the organisation to the public for the benefit of the public (Alpana, 2014). CSR was later defined in Carroll's seminal theoretical contribution as the organisation's sense of responsibility towards the local community and natural environment in which operations take place and upon which the organisation's survival depends (Carroll, 1991). Stakeholder theory defines stakeholders as those groups without which the organisation will cease to exist (Freeman, 2010; Miles, Scott, & Breddon, 2012). Employees are therefore important stakeholders of a business (Carroll, 1991). Both CSR literature and stakeholder theory refer to the survival of the company, illustrating the strategic nature of both. There is even a body of knowledge within the CSR literature called 'strategic CSR' (Peloza & Falkenberg, 2009; Busch & Friede, 2018) which emphasises that CSR initiatives make business sense and contribute to good corporate reputations. Similarly, within the stakeholder theory literature, instrumental stakeholder theory (Jones, 1995) notes that corporations which engage with their stakeholders perform better financially and have a competitive advantage. Freeman and Phillips (2002) note that stakeholder theory is first and foremost about business and capitalism, while Barnett (2019) emphasises that stakeholder satisfaction is not motivated by altruism.

These streams of thought are important for this study as they could influence the perceptions of CSR initiatives by company employees as well as beneficiaries of these initiatives, or the so-called secondary stakeholder groups. Inekwe, Hashim and Yahya (2020, p. 227) remark that developing countries, like South Africa in the current study are unique in the following regard, "The nature of CSR initiatives in developing countries is, however, of philanthropic support." In the resource constraints environments of developing countries, Inekwe et al. (2020) emphasise that CSR should nonetheless go beyond philanthropy, by embracing responsibility for the organisation's actions and encouraging a positive impact through its activities on the environment, consumers, employees, communities and all stakeholders. This noble definition of CSR shows its pure intention. We need, however, to take note of Barnett's (2019) contention that when a company seeks to benefit society, its stakeholders may infer that the company is trustworthy and might therefore favour the company, for example, donations to employees by the organisation may improve their perceptions of the organisation. In this regard, we

need to consider Ghoshal's (2005) warning that management theories can become self-fulfilling prophecies. Barnett (2019) therefore advises that getting the theories right can help to get the practice right. He warns that a business case for supporting society requires companies to find ways to simultaneously be other-serving and self-serving. However, these aims are fundamentally at odds, and he proclaims therefore that, "As a field we may have successfully fooled ourselves into believing that these opposing states can be brought consistently in alignment through market mechanisms" (Barnett, 2019, p. 185).

When companies mainly serve their primary stakeholders, such as their customers and employees, they are in effect serving themselves. A reorientation is therefore required as well as an acknowledgement that CSR initiatives might entail many trade-offs and will not always create win-win solutions. Due to the focus of stakeholder theory on stakeholders as instruments in the financial performance of companies, CSR might not be effective in managing many of society's pressing problems (Barnett & Salomon, 2012) and might drive companies away from a deeper involvement with society (Barnett, 2019). This study is interested in how consistently employees experience the authentic pro-social behaviour of their leaders (Gardner et al., 2005), and how aligned their experiences are of their companies' pro-social behaviour towards secondary stakeholders, such as communities or the environment, which does not directly influence the financial performance of the company (Freeman, 1984). We propose that these links between the treatment of internal and external stakeholders are important. Back in the nineties, Waddock and Graves observed that positive perceptions of employees about CSR initiatives make it easier to attract talented employees (Waddock & Graves, 1997).

The creating shared value (CSV) theory of Porter and Kramer (2011) is worth mentioning here as it links to the discussion above. If a company focuses on profiting from its strategic CSR, or instrumental stakeholder initiatives, it might not address societal needs. CSV can be described as an alternative to traditional CSR in that the model thrives on finding opportunities hidden in social problems (Alpana, 2014). Crane, Plazzo, Spence and Matten (2014) criticise this concept and note that shared value creation is limited to those issues and concerns that promise economic value for business and is unlikely to be a sufficient approach to solving societal problems. This criticism links to Bartlett's (2019) concern that both CSR and stakeholder theory lack genuine focus on societies' problems.

The concept of the 'triple bottom line' emerged from the realisation that business should not only have the single goal of successful financial performance, but should also report on social and environmental aspects (Elkington, 1998; Crane & Matten, 2016; Elkington & Fennell, 2000; Perrot, 2015). According to Timothy and Flanagan (2016), the three dimensions of people, planet and profit should be vital elements of the annual reports of most organisations.

In South Africa, integrated reporting is required by the Johannesburg Stock Exchange (JSE) and through the King governance body (King, 2009), which advises that integrated reporting enhances a company's potential to create economic value because it allows the board to look beyond immediate financial gain to the benefits for society, the environment and the company itself. According to (King, 2009), sustainability is the primary moral and economic imperative of the 21st century, and sustainability considerations are rooted in the South African Constitution.

We argue that in the context of South Africa, it is important to consider the motives behind CSR activities. For example, Buddu and Scheepers (2021) show that the manner in which CSR activities are implemented at a South African mining company, where there is extreme poverty surrounding the mine, has a huge impact on the community's level of trust that the mine is looking after the community's interests. This illustrates that it may be time for CSR theory and stakeholder theory to reconsider the values and motives with which these theories are applied, as Bartlett (2019) advises.

While the advice of Barnett (2019) is sound, it is concerning that part of his solution is that, where business and society cannot align via market mechanisms, government should formally intervene to bring about this alignment. He emphasises “the role of government intervention in bringing about the desired level of alignment” (Barnett, 2019, p. 186). We advocate, by contrast, that this would bring about even more of a focus on compliance, instead of on true altruism. The Buddu and Scheepers (2021) study, in fact, demonstrates the lack of trust in the mine leaders’ motives when the company conducted CSR activities in compliance with “The Mining Charter” imposed by the South African government (Heyns & Mostert, 2018).

Other South African researchers, Vilakati and Schurink (2021, p. 2), reiterate the call to humanise business and its leadership in Africa, defining ‘humanising’ as the ability to ‘portray or endow with human characteristics or attributes; to make human’. They also note that African leadership practices often unfortunately do not sufficiently honour African human values. Khoza (2011) and Etieyibo (2017) describe African humanism as Ubuntu, which means “you are a person because of others or through others”. Ubuntu is a Nguni proverb, “Umuntu ngumuntu ngabantu” (Tutu, 2004; Khomba & Vermaak, 2012), and is a philosophy shared by ethnic tribes across Africa. Even though different countries speak different languages, the concept of Ubuntu has remained (Mangaliso, 2001). The same spirit of humanness, in which individuals love and care for one another authentically, is referred to as Ubuntu in the context of African management; it is based on service to humanity, because it involves a common purpose in all human endeavour (Khoza, 2006).

Vilakati and Schurink (2021, p. 2) emphasise the benefit of addressing the question of ‘what is humanly correct to do’? This approach promises a more holistic and sustainable balance of stakeholders. We propose that stakeholder theory, and CSR theory, could benefit from a reorientation of the underlying philosophy and subsequent practise, especially in Africa, and that Ubuntu, with its African humanism philosophy, might be more appropriate for an African context. Balancing stakeholder needs with a humane approach is relevant to the current study and the relationship between the authentic leadership construct and Ubuntu is therefore referred to in the discussion below. The discussion now moves to authentic leadership, which is the independent variable in this study.

### *Authentic leadership*

This discussion on authentic leadership theory, originally developed by Avolio and Gardner (2005), makes the theoretical link to humanistic leadership in the African context before explaining the sub-constructs and, finally, paying attention to the criticism against authentic leadership. This then leads into the next section on participative decision-making.

Khoza (2011) and Etieyibo (2017) proclaim that leadership in the African context is about interconnection between the community and society. Khoza (2011) encourages leaders to consider the humanistic philosophy of Ubuntu so that they are attuned to the African context and are reflective, resonant, value based, and vision led. Khoza (2011) further argues that the moral authority of leaders can never be built on opportunism, superficiality or laziness, because this authority develops from encounters with the communities they lead. Abebe, Tekleab and Lado (2020) recently observed that there has been a significant increase in scholastic interest in leadership in the African context, as demonstrated by the number of leadership studies that appeared in peer-reviewed journals which focus on Africa. These scholars also note the specific African leadership style, namely Ubuntu, and research which relates Ubuntu to ethical leadership. There is, however, no valid and reliable measurement scale available for measuring Ubuntu leadership. West (2014) nonetheless offers an extensive explanation of the relationship between Ubuntu and business ethics, by emphasising specific virtues, including humanness, caring, sharing, respect and compassion.

Aristotle's virtue ethics is an important link between how Ubuntu is described (West, 2014) and the underlying philosophy of authentic leadership, as formulated by scholars such as Lemoine et al. (2019). Authentic leadership is a well-researched construct in developed countries, and a valid and reliable measurement scale is available. In the current study, we propose that authentic leadership, the independent variable, influences perceptions of employees about strategic CSR. Our hypothesis is therefore:

*H1 Authentic leadership influences employee perceptions of strategic CSR*

Cianci, Hannah, Roberts and Tskakumis (2014) note that authentic leaders activate the morally laden working self-concept of their followers through altruism and virtue during their leadership. There has been a conscious focus to expand the authentic leadership literature to include the moral component, especially from 2005 onwards amid the rampant corruption in the world (Wulffers, 2017). Originally, Greek philosophy described authenticity as 'knowing thyself' or 'to thine own self be true', which was imprinted in the Temple of Apollo at Delphi (Gardner, Avolio, Luthans, May, & Walumbwa, 2005; Leroy, Anseel, Gardener, & Sels, 2015). However, a modern concept of authenticity has emerged over the past 80 years which draws from the positive psychology literature as well as positive organisational scholarship. This literature developed the notion of positive psychology capital which is now regarded as an underpinning of authentic leadership (Gardner et al., 2005; Wulffers, 2017; Avolio & Walumbwa, 2014). The most widely recognised definition of authentic leadership is that authentic leaders act in accordance with deep personal values and convictions (Avolio et al., 2004; Cianci et al., 2014; George, & Sims, 2007). This definition entrenches the idea that authentic leadership is based on humanism as a root construct of all positive forms of leadership (Avolio & Gardner, 2005).

Positive forms of leadership include ethical, transformational, servant and spiritual leadership, and Avolio & Walumbwa (2014) admit that the theory of authentic leadership tends to overlap conceptually with other positive forms of leadership. Authentic leadership, it is claimed, shares similarities with other forms of leadership, yet has distinct features making it a stand-alone construct (Lemoine, Hartnel, & Lercy, 2019).

Alvesson and Einola (2019) recently criticised the construct overlap between authentic and other forms of leadership. Gardner and Karam (Gardner, Karam, Alvesson, & Einola, 2021), in response to the criticism by Alvesson and Einola, clarified that authentic leaders are able to navigate the competing needs of stakeholders. Authentic leaders can articulate their values in ways that may resonate with and appeal to others. Lemoine et al. (2019), in turn, combine ethical, authentic and servant leadership theories as moral approaches; however, they differentiate authentic leaders as those who follow their own moral compasses. This differentiation is an important one for the current study, as we similarly advocate for a virtuous ethics approach, where the leader's character, or underlying motive, is important, as proclaimed by authentic leadership theory. Lemoine et al. (2019) observe, by contrast, that servant leadership, for example, resembles the consequentialism ethics philosophy, where the outcome of actions counts and the common good must be served by ensuring that the most people benefit. Ethical leadership in its turn, emphasises rewards and punishment to promote ethical leadership in followers (Brown, Treviño, & Harrison, 2005), and therefore goes further than following their own moral code as authentic leadership literature emphasises (Gardner et al., 2005).

Steffens, Wolyniec, Okimoto, Mols, Haslam and Kay (2021) observe that most research conceptualises authentic leadership as a general, higher-order factor that incorporates four sub-components, namely self-awareness, transparency, balanced processing and internalised moral perspective. Steffens et al. (2021) also point to the importance of authentic leaders being able to express their personal values and convictions, and the roles of self-knowledge and self-consistency. Self-awareness is a process by which

individuals reflect on their values, identity, emotions, goals, knowledge and capabilities. The balanced processing of information enables leaders and followers to actively listen to each other's viewpoints in a non-defensive manner, thereby increasing the prospects for achieving common ground. Finally, an internalised moral perspective incorporates basic values, such as respect for others and justice, that make it less likely that a leader striving for authenticity will seek to reconcile a values or goal conflict with followers by simply imposing his or her will.

While it is a noble thought that authentic leaders do not impose their will onto followers, the question remains as to whether authentic leaders, in practice, adhere to this principle in all situations. This brings the latest thinking in leadership studies to the fore, in which mediators and moderators must be examined to clarify the processes that underlie any phenomenon, and boundary conditions must be formulated. Gardner et al. (2021, p. 3) admit that, “We fully agree that authentic leadership, like many other forms of leadership (e.g., charismatic, transformational) is too often romanticized by both its scholarly and practitioner proponents as a cure for organizational ills that underestimates the role of situational contingencies”. One of these situational contingencies in organisations is participative decision-making. We therefore included this contingency in our conceptual model as a mediator. The following section pays attention to participative decision-making as mediator in the relationship between authentic leadership and perceptions of strategic CSR by employees.

### ***Participative decision-making***

Leaders are increasingly called upon to coordinate efforts to achieve shared goals with different stakeholders. Today's knowledge workers have increasingly specialised expertise and therefore expect to be involved in decisions about their work (Aramovich, & Blankenship, 2020).

One substantial barrier to speaking up is an employee's lack of conviction that his or her input is explicitly needed and desired by others, as the classic work by Edmondson (2003) points out. Gao, Janssen and Shi (2011) note that participative decision-making includes encouraging employees to express their ideas and suggestions. Elele and Fields (2010) also emphasise the importance of managers to value employee contributions in making decisions that affect the nature of work which in turn influences organisational commitment, in their study of a comparison between Nigerian and American employees.

Participative decision-making refers therefore to the decision-making by leaders who deliberately seek and make use of employee information and input when making decisions (Srivastava et al., 2006). Such leaders expect and encourage employees to express their ideas and opinions surrounding issues at stake and provide them with channels as well as opportunities to express their ideas, which is also known as voice delivery. In this regard, Elele and Fields (2010, p.371) observe that, “employees with higher levels of participative decision-making are involved in a wider range of decisions more frequently”. The original scale on decision-making from Kahnweiler and Thompson (2000) differentiated between the desired and actual level of participative decision-making and focused on how employees evaluated their immediate supervisor or manager in terms of whether they were asked for their opinion with regards to various aspects of the workplace. Gao et al. (2011) note that participative decision-making allows employees to form positive beliefs and therefore trust about how their leader seeks and values their ideas and creates an empowering work context. Employee opinions and suggestions are therefore sought and given prominence. Drawing on the previous discussion about authentic leadership, we propose that authentic leaders, with their transparency and unbiased (or balanced) processing, will positively influence participative decision-making. We therefore hypothesise:

## *H2 Authentic leadership will positively influence participative decision-making*

The original empirical studies by Black and Gregersen (1997) show that participative decision-making has evolved over the years from a unidimensional view that focused mainly on participation to a multidimensional construct. Black and Gregersen (1997) offer a humanistic or democratic rationale that people have a right to participate in decisions which affect their wellbeing or future. Decision-making within an organisation can also be across larger geographical areas and will affect other geographies and stakeholder groups (Milman, Chugh, & Bazerman, 2009). There is increased pressure to make decisions based on too much information within a short space of time (Milman et al., 2009). This tends to increase bias and the margin of error in decision-making, despite the fact that these managerial decisions are expected to be reflective and analytical in nature. The degree of involvement in the decision is considered an important dimension of participative decision-making.

In an African context, the philosophy of Ubuntu regards decision-making as inclusive. It is considered to be part of the connectedness to the community. From the Ubuntu perspective, it is expected that the decision taken emanates from a good place and has integrity, humility and compassion (Khoza, 2011).

Participation in decision-making meetings gives employees more insight into the organisation's actions to contribute to the social, environmental and financial wellbeing of its stakeholders. At these meetings, employees are exposed to information about relevant organisational initiatives, and we hypothesise that this exposure contributes to a more positive perception of the organisation's strategic CSR:

### *H3 Participative decision-making positively influences employee perceptions of strategic CSR*

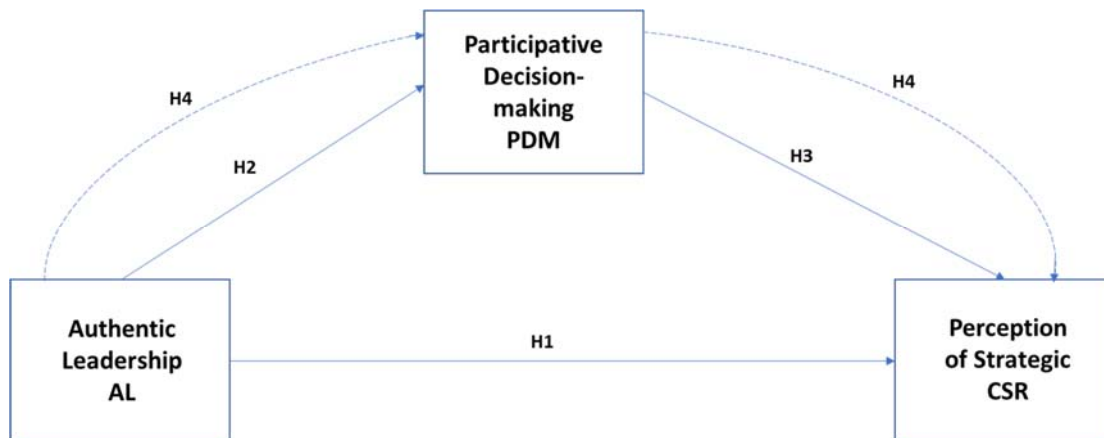
Interestingly, in a study in Indonesia, employee commitment decreased when employees participated in decision-making (Irawanto, 2015). More studies are therefore required in emerging markets, where unexpected results might challenge the perspectives of established theories. As discussed in the section on authentic leadership, the virtues of the individual leader could influence whether employees participate in decision-making. Work environments need to provide open access to information, resources, opportunities and support to enable both the leader and followers to develop (Gardner et al., 2005).

Authentic leaders must sustain an organisational climate or environment which allows both the leader and followers to grow and learn by participating in decisions (Avolio & Walumbwa, 2014; Leroy, Anseel, Gardener, & Sels, 2015). Giving full access to information, and thus providing fair opportunities to all in a transparent manner, is bound to create an organisational climate that is sustainable and difficult to replicate (Galpin, Lee Whittington, & Greg, 2015). We therefore propose that actual participation in decision-making demonstrates to employees that the company is serious about creating a climate in which they can offer suggestions and therefore enhances the authentic leader's attempt to offer support and show altruistic motives, which in turn enhances the perception of employees that the company's CSR strategic initiatives are genuine. We thus hypothesise that participative decision-making has a mediating effect on the relationship between perceptions of employees about the authenticity of their leaders and their positive perceptions about the strategic CSR of the company:

### *H4: Participative decision-making has a mediating effect on the relationship between authentic leadership and employee perceptions of strategic CSR*

We created a conceptual model of the relationships between these constructs in Figure 1 below.





**Figure 1: Conceptual model of the study**

The conceptual model summarises the relationships in this study. The first hypothesis is on the linear relationship between authentic leadership, the independent variable, and the perceptions of employees about strategic CSR. The model then illustrates the second hypothesis as authentic leaders, with their transparency and unbiased (or balanced) processing, which would positively influence participative decision-making. Hypothesis 3 then proposes that participation in meetings where decisions are made gives employees more insight into the organisation’s actions to contribute to the social, environmental and financial wellbeing of its stakeholders and contributes to a more positive perception of the organisation’s strategic CSR. We illustrate in the conceptual model the final hypothesis on the mediating effect of participative decision-making on the relationship between the authenticity of leaders and their employees’ positive perceptions about the strategic CSR of the company.

## Method

The study took a positivism perspective from a paradigmatic viewpoint, as it related to the investigation of social phenomena in their natural environment (Saunders & Lewis, 2012). The study applied a quantitative research methodology by analysing survey data (Creswell, 2014) and took an explanatory approach to evaluate the hypotheses, and focused on relationships between variables.

The research study was cross-sectional in nature since all the data was collected within the same year, using a standard questionnaire across all respondents (Babbie, 2001). Structural Equation Modelling (SEM) was best suited to study the effects of latent variables on each other, as SEM is a multivariate technique that considers and estimates the linear relationships between multiple exogenous (independent) and endogenous (dependent) constructs through a simultaneous, multiple equation estimation process (Babin & Svensson, 2012; Hair, Black, Babin, Anderson, & Tatham, 2010). Babin and Svensson (2012) warn that, while SEM has become one of the most widely used statistical tools in social sciences research, it cannot overcome poor measurement validity and reliability. The population for the current study consisted of employees (knowledge workers) in various organisations in South Africa (Creswell, 2014; Saunders & Lewis, 2012). The researchers accessed the respondents through Masters’ level students in Business Administration, who distributed the link of the survey to their colleagues at work. These were part-time students and who were in middle to senior managerial

positions in their own organisations. The unit of analysis for this study was the responses of the individual employees, as this indicated who should provide data and at what level of aggregation (Zikmund et al., 2009). A non-probability method was chosen. This meant it was not possible to obtain a list of the total population and therefore determine the chance of each member of the population being selected (Saunders & Lewis, 2012). Judgement or purposive sampling was used to collect the data from the population because the sample was heterogeneous with diverse characteristics (Saunders & Lewis, 2012).

The survey contained questions about biographical data and each of the measurement scales. The biographical questions include the age of the respondent, their gender, their race and level of management in the organisation, their tenure and the size and age of the organisation.

A five-point Likert scale was used to measure the respondents' perceptions, with five anchors, from strongly agree to strongly disagree. The Likert scale has theoretically equal intervals among responses, which can be used in statistical analysis and is well tested (Creswell, 2014). The data collected was self-administered through an online surveying tool. The respondents were able to understand the questions and had access to the internet, and the data was collected from organisations in various industries, including financial services, insurance industry, manufacturing, mining and telecommunications. The study had 1417 respondents to the survey which is considered more than adequate.

Informed consent was obtained from the respondents who were told of their right to withdraw, voluntary participation, anonymity, the procedures for answering the questionnaire and that there were no known risks (Creswell, 2014). The ethical principles for managing the research process were shared with the respondents, as required by the university's ethics committee (Saunders & Lewis, 2012).

### **Research instrument**

The survey questionnaire consisted of a biographical background data section and the scales. Control variables included the individual's role in the organisation and management level, as well as size and age of the organisation. This data was collected in the biographical section. The study made use of the existing Authentic Leadership Questionnaire (ALQ) scale of Mindgarden. The ALQ scale is the most frequently used measure of authentic leadership (Gardner, Cogliser, Davis, & Dickens, 2011). It is a 16-item scale that measures the four constructs of authentic leadership: self-awareness (four items), relational transparency (five items), internalised moral perspective (four items) and balanced processing (three items). A five-point Likert scale was used, ranging from 0 – Not at all, to 4 – Frequently, if not always. Examples of items included are, 'Says exactly what he or she means; Demonstrates beliefs that are consistent with actions'.

Questions were developed to collect data about participative decision-making based on the existing literature as existing scales were not adequate and had to be adapted. For example, the original scale of Kahnweiler and Thompson (2000) on participative decision-making was considered for the current study and we found that it had to be adapted as their question items included aspects such as whether employees were asked for their opinion by their immediate manager or supervisor and whether employees wanted or desired to be included in decision making. The items also focused on aspects like procurement, organisational goals and rules. The current study was focused on a broader aspect, like to which degree employees were involved as important stakeholders in the business and this item was therefore included in the questionnaire. A Likert scale, ranging from 0 – Not at all, to 4 –Frequently, was used. Examples of items included are, 'Our organisation includes employees as important stakeholders in decisions; The right decisions are made at the right levels in our organisation'.

Drawing on the CSR literature, the researchers developed questions to collect data on employee perceptions about strategic CSR, as the researchers found the existing scales to be inadequate, for example Fatma et al. (2016) offer a scale which is customised to CSR in the tourism industry and the in the current study employees participated from companies across various industries. The items had to be formulated in more general terms. . A Likert scale was again used, ranging from 0 – Not at all, to 4 –Frequently. An example of items included is, ‘Our organisation acts to reduce the negative impact on the environment; Our organisation’s strategy attends to the triple-bottom-line objectives namely, economic, social and ecological results.’

## Results

The respondents’ ages varied. The majority of respondents (38.3%) were in the 30 to 40 years age group. Gender was almost balanced with slightly more males than females, 54,8% of respondents were White, 25,7% Black, 10,3% Indian, 5,7% Coloured and 2,5% Asian. The majority of the respondents were middle managers (33.0%) and staff (31.4%), while 16,6% were senior managers and 7.5% executives. The majority of the respondents (27.1%) had between two to five years’ tenure, the majority (52.4%) were from large organisations with more than 1000 employees and the majority (94%) were from organisations that were more than 10 years old.

Skewness and Kurtosis in AMOS was used to analyse the dataset for normality. The values for Skewness were found to be between -2.58 and +2.58, and those for Kurtosis between -7 and +7, which is considered acceptable to prove a normal univariate distribution (Hair, Black, Babin, Anderson, & Tatham, 2010). See Table 1 for the results of the Skewness and Kurtosis tests:

**Table 1 Assessment of normality and Exploratory Factor Analysis**

Items	Skewness	Kurtosis	EFA
CSR1 Our organisation has various environmental sustainability initiatives, for example, recycling, sensitive packaging, reducing printing, reducing carbon footprint, energy-saving programmes etc.	-0.75	-0.366	.757
CSR2 Our organisation acts to reduce the negative impact on the environment.	-0.804	-0.061	.801
CSR3 Our organisation creates joint business and social value, called shared value, by developing businesses around us in our geographical area or called local cluster development.	-0.507	-0.544	.689
CSR4 Our organisation’s strategy attends to triple-bottom-line objectives namely, economic, social and ecological results.	-0.71	-0.027	.759

CSR5 Our organisation assesses the long-term social and economic development impact of its operations and/or social responsibility initiatives and philanthropy.	-0.635	-0.136	.724
CSR6 Our organisation measures efficiency in the use of input factors (e.g., natural resources and labour) and improved product and community impact (sustainability)	-0.547	-0.262	.656
PDM1 In our organisation, employees at all levels are empowered to participate in decision-making.	-0.184	-1.059	.736
PDM2 The right decisions are made at the right levels in our organisation.	-0.679	-0.372	.699
PDM3 Our organisation includes employees as important stakeholders in decisions	-0.468	-0.653	.733
ATSP1 Admits mistakes when they are made	-0.595	-0.564	.808
ATSP2 Encourages everyone to speak their mind	-0.853	-0.071	.738
ATSP3 Displays emotions exactly in line with feelings	-0.474	-0.499	.705
AME1 Demonstrates beliefs that are consistent with actions	-0.812	-0.054	.842
AME2 Asks you to take positions that support your core values	-0.868	0.175	.794
AME3 Makes difficult decisions based on high standards of ethical conduct	-0.938	0.247	.625
ASFA1 Seeks feedback to improve interactions with others	-0.666	-0.367	.882
ASFA2 Accurately describes how others view his or her capabilities	-0.541	-0.513	.879

ASFA3 Knows when it is time to re-evaluate his or her position on important issues	-0.599	-0.386	.773
ASFA4 Shows he or she understands how specific actions impact others	-0.743	-0.23	.846
ABEP1 Solicits views that challenge his or her deeply held positions	-0.563	-0.306	.855
ABEP2 Listens carefully to different points of view before coming to conclusions	-0.693	-0.38	.706

**Notes:** EFA = Extraction Method: Principal Component Analysis; CSR = Corporate Social Responsibility; PDM = Participative Decision Making; Authentic Leadership subconstructs ATSP = Transparency; AME = Moral/Ethical; ASFA= Self-awareness; ABEP = Balanced Processing

The Kaiser-Meyer-Olkin (KMO) test and Bartlett’s test of Sphericity, as shown in Table 2, were calculated to verify that the sample was adequate for factor analysis.

**Table 2 Results of Kaiser-Meyer-Olkin and Bartlett’s Test**

Kaiser-Meyer-Olkin KMO and Bartlett’s Test		
KMO Measure of Sampling Adequacy		.942
Bartlett’s Test of Sphericity	Approx. Chi-Square	34086.094
	df	561
	Sig.	.000

The results confirm that data was suitable and supported, as the KMO value was 0.942, which is above the threshold of 0.6, and Bartlett's test of Sphericity was significant (at 0.000). The Principal Component Analysis revealed the presence of five factors, with eigenvalues exceeding 1. Component number 1 had the highest eigenvalue of 11.523 which explained 33.89% of the total variance, while component number 5 had an eigenvalue of 1.188 which explained 3.49% of the total variance.

The scree plot showed only the three first factors, or components, and these were therefore considered for the next step of factor rotation and interpretation, as the plot suggested a clear break after the third component analysis. To help capture the components with high eigenvalues and organise them by order of importance, the Varimax orthogonal rotation was used as the extraction method. This method also extracts components that maximise the variance explained and aids the interpretation of these factors. The Varimax rotation supported the extraction of three components and the items associated with the components that had the highest loading values were highlighted. Authentic leadership was the first component and included 12 items. Participative decision-making was the second component and included 3 items. Strategic CSR was the fourth component, with 6 items.

The Confirmatory Factor Analysis was performed using the SEM analysis function of the IBM AMOS version 25 software. The measurement model confirmed the scales used to load on the relevant

constructs. To test that there was no discriminant validity concern, it was confirmed that the square root of the Average Variance Extracted (AVE) was greater than the correlation estimates (Hair et al., 2010, 2014; Kline, 2011). AVE measures the amount of variance in a construct in relation to the amount of variance due to measurement error (Fornell & Larcker, 1981). As recommended by Hair et al. (2010), convergent validity can be assessed by using both the factor loadings and the AVE, with both values expected to be above the threshold of 0.5.

The Maximum Shared Squared Variance (MSV) was used to measure the discriminant validity as it calculates the maximum shared variance of a construct and takes the square root of that value that value (Hair et. al., 2010). The values of the MSV coefficients should be lower than the AVE to establish discriminant validity (Hair et al., 2010). The values for the AVE were above the threshold of 0.5, which implied that the convergent validity for all the constructs in the model was satisfactory. This means that all the items selected were good measures of their respective constructs. The matrix of correlations and the AVE square root coefficients, as shown in Table 3, were used to further check any validity concerns that may have existed in the final measurement model.

**Table 3 Matrix with reliability, correlations and square root of AVEs**

Scale	Cronbach's Alpha	Composite Reliability	PDM	CSR	AL
<b>PDM</b>	0.819	0.818	<b>0.775</b>		
<b>CSR</b>	0.878	0.876	0.72	<b>0.739</b>	
<b>AL</b>	0.952	0.952	0.42	0.31	<b>0.79</b>

*Note: The diagonal values represent the square root of AVE*

Correlation & square root of AVE's matrix (Adapted from Hair et. al, 2010).

Reliability - Cronbach's alpha & composite reliability coefficient (Adapted from Hair et. al, 2010).

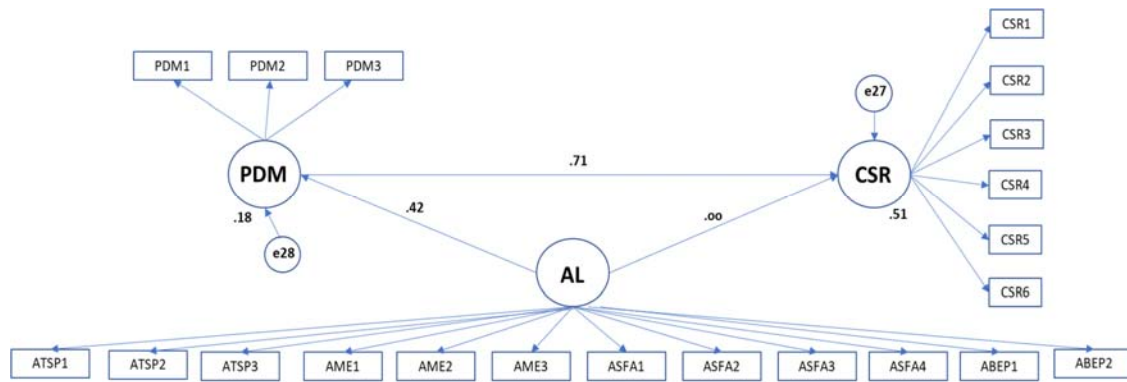
PDM = Participative Decision-Making

CSR = Corporate Social Responsibility

AL = Authentic Leadership

There was no discriminant validity concern in the final measurement model, as all correlation coefficients were lower than the square root of AVEs of their respective constructs. To establish the reliability of the responses to the questions in the research instrument, Cronbach's Alpha tests needed to be conducted on each construct (Saunders & Lewis, 2012). Composite Reliability (CR) is the method used in SEM to strengthen the reliability analysis as the Cronbach's Alpha has been found to underestimate the true reliability (Peterson & Kim, 2013). All the scales for Cronbach's Alpha were greater than 0.8 which was an indication of very good reliability. All the scales for Composite Reliability were above 0.7 which confirmed good reliability.

The Chi-square of the measurement model was 833.903, degrees of freedom 239 and p-value 0.000. Because of the large sample size, however, the Chi-square may have been overly sensitive (Crede & Harms, 2015). To indicate how well the data was explained by the model, a model fit was performed with a range of fit indices and thresholds that are used as good practice to report a model fit (Kline, 2011) as adapted from Hair et al. (2010). All indices were within the required thresholds which meant that the model fitted the data. It could therefore be concluded that the measurement model steps provided satisfactory results and the measurement model was accepted. The structural model depicted links between the constructs and defined the relations among these constructs as well as the direct or indirect influences they had on each other (Byrne, 2010), as shown in Figure 2.



**Figure 2: Structural model**

The structural model has a Chi-square of 833,903, p value of 0.000, and degrees of freedom value of 239. The model fit analysis is shown in Table 4 below.

**Table 4 Structural model fit indices**

Fit Indicator	Final Structural model	Threshold adapted from Hair et al. (2014: 579-580)	Interpretation
<b>CMIN/DF</b> (Chi-square/degree of freedom)	3.489	Between [3-5] (acceptable); Above 5 (bad)	<b>Acceptable</b>
<b>RMSEA</b> (Root Mean Square Error of Approximation)	0.044	Less than .05 (good)/Between [.06-.1] (acceptable)/Above .1 (bad)	<b>Good</b>
<b>NFI</b> (Normed Fit Index)	0.97	Less than .80 (bad)/Between [.80-.90] (acceptable)/Above .90 (good)	<b>Good</b>
<b>CFI</b> (Comparative Fit Index)	0.978	Less than .90 (bad)/Above .90 (good)	<b>Good</b>
<b>TLI</b> (Tucker Lewis Index)	0.972	Less than .80 (bad)/Between [.80-.90] (acceptable)/ Above .90 (good)	<b>Good</b>
<b>GFI</b> (Goodness-Of-Fit-Index)	0.958	Less than .80 (bad)/Between [.80-.90] (acceptable)/Above .90 (good)	<b>Good</b>
<b>AGFI</b> (Adjusted Goodness-Of-Fit-Index)	0.943	Less than .80 (bad)/Above .80 (good)	<b>Good</b>

**Structural model fit indices (Adapted from Babin and Svensson (2012))**

It can therefore be concluded that the structural model fitted the data satisfactorily and that it could therefore be utilised for the hypotheses analysis. The list of regression coefficient estimates and significance of the structural relationships of the model is shown in Table 5.

**Table 5 Regression coefficient and significance**

Hypothesis	Dependent variables		Independent variables	Regression coefficient estimate	P value
H1	Strategic CSR	<- -	Authentic Leadership (AL)	0.004	0.872
H2	Participative Decision Making (PDM)	<- -	Authentic Leadership (AL)	0.42	***
H3	Strategic CSR	<- -	Participative Decision Making (PDM)	0.71	***

**Structural model - Regression coefficient and significance**

PDM = Participative Decision-Making

CSR = Corporate Social Responsibility

AL = Authentic Leadership

As seen in Table 5, there was a non-significant relationship between authentic leadership and CSR, as the p-value was greater than 0.5 at 0.872. The rest of the relationships were significant at the 99% confidence level interval, with the p-value less than 0.01.

**Mediating effect analysis**

The analysis tested the mediating role of ‘participation in decision-making’ between authentic leadership and CSR. The mediation analysis was conducted using the Smart PLS 3, while bootstrapping enabled the computation of the estimates of the indirect effect at 95% bias-corrected p-values with the 2000 resamples. The mediation analysis results are shown in Table 6.

**Table 6 Mediation analysis**

<b>Objective 4: Determine if participative decision-making has a mediating effect on the relationship between authentic leadership and strategic CSR.</b>								
Hypothesis	Dependent variables (DV)	Direct Effect of Authentic leadership on the DV		Indirect Effect of Authentic leadership on the DV		Total Effect of Authentic leadership on the DV		Hypothesis Conclusion
		Coefficient	<i>p</i>	Coefficient	<i>p</i>	Coefficient	<i>p</i>	
4	CSR (PS)	0.023	0.296	0.209	0	0.232	0	Full mediation

**Mediation analysis (Adapted form Hair, Hult, Ringle, & Sarstedt, 2016)**

PDM = Participative Decision-Making

CSR = Corporate Social Responsibility

AL = Authentic Leadership



The resampling technique, in which a large number of subsamples are drawn from the original data, and estimate models tested for each subsample, is called bootstrapping (Hair et al. 2014). Such methods are available in the SEM software to estimate the indirect effects of variables (Hayes & Preacher, 2010), and particularly to test for mediation effects, as this methodology performs at its peak when doing this test (Cheung & Lau, 2008). Cheung and Lau (2008) suggested the number of resamples be set at 500. The use of the bootstrapping method for mediation analysis in SEM is supported by the current literature (Hair, Hult, Ringle, & Sarstedt, 2016).

The mediation analysis shows that participation in decision-making fully mediated the effect of authentic leadership on perception of strategic CSR because the indirect effect of authentic leadership was significant ( $p = .000 < .05$ ), while its direct effect was non-significant ( $P = .296 > .05$ ). This then meant that authentic leadership alone did not have a significant effect (.023) on CSR. However, once combined with participation in decision-making, authentic leadership started having an indirect effect (.209) on CSR. Therefore, it can be concluded that participation in decision-making was a full mediator between the relationship between authentic leadership and perception of strategic CSR in the sample.

**Table 7: Summary of results on hypotheses**

<b>Hypotheses</b>	<b>Hypothesised Relationships</b>	<b>Accepted or rejected</b>
Hypothesis 1	Authentic leadership influences employee perceptions of strategic CSR	Rejected
Hypothesis 2	Authentic leadership will positively influence participative decision-making	Accepted
Hypothesis 3	Participative decision-making positively influences employee perceptions of strategic CSR	Accepted
Hypothesis 4	Participative decision- making has a mediating effect on the relationship between authentic leadership and employee perceptions of strategic CSR	Accepted

Table 7 summarises the results in this study per hypothesis. The discussion section next explains these results in the light of current literature as well as implications.

## **Discussion**

The discussion is structured according to the four hypotheses and makes sense of the findings, by linking them to the existing literature, considers the limitations of this study and offers suggestions for further research.

Employees view companies involved in CSR as more desirable places to work (Barnett, 2019; Fombrun et al., 2000). The current study was interested in whether employees in South African organisations perceived their strategic CSR initiatives positively, and the antecedents to this positive perception. The influence of authentic leadership was therefore investigated, as we proposed that the more leaders were perceived as authentic—and thus as supportive towards their employees—the more positively employees would perceive their organisation’s strategic CSR initiatives and thus the organisation’s support for external stakeholders.

The results on the investigation of the relationship between authentic leadership and perceptions of CSR (Hypothesis 1) indicated surprisingly that there was no significant direct relationship between authentic leadership and employee perceptions about strategic CSR. This relationship was only significant through the mediator effect of participative decision-making. Our finding supports recent criticism of

research into this leadership style (Alvesson & Einola, 2019; Gardner et al., 2021) and confirms that boundary conditions must be considered in studies of the influence of authentic leadership on employee perceptions.

According to Avolio, Gardner, Walumbwa, Luthans and May (2004) and Leroy, Anseel, Gardener and Sels (2015), authentic leadership attracts positive psychological capacity and creates a positive ethical climate. These result in greater self-awareness, internalised moral perspective, balanced processing of information and relational transparency on the part of the leaders working with employees, and influence positive self-development. Authentic leaders need to go further, however, by actively involving their employees in participative decision-making in order to create positive perceptions about their companies' strategic CSR initiatives. Our survey questions included, for example, whether employees perceived their organisations as focusing on the triple bottom line, that is, its financial, social and environmental impact (Perrot, 2015; Timothy & Flanagan, 2016).

The findings around the relationship between authentic leadership and participative decision-making (Hypothesis 2) revealed a positive relationship between authentic leadership and participative decision-making. That is, authentic leadership contributes to participative decision-making in an organisation. If authentic leadership goes up by 1 standard deviation, there is a 99% chance that participation in decision-making also goes up by .42 of its own standard deviation. Authentic leadership has a strong positive linear relationship with participative decision-making, since both constructs have a positive orientation based on the theory. Authentic leadership is thus a significant predictor for a participative decision-making context and explains about 42% of the variance.

The literature shows that authentic leadership is about being self-aware, and having balanced processing, relational transparency and internalised moral ethical perceptions (Gardner et al., 2005; Gardner et al., 2021). The current study showed authentic leadership to be a higher-order factor, in line with similarly to Steffens et al. (2021), with no subscales; all 12 questions weighted on a single factor. We kept the one factor in the model because of the discriminant validity issue that would have been created if we had used the four subscales.

Participative decision-making, like authentic leadership, has a positive impact in an organisation because it ensures that employees are involved in decision-making (Srivastava et al., 2006), and that they contribute positively towards the success of the organisation (Black & Gregersen, 1997). It is therefore bound to create a sustainable organisational climate (Galpin, Lee Whittington, & Greg, 2015). Participative decision-making is defined as the participation of employees in organisational processes in which they can influence, and are involved in, relevant decisions which affect them and their communities. A participative environment influences the level of participation by employees which then increases the levels of motivation and commitment (Ladd & Marshall, 2004). Participative decision-making provides access to information, and thus fair opportunities for all to contribute ideas in a transparent manner (Gao et al., 2011).

Leadership in the African Ubuntu context is about connectedness, integrity, humility and compassion, as well as doing the right thing for the community (Khoza, 2011). Our literature discussion showed the similarities between this humanistic philosophy and authentic leadership. So, it does make sense that the relationship between authentic leadership and participative decision-making is significant, because it talks to the relational transparency and balanced processing that encourage employees to offer their ideas and suggestions, that is, to participate in decision-making. The current study therefore shows that the call to humanise business (Vilakati & Schurink, 2021) by adhering to the Ubuntu philosophy (Mangaliso, 2001) needs to be answered as this would contribute to a climate of participative decision-making. In the South African environment, this climate of participative decision-making is particularly

important to build trust, since business relationships are sometimes strained with low trust levels (Giokos, 2016).

The results on the relationship between participative decision-making and perceptions of CSR (Hypothesis 3) indicated that the study confirmed that there is a positive relationship between participative decision-making and employees' positive perceptions about the organisation's strategic CSR. Since participative decision-making of the primary stakeholders, that is, employees, is essential to create a positive perception of strategic CSR, organisations should therefore focus their attention on sharing information about their strategic CSR projects, and involving employees in problem-solving and idea-generation.

With stakeholder inclusivity in decision-making, transparency becomes an important value because if the organisation is to let stakeholders actively participate in organisational decisions, then it must ensure that they are sufficiently informed about the organisation and the decisions they are about to take. If participative decision-making goes up by 1 standard deviation, there is a 99% chance that positive perception of the organisation's strategic CSR would also go up by .71 of its own standard deviation.

Regarding the results around the mediating effect of participative decision-making (Hypothesis 4), the direct effect of authentic leadership on perception is not significant (p-value 0.296). The direct effect of authentic leadership on perceptions around strategic CSR via the mediator is significant (p-value 0.001) and positive (coefficient 0.209). Therefore, the criteria of total mediation are met.

Authentic leadership on its own cannot positively influence perceptions about an organisation's CSR actions, but when the mediator of participative decision-making is added, the relationship is significant and positive with the coefficient of 0.232. Organisations should therefore focus on creating inclusive climates that encourage employee decision-making. Leaders, however, need to sustain this organisational environment which allows both them and their followers to grow and learn through participation (Avolio & Walumbwa, 2014; Leroy, Anseel, Gardner, & Sels, 2015).

### **Implications for theory and practical business application**

There is increased pressure from various stakeholders on South African organisations to increase and report on their CSR activities (King, 2009). The current study answers the call by scholars (Inekwe et al., 2020) to conduct empirical studies on CSR in developing countries, such as South Africa. Strategic CSR and stakeholder theories state that stakeholders are those groups without which the organisation will cease to exist. Satisfying employees and customers should thus be a strategic priority. Barnett (2019), however, warns that satisfying primary stakeholder needs is not necessarily motivated by altruism. Inekwe et al. (2020) note that CSR, while focusing on philanthropy in developing countries, should go beyond that to play a proactive, positive role in the sustainable development of the larger society.

South Africa, as a developing country is characterised by high inequality and resource constraints, and it is therefore even more important for companies to play this proactive role to make a true difference. Drawing on the warnings by Ghoshal (2005) and Barnett (2019), we suggest that strategic CSR and instrumental stakeholder theory be reoriented to consider the implications of how organisations are perceived when they focus mainly on meeting primary stakeholder needs out of self-interest. In the African context, companies could consider answering the call to humanise business by adhering to Ubuntu, the philosophy indigenous to various tribes on the continent (Mangaliso, 2001). The focus on Ubuntu's virtue ethics (West, 2014) could assist organisations in South Africa to focus on both internal and external, as well as primary and secondary stakeholders, as the humane approach is applicable to all stakeholders.

Our study posed questions to employees about the positive impact of the organisation on the environment, consumers, employees, communities and all stakeholders. Our study showed that the links between the treatment of primary and secondary stakeholders are important. Organisations should therefore go further than focusing on primary stakeholders. Companies must ensure employees are also aware of CSR initiatives and that they are being measured, by for example, the triple bottom line concept as well as integrative reporting (King, 2009).

The findings showed that merely having authentic leaders is not adequate; creating a climate in which employees are important enough to participate in decision-making is essential for positive perceptions about strategic CSR.

Management should take note of these findings and be careful of focusing exclusively on external stakeholders. Organisations should not only invest their attention and energy in CSR projects, but should also be socially responsible towards their own employees. While it is important to ensure that external stakeholders feel heard and acknowledged, likewise, acknowledgement of the voices and needs of employees, as internal stakeholders, is equally vital and creates positive perceptions about the organisation's CSR. When an organisation is open to the voices of their employees, these employees perceive the organisation as being interested and attentive to the triple-bottom-line as well as long-term social and economic development impact. When employees are treated as if they matter, they will also perceive the organisation as caring about their secondary stakeholders.

Organisations should also minimise stakeholder concerns about the future through deliberate engagements. These engagements need to be strategic and explicit (Perrot, 2015). Organisations should invest in leadership development for authentic leaders, as they deliver the positive form of leadership necessary to potentially achieve sustainability. Leadership development is, however, a huge cost for business; focused development could therefore assist in a return on investment towards organisational sustainability. Proactive stakeholder management, which meets all stakeholder needs, not only those of primary stakeholders, is required.

### **Limitations and future research**

This research focused on a number of industries. While this ensured a heterogeneous sample, it means the findings cannot be generalised to any one sector. The geographical coverage of the study was limited to South Africa. To provide a global perspective, future research should consider using sample populations beyond South African's borders and include respondents from a variety of geographical locations. Our study was also cross sectional as it was conducted at a specific point in time. The cross-sectional nature of the study can also cause problems with regard to the interpretation of results, as concurrent measurement of variables does not capture directional influences that require the passage of a finite amount of time to be exposed (MacCallum & Austin, 2000). This implies the concession that the relationship found through relational statistics does not prove causality. Longitudinal studies should be conducted in future.

While the current study does not claim causality, a limitation is the distinct constructs which were investigated and the relationship that is evident between the proposed variables is not solely the result of one variable directly affecting the other. There are other unexplained variables in the mix which are not empirically examined in the current study. Future research could evaluate different contingencies for this relationship that might affect the strength and direction of the relationship. For example, another mediator that future studies could explore is organisational climate, which in turn, could have an influence on the perceptions of employees on participative decision-making.

The majority of respondents came from large, older organisations which was a result of the sampling method and population. Future research could include smaller, younger entrepreneurial organisations to establish whether the relationships shown in this study are also present in these organisations. In evaluation of the same relationships in future, it would be worthwhile to conduct this study in specific industries, such as the manufacturing industry, to see how context might be conducive to perceptions around CSR.

The study focused on investigating authentic leadership, as it is similar to the African Ubuntu humanism philosophy and approach to leadership. As Abebe et al. (2020) note, there has been increased attention to African indigenous leadership styles and further research could investigate developing a scale for Ubuntu leadership to advance local leadership knowledge. For the South African context, it would therefore be beneficial to focus attention on Ubuntu and its contribution to developing humanistic work environments. While the existing authentic leadership scale was used in this study, the participative decision-making scale had to be adapted for the purposes of this study and therefore offers a new adapted scale that could be used in future studies. The current study was focused on the degree to which employees were involved as important stakeholders in the business and researchers who would like to investigate the construct of participative decision-making in the context of CSR could build on the current study's findings. The scale on employees' perceptions of their organisation's application of strategic CSR consisted of items which were formulated in general terms, since existing questionnaires were focused on specific industries like on tourism. Future studies that are heterogenous and focused on collecting data across multiple industries would find value in this study's scale. In conclusion, we investigated whether the perceptions of employees about their leaders' authenticity would influence their perceptions of whether their corporations are genuinely socially and environmentally responsible. We found that this relationship was significant when leaders went further to act in ways that convinced employees that they were allowed to participate in decision-making.

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