The impact of corporate social responsibility types on happiness management: a stakeholder theory perspective

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Abstract

Purpose – The main purposes of this research are: first of all, to reclassify the types of corporate social responsibility (CSR) into primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR from the perspective of stakeholders and, second, to investigate empirically how and which types of CSR can better impact employees' job satisfaction and happiness management.

Design/methodology/approach – An online self-administered questionnaire was adopted to test the conceptual model. Questionnaires were sent to Chinese employees and restrict the data to those whose companies had experience implementing CSR. The study employed the partial least squares structural equation modeling (PLS-SEM) technique for data analysis using SmartPLS 4.0 software.

Findings – For factors of happiness management, both primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR had significant and positive effects on happiness management. In addition, both primary and secondary stakeholder-oriented CSR positively and significantly affected job satisfaction, with primary stakeholder-oriented CSR way larger than secondary stakeholder-oriented CSR. Job satisfaction, in turn, was positively and significantly associated with happiness management. The results showed that the control variables of gender and education background had significant effects on happiness management.

Practical implications – First, the results provide useful empirical evidence in support of the feasibility that firms could develop competitive and sustainable development strategies by paying more attention to CSR practices. In terms of the primary stakeholder-oriented CSR, managers are recommended to put employees' benefits as a priority and invest in the to offer a healthy and safe working environment or employee support programs. In terms of the secondary stakeholder-oriented CSR, managers are suggested to denote parts of earnings to charity and to people in need. Second, in order to create job satisfaction, firms should put a stronger emphasis on CSR practices. When considering job satisfaction, managers should treat their employees in a socially responsible way and fulfill their demands and rights and place this at the core of their CSR activities.

Originality/value – First, this study makes a contribution to the existing literature by classifying the four important CSR practices into two types from the perspective of stakeholder theory. By incorporating a series of CSR practices and the stakeholder theory, this study provides a comprehensive and reasonable CSR classification, which has not been considered by prior research. Second, this study adds to the literature by defining the construct of happiness management explicitly along with identifying the dimensions of happiness management. Third, to the best of the authors' knowledge, this is one of the first studies exploring the relationship between CSR and happiness management. Finally, this study is among the first to investigate the correlation between job satisfaction and happiness management.

Keywords Corporate social responsibility, Happiness management, Stakeholder theory, Job satisfaction

Paper type Research paper

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1. Introduction

The coronavirus disease 2019 (COVID-19) has posed a significant threat to the economy across the world and, consequently, corporate happiness (Ravina-Ripoll et al., 2021a). Such a phenomenon forces top managers to seek approaches to cushion high economic losses and to establish a new sustainable and competitive management model, which is described as happiness management. Happiness management is an emerging attractive topic and little literature exists at present (Ravina-Ripoll et al., 2021a). It seems reasonable to consider the management of corporate social responsibility (CSR) because firms’ efforts to implement CSR can improve the corporate image (Razalan et al., 2017; Wang et al., 2018) and corporate evaluation (Brown and Dacin, 1997; Romani et al., 2013).

A happy and healthy workplace has become necessary for employees. Firms are increasingly depending on CSR as an incentive tool for employees’ job performance and consequently, for the returns of firms (Kim et al., 2017, 2018). Employees with a high level of well-being tend to put more efforts into their work, thus, enhancing the firm performance. Nevertheless, literature on the effects that CSR can have on happiness management is still scarce, and little is known about the significance of CSR for corporate happiness or the influence that the types of CSR have on variables such as job satisfaction and happiness management. Therefore, it is crucial to further understand possible relationships between CSR and employees’ job satisfaction and happiness management.

There is no one particular definition for CSR, however, a macroscopic definition of CSR can be defined as the numerous strategies applied in any business that aim to achieve financial benefits along with environmental and social development (Khaskheli et al., 2020; Tiwari et al., 2021). CSR has been the subject of discussion since the mid of 1950s. Popular CSR activities display various formats in the marketplace, including corporate philanthropy, corporate charity funds, environmental protection, investments in R&D and employee volunteer programs (Chen and Huang, 2018). In order to explore which specific CSR activity is more effective to serve the strategic goals of firms, researchers have classified CSR into different types. For example, drawing upon the attribution theory (Yoon et al., 2006), Du et al. (2010) distinguished between extrinsic and intrinsic attributions of a firm’s motives to implement a certain CSR activity from the perspective of customers. The former means that customers attribute financial or strategic motives for a firm’s CSR activities, whereas the latter means that customers attribute sincere, altruistic and honest motives for a firm’s CSR activities. Habel et al. (2016) classified a firm’s CSR engagement into two types: philanthropic vs business-process CSR. Philanthropic CSR refers to financial donations to stakeholders outside the firm. Business-process CSR focuses more on investing in R&D or the implementation of a more sustainable value chain. Based on Porter and Kramer (2011), Chen and Huang (2018) proposed traditional CSR and shared-value CSR, the latter of which put more emphasis on the interdependence between corporate economic goals and social well-being.

The above classifications of CSR provided a basic analysis perspective for the early research; however, the classifications of CSR ignored the perspective of stakeholders, who are the accountability objects of various CSR activities. There are different kinds of CSR activities, and the goals or effects to be achieved are often different according to different stakeholders. Stakeholders are the evaluators of enterprises that cannot be ignored.

The main purposes of this research are: first of all, to re-classify the types of CSR into primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR from the perspective of stakeholders; and second, based on the new classification, to investigate empirically how and which types of CSR can better impact employees’ job satisfaction and happiness management. The answers to these two questions will offer implications for whether and how CSR classification from the perspective of stakeholders influences
happiness management, thereby providing insights to managers in regard to their emphasis on different CSR activities to achieve competitiveness, sustainability and business success.

2. Happiness management and classification of corporate social responsibility

2.1 Happiness and happiness management

Happiness refers to an affect-oriented evaluation of an individual’s well-being that manifested as somewhat higher levels of activation as being satisfied or content (Diener, 1984; Joo and Lee, 2017). There are two main streams of happiness research. One focuses on the individual level to examine consumer happiness and the other one focuses on the firm level to discuss happiness management. At an individual level, according to Cuesta-Valiño et al. (2023), consumer happiness is manifested by the satisfaction she or he obtains from the product or service. Such satisfaction may include the use and pleasure of the product or service, the mere possession of the product or service, or the product or service’s life cycle. In addition, consumer happiness is dependent on whether the consumer feels more committed and secure to the purchase activity. If this is the case, consumers would feel emotionally attached to the product or service or the brand. Consumer happiness also relies on whether they are able to develop memorable experiences or develop a sense of belonging to the product or service. Eventually, Cuesta-Valiño et al. (2023) proposed three dimensions of consumer happiness, which are pleasant life, engage life and meaningful life. In order to assess the effectiveness of the dimensions, another study has been conducted. Núñez-Barriopedro et al. (2021) designed a research model to investigate the main variables that influence consumer happiness in the context of karate. By analyzing 682 federated members in Spain, they found that engagement, consumer satisfaction and meaningful life exerted significant and positive impacts on consumer happiness in sequence. Pivato et al. (2008) further found that consumer happiness, brand image and satisfaction were the antecedents of consumers’ loyalty toward a brand. From the above studies, we can know that happiness at the individual level, especially under the context of marketing is more related to the product characteristics, or the process of purchasing a product or service. However, happiness at the firm level has a different meaning and different dimensions.

At a firm level, happiness is more related to employees’ happiness and the profit level of the firm. Happy employees are more motivated, enthusiastic about their work, persistent to overcome challenges and sympathetic to their colleagues (Joo and Lee, 2017). Prior research has emphasized the importance of happiness on high performance, productivity and profit, lower turnover intention and organizational commitment (Harter et al., 2002; Rego et al., 2011; Schaufeli and Bakker, 2004; Wright and Cropanzano, 2004). Despite the numerous academic research on happiness in the workplace, scientific studies on happiness management are relatively scarce (Adnan-Bataineh, 2019; Ravina-Ripoll et al., 2021a). Two related kinds of research have to be mentioned. The first one is conducted by Ravina-Ripoll et al. (2021b). In order to guarantee and measure a positive atmosphere inside the corporations, Ravina-Ripoll et al. (2021b) recommended corporates create “Certification Happiness Management (CHM)”, which is a quality seal that was registered in Spain in 2020. According to the authors, CHM fits well into the International Organization for Standardization (ISO) and will lead to a corporate’s final quality, which will be manifested as a company’s profit level and sales volume. For example, the integration of CHM into ISO 9001 is likely to enhance employees’ satisfaction. The integration of CHM into ISO 14001 tends to improve the psychosocial health of employees. The authors have identified CHM as a system that can achieve both corporate happiness (sales volume, profit level, etc.) and employee happiness (employee satisfaction or the subjective well-being of employees). The inclusion of CHM into these ecosystems will not only generate higher corporate performance but also implicate that the corporate is happy. Another research is from Ravina-Ripoll et al. (2021a). In this complicated and changing
society, companies have to develop sustainable and competitive development strategies to enhance their customers' subjective well-being and human capital. Happiness, in this process, may be a different and effective strategic factor. Therefore, Ravina-Ripoll et al. (2021a) investigated the influence of dimensions of brand orientation on happiness management in the context of small and medium enterprises. To measure happiness management, Ravina-Ripoll et al. (2021a) adopted five items including the assessment of the company’s return on investment (ROI), profit level, sales volume, customers’ happiness level toward the company’s services or products and employees' happiness level in the company. Among the five items, customers’ happiness level toward the company’s services or products will eventually be reflected in sales volume and profit level. Therefore, the former four items are actually the assessment of corporate happiness, while the last item is the assessment of employee happiness. The results showed that four dimensions of brand orientation (values, norms, artifacts and behaviors) positively and significantly impact happiness management. This research is one of the few empirical studies at present.

We can conclude from prior research that happiness management has something in common with happiness that both aim to achieve a high level of subjective well-being of an individual. However, happiness management is a broader and more comprehensive strategic management model that comprises innovation, human resources and communication policies to build corporate happiness (Ravina-Ripoll et al., 2021a). Happiness management aims to achieve employee happiness, while simultaneously, better firm performance (Ravina-Ripoll et al., 2021a). Therefore, in this study, happiness management is regarded as a construct with two dimensions which are corporate happiness and employee happiness. In this study, happiness management is defined as a strategic management model that aims to build both the individual’s subjective well-being and firm performance within organizations.

2.2 Stakeholder theory
Stakeholder theory was systematically discussed in Freeman (1984)’s book and began to gain currency since then. Stakeholder theory holds that when a firm’s practices are in accordance with the values of the firm’s stakeholders, perceptions of the firm may be positive (Yang and Basile, 2021). The presentation of stakeholder theory encouraged firms to consider not only the traditional groups, such as shareholders, customers, employees and suppliers but also the new external stakeholders (Jonker and Foster, 2002). Hence, stakeholder theory provided a new way for firms to reconsider organizational responsibilities. Several researchers have preferred a stakeholder approach when investigating CSR and have defined different stakeholders. For example, Longo et al. (2005) identified four stakeholders which are employees, suppliers, customers and local communities. In terms of employees, the authors expected the firms to offer health and safety at work and care about the well-being of employees when implementing CSR. In terms of suppliers, the authors expected the firms to establish a good partnership with suppliers. In terms of customers, the authors expected the firms to pay attention to product quality. In terms of community, the authors expected the firms to create added value to the community such as protecting the environment. Similar to Longo et al. (2005)’s work, Abreu et al. (2005) included other stakeholders which are the government and the environment. Different from prior research, Papasolomou-Doukakis et al. (2005) classified stakeholders into six groups: employees, consumers, community, suppliers, environment and investors. Investor stakeholders mean firms strive for a competitive ROI. However, among the identifications of stakeholders, the most comprehensive and the most widely adopted one is from Wheeler and Sillanpa (1998).

According to Le et al. (2021) and Wheeler and Sillanpa (1998), a stakeholder is defined as any individual or entity who can be affected by an organization or who may, in turn, bring influence to bear. For firms, the key stakeholders are employees, customers and investors.
However, the stakeholders can be extended to comprise non-profit organizations, people in need, local communities and other partners (Wheeler and Sillanpa, 1998). Generally speaking, stakeholders include primary stakeholders and secondary stakeholder (Figure 1). Primary stakeholders refer to those who have the ability to influence the business activities of firms and have urgent legitimate demands for firms (Wheel and Sillanpa, 1998). Examples of primary stakeholders include employees, customers, communities, suppliers and investors. Secondary stakeholders refer to those who can only influence the primary stakeholders but have no ability to influence the business activities of the enterprise, but have urgent legitimate demands for the enterprise (Wheel and Sillanpa, 1998). Examples of secondary stakeholders include non-profit organizations, competitors, governments and non-governmental organizations. This research adopts Wheel and Sillanpa (1998)’s viewpoint.

There is a growing body of research that has indeed favored stakeholder theory when examining CSR. Yang and Basile (2021) investigated the role of external stakeholder plays in CSR communication by drawing upon stakeholder theory. They hypothesized that the involvement of external stakeholders such as non-profit organizations increases CSR communication productivity and firm performance. This is because external stakeholder reduces suspicion that firms are advertising false CSR information for self-interest (Rim and Kim, 2016). Kim (2019) asked participants to evaluate the corporate reputation and corporate trust that have engaged in CSR activities. It is found that CSR activities can positively affect consumers’ evaluation of the firm. This is because CSR activities make consumers perceive that firms are supporting stakeholders and these signals are interpreted by consumers as positive image signals, thus improving corporate reputation.

All stakeholders matter. Ideally, firms should satisfy all stakeholders’ requirements. Nevertheless, firms find it difficult to produce every kind of social value for every stakeholder. When CSR activities align with specific stakeholders’ interests and values, different

![Figure 1. Primary stakeholders vs secondary stakeholders](image)

Note(s): NPO = Non-profit organizations; NGO = Non-governmental organizations; CP = Competitors
Source(s): Figure by authors
perceptions may be generated. For example, CSR activities that donate money to secondary stakeholders (e.g. non-profit organizations or people in need) may be valued by secondary stakeholders, however, if they impact firm profitability, shareholders may hold negative light on these CSR activities. CSR activities that focus on primary stakeholders’ interests (e.g. improving product quality, providing employees’ welfare) may be valued by consumers or employees, however, secondary stakeholders may criticize these firms for not implementing activities conducive to social development. Given the limited resources of the firms, a natural question arises as to what kinds of stakeholders should a firm prioritize when implementing CSR activities. Which CSR type is more likely to improve happiness management and employees’ job satisfaction? This research aims to answer these questions by classifying types of CSR into primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR.

2.3 Primary stakeholder-oriented CSR vs secondary stakeholder-oriented CSR

Widely adopted CSR activities include philanthropic CSR, business-process CSR (Habel et al., 2016); social alliance CSR and value-chain CSR (Chen and Huang, 2018; Porter and Kramer, 2011). Philanthropic CSR engagement involves monetary donations or equipment provisions to stakeholders outside the firm, such as non-profit organizations, non-governmental organizations and people in need (Habel et al., 2016). Business-process CSR engagement comprises treating employees in a socially responsible way or employee support programs. Social alliance CSR engagement aims to establish a strategic partnership between a firm and external stakeholder. Social alliance CSR is different from and is more complicated than philanthropic CSR. Often, social alliance CSR engagement focuses on addressing complex social issues (e.g. cancer awareness, global warming and obesity), while achieving both partners’ core strategic goals simultaneously on the basis of a series of rules, processes and norms (Chen et al., 2009). Value-chain CSR engagement creates social value and achieves financial success via the daily operations of a firm’s value-chain systems (Chen and Huang, 2018). Daily operations of a firm’s value-chain system may include R&D, supply-chain management, logistics social responsibility and marketing processes (Chen and Huang, 2018). Compared with business-process CSR engagement that emphasizes employees’ interests, value-chain CSR engagement involves all streams from the upper value-chain stream to the lower values-chain stream, shifting from the supply base to customers (Cheng and Huang, 2018).

From the perspective of stakeholders, the above four kinds of CSR engagements have different targeting stakeholders. Philanthropic CSR is mainly for non-profit organizations and non-governmental organizations and its responsibility targets are mainly secondary stakeholders. Business-process CSR is mainly for employees and its responsibility targets are mainly primary stakeholders. Social alliance CSR mainly provides financial and resource support to government departments, non-governmental organizations and non-profit organizations, and its responsibility targets are mainly secondary stakeholders. Value-chain CSR mainly focuses on supply-chain management and the continuous development of products to meet customers’ needs, and its responsibility targets are mainly primary stakeholders. CSR activities tend to achieve different goals and effects according to different stakeholders. Stakeholders are the final responsibility targets of CSR; thus, it is not reasonable to discuss the issue of CSR without considering the stakeholders. However, the prior classifications of CSR have failed to take stakeholders theory into account. As a result, ideal effects and goals could not be achieved and the enthusiasm of firms, especially Chinese firms, to implement CSR was reduced. According to REFINITIV (2021), most of the top 100 CSR companies in the world are from the United States, while only a few are from China. Therefore, this research first classifies business-process CSR and value-chain CSR as primary
stakeholder-oriented CSR and philanthropic CSR and social alliance CSR as secondary stakeholder-oriented CSR according to the targets of social responsibility. Thereafter, this research examines the influence of types of CSR on happiness management and employee job satisfaction to discover the optimal type of CSR in order to strengthen happiness management and ultimately improve the enthusiasm of Chinese firms to implement their social responsibilities. The specific activities of CSR and corresponding responsibility targets are shown in Table 1.

3. Research model and hypotheses
This research will discuss and hypothesize the relationships between CSR types and job satisfaction as well as happiness management. Figure 2 shows the research model. This

<table>
<thead>
<tr>
<th>Types of CSR</th>
<th>Specific activities</th>
<th>Descriptions</th>
<th>Responsibility</th>
<th>Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary stakeholder-oriented CSR</td>
<td>Business-process CSR</td>
<td>Treating employees in a socially responsible way or employee support programs</td>
<td></td>
<td>Primary</td>
</tr>
<tr>
<td></td>
<td>Value-chain CSR</td>
<td>Creating social value and achieving financial success via the daily operations of a firm's value-chain systems</td>
<td></td>
<td>stakeholders</td>
</tr>
<tr>
<td>Secondary stakeholder-oriented CSR</td>
<td>Philanthropic CSR</td>
<td>Monetary donations or equipment provisions to stakeholders outside the firm, such as non-profit organizations, non-governmental organizations, and people in need</td>
<td></td>
<td>Secondary</td>
</tr>
<tr>
<td></td>
<td>Social alliance CSR</td>
<td>Establishing a strategic partnership between firm and external stakeholders, such as non-profit organizations, non-governmental organizations, and people in need</td>
<td></td>
<td>stakeholders</td>
</tr>
</tbody>
</table>

Table 1: Classification of corporate social responsibility (CSR)

Source(s): Table by authors

Source(s): Figure by authors
research has classified CSR types into primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR based on stakeholder theory. Happiness management is viewed as a general construct with two dimensions, including corporate happiness and employee happiness. In this section, the impacts of CSR types on both happiness management and job satisfaction will be theoretically discussed.

3.1 CSR types and happiness management
Motivated by the call for exploring happiness management in the area of CSR (Ravina-Ripoll et al., 2021b), this paper will first discuss how CSR types impact happiness management.

When implementing primary stakeholder-oriented CSR, resources and competences are mainly devoted to developing a more sustainable value chain. For instance, business-process CSR practice provides employee support programs aiming to build a healthy, safe and comfortable working environment for employees. From the perspective of employees, they may perceive that their firm focuses on employees’ well-being and that their firm treats them in a socially responsible way. Such socially responsible treatment way can trigger their work motivation in the workplace (Bhattacharya et al., 2008), which in turn, can not only enhance the level of happiness but also imply good financial payoffs for the firm. A prior study by Ahmed et al. (2020) confirmed the direct positive and significant relationship between CSR and employee well-being. Kim et al. (2017) also found that positive perceptions toward CSR were a determinant of employees’ well-being. Value-chain CSR allocates more resources to product development and production, R&D processes and is committed to producing high-quality products for customers. From the customers’ perspective, their demands for firms to implement CSR are at different levels. Based on Maslow’s hierarchy of needs (Maslow, 1943), the demands for product performance are viewed as the most basic needs. As such, value-chain CSR can gratify customers’ basic needs for product performance. Perceptions of “product social responsibility” or “product innovativeness” can spill over to purchase intention (Chen and Huang, 2018), which, enhances corporate happiness such as high-profit level and large sales volume. Bhattacharya et al. (2021) also verified that CSR positively influenced firms’ sales.

Based on Maslow’s hierarchy of needs (Maslow, 1943), the demand for charity, improvement of social welfare, or environmental protection is considered a higher level of need. Firms implementing secondary stakeholder-oriented CSR allocate more resources and competences to charitable causes, which can precisely meet employees’ demands for ethical interests. The influence of philanthropic CSR can extend beyond public relations to impact the way employees evaluate their firm and may exert a high level of happiness because their firm is doing good. From the customers’ perspective, under the influence of Confucian culture, Chinese customers are increasingly aware of CSR and pay more attention to the firm’s CSR practices at a higher level. Their requirements for firms to implement philanthropic CSR and social alliance CSR are also increasing. They are more willing to support and purchase products from these firms. Chernev and Blair (2015) found that CSR practices—even if it is not related to the core business—can alter customers’ perceptions of the products. Products from firms that engaged in secondary stakeholder-oriented CSR are perceived as performing better (Chernev and Blair, 2015), thus enhancing customers’ purchase intention and increasing firm performance directly. Therefore, this study hypothesize that.

\[ H1a. \text{ Primary stakeholder-oriented CSR positively affects happiness management.} \]
\[ H1b. \text{ Secondary stakeholder-oriented CSR positively affects happiness management.} \]

3.2 Job satisfaction and happiness management
Another possible determinant of happiness management is job satisfaction. The definition of job satisfaction differs across different researchers. For example, according to Wanous et al.
job satisfaction refers to affective experiences at work, beliefs and overall evaluation of the job. According to Millán et al. (2013), job satisfaction is defined as the extent to which individuals prefer their jobs. As the research topic is happiness management and the research target is employees, this study adopts Millán et al. (2013)’s definition, and job satisfaction is defined as the extent to which employees prefer their jobs. On the one hand, job satisfaction is crucial for the employees’ subjective well-being, which is one of the dimensions of happiness management (Martínez-Martínez and Ruch, 2017). Notably, subjective well-being has been written as happiness or the quality of life (MacKerron, 2012; Ravina-Ripoll et al., 2021a). Despite scarce research on the relationship between job satisfaction and happiness management, we can still infer from the bottom-up spillover theory of life satisfaction (Diener, 1984; Lee et al., 2018). This theory holds that overall life satisfaction includes all aspects of life, such as family life, work life, economic life, hedonic life, etc. The satisfaction toward the job will spill over vertically to overall life satisfaction (Lee et al., 2018), enhancing the quality of life and thus influencing employees’ happiness. In addition, a prior study has found that job satisfaction positively and significantly influences happiness (Lee et al., 2018). Judge and Watanabe (1993) also stated that job satisfaction is an important antecedent of subjective well-being. On the other hand, job satisfaction is important for the performance of firms (Martínez-Martínez and Ruch, 2017), which is another dimension of happiness management. Koys (2001) found that job satisfaction is positively and significantly related to firm performance. Abdullah et al. (2021) also confirmed that job satisfaction had a direct positive and significant influence on employees’ well-being. From the above descriptions, we can infer that.

H2. Job satisfaction positively affects happiness management.

3.3 CSR types and job satisfaction
Job satisfaction is determined by various factors such as firm reputation, organizational leadership, paycheck. However, job satisfaction may also stem from the primary stakeholder-oriented CSR (business-process CSR and value-chain CSR). These CSR practices are associated with the working conditions and well-being of employees (Story and Castanheira, 2019). Socially responsible treatment way can increase the level of satisfaction with an employee’s job because the firm is considered a good employer (Zhang et al., 2014). Prior studies consistently agreed that CSR practices are important antecedents for employees to be more satisfied with their job (Barakat et al., 2016; Rahman et al., 2016; Zhang et al., 2014). Empirical studies have also confirmed the argument that CSR practices can predict job satisfaction. For example, Khaskheli et al. (2020) investigated the impacts of employees’ CSR perceptions on job satisfaction, affective commitment and organizational citizenship behavior. The survey results showed that employees’ CSR perceptions exerted effects on intrinsic job satisfaction and affective commitment. Intrinsic job satisfaction refers to employees’ pleasure with their work because of the tasks and activities assigned to them (Al-Asadi et al., 2019). Additionally, intrinsic job satisfaction partially mediates the relationship between CSR perceptions and organizational citizenship behavior. Story and Castanheira (2019) found that CSR perceptions had a direct positive and significant impact on job satisfaction.

Generally speaking, job satisfaction can be attributed to the secondary stakeholder-oriented CSR (philanthropic CSR and social alliance CSR). This can be explained by the theory of social identity (SIT) (Carmeli et al., 2007). SIT is developed to explore the relationship between employees’ CSR perceptions and behavioral outcomes, such as job satisfaction, affective commitment and organizational citizenship behavior (Kunda et al., 2019). CSR practices of a firm had a direct effect on employee satisfaction with their jobs even if they are not associated with employees’ benefits. This is because nowadays, more and more
employees expect their firms to do something good for society rather than just required a high salary. Such firms can establish a reputable corporate image in the market and obtain positive word-of-mouth from customers, which will make employees proud of being part of the firm (Khaskheli et al., 2020). Employees who perceive that the CSR practices of their firm match their own beliefs and values will be more satisfied with their job. A prior study by Song et al. (2015) also found that philanthropic CSR had a positive and significant influence on organizational commitment, which, in turn, influenced job satisfaction. Thus, this study proposes that:

\[ H3a. \text{ Primary stakeholder-oriented CSR positively affects job satisfaction.} \]

\[ H3b. \text{ Secondary stakeholder-oriented CSR positively affects job satisfaction.} \]

3.4 Control variables

In the context of CSR, gender, age, industry type, work experience and educational background can be related to employees’ reactions to CSR outcomes (Brammer et al., 2007), including happiness management. Therefore, following prior studies’ recommendations, we controlled the above variables.

4. Research methodology

4.1 Measurements of the constructs

An online self-administered questionnaire was adopted to test the conceptual model. The original English measurements were translated into Chinese first, and a back-translation method was used to assure there is no translation bias. The results showed that the back-translated measurements were highly correspondent with the original ones. Before collecting data, forty-five employees were invited to provide feedback on the comprehensibility of the measurements, and a pilot test was conducted to check the reliability and validity of the items. All the analyses indicated good reliability and validity of our measurements. Totally there are 23 items. For each of the primary stakeholder-oriented CSR and the secondary stakeholder-oriented CSR constructs, a six-item measure adopted by Habel et al. (2016) and Tingchi Liu et al. (2014) was used in this study. Four items were adapted and modified from Dubinsky et al. (1986) and Lee et al. (2018) for measuring job satisfaction. The second item of job satisfaction was measured as a reverse-coded version. As for happiness management, a seven-item measure developed by Lee et al. (2018) and Ravina-Ripoll et al. (2021a) was adopted. This construct consists of two dimensions: corporate happiness (three items) and employee happiness (four items). The items for primary stakeholder-oriented CSR, secondary stakeholder-oriented CSR and job satisfaction were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), while the items for happiness management were measured using a seven-point Likert scale. The Appendix shows the measurement items for the constructs in detail.

4.2 Data collection and descriptive analysis

The research targets were Chinese employees whose company had experience implementing CSR. Determining the appropriate sample size is vital for ensuring the quality of the current research. Hence, the sample size and anticipated effect were calculated before sending the questionnaire. According to Westland (2010), the sample size for this study should be reached at least 150. Online surveys were sent randomly in January and April 2023. A total of 533 respondents participated in the survey. 13 were removed due to (1) the employees’ company having no experience implementing CSR or (2) the answers given by the employees being the same. This resulted in a total sample size of 520. Details of the respondents are presented in...
Table 2. With regard to gender, the proportion of males was 39% and females occupied 61%. In terms of age, most of the respondents were aged from 30 to 39 years old (59.6%), followed by less than 29 years old (23.3%). Among the respondents, a majority of them were working in firms in the manufacturing industry (37.9%), IT (20.6%), the restaurant/hotel/tourism industry (11%), the financial industry (8.3%), the construction/real estate industry (6.3%), logistics industry (1.9%) and others (14%). 211 respondents (40.6%) have worked for 6-9 years, while 166 of them (31.9%) have worked for more than 10 years. Finally, 356 respondents (68.5%) possessed a bachelor’s degree.

5. Results
5.1 Measurement model analysis
This study employed the partial least squares structural equation modeling (PLS-SEM) technique for data analysis using SmartPLS 4.0 software. PLS-SEM was suitable for this study for three reasons: (1) PLS-SEM does not require the data to be normally distributed (Hair et al., 2017) and is therefore better suited to social science studies where the data is not normally distributed (Núñez-Barriopedro et al., 2021); (2) PLS-SEM is more appropriate for finding relationships among constructs, including their directions and strengths; (3) PLS-SEM provides a flexible method for testing complex model where mediating and moderating variables are included.

First of all, exploratory factor analysis (EFA) was conducted to ensure high loadings on main constructs and low loadings on cross-loadings in the data. Before analyzing, the second item for job satisfaction was reversed. As shown in Table 3, EFA results showed that all factor loadings were loaded on separate constructs and were higher than 0.50 except for items 3 and 6 of primary stakeholder-oriented CSR, items 1 and 2 of secondary stakeholder-oriented CSR and item 4 of job satisfaction. Items with factor loadings lower than 0.50 were removed in the following analysis. 5 components with eigenvalue over 1.0 were also obtained.
Second, to assess the convergent validity, this study followed three approaches recommended by Fornell and Larcker (1981) that item loadings should exceed the threshold of 0.50, composite reliability (CR) of each construct should exceed 0.70, and the average variance extracted (AVE) of each construct should exceed 0.50. The results satisfied all three criteria (see Table 4), indicating a good convergent validity. In addition, this study used Cronbach’s alpha to test the model’s reliability. Table 4 shows that Cronbach’s alpha value ranged from 0.781 to 0.880, which exceeds the required value of 0.70 (Fornell and Larcker, 1981), indicating good reliability. Afterward, this study tested the discriminant
validity. This study adopted the heterotrait-monotrait ratio of correlations (HTMT) method (Henseler et al., 2015) rather than traditional method because HTMT is able to test the lack of discriminant validity in common research situations (Núñez-Barriopedro et al., 2021). It can be confirmed that discriminant validity between two constructs have been established if the HTMT value is lower than 0.90. According to Table 5, all HTMT values were lower than 0.90, and the square roots of AVE exceed the correlation coefficients of the inter-construct, indicating good discriminant validity.

5.2 Common method bias
Common method bias (CMB) is usually viewed as a threat to the analysis results when the survey method was self-reported. To assess whether CMB attributed to the variance among the survey items significantly, two methods were used. First, according to Liang et al. (2007), a common method variable (CMV) can be added to the structural model and was allowed to be associated with indicators of all constructs. CMB is not a threat if the substantive factor loadings are high and significant, while the method factor loadings are low and non-significant. As shown in Table 6, our results met the above requirement and the average substantive factor loading was 0.552, while the average method-based factor loading was 0.008, meaning that CMB was not a concern in this study. Second, according to Kock (2015), if VIFs in the inner model resulting from a full collinearity test are equal to or lower than 3.3, the model can be considered free of CMB. Our results showed that all VIFs are ranged from 1.000 to 1.385, thus, CMB is not an issue in this study.

5.3 Structural model analysis
A structural equation model was carried out to test the hypotheses using SmartPLS 4.0 software. Figure 3 summarizes the results of the research model. For factors of happiness management, both primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR had significant and positive effects on happiness management ($\beta = 0.137, p < 0.01), (\beta = 0.371, p < 0.001)$, respectively. Thus, supporting H1a and H1b. In addition to the significant influence on happiness management, both primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR positively and significantly affected job satisfaction, with primary stakeholder-oriented CSR ($\beta = 0.464, p < 0.001$) way larger than secondary stakeholder-oriented CSR ($\beta = 0.305, p < 0.001$). Therefore, H3a and H3b were supported. Job satisfaction, in turn, was positively and significantly associated with happiness management ($\beta = 0.405, p < 0.001$), supporting H2. This study also conducted a further analysis to test the indirect influences. According to Table 7, both primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR had significant indirect effects on happiness

<table>
<thead>
<tr>
<th></th>
<th>PSH</th>
<th>SSH</th>
<th>JSF</th>
<th>CHP</th>
<th>EHP</th>
<th>HPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSH</td>
<td>0.819</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SSH</td>
<td>0.324</td>
<td>0.858</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>JSF</td>
<td>0.560</td>
<td>0.457</td>
<td>0.833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHP</td>
<td>0.454</td>
<td>0.598</td>
<td>0.596</td>
<td>0.849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EHP</td>
<td>0.471</td>
<td>0.566</td>
<td>0.638</td>
<td>0.677</td>
<td>0.847</td>
<td></td>
</tr>
<tr>
<td>HPM</td>
<td>0.513</td>
<td>0.641</td>
<td>0.686</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note(s): PSH = Primary stakeholder-oriented CSR; SSH = Secondary stakeholder-oriented CSR; JSF = Job satisfaction; CHP = Corporate happiness; EHP = Employee happiness; HPM = Happiness management; Square root of AVE (in italic)

Source(s): Table by authors

Table 5. Discriminant validity—heterotrait-monotrait ratio of correlations (HTMT) results
Construct Indicators | Substantive factor loadings (R1) | R1² | Method factor loading (R2) | R2²
--- | --- | --- | --- | ---
Primary stakeholder-oriented CSR | PSH1 | 0.788 | 0.621 | 0.078 | 0.006
| PSH2 | 0.737 | 0.543 | 0.072 | 0.005
| PSH4 | 0.722 | 0.521 | 0.069 | 0.005
| PSH5 | 0.749 | 0.561 | 0.079 | 0.006
Secondary stakeholder-oriented CSR | SSH3 | 0.814 | 0.663 | 0.090 | 0.008
| SSH4 | 0.851 | 0.724 | 0.096 | 0.009
| SSH5 | 0.770 | 0.593 | 0.086 | 0.007
| SSH6 | 0.786 | 0.618 | 0.084 | 0.007
Job satisfaction | JSF1 | 0.735 | 0.540 | 0.087 | 0.008
| JSF2 | 0.721 | 0.520 | 0.080 | 0.006
| JSF3 | 0.753 | 0.567 | 0.089 | 0.008
Corporate happiness | CHP1 | 0.657 | 0.432 | 0.093 | 0.009
| CHP2 | 0.668 | 0.446 | 0.091 | 0.008
| CHP3 | 0.662 | 0.438 | 0.093 | 0.009
Employee happiness | EHP1 | 0.714 | 0.510 | 0.097 | 0.009
| EHP2 | 0.739 | 0.546 | 0.090 | 0.008
| EHP3 | 0.758 | 0.575 | 0.091 | 0.008
| EHP4 | 0.724 | 0.524 | 0.095 | 0.009
Average | | 0.742 | 0.552 | 0.086 | 0.008

Table 6. Common method bias tests

Source(s): Table by authors

Figure 3. Results of the model tests

Note(s): *p < 0.05, **p < 0.01, ***p < 0.001

Source(s): Figure by authors

<table>
<thead>
<tr>
<th>Path</th>
<th>Indirect effects</th>
<th>p-value</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSH → JSF → HPM</td>
<td>0.188</td>
<td>0.000</td>
<td>4.555</td>
</tr>
<tr>
<td>SSH → JSF → HPM</td>
<td>0.124</td>
<td>0.000</td>
<td>4.239</td>
</tr>
</tbody>
</table>

Table 7. Indirect path coefficient

Note(s): PSH = Primary stakeholder-oriented CSR; SSH = Secondary stakeholder-oriented CSR; JSF = Job satisfaction; HPM = Happiness management

Source(s): Table by authors
management through job satisfaction. The results showed that the control variables of gender ($\beta = 0.163$, $p < 0.01$) and education background ($\beta = 0.127$, $p < 0.01$) had significant effects on happiness management. All factors jointly explained 51.5% of the variance of happiness management, both primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR explained 27.8% of the variance of job satisfaction.

6. Discussion and implications

6.1 Discussion

First, this study found that primary stakeholder-oriented CSR directly influenced happiness management. The actions that a firm devotes more resources to employees enable them to recognize their importance, further generating identity with the firm along with happiness. In addition to employees, firms also focus on R&D and production processes to assure the quality of the products. Firms will receive a reputable image and a high level of profit since customers are more willing to trust firms implementing primary stakeholder-oriented CSR and tend to purchase from these firms. These findings are consistent with prior studies (Ahmed et al., 2020; Bhattacharya et al., 2021; Kim et al., 2017), which found that CSR practices exerted a direct impact on employees’ subjective well-being and firm performance. These findings are also in line with Maslow’s hierarchy of needs (Maslow, 1943) that the demands for implementing product-related CSR are the most fundamental needs for individuals.

Second, this study found that secondary stakeholder-oriented CSR had a direct influence on happiness management, meaning that CSR practices are effective in improving the happiness level of employees and corporate, even though they are not related to employees’ benefits. Considering that secondary stakeholder-oriented CSR is connected to how social welfare is improved, employees may feel happy to be one part of the firm. This finding indicates that individuals do not only have fundamental needs but also a higher level of needs (Maslow, 1943). The requirements for environmental protection and charity are where the high-level needs are at. Employees feel happier when the action of their firm meets their norms and values. Similarly, firm performance will be increased as the positive evaluation of the firm from customers can spill over to the evaluation of the products through the warm glow path. In fact, a prior study has confirmed that secondary stakeholder-oriented CSR can enhance firm performance (Chernev and Blair, 2015).

Third, our results also revealed that job satisfaction was another important determinant of happiness management. Employees are stakeholders who play an essential role in the overall functioning of a firm (Khaskheli et al., 2020). Employees’ satisfaction with their job determined their motivation and the degree of responsibility, which directly impact the firm performance and employees’ happiness. This finding verified the bottom-up spillover theory of life satisfaction (Diener, 1984) that job satisfaction can spill over vertically to overall life satisfaction (Lee et al., 2018), including subjective well-being, which is interchangeable with happiness. In addition, correspondent to Koys (2001) and Abdullah et al. (2021), job satisfaction served as an antecedent for firm performance.

Finally, both primary and secondary stakeholder-oriented CSR were correlated to job satisfaction significantly. Indeed, consistent arguments can be found in the existing literature that CSR influenced employees’ satisfaction level with their jobs (Barakat et al., 2016; Rahman et al., 2016), especially when CSR practices are associated with employees’ benefits. Nevertheless, CSR practices can also influence job satisfaction even if the responsibility targets are secondary stakeholders. This is in agreement with SIT (Carmeli et al., 2007) that CSR practices can positively impact employees’ perceptions and behavior, including job satisfaction. However, our results showed that the relationship between primary stakeholder-oriented CSR and job satisfaction was stronger than the relationship between secondary stakeholder-oriented CSR. Thus, although both CSR types make employees more satisfied
with their jobs, employees perceive that this satisfaction is stronger when firms invest in them versus secondary stakeholders such as non-profit organizations and non-governmental organizations.

6.2 Theoretical implications

This study advances the theoretical understanding of CSR and happiness management in several ways. First, this study makes a contribution to the existing literature by classifying the four important CSR practices into two types from the perspective of stakeholder theory. Most prior studies investigating the potential outcomes of CSR practices depended predominantly on one or both of the CSR practices, such as philanthropic CSR or business-process CSR (Habel et al., 2016) rather than bringing the various shades of CSR into consideration. Previous studies excluded value-chain CSR and social alliance CSR, which are one of important trends in CSR practices. Furthermore, the classification of CSR practices in prior studies relied mainly on bipolar manipulations based on attribution theory (intrinsic versus extrinsic), that is investigated good CSR practices versus bad CSR practices. However, the perspective of stakeholders has been neglected. Stakeholders are the final responsibility targets of any firm. The effectiveness of CSR practices differs across different stakeholders. By incorporating a series of CSR practices and the stakeholder theory, this study provides a comprehensive and reasonable CSR classification, which has not been considered by prior research.

Second, this study adds to the literature by defining the construct of happiness management explicitly along with identifying the dimensions of happiness management. On the one hand, happiness management-related research is rare, and as such, the current study responds to the academic call for research on the topic of happiness management. On the other hand, the EFA showed that factor loadings of corporate happiness and employee happiness were loaded on separate constructs, meaning that they are the two dimensions of happiness management. In addition, the factor analysis result of each happiness management measurement indicated that both employees and profit are equally important. That is, the well-being of the firm’s employees is just as essential, if not more so, that the profitability of firms. These findings provide useful insights for future research that examine the construct of happiness management, as well as the drivers and consequences of happiness management. These newly identified dimensions are important contributions to the existing studies.

Third, to the best of our knowledge, this is one of the first studies exploring the relationship between CSR and happiness management. We found that both primary stakeholder-oriented CSR and secondary stakeholder-oriented CSR can effectively translate to happiness management. Many scholars have examined the impact of CSR on employees’ and consumers’ perceptions and behaviors. However, happiness management has seldom been explored in the context of CSR compared to an individual’s and a firm’s levels. In particular, few existing CSR researchers have made an effort to discover how employees would perceive happiness management under different types of CSR. Therefore, the present study filled the gap to verify that CSR types can affect happiness management significantly and effectively.

Finally, this study is among the first to investigate the correlation between job satisfaction and happiness management. Most studies analyzed the influence of job satisfaction on employee well-being, organizational citizenship behavior, job performance, life satisfaction and customer orientation (Khaskheli et al., 2020; Lee et al., 2013; Lee et al., 2018; Story and Castanheira, 2019) and did not inspect whether and how job satisfaction would impact happiness management. Our results verified the impact that job satisfaction has on happiness management. This finding not only enriches the knowledge base on happiness
management under the context of CSR but also complements the bottom-up spillover theory of life satisfaction that job satisfaction can also spill over vertically to happiness management.

6.3 Managerial implications

This study also provides several managerial implications. First, the results provide useful empirical evidence in support of the feasibility that firms could develop competitive and sustainable development strategies by paying more attention to CSR practices. Specifically, both primary and secondary stakeholder-oriented CSR practices have effects on happiness management, thus both are potentially able to enhance employee happiness and corporate happiness. In terms of the primary stakeholder-oriented CSR, managers are recommended to put employees' benefits as a priority and invest in them to offer a healthy and safe working environment or employee support programs. Another main stakeholder group is the customers. Managers should make an endeavor to invest in R&D and the production process, which would translate to lower purchase risk and higher purchase intention. In terms of the secondary stakeholder-oriented CSR, managers are suggested to denote parts of earnings to charity and to people in need. Since these behaviors are not directly correlated with employees, managers should also communicate and inform employees. However, managers should also be careful about the frequency and methods of communication as a backfire effect may be generated (Keys et al., 2009; Story and Neves, 2015).

Second, in order to enhance job satisfaction, firms should put a stronger emphasis on CSR practices. The results showed that both primary and secondary stakeholder-oriented CSR can directly enhance the satisfaction level of their job. Not only so, but job satisfaction would also further facilitate the creation of corporate happiness and employee happiness. Therefore, it is recommended that firms should implement CSR practices proactively. Notably, the impact that primary stakeholder-oriented CSR has on job satisfaction is way higher than secondary stakeholder-oriented CSR. When considering job satisfaction, managers should treat their employees in a socially responsible way and fulfill their demands and rights and place this at the core of their CSR activities. Managers can develop a comfortable and friendly working environment. After all, employees are mainly motivated by tangible benefits. Moreover, firms should take the responsibility for the betterment of society as secondary stakeholder-oriented CSR also exerted a large impact on job satisfaction. Managers are advised to contribute to the charity and welfare of society. Employees are willing to work in a socially responsible firm. The good things are consistent with their core values and can make them proud of their firm, which results in a high level of job satisfaction.

In a conclusion, the findings of this study offer pioneering empirical evidence to Chinese firms to better manage the relationship between primary and secondary stakeholders, as well as to provide effective paths for firms to carry out CSR practices in China. Examining and verifying the relationship between different types of CSR and happiness management can guide the strategic arrangement of firms to fulfill social responsibility and stimulate the enthusiasm of Chinese firms to actively implement CSR practices.

6.4 Limitations and future studies

Despite the contributions to CSR and happiness management knowledge, this study has several limitations. First, this study adopted a self-reported method to collect data, which may bias the results. Future studies should use a between-subjects experimental design method to develop two CSR-format scenarios for participants to measure job satisfaction and happiness management. A fictitious brand can be created in the scenarios. Second, the current study is a cross-sectional study, which is limited to interpreting the causal inferences between constructs. Additionally, such a design cannot offer information related to the temporal
stability of happiness management. Thus, future studies are suggested to conduct a longitudinal study for a better understanding of happiness management. Third, the sample of this study was collected across China and thus, may not be generalized to other countries. Hence, future studies can conduct cross-cultural research to investigate how CSR types impact happiness management and job satisfaction.

References


Further reading


Appendix

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicators</th>
<th>Mean</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary stakeholder-oriented CSR</td>
<td>PSH1</td>
<td>4.45</td>
<td>My firm treats employees in a socially responsible way</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSH2</td>
<td>4.55</td>
<td>My firm provides a healthy and safe working environment for employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSH3*</td>
<td>4.08</td>
<td>My firm cares about its employees beyond the regulatory framework</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSH4</td>
<td>4.28</td>
<td>My firm cares for the needs of customers and focuses more on innovation in product development</td>
<td>Habel et al. (2016), Tingchi Liu et al. (2014)</td>
</tr>
<tr>
<td></td>
<td>PSH5</td>
<td>4.31</td>
<td>My firm provides full and accurate information about its products/services to customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSH6*</td>
<td>3.92</td>
<td>My firm cares for the people in the communities in which it operates</td>
<td></td>
</tr>
<tr>
<td>Secondary stakeholder-oriented CSR</td>
<td>SSH1*</td>
<td>4.22</td>
<td>My firm values ecological sustainability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SSH2*</td>
<td>4.27</td>
<td>My firm acts in a responsible way regarding the environment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SSH3</td>
<td>3.67</td>
<td>My firm donates parts of its earnings to charity on a regular basis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SSH4</td>
<td>3.74</td>
<td>My firm donates parts of its earnings to people in need on a regular basis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SSH5</td>
<td>4.18</td>
<td>My firm contributes to the well-being of society</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SSH6</td>
<td>3.86</td>
<td>My firm has a long-term strategic partnership with non-profit organizations that are formed to address complex social issues and simultaneously achieve the partners’ core strategic goals</td>
<td>Dubinsky et al. (1986), Lee et al. (2018)</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>JSF1</td>
<td>4.23</td>
<td>Generally speaking, I am very satisfied with this job</td>
<td></td>
</tr>
<tr>
<td></td>
<td>JSF2®</td>
<td>4.26</td>
<td>I frequently think of quitting this job</td>
<td></td>
</tr>
<tr>
<td></td>
<td>JSF3</td>
<td>4.18</td>
<td>I am generally satisfied with the kind of work I do in this job</td>
<td></td>
</tr>
<tr>
<td></td>
<td>JSF4*</td>
<td>4.10</td>
<td>Most people on this job are very satisfied with the job</td>
<td></td>
</tr>
</tbody>
</table>

Table A1. Questionnaire

(continued)
<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicators</th>
<th>Mean</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happiness management</td>
<td>Corporate happiness</td>
<td>5.19</td>
<td>What would you consider your company’s return on investment (ROI) to have been over the last two years?</td>
<td>Lee et al. (2018), Ravina-Ripoll et al. (2021a)</td>
</tr>
<tr>
<td></td>
<td>CHP1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CHP2</td>
<td>5.25</td>
<td>What would you consider your company’s profit level to have been over the last two years?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CHP3</td>
<td>5.37</td>
<td>What has been your company’s sales volume over the last two years?</td>
<td></td>
</tr>
<tr>
<td>Employee happiness</td>
<td>EHP1</td>
<td>5.53</td>
<td>In general, I consider myself (1 = not a very happy person to 7 = a very happy person)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EHP2</td>
<td>5.46</td>
<td>Compared to most of my peers, I consider myself (1 = less happy to 7 = happier)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EHP3</td>
<td>5.57</td>
<td>To what extent do you consider yourself a happy or unhappy person in your company?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EHP4</td>
<td>5.65</td>
<td>Are you a (1 = not happy to 7 = happy) person?</td>
<td></td>
</tr>
</tbody>
</table>

Note(s): * = item was deleted due to low factor loading; ® = reverse-coded item
Source(s): Table by authors

Table A1.

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