The Influence of Corporate Social Responsibility on Employee Commitment: The Mediating Role of Employee Company Identification

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Abstract
Corporate social responsibility (CSR) has become a buzzword in the recent business literature. Many studied have been done to indentify the potential benefits offered by CSR in terms of favorable behaviors of stakeholders including customers, employees and investors as well as improving overall organizational performance. However, the benefits of CSR in shaping favorable employee behavior is less emphasized. The current study uses social identification theory to explain the positive outcomes of CSR towards employee behavior. The findings of the study confirms that participation in corporate social responsible activities have positive higher impact on commitment of employees. Every organization wants committed employees because such employees ensure employer’s success. The study provides useful information regarding the impact of corporate social responsible activities on employee’s behaviors and attitudes.

Keywords: Corporate social responsibility, employee-company identification, employee commitment

1. Introduction
In the recent years, many authors have analyzed how CSR activities are related to employee commitment essentially in relationship to affective commitment and suggest positive relation between the two constructs (Brammer, Millington, and Rayton, 2007; Kim, Lee, Lee, and Kim, 2010; Maignan, Ferrell and Hult 1999; Peterson 2004; Rego, Leal, Cunha, Faria, Pinho 2010; Turker 2009b). Maignan and colleagues (1999) studied the relationship between perceptions of CSR and employee commitment in a sample of 154 American executives. The authors studied the Carroll’s four-component model of CSR to see the employees’ perception in the four components of CSR and employee commitment. Maignan and colleagues (1999) found the positive between perception of each dimensions of CSR (Economic, Legal, Ethical and Discretionary, 1979) and commitment of employee to the employers’ organization. Later Peterson (2004) in a sample of 279 American business professionals, Rego and Colleagues (2010) in a sample of 260 Portuguese analyzed the similar type of relationship between perception of CSR and employee commitment. Both Peterson and Rego et al., (2010) used the same instrument of Magnain et al., (1999); Magnain and Ferrell, (2000). Later the scale was revised and discretionary responsibilities divided into discretionary responsibilities towards employees and discretionary responsibilities towards communities. The results of these two studies reveal that some facets of social performance are important to employee commitment. All CSR dimensions positively relate to employee commitment. However, Peterson (2004) established that the relationship was stronger for perceptions of companies’ ethical responsibilities of CSR and employee commitment.

In contrast, the Rego et al., (2010) found that the relationship was stronger for perceptions of companies’ legal and discretionary responsibilities. By taking into account the findings reported by previous studies Brammer et al., (2007) establishing a direct effect of perceived internal and external CSR with employee affective commitment. Using different measures for establishing the relationship between perceived internal and external CSR and employee affective commitment, authors have suggested that internal CSR has stronger link than
external CSR with employee commitment. They emphasized the importance of fairness and equity in organizations. They also established that the contribution of CSR is of great importance for organizational commitment. They reported that contribution of corporate social responsible actions is as essential as job satisfaction. Therefore, it is should be taken as important predictor for employee commitment. Turkish researcher in (2009b) conducted a similar study. She applied the CSR instrument, developed by her in a previous study (2009a). She considered the different types of stakeholders social and non-social (e.g. society, future generations and environment) employees and customers to check the relationship between perceived CSR and employee commitment. Results revealed that all kinds of stakeholders to corporate social actions develop positive relationship with employee commitment. In her study, she found that CSR to government was not strong predictor to commitment. The author suggested that it might be due to the fact of legality dimensions. The employees may take it as legal obligation not as social responsible actions. This is opposite what other researchers found in their studies.

It is evident from the previous studies that legal dimensions to CSR have strong positive impact on commitment (Maignan 2001). So the assumption of Turker proved wrong to define the relationship of these two constructs (Legal dimensions to CSR and employee commitment). Kim et al., (2010) examined the relationship between corporate engagement to CSR actions and employee commitment. They surveyed 109 employees of five Korean companies to see the relationship of perception and participation of CSR, perceived external prestige, employee-company identification and employee commitment. Their results revealed the positive relation of CSR perception to perceived external prestige which intensifies identification with the organization and which in turn helps to build commitment to the organization. However Kim et al., (2010) studies the one dimension of CSR to organizational commitment. The careful examination of these studies provides information that there are several benefits from investing in different areas of CSR. The different measures for different dimensions of CSR are important for understanding and predicting employee behavior in organizations. The adoption of some dimensions of CSR are important than others for different types if stakeholders. Therefore, the CSR measurement to employees is important for gaining a complete understanding to identification of employees and employee commitment. The review of different authors regarding the studies of employee behavior also brings to evidence that the relationship between perceptions of CSR to employees is stronger to affective employee commitment that other forms of commitment. CSR practices have influence on continuance and normative commitment. The present study uses affective employee commitment to check the association of corporate investment in corporate citizenship action to build the employee commitment. Affective employee commitment is stronger to analyze the relationship of employee behavior because of identification of employees in organizations.

The previous studies give the information that different authors studies the variables perceived organizational image and construed organizational image in relation to perceptions of different classes of stakeholders to see the impact of corporate investment in corporate citizenship actions on these variables. The different kind of images influences the employee perceptions and employee build identification accordingly. The present study measures the perceptions of employees in relation perceived organizational image. To understand the employees’ behavior corporate image is important indicator to build the identification with employees because employees build identification with those organizations of good corporate image. The study also considers the employee participation in corporate investment of corporate citizenship actions. The actual participation also affects the employees’ perceptions in building organizational image, thus employees build their relationship with such organizations. The strong identity of employees with their companies results in commitment of employees. The employees trust the organizations more who are involved in corporate social actions for the benefit of society and community. The satisfaction of employees with such organizations tends them to maintain the long-term relation with their organizations.

2. Theoretical Background

2.1 Corporate Social Responsibility

The concept of corporate social responsibility originated in 1953, when one of shareholder of oil industry claims that philanthropic actions reduce shareholder’s wealth. In this context, Supreme Court in New Jersey allowed oil industry to donate money to Princeton University as a philanthropic action. The stakeholders of any organization without whose support the organization would cease to exist. These stakeholders affected by corporate activities and can affect the organization (Svendsen, 1998). Each of these stakeholder groups has their own needs and impacts on the organization. In order to meet the challenging needs of these stakeholders every organization adopts and articulates certain set of response strategies (Ihugba and Osuji, 2011). Stakeholders particularly employees serve in any organization and contribute its intellectual capabilities, skills and knowledge by
increasing sales of its products and services. Corporate social responsibility plays an important role in any organization to maintain a healthy relationship with the society and environment in which it operates (Mc Williams and Siegel, 2001). The concept of corporate social responsibility follows numerous theories including institutional theory, resource based view of the firm, theory of the firm, agency theory and the stakeholder theory (Lindgreen and Swaen, 2010). According to Ministry of Foreign Affairs of the Netherlands (2013) corporate social responsibility is a concept which involves all the value chain activities and its influence on social, economic and ecological environment and which have concern for its stakeholders. There is no generally accepted definition of corporate social responsibility though different researchers have been studied the multiple aspects of corporate social responsibility in business world (Garriga and Mele, 2004; Waddock, 2003; Windsor, 2006). Corporate social responsibility is the company’s persistent engagement to contribute morally and devote their effort towards economy and society for the betterment of their personnel and their families and local association as well (Holme & Watts, 2000). Sethi (1975), described three aspects of corporate social responsibility as social obligation, social responsibility and social responsiveness. Social obligation involves ethical, legal and philanthropic put in turn in the higher level of pyramid (Carroll, 1991). Wood (1991) defined corporate social responsibility in terms of principles, processes and outcomes. He categories social legitimacy in form of institutional principal, public responsibility in form of organizational principal and managerial discretion in form of individual principal. Processes mainly concerned with the organization behavior how organization responds to social pressure while taking into consideration environmental. Quazi and O’ Brian (2000) formulated two dimension of corporate social responsibility that fits in diverse socio-cultural environment. He defined two dimensions in terms of span of corporate social responsibility (Narrow to Wide) and the range of outcome of corporate social responsibility.

Scholars (De Regil, 2003; Saarela, 2008) described the universality of corporate social responsibility into three categories economic, social and environmental. Economic responsibility includes financial effectiveness and profitability. Economic responsibility is considered as the prerequisite for the other two responsibilities. Environment responsibility is concerned with resource conservations, preserve biological diversity, environment protection, and climate change and avoid pollution. Social responsibility includes the responsibility of whole organization to maintain a healthy relationship with the society and environment in which it operates (Mc Williams and Siegel, 2001). Employee commitment defined as when employees build psychological attachment to their organization (Allen et al., 1990: O’ Reilly et al., 1986). Commitment occurs to the degree employees build...
identification and show involvement to relevant tasks at workplace (Mowday et al., 1982). Kanter (1986) conceptualized commitment as cohesion commitment, which described as the individual fund of activity and emotion to the group. Buchanan (1974) defined commitment in terms of partisan commitment where the employees show attachment and perform roles in congruence with organization’s goals and values. Employee commitment showed the relationship involving the feelings and beliefs of employees with the organizations. Employee commitment not only restricts to goals and values congruence but also includes a need, a desire and obligation to show the linkage with the organization.

The three construct of commitment affective, continuance and normative has been widely considered various researchers in their studies (Allen et al., 1990; Gilliland and Bello, 2002; Meyer et al., 2001; Verhoef, Franses and Hoekstra, 2002). According to Porter, Steers, Mowday, Boulièn, (1974) affective commitment refers to that state where employees desire to remain at organization. The definition is similar which Meyer and Allen defined in (1991). Continuance commitment occurs based on the potential costs associated with leaving the organization or lack of work opportunities, whereas normative commitment occurs as a sense of obligation towards organization (Allen et al., 1996). A substantial body of evidence has been gathered concerning the three construct of employee commitment with the relationship to other variables. The three constructs are not mutually exclusive rather they exist one at different times and simultaneously to varying degree at one time. According to Meyer et al., (2002), regarding correlation, the previous research shows the strong correlation between affective and normative commitments. However, the correlation among the three constructs continuance commitment and both affective commitment and normative commitment found to be more modest. The various authors support the three-dimensionality model of commitment (Allen et al., 1996; Meyer, Allen and Smith, 1993; Allen et al., 1990; Meyer et al., 2002). Some issues that have raised criticism is the strong relation between affective and normative commitment. Due to strong correlation between affective and normative commitment, Solinger, Olffen and Roe in (2008) faces problem of the question of independency between the two forms of commitment.

The affective commitment among the three components of commitment represents the identification, psychological attachment and involvement in the organizations (Allen et al., 1990). Kim, et al., (2010) takes affective commitment to link the employee-company identification and employee commitment and found that affective commitment is important indicator to define employee-company identification and employee commitment among the three construct of commitment. Identification of employees occurs when they develop sense of belongingness to a particular organization. Davila, Celeste and Garcia in (2012) studied on identification and affective commitment with the organization, sense of belongingness and work behavior. To describe the relationship of employee’s identification and affective commitment in the organization, although they use one dimension of identification hence they found significant correlation among these variables.

2.3 Hypotheses Development

In view of social identity theory, employee-company identification is considered as important consequence of corporate social responsible initiatives. Employees are the internal audience in any organization they perform the activities in any organization. Employees have interests and rights in any organization; they directly contribute with their individual behavior and overall performance in companies’ activities and tasks (Clarkson, 1995; Donaldson and Preston, 1995).

There is little research focus on how organizational members affect their attitudes and behaviors by the way they perceive their organizational corporate social responsible activities. Employee’s behaviors are determined by the employee’s perception. Employee’s CSR perception and its subsequent impact on identification have drawn much intention of researchers. Brammer et al., (2007) defined employees CSR association as the perception of employees, which they perceive from their company’s corporate social responsible activities outside the organization. Peterson (2004a) supports this concept and explained employees CSR association in a way that it is the psychological interpretation of employee’s state of mind, which they build from their company’s corporate citizenship activities. According to Valentine and Fleischman (2008), it is the positive and negative perception of employees about company’s corporate social responsible activities accordingly. When a company is recognized as socially desirable, the employees are more likely to build their perceptions with that organization (Lichtenstein, Drumwright and Braig 2004; Martin and Ruiz, 2007). To derive the self-perceived status or sense of self in the society, employees generally associate with those organizations when they build the same attributes as those in the organizations. Among these, the employees build highest association with those organizations who already have favorable reputation in society (Gond, Akremi, Igalens and Swaen, 2010). Whereas according to Lin (2010), a company’s favorable CSR actions not only build organizational reputation and image but also derive the identification of employees with such organizations.
H1: CSR association is positively associated with employee-company identification.

In the age of rising recognition and increasing need of employee commitment, drive the quest for socially desirable actions in organizations. This requires the active participation and complete endorsement of employees’. As the notion of CSR participation explicates employee’s participation in CSR activities. CSR participation provides employee an opportunity to not only build their self-concept but also ensure their active participation in corporate social responsible activities (Al-bdour, Nasurddin and Lin 2010). The numerous studies reflect the importance of CSR participation in organizations (Kipkebut, 2010). Several studies linked CSR-participation to decision-making, the degree to which employees participate in decision-making they show commitment to the organization (Malhotra, Budhwar, Prowse, 2007). The participation of employees in decision making influence individual’s CSR-Perception and give the sense to employees that they are valued and trusted (Allen et al., 1990; McElroy, 2001). Employee’s commitment found to be higher among those employees who have identification with the organizations than those who have not built their identification (Peterson 2004c). Schwochau, Delany, Jarley, Fiorito, (1977) explored that the employees who contribute to social desirable actions results in the accomplishment of high order needs, also Guzley (1992) and Smidts Smidts, Pruyn and Van Riel., (2001) support this concept and identified that participation in corporate citizenship activities strengthen their relationship with organization and form strong identities with such organizations.

H2: CSR participation is positively associated with employee-company identification.

According to stakeholder theory, the employees have the rights in organization as stakeholders and shareholders. Employees not only observed but also directly and indirectly influenced by corporate social responsible activities. Employees influence through directly (e.g. wages, training and development, Occupational health and safety) and indirectly (e.g. organizational enforced procedures and policies) by such activities. Moreover, Maignan et al., (1999) stated that firms that involve in CSR initiatives employees are more loyal and build identification to those organizations. CSR initiatives present a prompt way to build association with employees. Employees’ perceptions and behaviors depend more on the employees’ justice perceptions, to what extent employees consider their company’s actions fair to be (Byrne, Bobocel, Cropanzano, and Rupp., 2001). The firms’ CSR initiatives affect employees’ perceptions in part that they consider their partial contribution to society with the social contribution a firm make to society. It gives the sense of satisfaction to employees and they feel proud while having association to such organizations (Rodrigo et al., 2008). CSR activities build an environment that provides equal opportunity employers; it gives the sense to employees that the company would care for their need. In this way, employees feel that they are part of the company thus they are motivated to stick with the company, which in turns enhance their commitment (Ali et al., 2010; and Ali et al., 2013). When a company involves in CSR activities the employee’s self-identities tied up with the organization’s identities. So the company association positively reflects on employees and they feel proud while having association to such organizations and thus raising the level of employee commitment (Brammer et al., 2007).

H3: CSR association is positively associated with employee commitment.

The importance of CSR actions has increased in recent years as the employees become more interested in participating CSR activities. The embeddedness of CSR actions in employees’ job has multiple benefits (Stawiski, Deal, Gentry, 2010). Getting employees involves in corporate citizenship actions ensures the continuous improvement and ongoing success of their work organization. Employees have the ability to shape their working environment and wish to work in such environment where their ideas actual get used. Employees recognizes the importance they attach to CSR, thus increase the commitment to their organizations (Stawiski et al., 2010). According to Dirani, Jimali and Harwood (2008), encourage the employees to participate in CSR activities allow the companies to build strong relationship with its employees. Plenty of Research links the employees’ participation in CSR initiatives to corporate volunteer programs (Peterson, 2004b; Wild, 1993). CSR participation of employees usually occurs in form of volunteer programs. Organizations act as a platform to provide the opportunities to employees to contribute for the public good in the society. For this, the organizations show respect and support the employees whether as citizens or member of community or heads of families. The organizations show that they care for employees and their families. By participating in corporate volunteer programs, employees feel proud that their organizations care for them and the society in tune. Organizations remain in tune with community through corporate volunteer programs. Thus, employees exhibit more positive work attitudes and show commitment to the organization (Basil, Runte, Easwaramoorthy and Bar, 2009). Thus the following hypothesis is formed.

H4: CSR participation is positively associated with employee commitment.

In organizational behavior research, identification of employee’s with the organizations is often overlapped with
other constructs. These overlapping constructs with the organizational identification include organizational commitment, organizational loyalty, job satisfaction, person-organization fit and work environment. A large domain of research found that employee-company identification strongly correlated with employee commitment. While defining identification of employees in the organization some authors define that it comes under the umbrella of employee commitment (Mael et al., 1992) and others consider that both employee-company identification and commitment are similar constructs (Riketta, 2005). Different authors describe the relationship of employee-company identification and employee commitment by describing conceptually and empirically. As Van Knippenberg and Sleebs in (2006), put emphasis, employee-company identification is non-transferable and organization specific. It means that when employees form identification they relate themselves to particular organization. They defined it as when individuals build identity they become microcosm of the organization. Their identity, fate, and destiny depends more on organization. Whereas commitment may be easily transferable and depends on employees depict similar type of positive attitude to any organization. To delve further into the relationship that exists between employee-company identification and employee commitment it may be necessary to define that theses two constructs are empirically discriminable. Riketta in (2005) found that empirical results related to identification and commitments of employees are not consistent. The results between two constructs vary ranging from 0 to 0.80.

The empirical consistencies also record various other researchers such as (Bedeian, 2007; Bergami and Bagozzi, 2000; Cole and Bruch, 2006; Gautam, Van Dick and Wagner, 2004; Herrbach, 2006; Mael et al., 1992; Van Knippenberg et al., 2006). In terms of outcome, the authors relate the commitment with disposition and employee’s state of mind and. The employees exhibit positive work related behaviors in form of job satisfaction when they show commitment to organizations (Riketta, 2005; Van Knippenberg et al., 2006; Cole, et al., 2006). The various researchers describe employee-company identification as the identification, which employees develop attractive, distinctive and internally consistent in relation to salient rival organizations (Dutton et al., 1994; Edward, 2005; Gautam et al., 2004; Mael et al., 1992; Van et al., 2006). Similarly, Riketta (2005) during his study investigated that employee-company identification strongly correlated to extra role performance. In the previous studies to relate employee-company identification and employee commitment researchers discriminate these two constructs conceptually, empirically, work-related behaviors and work relate outcomes. However, the researchers agree to the point that identification strongly correlated and give the higher productivity than independently. To support the present model researchers (Meyer, Becker and Vandenberghe, 2004; Bedeian, 2007; Bergami et al., 2000; Tompkins, 1985; Forman, Whitten, 2002; Herrbach, 2006; Sass and Canary, 1991) measured that affective employees’ commitment actually derived from employee-commitment.

**H5:** Employee-company Identification is positively associated with employee commitment

The idea of return-back to society is about fostering positive relationship of employees with the organizations. The socially desirable actions effect employees’ perceptions to the extent they believe organizations involve in such actions. Perceiving high level of CSR activities help to fulfill the belongingness need of employees, which results in the commitment of employees. (Stawiski et al., 2010). The participation of employees give the employees a sense of understanding that the company’s involve in socially desirable actions. The more employees are influenced the company’s CSR activities results in employee commitment (Stawiski et al., 2010). The company often engages to accomplish the demands of these stakeholders. To obtain competitive advantage an organization builds an image of responsiveness to fulfill the demands of stakeholders (Marin, Ruiz and Rubio, 2009). A company’s CSR activities provide an opportunity to foster the relationship between organizations, employees and other parties in the organization. However, the quality of such relationships depend on how well employees perceive and participate in CSR activities. The rationale behind the company’s effort to take such activities effect employees’ reactions (Auguilera et al., 2007; Waddock, Bodwell, Grave., 2002). Social identity theory explained the employees more likely to identify themselves with those organizations that have attractive attributes and involve in socially desirable actions (Collier et al., 2007). Relating to the link between CSR association, CSR participation and employee-company identification, CSR activities associate the company with good corporate image that allows the stakeholders to identify with the company (Lichtenstein et al., 2004; Maignan and Ferrell, 2004; Sen and Bhattacharya, 2001). Based on employee-company identification literature, CSR activities include welfare of employees and their families and increase the level of employee commitment with the organization. (Ali, et al., 2013). Likewise, Bartels, Puryan, De Jong and Joustra in (2007) identified that employee-company identification lead employee commitment.

Kim et al. (2010), investigated that the impact of CSR participation on employee-company identification which provides an opportunity to build employee commitment. He recognizes that the corporate volunteer programs are aw great source to build employee commitment via employee-company identification. Earning good corporate
image is essential predictor in the development of employee-company identification, which consequently builds employee commitment. Several studies have found corporate image as a valuable strategic asset and companies who involve in CSR activities enhance corporate image (Siltaoja, 2006; Lii and Lee, 2012). Kim et al., (2010) studied perceived external prestige in relation to employee-company identification. Maslow’s Hierarchy need theory emphasize that employee perceived external prestige is a great source to fulfill the employee’s need of self-enhancement and self esteem. According to social identity theory, it is evident that employees portrait themselves as a part of the organization. In this sense, the public opinion of a company with how outsiders judge them associates the CSR participation to employee-company identification (Riordan, Gateswood and Bill 1997). Thus, a good perceived external prestige coming from the involvement in corporate volunteer programs, which arouse the identification of employees with the organization. By participating in volunteer programs, employees promote good citizenship behavior; they feel proud to work for an organization and are eager to stay in the organization.

H6: Employee-company identification positively mediates the relationship of CSR association and employee commitment.

H7: Employee-company identification positively mediates the relationship of CSR participation and employee commitment.

2.4 Theoretical Model

The below conceptual model depicts the nature of relationship between variables of this study. CSR association and CSR participation are independent variables of this study, whereas employee commitment is dependent variable. The model also depicts the mediating role of employee-company identification on the relationship between CSR association, CSR participation and employee commitment.

![Figure 1. Theoretical Model](image)

3 Research Methodology

3.1 Sample and Data Collection

The study examines the influence of corporate social responsible activities on employee’s behavior the linkage of CSR association, CSR participation with employee’s commitment. Managers and Executives take as the target respondents to measure the responses of employees in telecom industry of Pakistan. The reason behind to choose the managers/executives is that they are well known about the firm CSR policies. They also involve in making and suggesting CSR policies. The telecom sector is taking more CSR initiatives regarding education, health and clean environment in Pakistan. A well-structured questionnaire consisting close-ended questions has been distributed 500 employees of telecom sector working in corporate offices. The questionnaires distributed according to ratio percentage of employees among the six companies of telecom sector. Out of 500 questionnaires, only 311 received so the response rate is 62%. However, the useful response rate was recorded 60%, because during data entry only 300 questionnaires completed and found to be useful for study.

3.2 Instruments and Measurement

The study used the four-research constructs CSR association, CSR participation, employee-company identification and employee commitment. Five-item measurement scale applied to measure the telecom sector employee’s perception towards CSR association. The three items of CSR association adopted from (Lichtenstein
et al., 2004). The remaining two items adopted from Brown et al. (1997). CSR participation of employees’ is measured by using the instrument of seven items. The two items adopted from Peterson (2004b), one item taken from the scale developed from Hasse (199&), two items adopted from Wilpert and Rayley (1983), the other two items borrowed from huang et al. (2006). Four items used to measure employee-company identification and adopted from Brown et al., (1997). 11 items used to measure the commitment. To measure the relationship commitment four items has used. Three out of four taken from Morgan and Hunt (1994) which reflects the intensions to maintain the relationship, one item borrowed from relationship measurement constructs which shows the intension of future investment borrowed from Gundlach et al. (1995), five items taken from Allen and Meyer (1990), while One item borrowed from Jaros (2007). In addition one item used from Brammer et al, (2007).

3.3 Procedure

The data analysis technique includes; reliability analysis through Cronbach alpha using SPSS software. Reliability analysis is computed using confirmatory factor analysis (CFA) using AMOS software. Correlation analysis through Pearson Correlation Matrix using SPSS software and finally regression analysis through structural equation modeling (SEM) to test the hypotheses proposed in the study.

4. Results and Discussion

4.1 Validity and Reliability

Confirmatory factor analysis has been performed to measure the validity of data. CFA model yielded a good fit of CMIN (Chi square) = 3688.022, Degree of freedom (DF) = 196, Probability value (P-value) = 0.000, CMIN/DF = 1.878. Several authors recommended the value of CMIN/DF for good model fit. According to Marsh and Hocevar, (1985) and Wheaton, Muthen, Alwin, summer, (1977) the value of CMIN/DF should be less than 5 and between 5 and 2 for good model fit. The value of model fit indices for CFA also meets the cutoff parameters, which meet the standard criteria for model fit in this research. The values of other parameters that also used to assess the model fit such as GFI that measure the fitness or model relative to other and Comparative Fit Index (CFI) measures the overall model fitness should be closer to 1. In this regard, Hair, Anderson, Tatham and Black (2003) recommended that the value of GFI, CFI and should be closer and higher than 0.90. Furthermore, the value of Root Mean Square Error of Approximation (RMSEA) for good model fit should be less than 1. Browne and Cudeck (1993) reported that the RSMEA value of model should be less than 1 to be used for data analysis. The value of RSMEA in this model is .054, which is well below 1. These values of model fit shows CFA model fit is found good and can be proceed for data analysis.

Table 1. Reliability and Validity Analysis

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Items</th>
<th>Factor Loading</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR Association</td>
<td>CSRA1</td>
<td>.78</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSRA2</td>
<td>.73</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSRA3</td>
<td>.59</td>
<td>.73</td>
</tr>
<tr>
<td></td>
<td>CSRA4</td>
<td>.44</td>
<td></td>
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<tr>
<td></td>
<td>CSRA5</td>
<td>.44</td>
<td></td>
</tr>
<tr>
<td>CSR Participation</td>
<td>CSRP1</td>
<td>.19</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSRP2</td>
<td>.70</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSRP3</td>
<td>.65</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSRP4</td>
<td>.47</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSRP5</td>
<td>.59</td>
<td>.61</td>
</tr>
<tr>
<td></td>
<td>CSRP6</td>
<td>.52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSRP7</td>
<td>.49</td>
<td></td>
</tr>
<tr>
<td>Employee-Company Identification</td>
<td>ECII</td>
<td>.66</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ECII</td>
<td>.54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ECIII</td>
<td>.47</td>
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<td></td>
<td>ECIIII</td>
<td>.72</td>
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<td></td>
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<tr>
<td></td>
<td>ECIIII</td>
<td>.75</td>
<td>.78</td>
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</table>
Reliability analysis performed using SPSS 16 and AMOS 21. The scale, which was used to measure CSR association, CSR participation, employee-company identification and employee commitment found to be reliable. The reliability measured of these constructs are 0.73, 0.61, 0.78 and 0.87 respectively. In social sciences, Nunally and Bernstein (1978) proposed that greater than 0.6 cronbach alpha as acceptable reliability of the data. Table I presents the values for CFA and reliability analysis, all values correspond to the required parameters for CFA and reliability of measurement scales.

4.2 Correlation Matrix

Table 2 shows the mean, standard deviation and correlation coefficient of variables. It is noted that mean of CSR association, CSR participation are 4.52, 4.57 respectively. However, there are no significant differences among the mean of all variables. Hence, the mean of employee’s participation in corporate social responsible activities is higher among than that of employee’s perception of CSR association. The mean of employee-company identification is 4.48, which is higher than that of mean of employee commitment 4.41. Correlation coefficient reveals that there is no problem of multicollinearity as there is no correlation coefficient is greater than 0.5. The employee-company identification explains the highest variance i.e 0.64 among all other variables, employee commitment 0.51, CSR association 0.50 or CSR participation 0.40. It is confirm from the table that all variables CSR association, CSR participation, employee-company identification and employee commitment have positive association with each other at 0.01 confidence interval.

<table>
<thead>
<tr>
<th>X</th>
<th>Y</th>
<th>M</th>
<th>Total Effect</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSRA</td>
<td>EC</td>
<td>ECI</td>
<td>.242(.000)</td>
<td>.184(.000)</td>
<td>.033(.443)</td>
<td>No Mediation</td>
</tr>
<tr>
<td>CSRP</td>
<td>EC</td>
<td>ECI</td>
<td>.221(.000)</td>
<td>.093(.005)</td>
<td>.121(.003)</td>
<td>Partial mediation</td>
</tr>
</tbody>
</table>
4.3.1 Mediation Analysis

No significant association between CSRA and EC could be established when ECI introduced in structural model. However, significant association established between CSRP and EC when ECI introduced in structural model. To determine whether ECI fully mediates the link as established in proposed hypothesis 6,7 mediation process was employed using bootstrapping analysis to estimate direct, indirect and total effect (Bollen and Stine, 1990; Shrout and Bolger, 2002). The bootstrapping analysis has been performed through AMOS method with 95% bias corrected (BC) confidence interval and performs bootstrapping with 5000 number of bootstrap sample. The purpose of bootstrap procedure is that the data are re-sampled many times to obtain an estimate of the entire sampling distribution of the indirect effect. The bootstrap get advantage over the other methods as it includes an assumption of lack of normality and strong accuracy of confidence interval (Preacher, Hayes, 2007; Zhao, Jr, Lynch, Chen, 2010). The dependent variable employee commitment, independent variable CSR association and CSR participation and mediating variable employee-company identification is shown in diagram 11. To measure the dependent variable (employee commitment), we run the proposed model by considering the mediating role of employee-company identification, that the research literature has demonstrated plays a role in explaining the influence of CSR association and CSR participation on employees’ behaviors.

Hypothesis 6 predicted that employee-company identification mediates the relationship between CSR association and employee commitment. As related to direct effect, we found positive and significant direct effect of CSR association on employee commitment (.184, p > .005). As regard to the mediating effect, we found insignificant indirect effect of CSR association on employee commitment via employee-company identification (.033, p < .443). Therefore, the proposed hypothesis 6 is not accepted. The direct effect of CSR association and employee-company identification is not significant (.027, p < .645), showing there is no relationship found between CSR association and employee-company identification. Therefore, there is no relationship found between CSR association and employee commitment via employee-company identification.

Hypothesis 7 predicted employee-company identification mediated the relationship between CSR participation and employee commitment. With respect to direct effect, we found significant direct effect of CSR participation on employee commitment (.093, p > .005). As regard to mediating relationship, we observed significant indirect effect of employee-company identification on the relationship between CSR participation and employee commitment (.121, p < .003). There the proposed hypothesis 7 is accepted. However, the employee-company identification partially mediated the relationship of CSR participation and employee commitment. As the direct effect (.073, p > .005) of CSR participation on employee commitment is significant, showing indirect-partial mediation.

Farooq, Payaud, Merunka and Florence (2013) use the company identification and company trust as mediators in their multiple mediators’ model to check the relationship between different types of CSR and affective organizational commitment. They concluded that social identity based mechanism has stronger effect on affective organizational commitment than trust based mechanism.

4.3.2 Effects of CSR Association and CSR Participation on Employee Commitment

The regression coefficients ($\beta = .228, p < .000$), ($\beta = .114, p < .018$) reveals the significant positive relationship variables. In order to accept any hypothesis the value should be less than 0.05. The values of p are well below than 0.5. Therefore, we accept hypothesis 1 and 2. H1 states that CSR association has positive influence on employee commitment, which is confirmed by this analysis. H2 refers the positive relationship between CSR participation and employee commitment, which is also confirmed by the analysis. The results are quite encouraging and similar to what previous researchers have found in their studies. With regard to the first hypothesis Brammer et al., (2007) found significant positive relationship between CSR association and employee commitment which results in job satisfaction. To keep the employees committed the organizations take CSR initiatives, which influence their perception to the organizations. The organizations enjoy the benefit in form of job satisfaction. In this way, the employees keep long-term relationship with the organization and there are less chances of any employee to quit the organization. Turcker (2009) found positive association between employee’s perceptions of CSR activities and employee commitment. The company’s activities for the benefit of society positively affect the employees’ state of mind and they want to work with such organizations, take challenging tasks and serve extra hours to complete their tasks. Ali et al., (2010) defined the relationship between how employees’ perceptions about CSR activities affect employee commitment and found significant positive relationship between these variables. The organizations’ effort for the well-being of the society and employees help to maintain sound employer-employee relationship, which influences their perceptions and employees are more interested to work in such organizations. As related to the second hypothesis, it is evident from Brammer et
(2007) that companies who instituting CSR activities employees feel more proud by participating in such activities and increased their level of commitment. (2010) presented the evidence that employees’ participation in CSR activities and their involvement in suggesting CSR activities enhance the employee commitment through belongingness with the organization. The findings of the study also affirm from the notion of Cudmore, and Hill., (2006), to the extent organizations’ actually involved in CSR activities affect employees’ behaviors.

The employees’ involvement in CSR activities build the understanding of employees about company’s CSR initiatives and employees are more concerned to such organizations. reports in their study of large Dutch banking organization the employee commitment in response to employees’ volunteer programs. To measure the commitment they report the attitudes of both volunteer employees or non-volunteer employees in company and who volunteer for charitable causes on their outside the company. They noted significant difference in attitudes of employees who volunteered through company sponsored program, however, their results suggest that employee commitment found to be same between employees’ group within the organization. measure the qualitative study by conducting the interviewee of employees. They note the positive work related behaviors of participants of company’s’ sponsor volunteer program. The employees feel more committed as they get satisfaction by helping others, feeling pride for their company and report the enhanced effectiveness of their work systems at workplace. The findings of the study also validate the study of (2010) by examining the perceptions of employees’ regarding CSR activities and actually involvement effect the employees’ reactions and it has an effect on employee commitment.

4.3.3 Effects of CSR Association and CSR Participation on Employee-company Identification

With respect to the hypothesis and consistent with other researcher’s study results revealed that CSR association was not positively related to employee-company identification while CSR participation was positively related to employee-company identification after controlling for age, income, qualification and stay in the organization. According to standardize coefficient the results revealed that CSR association \( \beta = .027, P = 0.645 \) had no significant effect on employee company identification. Employees found to form less identification from their perceptions regarding CSR activities. Mixed finding found with respect to the relationship between CSR association and employee-company identification. links CSR association and identification of employees to the organizations and contrary to the current study, proposed that companies who take corporate social activities, thier employees enhance the perceptions of the organization. proposed that social identity theory provides explanation to build the link between CSR association and employee commitment. According to social identity, theory individuals tend to define themselves to those organizations to which they belong to. However, noted that CSR association had no significant relation with employee-company identification. In his study also see the influence of perceived external prestige on employee-company identification. The findings of the study also confirms the application of (1998) that cultural context influences the employees’ self-constructs. They form self-constructs from societal contexts and from others. Moreover, in collectivist culture such as in Pakistan the findings of the study are applicable where the people are motivated and rely on to form social relations.

Table 4. Regression Analysis through SEM

<table>
<thead>
<tr>
<th>H. No</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Mediating Variable</th>
<th>Effect</th>
<th>Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>CSR Association</td>
<td>EC</td>
<td>--</td>
<td>.228(.000)</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>CSR Participation</td>
<td>EC</td>
<td>--</td>
<td>.114(.018)</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>CSR Association</td>
<td>ECI</td>
<td>--</td>
<td>.027(.645)</td>
<td>Rejected</td>
</tr>
<tr>
<td>H4</td>
<td>CSR Participation</td>
<td>ECI</td>
<td>--</td>
<td>.202(.000)</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5</td>
<td>ECI</td>
<td>EC</td>
<td>--</td>
<td>.532(.000)</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6</td>
<td>CSR Association</td>
<td>EC</td>
<td>ECI</td>
<td>Ref. Mediation table</td>
<td>Rejected</td>
</tr>
<tr>
<td>H7</td>
<td>CSR Participation</td>
<td>EC</td>
<td>ECI</td>
<td>Ref. Mediation table</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

These results may be related with the company’s culture in Pakistan. The company’s should implement the idea that CSR expresses more than simply the requirements that business should be conducted ethically. There is a
need to strengthen the relationship between employees and company image to change the perceptions of employees. Presently the companies are lacking the cultures of trust. Corporate social responsibility is a modern concept and companies have positive attributes and incorporate honesty and integrity at its heart for building the culture of trust (Foster Back, 2005).

According to standardize coefficient (β = .202, p = .000) the study noted that CSR participation has stronger effect on employee-company identification. The employees who participate in corporate social responsible activities form higher identification with their organizations. The participation is not confined to execution of CSR activities it also involve employee’s participation in suggesting CSR activities. The findings of the study are similar to Kim et al., (2010), the employee’s participation in CSR activities and employee participation in CSR planning activities directly enhanced employees’ identification with their organization. The study conducted in Pillsbury community outreach program, Bartel (2001), found that participation in CSR program help to build strong identity with their employer through personal cooperation and results in increased work effort. Our findings affirms the findings of study conducted Berger et al., in (2006), employee’s contribution in corporate social responsible activities create psychological and emotional link between company and employee. The findings of study confirm the notion given by Bhattacharya et al., (2008), participation in corporate social responsible activities results in accomplishment of employee’s psychological needs, which help to form identification with the organization. More precisely by participating in corporate social responsible activities, employees achieve sense of accomplishment, which in turn the fulfillment of their unique needs which helps to build strong relationship between employees and the organization.

4.3.4 Effects of Employee-company Identification on Employee Commitment

According to the regression coefficient, employee–company identification is a significant predictor of employee commitment. The results (β = .532, p = .000) shows significant positive relationship between employee–company identification and employee commitment. Employees who build identities with their organizations also found committed to their organizations. Most of the previous studies conduct revealed almost same results. The results are similar which Kim et al., (2010) presented in their study that employee–company identification has strong positive influence on employee commitment. He identified the predominance of perceived external prestige on employee–company identification and then relates it to employee commitment. Lichtenstein et al., (2004), Marin and Ruiz, (2007) found when a company involves in socially desirable actions the employees perceive that the organizations have strong admirable traits thus form association to that organization And employees consider themselves as whole integrated people (Berger et al., 2006).

The results of the study affirm the findings of Cole et al., (2006) with respect to employee–company identification and employee commitment only, and recognize that based on empirical discrimination these two variables significantly correlated to each other. Based on the results of previous researchers’ study that employee–company identification and employee commitment are related but distinguishable concepts, Mael et al., in (1992), Van Knippenberg et al., in (2006) examined that these concepts are related substantially, and found interrelation of approximately r = 0.65. The study also confirms the findings of Gautam, et al., (2004) with average interrelation between these two concepts of employee–company identification and employee commitment with unshared variance of more than 50%. However the present study noted the average interrelation r = 0.59 with shared variance of 64%. The present value of r is slightly less than the previous studies; the possible justification is the combined effect of these two contracts with that of CSR association and CSR participation. In country like the one Pakistan where there is diversion found in organization’s cultures, a person is much more concerned with outcomes. The more the organization dedicated in taking care of its employees the more the employees will take care of the organization. The employees who have higher association with the organization believe that their future tied to the organization and they are willing to make personal sacrifices for the organization.

5. Conclusion

This paper brings several strands together in the literature that bears on the question of effectiveness of CSR association and CSR participation on employee’s behavior. The study has combined the effect of CSR association and CSR participation on employee commitment. The study has investigated the mediating relationship of employee-company identification between CSR association, CSR participation and employee commitment. CSR association directly not has impact on identification of employees. The reason behind the insignificance relationship between CSR association and employee-company identification are cultural context. In Pakistan there is employees are not enough conscious to their companies’ CSR activities. According to social identity, theory employees are highly motivated to form social relations. The people usually
engage in forming self-constructs through social contexts. The employees love to work for the organizations who actively contributing and promoting wellness of society. Moreover, the companies should try to build the positive attitudes and behaviors of employee’s by incorporating trust and fairness into their environment. Another aspect of existing study is that implementation and execution of corporate social activities help to produce more committed employees. CSR participation not only confined to execution of CSR activities it also involves the participation of employee’s in making CSR policies, involve in decision making and in scheduling their tasks and jobs. When the idea starts flowing and activities take place regarding CSR activities it recognizes with employees and teams. The company covers all these aspects as it includes constructs such as “Employees participation in supervisors discussing issues and practices and let them participate in decision making”. The participation of employee’s in corporate social responsible activities helps to make positive relation with employees regarding recruitment, morale, retention and productivity. The participation of employee’s gives them a feeling of pride and meaning to employees. These efforts help to raising the association of employees with their organizations. Employees more link themselves with that organizations who take care of their employees and taking and promoting the well being of employee’s as well as local community. The company’s effort to recruit and retain talented employee’s positive culture and environment articulated throughout the company culture.

The findings of the study also confirms that participation in corporate social responsible activities have positive higher impact on commitment of employees. Every organization wants committed employees because such employees ensure employer’s success. In addition, the study conducted in telecom sector where there is intense competition, which provides value added services, and dynamic strategies to its customers require more productive and favorable employees. The study provides useful information regarding the impact of corporate social responsible activities on employee’s behaviors and attitudes.

References


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