CORPORATE SOCIAL RESPONSIBILITY AND ORGANIZATIONAL COMMITMENT AMONG EMPLOYEES IN THE CORPORATE SECTOR

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Abstract

The present study attempted to investigate the relationship between corporate social responsibility and organizational commitment among employees in the corporate sector. The sample comprised of 250 employees in the corporate sector from Rawalpindi and Islamabad including both men (n = 224) and women (n = 26) with age ranging from 20-59 years. Self-report measures of Corporate Social Responsibility and Organizational Commitment Questionnaire were used in the present study to measure the perceptions of corporate social responsibility and organizational commitment respectively. Results showed that corporate social responsibility and organizational commitment were positively correlated with each other among employees in the corporate sector. Non significant group differences were found in relation to gender; however employees with extended job tenure and working at senior job positions showed more favorable perceptions of corporate social responsibility and higher level of organizational commitment.

Keywords: Corporate social responsibility, organizational commitment, employees, corporate sector.

JEL Classification: Z000

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Introduction

In today’s era, the increased globalization has resulted in increased challenges for the organizations. Organizations have to face many legal, technical, environmental and social pressures to sustain. Nowadays consumers and employees both are much aware of the organizational output; therefore, organizations can face much serious litigation for their irresponsible attitude. So, in order to cope with the pressures organizations had to involve into environmental friendly practices to gain the trust of their employees and consumers. It is a common belief that corporate social responsibility (CSR) activities are only restricted to charities, donations, and environmental practices but generally CSR is a broad term that applies to all those practices and behaviors which are practiced for the goodwill of the lives attached to the organization such as employees, stakeholders, community, and environment (Margolis, Elfenbein, & Walsh, 2007).

Industrial/organizational practitioners defined CSR as the economic development of the firm, its corporate responsiveness, stakeholders involvement, moral obligations, transparency, and the ethical practices of the firm (Rahman, 2011). CSR is also known as management concept in which interactions of stakeholders and social and environmental concerns are integrated by the organization (Henderson, 2001). According to Fraser (2005), CSR should not only be responsible for the stakeholders but also for the incharge of those stakeholders; for example, employees (who work in the organization), customers (who purchase the products of the organization or industry), suppliers (who supply goods), government (by implementing rules and regulations on the organization), and nongovernmental organizations (involved in dealings).

Organizational commitment refers to emotional bond or attachment between the employees and their organization (Mahanta, 2012). Organizational commitment is the state in which the employees would actively participate in the daily operations of the organization...
and shows involvement because they are bound by their actions and beliefs (Miller & Lee, 2001). This state is characterized by the positive emotions and employees’ psychological commitment to their organization. They are inclined towards their organization because they feel that they own the organization and their behaviors can affect their organization (Meyer & Allen, 2007). Allen and Meyer (1990) developed three components model of organizational commitment including affective (alignment that employees feel between their organization and their personal value systems and desires; and tend to stay in their organization with their own willingness); continuance (employee does not want to lose the status gained due to their efforts so they decide to remain in the organization) and normative (employees face normative pressures from the society hence they feel obligated to stay on the job) (Yalcin & Iplik, 2005).

In the present study, the model of organizational commitment (Meyer & Allen, 1997) and CSR model (Maignan & Ferrel, 2000) have been taken together to explain the employees’ organizational commitment by enhancing their personal identity with their organizations. Moreover, employees are inclined towards their organization because they feel that they own the organization and their behaviors can affect their organization. Similarly, management concept is also explained by the Maigan and Ferrel’s (2000) model in which interactions of stakeholders and social and environmental concerns are integrated by the organization. The organizations address the expectations of shareholders and also tend to achieve the balance of economic, environmental and social obligations through CSR practices.

Strong empirical literature states the relationship between corporate social responsibility and organizational commitment in different organizational setups. For instance, Brammer, Millington, and Rayton (2007) noted that CSR practices of the organization increases organizational commitment among employees. The existing literature suggests that CSR initiatives can be categorized as internal...
or external (Rodrigo & Arenas, 2008). External CSR is defined as philanthropy and the interactions of firm with the external environment and stakeholders. External CSR is discretionary and it indirectly affects organizational commitment by enhancing their personal identity. Similarly, Kim, Lee, Lee, and Kim (2010) suggested that CSR directly enhance the organizational identification among the employees which contributes towards increased organizational commitment that is, employees who actively participate in CSR activities have an enhanced sense of belonging.

Employee CSR associations are their perceptions of the company identity about important matters related to societal welfare. Employee CSR perceptions are closely related to organizational commitment (Brammer et al., 2007; Peterson, 2004; Rupp, Ganapathi, Aguilera, & Williams, 2006) and job satisfaction (Valentine & Fleischman, 2008). Furthermore, CSR initiatives enhance the performance of employees (Larson, Flaherty, Zablax, Brown, & Wiener, 2008), commitment to the organization and employees' identification with the company (Collier & Esteban, 2007; Peterson, 2004; Rodrigo & Arenas, 2008; Rupp et al., 2006). Stawiski, Deal, & Gentry (2010) stated that CSR is one of the factors that greatly affect organizational commitment as employees are more prone to actively participate in their company owing to its good reputation and practices, and feel more committed to it. CSR is used by many organizations to strengthen their relationship with their stakeholders in order to minimize conflicts and maximize loyalty (Margolis, Elfenbein, & Walsh, 2007).

Stawiski et al. (2010) concluded that the relationship between CSR and commitment was stronger among women employees. Studies reported that women have higher levels of organizational commitment than men (Gaan, 2008; Chatman & O’Reilly, 2004). It has been found that women are more ethical than men with respect to consumer and social issues (Lee & Peccei, 2007). Women are more concerned about corporate values like ethical, environmental, and social issues due to
primary socialization process (Ibrahim, Angelidis, & Tomic, 2009; Lämsä, Vehkaperä, Puttonen, & Pesonen, 2008).

Recent Literature (Diez, Gago, García, & Campillo, 2013; Stawiski et al., 2010) suggested that top level managers have a positive view of the CSR policies of their organization because they have a strong sense of ownership and are responsible for making critical decisions including CSR decisions. Similarly, people at the highest levels in the organization are also most committed to the organization and are more positive about the organization’s CSR efforts (Berger, Cunningham, & Drumwright, 2006). Bartel (2001) suggested that employees working at senior positions have higher self-esteem done being associated with their employer, have more interpersonal cooperation and have increased work effort and have a stronger sense of organizational identity.

Senior workers have been reported to score high on organizational commitment because of lesser job opportunities (Kooij, Jansen, Dikkers, & Delange, 2009) but other studies (Vitell & Singhapakdi, 2008) reported that age only affects organizational commitment if the individual has high job satisfaction. Significant positive relationship between age and organizational commitment has been found and it was suggested that senior workers with less tenure were grateful for the organization’s social practices because they had faced negative effects of economic changes (Brimeyer, Perrucci, & Wadsworth, 2010). They also reported that employees with 10 or fewer years of job tenure have negative relationship between education and organizational commitment but their level of commitment increases with their age. Natarajan and Nagar (2011) reported that organizational commitment and job satisfaction were higher for employees with more organizational tenure.

In Pakistan, corporate sector has been actively involved in the CSR practices and their employees actively participate in these practices and shows positive organizational behavioral outcomes.
Today there is a vast increase in the organizations which are practicing CSR; such as building schools and hospitals, provide basic necessities to the people and heavily contribute in donations. Furthermore, organizations also tend to operate in economical, ethical, and legal framework. Employees are a powerful assets of the organization hence; organizations are responsible for the well being of their employees.

The major objectives of the present study were to explore the employees’ perception of existing CSR practices within an organization and their level of organizational commitment. It was also intended to determine the role of various demographics (such as gender, job tenure and job designations) in relation to CSR and organizational Commitment.

Hypotheses

The following hypotheses were formulated in accordance to the literature:

1. CSR perceptions will be positively associated with organizational commitment among employees of corporate sector.
2. Female employees will reflect more favorable perceptions of corporate social responsibility and organizational commitment than the male employees.
3. Employees with extended job tenure will reflect more favorable perceptions of CSR practices of the organization and higher organizational commitment as compared to employees with less job tenure.
4. Employees working on levels of management will reflect more favorable perceptions of CSR practices of the organization.
and higher organizational commitment as compared to employees working on middle and front line management.

Method

Sample

The sample \((N = 250)\) of the present study was selected by convenient sampling method comprising of employees of corporate sector including both men \((n = 224)\) and women \((n = 26)\). Age range of the respondents ranged from 20-59 years \((M = 32.31, SD = 9.25)\). Minimum education level of respondents was graduation and job tenure in the present organization of the respondents varied from 1-36 years \((M = 17.11, SD = 7.22)\). Employees working on three levels of management, that is front line management, middle management, and top management were included in the sample.

Measures

The following measures were used to assess the variables of the study.

**Corporate Social Responsibility Scale.** CSR perceptions were measured using Maignan and Ferrell’s (2000) Corporate Social Responsibility Scale, consisted of 18 items. Responses to items were rated at 5-point Likert scale such as 1 = *strongly disagree*, 2 = *disagree*, 3 = *neutral*, 4 = *agree*, and 5 = *strongly agree*. Scores were added to get the results on the four dimensions of Corporate Social Responsibility Scale. The alpha reliability of the scale in this study was found to be .81.

**Organizational Commitment Questionnaire.** The Organizational Commitment Questionnaire (OCQ; Meyer & Allen, 1997) consisted of 18 items (6 items for each dimension. Responses were rated using a 5-point Likert scale ranging from 1 = *strongly*
disagree to 5 = strongly agree. Alpha reliability of OCQ in the present study was found to be .80.

**Procedure**

Formal permissions from official executives were acquired to administer the questionnaires. Participants were briefed about the study and their consent was acquired. They were also ensured of the confidentiality of their information and were told that the acquired information would only be used for the research purposes. Afterwards, they were thanked and appreciated for taking time out of their hectic routine.

**Results**

Correlation bivariate was used to assess the relationship between corporate social responsibility and its subscales. *t*-test was used to find the gender differences; whereas, one-way ANOVA was conducted to explore difference among groups on the basis of job tenure and education.

**Table 1:**
Bivariate Correlation between Organizational Commitment and Corporate Social Responsibility and its Dimensions (N = 250)

<table>
<thead>
<tr>
<th>Variable</th>
<th>CSR</th>
<th>OC</th>
<th>Continuance</th>
<th>Affective</th>
<th>Normative</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>-</td>
<td>.41**</td>
<td>.31***</td>
<td>.33***</td>
<td>.28***</td>
</tr>
<tr>
<td>OC</td>
<td>-</td>
<td></td>
<td>.42***</td>
<td>.46***</td>
<td>.39***</td>
</tr>
<tr>
<td>Affective</td>
<td>-</td>
<td></td>
<td></td>
<td>.30***</td>
<td>.27***</td>
</tr>
<tr>
<td>Continuance</td>
<td>-</td>
<td></td>
<td></td>
<td>-</td>
<td>.32***</td>
</tr>
<tr>
<td>Normative</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

*Note. CSR = Corporate Social Responsibility, OC = Organizational Commitment***p < .00
Results of bivariate correlation indicated that organizational commitment had shown significant positive relationship with corporate social responsibility. Furthermore, CSR was positively correlated with continuance, affective, and normative dimensions of organizational commitment. Moreover, dimensions of organizational commitment were significantly positively associated with each other as well as with the overall construct of the organizational commitment. This further provides evidence of construct validity of the measure of organizational commitment.

Table 2:
Gender Differences on Variables of the Study (N = 250)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Men (n = 224)</th>
<th>Women (n = 26)</th>
<th>t</th>
<th>p</th>
<th>95% CI</th>
<th>Cohen's d</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>62.69</td>
<td>69.38</td>
<td>3.52</td>
<td>.04</td>
<td>-5.30 to 5.88</td>
<td>.38</td>
</tr>
<tr>
<td>OC</td>
<td>60.16</td>
<td>66.92</td>
<td>4.85</td>
<td>.01</td>
<td>-4.10 to 4.46</td>
<td>.42</td>
</tr>
</tbody>
</table>

Note. CSR = Corporate Social Responsibility; OC = Organizational Commitment

Table 2 illustrated the results of gender differences on all the study variables. Results showed that female employees exhibited better perceptions of CSR and more organizational commitment as compared to male employees.

Table 3:
Differences of Job Tenure on Variables of the Study (N = 250)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Group 1 (n = 130)</th>
<th>Group 2 (n = 78)</th>
<th>Group 3 (n = 42)</th>
<th>F</th>
<th>p</th>
<th>Tukey Hoc</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>64.38</td>
<td>66.25</td>
<td>70.46</td>
<td>12.24</td>
<td>.00</td>
<td>3 &gt; 1, 2; 2 &gt; 1</td>
</tr>
<tr>
<td>OC</td>
<td>67.93</td>
<td>71.91</td>
<td>78.75</td>
<td>8.52</td>
<td>.00</td>
<td>3 &gt; 1, 2, 3</td>
</tr>
</tbody>
</table>

Note. Group 1 = 1–12 years; Group 2 = 12–24 years; Group 3 = 24–36 years; CSR = Corporate Social Responsibility; OC = Organizational Commitment.
Table 3 illustrated group differences in relation to job tenure on corporate social responsibility and organizational commitment. Result had indicated that employees with extensive job tenure had reflected more favorable perceptions of CSR and highest level of organizational commitment than the other two groups.

Table 4: 
Differences on Job Designations in relation to CSR and Organizational Commitment (N = 250)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Group 1 (n = 106)</th>
<th>Group 2 (n = 65)</th>
<th>Group 3 (n = 79)</th>
<th>F</th>
<th>Tukey’s Post Hoc</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>M = 66.88, SD = 7.78</td>
<td>M = 67.15, SD = 8.06</td>
<td>M = 74.87, SD = 6.44</td>
<td>8.41**</td>
<td>3 &gt; 1, 2</td>
</tr>
<tr>
<td>OC</td>
<td>M = 66.22, SD = 8.20</td>
<td>M = 67.91, SD = 6.56</td>
<td>M = 70.06, SD = 6.68</td>
<td>4.76*</td>
<td>3 &gt; 1, 2</td>
</tr>
</tbody>
</table>

Note. Group 1 = Front Line Managers; Group 2 = Middle Managers; Group 3 = Top Managers; CSR = Corporate Social Responsibility; OC = Organizational Commitment.

*p < .01, **p < .00

Results presented in Table 4 indicated that employees working in top management had reflected more favorable perceptions of CSR than those with working in front line management. Similarly, employees working in top management had shown highest level of organizational commitment than the other two groups.

Discussion

The findings of current research proposed that there would be positive relationship between corporate social responsibility and organizational commitment among employees of corporate sector. The positive relationship between these constructs is in consistency with the findings of the previous studies. A strong positive relationship had been found between corporate social responsibility and
organizational commitment in earlier literature (Brammer et al., 2007; Kim et al., 2010; Turker, 2009). Kim et al. (2010) also observed that the employees who participated in the corporate social responsibility activities and plan these activities have enhanced sense of belonging with their organization. They also identified with their organization and showed increased organizational commitment (Claartje et al., 2013). Bhattacharya, Som, Arunditya, Ashok, and Chaturvedi, (2008) argued that when the organization satisfy the psychological needs of the employees through its corporate social responsibility policies then the employees are more likely to identify themselves with the organization. Moreover, if employees perceives that their company has self-defining values (e.g., being a good citizen, following rules and regulations), then they feel and see themselves as the part of these values (Rodrigo & Arenas, 2008; Zellars & Tepper, 2003).

The findings of the present study indicated that female employees reflected favorable perceptions of CSR and elevated levels of organizational commitment. Earlier evidence (Ibrahim, Angelidis, & Tomic, 2009; Lämsä et al., 2008) also suggested that women reflected more favorable perceptions of corporate social responsibility and job satisfaction than men (Brammer et al., 2007; Stawiski, 2010). Similarly women score high on altruism and empathy and (Wilson, 2000) exhibit elevated levels of organizational commitment (Valentine & Fleischman, 2008).

Job tenure had also shown positive relationship with the corporate social responsibility activities of the organization. It had been seen that the employees with extended job tenure had more favorable perceptions of corporate social responsibility practices and higher organizational commitment than the employees belonging to lesser job tenure groups. Literature has also suggested that the employees with extended job tenure have more understanding and experience about the job and they feel to be bonded by it hence they express higher level of organizational commitment (Natarajan & Nagar, 2011). Employees with extended job tenure also conform to the CSR
practices of the organization as an outcome of their higher levels of organizational bonding and commitment (Bartel, 2001; Brimeyer et al., 2010; Diez et al., 2013; Turker, 2009)

Employees belonging to top management have shown significant differences on CSR practices and organizational commitment. Results showed that employees working at higher management tend to have favorable perceptions of corporate social responsibility than the middle management. The reason behind higher values of corporate social responsibility is due to the fact that top management has funds, resources and decision making power. Top management is more familiar with the corporate social responsibility practices of the organization because they are involved in the development of these behaviors (Kim et al., 2010; Larson et al., 2008) Moreover, people at the highest levels in the organization are also the most committed to the organization and are more positive about the organization’s CSR efforts because of strong sense of ownership (Diez et al., 2013; Stawiski et al., 2010).

Conclusions

The present study shows that corporate social responsibility is positively related to the organizational commitment among the employees of corporate sector. The employees who were more involved in the CSR practices of the organization and have better perception of the organization’s CSR practice tends to have higher level of organization commitment. Furthermore, the demographic variables greatly affect the CSR perceptions and organizational commitment among employees.

Limitations and Suggestions

The present study has some generalizability issues because the data was only collected from two cities Rawalpindi and Islamabad and these regions only has warehouses of the industrial companies.
The headquarters of the organizations are in other cities. Their employees would know better about their company practices. So, further studies should use sample from headquarters of the organizations in order to generalize the findings. The effects of CSR on other job related variables should also be explored such as altruism, organizational citizenship, and organizational culture.

**Implications**

The current research emphasized the role of employees as an important stakeholders who are affected by the social exchange of the organization and in exchange they contribute in the welfare of the organization but if the employees perceives that their resources, skills, dedication, and energies are manipulated and abused by the organization then they refuse to provide these resources which can lead to failure of the organization. The organization should create awareness of its corporate social responsibility practices among its employees. Organizational commitment is an important asset in the current competitive environment. Due to organizational commitment an organization can use its employees as its powerful tools. The current research provides the understanding that CSR practices of the organization is an important component which contributes to the organizational commitment of the employees. Hence, the organization can use its CSR practices effectively to increase the level of commitment in the de-motivated and demoralized employees.

Nowadays, organizations in Pakistan are facing a lot of pressure from the government to be involved in the corporate behaviors. Hence, organizations can use this pressure effectively and cleverly to get multiple benefits such as prestige, loyalty of consumers and also to get aids from the government but in order to do so they should actively participate in the programs which create the awareness of these practices among all the stakeholders (including their employees).
References


