

British Journal of Economics, Management & Trade 9(4): 1-12, 2015, Article no.BJEMT.19022 ISSN: 2278-098X



SCIENCEDOMAIN international www.sciencedomain.org

The Effect of Corporate Social Responsibility on Pride in Membership, Job Satisfaction and Employee Engagement

Ayse Kucuk Yilmaz^{1*}, Imran Ali² and Triant Flouris³

¹Faculty of Aeronautics and Astronautics Anadolu University, Eskisehir, Turkey. ²Department of Business Administration, Faculty of Economics and Administration, King Abdulaziz University Jeddah, Kingdom of Saudi Arabia. ³Hellenic American University, Manchester, NH 03101, USA.

Authors' contributions

This work was carried out in collaboration between all three authors. Author IA designed the study wrote the protocol, and wrote the first draft of the manuscript. Author AKY managed and performed the literature searched, and conducted detailed literature review. Also she both managed and performed abstract and introduction and conclusion sections. Authors IA and TF managed data collection. Authors IA, AKY and TF performed the data analysis, interpretation of results and discussion of results in the light of previous studies. All authors read and approved the final manuscript.

Article Information

DOI: 10.9734/BJEMT/2015/19022 <u>Editor(s):</u> (1) Li Hui, School of Economics and Management, Zhejiang Normal University, China. (2) Stefano Bresciani, Department of Management, University of Turin, Italy. <u>Reviewers:</u> (1) Anonymous, Universiti Teknologi Mara, Malaysia. (2) Anonymous, France. (3) Anonymous, WuFeng University of Science and Technology, Taiwan. (4) Anonymous, Universiti Utara Malaysia, Malaysia. Complete Peer review History: <u>http://sciencedomain.org/review-history/10418</u>

Original Research Article

Received 21st May 2015 Accepted 3rd July 2015 Published 5th August 2015

ABSTRACT

The current study examines the role of corporate social responsibility (CSR) in developing a sense of pride in membership, job satisfaction and engagement among employees. The study used data collected through self-administered structured survey questionnaire from 487 employees from the cellular industry in Pakistan. The study used structural equation model (SEM) technique to analyze

*Corresponding author: E-mail: akucukyilmaz@gmail.com; Associate Professor Doctor Ayse KUCUK YILMAZ; Vice Dean & Airport Business Manager; Department of Management and Strategy; Faculty of Aeronautics and Astronautics; Anadolu University; 2 Eylul Campus; 26470; Eskisehir/TURKEY; second E-mail: akucukyilmaz@anadolu.edu.tr;

data and test proposed hypotheses. The study confirms the proposition of 'social identity theory' and 'stakeholder's engagement' theory. The study noted positive associations between employees perceived CSR, pride in membership, job satisfaction on employee engagement. The study concludes that higher level of employees pride in organizational membership can be developed through employee CSR associations and participation. Higher level of pride in membership results in high job satisfaction and engagement behavior among employees. There is sparse research available that integrates employee perceived CSR, pride membership with employee job satisfaction and engagement. The study provides useful policy implications to corporate managers to communicate CSR activities to employees effectively and involve employees in CSR activities in order to increase their job satisfaction and engagement level.

Keywords: Corporate social responsibility; pride in membership; job satisfaction; employee engagement; social identity theory.

1. INTRODUCTION

Responsibility (CSR) Corporate Social represents the giant evolutionary leap in management theory and practice from a shareholder focus. based squarely on maximizing financial returns, to a stakeholder focus, which recognizes that the rights of corporations to act as independent entities must accompanied be with corresponding responsibilities. Although pressures legal pertaining to equal employment opportunities, product liability and responsibility, occupational health and safety, and environmental protection have, to a large extent, facilitated this paradigm shift, astute businesses have taken a proactive approach and embraced CSR policies and practices. These businesses understand the vast potential benefits of being socially responsible and realize that CSR will remain a vital aspect of business theory and practice because it addresses and captures the concerns of increasingly diverse sophisticated and stakeholders [1].

The strategic benefits of CSR have been explored in a number of studies. According to Hockerts and Morsing [2] the business strategy field has experienced the renaissance of CSR during the past few years. The boost in organizational reputation resulting from CSR activities can serve as an important source of competitive advantage by Fombrun and Shanley [3] and Ellemers et al. [4]. CSR activities can also be used as a differentiation strategy to create demand and command a premium price according to research by McWilliams and Siegel 2001 [8]. From a consumer perspective, CSR activities can stimulate customer purchase intentions according to work by Ali [5]. There has also been increasing academic interest in the influence of CSR activities on employees'

perceptions and behaviors, which is the focus of this paper.

The mechanisms through which CSR influences employees' perceptions and behaviors can be explained through social identity theory, which to an individual's refers perception of belongingness or oneness with a group, where the individual defines himself or herself in terms of the organization [6]. This identity is shaped by individual's own evaluation of the the organization as well as how outsiders evaluate the organization [7]. Together, these evaluations form a 'meta-stereotype' of how employees perceive that outsiders see them [8]. Therefore, CSR initiatives that may invoke positive reactions from an organization's external stakeholders can have direct, positive effects on its employees. Likewise, actions that invoke negative reactions regarding the organization can lead to negative effects on employees [9].

In view of the work by Ali, Khan and Rehman [10], that, it is therefore apparent that the positive influence of CSR on corporate reputation can have a profound impact on employees' behaviors. For instance by Cable and Graham [11], organizational reputation is used as an indicator of employer attractiveness by job seeker. On the job, a positive organizational reputation leads to higher levels of employee identification which is stated in study by Bartels et al. [12], greater employee commitment and organizational performance, and increased pride in organizational membership and iob satisfaction according to research by Helm [14]. CSR activities are also an effective means of achieving higher levels of employee engagement in research by Ali et al. [13]; and Burchell and Cook [15], which translates into improved job and ultimatelv improved performance organizational performance.

In line with the above, this paper seeks to expand the understanding of the relationship between an organization's CSR activities and its relevance with employee engagement by examining the mediating role of Pride in Organizational Membership (PIM) and job satisfaction.

As stakeholders become more sophisticated, the onus is on the organization to understand and address their needs. In this context, employees are perhaps the most immediate concern of organizations. Social identity theory implicates that employees want to be associated with an organization that perceived positively by not only them but also by outsiders. This need is catalyzed by the culture of Pakistan that emphasizes image and social stature. It is therefore imperative that organization carefully manage their CSR initiatives to boost their reputation, which ultimately becomes an important driver of employee engagement. According to Urip [16], Despite its significance, businesses generally hesitate to integrate the CSR philosophy in their strategic framework and operational processes which stems from a lack of clarity regarding the potential benefits of CSR activities. Accordingly, this paper investigates the direct and indirect benefits of CSR activities in terms of PIM, job satisfaction, and employee engagement.

According to Rayton et al. [17] 85% of the world's most admired companies believe that efforts to engage employees have reduced employee performance problems. Hiahlv engaged employees also tend to perform better on the job, which translates into improved organizational performance. The findings of this study would help managers better understand how the CSR philosophy can be harnessed to achieve the benefits of employee engagement. Accordingly, the recommendations made in this paper should help guide organizations' policy development and decision-making. This study also contributes to the CSR literature by empirically testing the mediating roles of PIM and job satisfaction in the relationship between CSR activities and employee engagement.

2. THEORETICAL BACKGROUND

2.1 Corporate Social Responsibility (CSR)

In view of Svendsen [18], every company has its own unique set of stakeholder groups that are affected by corporate activities and can affect the companies In turn, each of these stakeholder groups has varying needs, expectations, and impacts on the corporation, which requires varying response strategies that are tailored to manage that particular group. Managing these diverse and at times contradictory expectations of stakeholders represent a daunting challenge for corporations as in the research by Ihugba and Osuji [19]. In this context, CSR is important tools that can help corporations manage their delicate relationships with the society and the environment within which they operate. In return, stakeholder groups would reward corporations by increasing consumption of their products and services which is states in study of McWilliams and Siegel [8]. CSR can therefore be considered as a kind of the relationship management between the corporation and the society in which it operates.

The CSR concept is the product of various theories, including the theory of the firm, stewardship theory, agency theory, institutional theory, the resource-based view of the firm, and stakeholder theory according to research by Lindgreen and Swaen [20]. It is a process through which a company takes responsibility for the whole of its value chain and its effects on social, ecological and economic parameters, in a dialogue with stakeholders (Ministry of Foreign Affairs of the Netherlands [21]). However, perhaps due to its multiple influences, a clear and unbiased definition of CSR has continued to elude academicians and practitioners alike. In an attempt to reconcile the different viewpoints on Dahlsrud [22] identified five key CSR, dimensions of the CSR construct using a content analysis of 37 CSR definitions, namely environmental, social, economic, stakeholder, and voluntariness. According to the author, 97% of the definitions studied contained 3 or more of these dimensions.

An interesting view of CSR is proposed by McWilliams and Siegel [8] define CSR as the "actions that appear to further some social good, beyond the interests of the firm and that which is required by law". In doing so, the authors emphasize the voluntariness dimension as a necessary pre-requisite of 'true' CSR. This view of CSR is valid not only from an ethical standpoint, considering that meeting the bare minimum requirements so as not to get into trouble with the law does not constitute as being 'socially responsible', but also from a business standpoint, since CSR practices are essentially investments in building and maintaining stakeholder relationships. These investments

can lead to the creation of competitive advantages such as a strong corporation reputation of reliability and honesty (according to research by Ali [5] and McWilliams and Siegel [8]. Also, McWilliams and Siegel [8] states that they can also serve as a mechanism for product differentiation For example, corporations can invest in and acquire the Fair Trade certification and imprint the logo on their products as a means of standing out from competing products.

The reputational benefits of CSR have important spillover effects in terms of social identity theory and, consequently, employee perceptions and behaviors. Since outsiders tend to judge employees based on what their organization stands for [6], corporate reputation becomes a critical point of interest for employees. In fact, corporate social responsibility may have been initially seen as a powerful tool for attracting potential employees [11]. According to Helm [14], a stronger corporate reputation has also been found to reduce employee turnover intentions, as mediated by pride in membership and job satisfaction. Indeed, employees constitute an important source of 'demand' for CSR and tend to support progressive CSR initiatives such as occupational health and safety, fair labor relations, and social security [8]. In turn, they may reward their corporations with increased loyalty, morale, and productivity [8]. These workforce-related benefits have been studied under the umbrella term of 'employee engagement', and CSR has been found to have a positive influence on employee engagement [13]. Ultimately, CSR helps corporations manage their relationships with their employees, since, at its core, CSR is a relationship engagement strategy [23]. This study uses two types of CSR; CSR association and CSR participation, as identified by Kim et al. [24]. CSR association refers to employees perceptions towards social performance of their organization [25]. It refers to employees perceptions of corporation's external CSR [26]. Whereas CSR participation includes employees involvement into voluntary CSR activities designed by organization as part of its CSR strategy [27]. The study uses social identity theory, by proposing that employees will identify themselves with organization's CSR activities and these feelings of identification with company will lead to positive employee behavior.

2.2 Employee Engagement

Employees rarely perform at their full potential. Peters [28] stressed that there is a huge potential reserve of energy and commitment in employees that most organizations are unable to leverage because they fail to create 'meaning' for their employees. The inability to do so leads to cynicism, disenchantment, and disillusionment as employees are fatigued by increasing expectations and constant demands to change as mention in the research by Cartwright and Holmes [29].

As a pioneer in his field, Kahn [30] defined engagement as "the harnessing of organization members' selves to their work roles" in which they employ and express themselves physically, cognitively, and emotionally. Exploring the concept from the employees' perspective, the Institute for Employment Studies (IES) defines engagement as a "positive attitude held by the employee towards the organization and its values" [31]. Essentially, employee engagement is a measure of the employee's psychological states of energy directed towards a task or specific work role, which can broadly be viewed as his or her investment of cognitive, emotional, physical energies directed and towards organizational outcomes [32,33]. From these definitions, it becomes apparent that a greater degree of employee engagement, and hence a greater level of investment, should not only stimulate employee performance but also help align it with organizational goals and thus organizational performance.

Employee engagement can be explained in terms of Social Exchange Theory (SET), which asserts that employees who perceive higher organizational support and procedural justice are more likely to reciprocate with greater levels of engagement in their job and in the organization [34]. According to Saks [34] highly engaged employees are more likely to have higher-quality relationships with their employer. Employee engagement is also vital for any organization that seeks to retain valued employees (Ali [35]) as fully engaged employees are less likely to leave the organization [36,37]).

An engaged employee is aware of business context and works with colleagues to improve job performance for the benefit of the organization [31]. Engaged employees also have a sense of energetic and effective connection with their work activities and they see themselves as able to deal completely with the demands of their job [38], which may have a positive influence on job satisfaction. Furthermore, employee engagement positively influences organizational commitment and Organizational Citizenship Behavior directed to the Individual (OCBI) as well as Organizational Citizenship Behavior directed to the Organization (OCBO) [34].

As aptly stated by Hallberd et al. [39] employee engagement is more than just a means of preventing poor performance – it is a conceptualization of optimal functioning. Given its criticality to organizational performance, this study aims to investigate how employee engagement and its benefits can be achieved through effective CSR.

2.3. Formulation of Hypotheses

Although pride as a construct has been widely studied in both psychology and management disciplines, Pride in Membership (PIM) has received relatively little attention (Katzenbach and Santamaria [40]. However, PIM is an important consequence of CSR activities as viewed through the lens of social identity theory. PIM develops when an organization is recognized as being important, meaningful, and a worthwhile part of the community (Arnett, Lavarie and McLane [41]. Also, it is the most qualified and desirable employees that tend to place the most emphasis on their employer's reputation, thus amplifying the potential benefits of PIM [42].

An organization that is widely known for its positive accomplishments tends to stimulate organization-based self-esteem amongst its employees [14]. Similarly, positive metastereotypes and perceptions held by observers external to the organization enhances social identification, which is referred as CSR-induced identification, can serve to instill PIM (Bartels et al. [12] Carmeli [43] Lievens, Van Hoye and Anseel [44]). These meta-stereotypes, based on the organization as a whole, are a stronger predictor of collective identify than employees' personal attributes or achievements [45]. This leads to the formulation of our first hypothesis:

H₁: Corporate Social Responsibility is positively associated with Pride in Organizational Membership.

In addition to pride, a company's CSR activities can influence job satisfaction. Judge et al. [46] defines job satisfaction as a multidimensional psychological responses to one's job that have cognitive (evaluative) and affective (emotional) components. Job satisfaction is an attitude towards the job taking into account feelings, beliefs and behaviors which is research of Kainth and Kaur [47] Weiss [48] and they describes how content an individual is with his or her job. By tapping into both evaluative and emotional aspects, CSR-induced employee identification can lead to improved job satisfaction (Bhattacharya et al. [49] Lievens, Van Hoye and Anseel [44]). From a broader ethical viewpoint, Valentine and Fleischman [50] found that perceived CSR mediates the relationship between an ethics program and job satisfaction and accordingly recommend that corporations communicate their CSR commitment to their employees and develop a CSR-focused culture. Furthermore, Zaidi [51] observes that the antecedents of job satisfaction may change over time. Thus, with the advent of CSR in the past few years, it is important to assess its role as a predictor of job satisfaction. We therefore formulate our second hypothesis:

H₂: Corporate Social Responsibility is positively associated with Job Satisfaction.

Bouckaert [52] distinguishes between intrinsic and extrinsic forms of pride, where the former is derived from a "respectful selection procedure" while the latter can be activity-based task pride or organization-based mission pride. He further elaborates that mission pride refers to the pleasure taken by employees in being associated with their employer. Employees that experience this form of pride would therefore be more inclined to be satisfied with their job. Also, Ellemers et al. [4] found that organizational pride is a predictor of employee commitment and satisfaction. Furthermore, according to Tracy and Robins [53] pride enhances employees' selfesteem. This should, in turn, lead them to feel more satisfied on the job. In contrast, in a study of 16 emotions and their influence of job satisfaction, pride was found to be positively, albeit weakly, related to job satisfaction [54]. We therefore attempt to explore this relationship further by hypothesizing that:

H₃: Pride in Organizational Membership is positively associated with Job Satisfaction.

Pride is considered an extremely important emotion for driving social behavior [53]. Ellemers et al. [4] propose that organizational pride increases satisfaction and high-level commitment to the organization which, in turn, invigorates employees to achieve organizational objectives. High levels of PIM can also reduce employee turnover intentions [14], which is indicative that PIM may boost employee commitment. Furthermore, Bouckaert [52] asserts that extrinsic forms of pride, such as mission pride developed by association with a reputable employer, are more highly correlated with high levels of employee performance than intrinsic forms of pride. Therefore, we posit that:

H₄: Pride in Organizational Membership is positively associated with Employee Engagement.

Job satisfaction is widely considered as one of the most critical objectives of an organization and its measurement and improvement are usually high up on the list of organizational goals [55]. According to Abraham [36], job satisfaction is directly related to the cognitive aspect of employee engagement. It also indirectly influences employee engagement by increasing employees' willingness to change and their organizational commitment (Riordan, Gatewood and Bill [9] both of which may support the creation of an engaged workforce. Interestingly, the findings of Saks [34] indicate a reverse relationship, i.e. employee engagement is a predictor of job satisfaction, indicating a need for further clarification on the relationship between the two constructs. Thus, we formulate our next hypothesis:

H₅: Job Satisfaction is positively associated with Employee Engagement.

Burchell and Cook [15] established relationship between CSR and stakeholders engagement. Building up on this, Ali [35] holds that corporations can increase the engagement level of employees by engaging in more socially responsible activities. Bhattacharya et al. [49] explain that an employer's commitment to being socially responsible serves to inspire its employees to work harder, to be more productive, and to focus more on quality.

However, the relationship between CSR and employee engagement may not be direct. For example, Abraham [36] defines employee engagement as the degree to which employees experience job satisfaction and emotional connectedness to the success of the organization, which subsequently results in improved productivity, innovation, and retention. Similarly, CSR-based employee identification tends to stimulate both pride and job satisfaction, which ultimately translates into improved employee performance [49]. Therefore, we propose that:

 H₆: Pride in Organizational Membership and Job Satisfaction fully mediate the association between Corporate Social Responsibility and Employee Engagement.

2.4. Theoretical Model

The theoretical model of this study is presented in Fig. 1. The model shows CSR as independent variables that influence positively in the development of pride in membership among employees. The mediating variables are pride in membership and job satisfaction that leads to higher level of employee engagement. Pride in membership also leads higher levels of job satisfaction among employees.

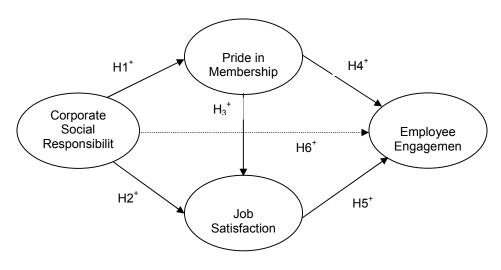


Fig. 1. Theoretical model of proposed associations

3. RESEARCH METHODOLOGY

3.1 Sample and Data Collection

This is an exploratory study that explores the relationship between CSR, pride membership, job satisfaction and employee engagement constructs. The unit of analysis in this study is individual employees working in telecom sector of Pakistan. The telecom sector of Pakistan is doing good CSR activities related to education, health, clean environment etc. Different organizations are doing CSR activities and reporting to various stakeholders in order to communicate their efforts towards better Pakistan. The data is collected through personally administered survey questionnaire technique. A total of 400 questionnaires were distributed to employees working in different telecom organizations in Pakistan and 327 usable questionnaires were received back with a response rate of 81.7%. The respondents with diverse backgrounds were selected in order to make our sample more representative.

3.2 Instruments and Measurement

The study used four research constructs including CSR, pride in membership, job satisfaction and employee engagement. The construct of CSR has two dimensions; CSR association and CSR participation [13]. The scale to measure CSR association is adopted from Lichtenstein et al. [56]. The scale contains 3 items that measure association of employees with a company doing CSR activities. The measure CSR participation one items is borrowed from Peterson [27] and one item is taken from Smidts et al. [57] respectively. Pride in membership is measured on three items, two items are borrowed from Cable and Turban [58] and one item is taken from Helm [14]. The construct of job satisfaction is measured on 6 items adopted from Riodran, Gatewood and Bill [59]. The construct of employee engagement is measured on 5 items scale adopted from Schaufeli et al. [38]. All instruments are measured on 5 point Likert scale where 1 for strongly disagree and 5 for strongly agree.

3.3 Procedure

The data analysis techniques 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 and finally regression analysis through structural equation modeling (SEM) technique to test the hypotheses proposed in this study.

4. RESULTS AND DISCUSSION

4.1 Validity and Reliability Testing

Confirmatory Factor Analysis (CFA) has been performed following Karrikar and Williams [60]. The value of factor loading should be less than 0.4 as per standard criteria. The factor loading values of all items of our variables namely CSR, pride in membership, job satisfaction and employee engagement are well above standard criteria. Therefore, the all instruments are valid for measuring the construct as reported by the respondents. The values of mode fit indices for CFA also meet cutoff parameters. According to Hair et al. [61] and Gerbing and Anderson [62] the values of CFI, GFI, AGFI and NFI should be closer or higher than 0.90. According to another parameter of model fit proposed by Wheaton et al. [63] the value of CMIN/DF should be between 5-2 in order to achieve model fit for CFA. The value of CMIN (Chi square) divided by DF (degree of freedom) is 2.33, which meet the standard criteria for model fit in this research. Additionally, Browne and Cudeck [64] proposed that the value of Root Mean Square Error of Approximation (RMSEA) should be less than 1 to meet good model fitness indices. The value of RMSEA in this study is 0.38, which is well below 1, therefore all the values of model fit indices meets these criteria. The data is therefore: fit to be used for further analysis.

Reliability analysis is performed through Cronbach alpha using SPSS software. The value of Cronbach alpha should be greater than 0.5 as per acceptable standards [65]. The values of Cronbach alpha for all four variables are CSR (0.84), PIM (0.78), JS (0.81) and EE (0.91) well above 0.50, as reported in Table 2. It depicts that data for all variables is reliable and fit for using for further analysis.

Variables	Classifications (percentages)		
Gender	Male (82.8)	Female (17.2)	
Age	Less than 20 (7.4)	50 to 60 years (8.3)	
	21 to 30 years (32.6)	More than 60 years (4.2)	
	41 to 50 years (47.5)		
Designation	Below than officer (19)	Manager (30.5)	
-	Officer (43.1)	Top executive (7.4)	
Tenure in current organization	Less than 1 years (14.4)	11 to 15 years (22.7)	
-	2 to 5 years (28.4)	More than 16 years (9.6)	
	6 to 10 years (24.9)		

Table 1. Sample composition

4.2 Correlation Analysis

Table 3 presents the means, standard deviations of all constructs as well as correlation matrix computed through SPSS. The highest mean value is scored by employee engagement followed by pride in membership and job satisfaction as depicted in Table 3. The coefficients of correlation matrix are also below 0.5 which means there is no problem of multicollinearity among variables used in this study. There are also positive associations between all variables with highly significant relationship among pride in membership and employee engagement and job satisfaction and employee engagement at 1 percent. The relationship between CSR and employee engagement is significant at 5 percent level.

4.3 Regression Analysis

The results of regression analysis through structural equation model (SEM) are presented in Table 4. The regression paths, respective hypothesis, values of Estimates, S.E and P values are depicted in table below. The findings of regression analysis through SEM show positive association between all variables under investigation in this study. All hypotheses are accepted as per standard acceptance criteria (5% confidence level).

4.4 Discussion

The findings of this study shows positive association between CSR and pride in membership, CSR and job satisfaction, pride in membership and job satisfaction, pride in membership and employee engagement, job satisfaction and employee engagement and finally, CSR and employee engagement. The findings of this research postulate that corporate social responsibility influence positively in developing employees' pride in membership and job satisfaction. The higher level of pride in membership leads to high employee engagement in the organization. The findings of this study are consistent with results of previous researches. For instance, Bartels et al. [12]; Carmeli [43]; and Lievens, Van Hoye and Anseel, [44] note positive association between CSR and employee company identification.

Table 2. Reliability and validity analysis

Construct	Factor loading			
CSR (0.84)	loading			
CSR1	0.82			
CSR2	0.91			
CSR3	1.07			
CSR4	0.74			
CSR5	0.85			
Pride in membership (0.78)				
PIM1	0.64			
PIM2	0.76			
PIM3	0.81			
Job satisfaction (0.81)				
JS1	0.71			
JS2	0.66			
JS3	0.79			
JS4	0.73			
JS5	0.76			
JS6	0.84			
Employee engagement (0.95)				
EE-1	0.98			
EE-2	0.66			
EE-3	0.71			
EE-4	0.70			
EE-5	0.95			
Note: GFI = 0.97; AGFI = .86; CFI = 114; NFI = 0.85;				

Note: GFI = 0.97; AGFI = .86; CFI = 114; NFI = 0.85; CMIN = 1448, DF = 621, CMIN/DF = 2.33, RMSEA = 0.38

	CSR	Pride in membership	Job satisfaction	Employee engagement
CSR	-			
Pride in membership	0.39*	-		
Job satisfaction	0.41**	0.39**	-	
Employee engagement	0.27**	0.22*	0.14*	-
Mean	2.94	3.65	3.19	4.03
Standard deviation	0.75	0.51	0.88	1.42

Table 3. Correlation matrix

*Correlation is significant at 0.01 levels (2-tailed); ** Correlation significant at 0.05 levels (2-tailed)

Table 4. Regression analysis

Path			Hypothesis	Estimate	S.E	Р	Decision
CSR	>	PIM	H1	0.61	0.43	0.03	Supported
CSR	>	JS	H2	0.58	0.35	0.02	Supported
PIM	>	JS	H3	0.39	0.59	0.00	Supported
PIM	>	EE	H4	0.81	0.26	0.00	Supported
JS	>	EE	H5	1.24	0.37	0.01	Supported
CSR	>	EE	H6	0.87	0.45	0.04	Supported

CSR-induced employee identification leads to improved job satisfaction (Bhattacharya et al. [49]; Lievens, Van Hoye and Anseel [44]; Ellemers et al. [4]) found that organizational pride is a predictor of employee job satisfaction and employee engagement.

The study found positive association between job satisfaction and employee engagement. The work of Abraham [36] and Riordan, Gatewood and Bill [9] also endorse positive association between job satisfaction and employee engagement. Bhattacharya et al. [49] asserted that both pride and job satisfaction ultimately translates into improved employee behavior.

5. CONCLUSION

Organizations have main responsibilities in main fields that economic (productive and profitable); legal- compliance with regulations and law; business ethic and socially responsible activities. Corporate social responsibility covers both ethic and social responsibilities. In internal environment, corporate social responsibility activities enhance main issues of employee which are job satisfaction, engagement, pride, etc. Job satisfaction is important regarding personal well-being and organizational effectiveness (Lim, 2008). The current study extends the work of Helm [14] who examines the association between perceived external reputations, pride in membership, job satisfaction and employee turnover intentions. The current study examined how socially responsible

activities of corporations including CSR association and CSR participation influence employee pride in membership perceptions and how it increase job satisfaction and engagement level of employees. The study concludes that corporations who perform higher level of socially responsible activities develop a higher level of CSR association and CSR participation among employees. By inculcating higher level of CSR association and participation among employees corporations can boost sense of membership pride among employees that in turn increase job satisfaction and engagement level among employees. The findings of this study have particular significance for the organizational managers who are interested to develop positive employee behavior. This study confirms that CSR has not only significance for customers; it is also pertinent for employees in shaping their favorable attitude towards organizations.

Future researches can be done to examine the influence of CSR and employee pride in membership with other employee related constructs. The future studies can also examine how perceptions of CSR can vary among respondents with diverse demographic backgrounds. Moreover, CSR associations and participations may not affect all employees across the board. Therefore, CSR orientation of employees can be used as moderator to examine how the findings may differ among employees having low CSR orientation as compared to those having high CSR orientation.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES

- 1. Carroll A. Corporate social responsibility evolution of a definitional construct. Business and Society. 1999;38(3):268-295.
- Hockerts Kai. Morsing M. A Literature Review on Corporate Social Responsibility in the Innovation Process; 2008. Accessed July 14, 2014 Available:<u>http://samfundsansvar.dk/file/318</u> 819/a literature_review_corporate_social_ responsibility_innovation_process_septem ber_2008.pdf
 Earthrup C. Shanlay, M. What's in a
- Fombrun C. Shanley M. What's in a name? Reputation building and corporate strategy. Academy of Management Journal. 1999;33:233–258.
- 4. Ellemers N. Kingma L. Van de Burgt J. Μ. Corporate Barreto. Social Responsibility as source а of Organizational Morality, Employee Commitment and Satisfaction, Journal of Organizational Moral Psychology. Nova science Publishers, Inc. 2011;1(2):97-124.
- 5. Ali I. Influence of Corporate Social Responsibility on Development of Corporate Reputation and Consumer Purchase Intentions. Romanian Review of Social Sciences. 2011;1:19-27.
- Ashforth B. Mael F. Social identity theory and the organization. Academy of Management Review. 1989;14(1):20-39.
- Luhtanen R, Crocker J. A collective selfesteem scale: Self-evaluation of one's social identity. Personality and Social Psychology Bulletin. 1992;18(3):302-318.
- McWilliams A. Siegel D. Corporate social responsibility: A theory of the firm perspective. Academy of Management Review. 2001;26(1):117-127.
- Riordan C. Gatewood R. Bill J. Corporate image: Employee reactions and implications for managing corporate social performance. Journal of Business Ethics. 1997;16(4):401-412.
- Ali I. Khan S. Rehman I. Corporate social responsibility, corporate reputation and employee engagement. Transformations in Business and Economics. 2013;12,1A (28A):354-364.

- Cable D. Graham M. The determinants of job seekers' reputation perceptions. Journal of Organizational Behavior. 2000;21(8):929-947.
- 12. Bartels J. Pruyn A. De Jong M. Joustra I. Multiple organizational identification levels and the impact of perceived external prestige and communication climate. Journal of Organizational Behavior. 2007;28(2):173-190.
- Ali I. Rehman K, Ali S, Yousaf J, Zia M. Corporate social responsibility influences, employee commitment and organizational performance. African Journal of Business Management. 2010;4(12):2796-28001.
- 14. Helm S. A matter of reputation and pride: Associations between perceived external reputation, pride in membership, job satisfaction and turnover. British Journal of Management. 2013;24:542-556.
- Burchell J. Cook J. It's good to talk? Examining attitudes towards corporate social responsibility, dialogue and engagement processes. Business Ethics: A European Review. 2006;15(2):154-170.
- 16. Urip S. CSR Strategies: Corporate Social Responsibility for a Competitive Edge in Emerging Markets. John Wiley & Sons. 2010;3-12.
- 17. Rayton B, Dodge T, D'Analeze G. The evidence: Employee Engagement Task Force "Nailing the evidence" workgroup; 2012.
- Svendsen A. The Stakeholder Strategy: Profiting from Collaborative Business Relationships, Berrett-Koehler Publishers. 1998;207.
- Ihugba B, Osuji O. Corporate citizenship and stakeholder engagement: Maintaining an equitable power balance. Electronic Journal of Business Ethics and Organization Studies. 2011;16(2):28-38.
- Lindgreen A, Swaen V. Corporate social responsibility. International Journal of Management Reviews. 2010;12(1):1-7.
- Ministry of Foreign Affairs of the Netherlands, Policy and Operations Evaluation Department (IOB), Corporate Social Responsibility: the role of public policy, no.377, April 2013;133.
- 22. Dahlsrud A. How corporate social responsibility is defined: an analysis of 37 definitions. Corporate Social Responsibility and Environmental Management. 2008; 15(1):1-13.
- 23. Dicke C, Holwerda J, Kontakos AM. Employee Engagement: What Do We

Really Know? What Do We Need to Know to Take Action?, A Collection of White Papers, eCAHRS Spring Sponsor Meeting May 22 - 23, 2007 Paris, France.

- 24. Kim H, Lee M, Lee H, Kim N. Corporate social responsibility and employeecompany identification. Journal of Business Ethics. 2010;95:557-569.
- 25. Browne M, Cudeck R. Alternative ways of assessing model fit. Testing Structural Equation Models. 1995;154:136–162.
- Brammer S, Millington A, Rayton B. The Contribution of Corporate Social responsibility to Organizational Commitment. International Journal of Human Resource Management. 2007; 18(10):1701–1719.
- 27. Peterson D. Recruitment Strategies for Encouraging Participation in Corporate Volunteer Programs, Journal of Business Ethics. 2004;49(4):371–386.
- 28. Peters T. The pursuit of WOW. New York: Vintage Books A Division of Random House, Inc; 1994.
- 29. Cartwright S. Holmes N. The meaning of work: The challenge of regaining employee engagement and reducing cynicism. Human Resource Management Review. 2006;16(2):199-208.
- Kahn W. Psychological conditions of personal engagement and disengagement at work. Academy of Management Journal. 1990;33(4):692-724.
- Robinson D, Perryman S, Hayday S. The Drivers of Employee Engagement, Report 408, Institute for Employment Studies; 2004.
- 32. Shuck B, Ghosh R, Zigarmi D, Nimon K. The Jingle Jangle of Employee Engagement: Further Exploration of the Emerging Construct and Implications for Workplace Learning and Performance, Human Resource Development Review, SAGE Publications. 2012;12(1):11-31.
- Christian M. Garza A. Slaughter J. Work Engagement: A Quantitative Review and Test of Its Relations with Task and Contextual Performance. Personnel Psychology. 2011;64:89–136.
- Saks A. Antecedents and consequences of employee engagement. Journal of Managerial Psychology. 2006;21(7):600-619.
- Ali S. A study on employee engagement in Cochin International Airport Limited, Drishtikon: A Management Journal. 2013; 4(1):55-65.

- Abraham S. Job satisfaction as an antecedent to employee Engagement, SIES Journal of Management. 2012;8(2): 27-36.
- Adams L. Chapter the Role of Organization, Workplace Mental Health Manual for Nurse Managers, Springer Publishing Company. 2014;384.
- Schaufeli W, Salanova M, Gonzalez-Rom V. Bakker A. The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. Journal of Happiness Studies. 2002;3:71– 92.
- 39. Hallberg U, Schaufeli W. Same same" but different? Can work engagement be discriminated from job involvement and organizational commitment? European Psychologist. 2006;11(2):119-127.
- 40. Katzenbach J, Santamaria J. Firing up the front line. Harvard Business Review. 1999;77:107-11.
- 41. Arnett D, Laverie D, McLane C. Using job satisfaction and pride as internal-marketing tools. The Cornell Hotel and Restaurant Administration Quarterly. 2002;43(2):87-96.
- 42. Pruzan P. Corporate reputation: image and identity. Corporate Reputation Review. 2001;4(1):50-64.
- Carmeli A. The link between organizational elements, perceived external prestige and performance. Corporate Reputation Review. 2004;6(4):314-331.
- 44. Lievens F, Van Hoye G, Anseel F. Organizational identity and employer image: towards a unifying framework*. British Journal of Management. 2007;18(s1):S45-S59.
- 45. Tajfel H, Turner J. An integrative theory of intergroup conflict. The social psychology of intergroup relations. 1979;33(47):74.
- Judge T, Hulin C, Dalal R. Job satisfaction and Job Affect, S. W. J. Kozlowski (Ed.), The Oxford Handbook of Industrial and Organizational Psychology. New York: Oxford University Press; 2009.
- Kainth G, Kaur G. Job satisfaction: A challenging area of research in education, Guru Arjan Dev Institute of Development Studies Munich Personal RePEc Archive (MPRA); 2010.
- 48. Weiss H. Deconstructing job satisfaction Separating evaluations, beliefs and affective experiences, Human Resource Management Review, Pergamon. 2002;12: 173-194.

- Bhattacharya C, Sen S, Korschun D. Using corporate social responsibility to win the war for talent. MIT Sloan management Review. 2012;49. Available:<u>http://sloanreview.mit.edu/article/ using-corporate-social-responsibility-towin-the-war-for-talent/</u> (Accessed on July 13, 2014)
- 50. Valentine S, Fleischman G. Ethics programs, perceived corporate social responsibility and job satisfaction. Journal of Business Ethics. 2008;77(2):159-172.
- 51. Zaidi S. Human Resource Management, Excel Books India. 2009;611.
- 52. Bouckaert G. Pride and performance in public service: some patterns of analysis. International Review of Administrative Sciences. 2001;67:15–27.
- Tracy J. Robins R. Emerging insights into the nature and function of pride. Current Directions in Psychological Science. 2007;16(3):147-150.
- 54. Fisher C. Mood and emotions while working-missing pieces of job satisfaction. School of Business Discussion Papers. 1998;64. Available:<u>http://epublications.bond.edu.au/ discussionpapers/64/</u> (Accessed June 15, 2014)
- Ravari A, Mirzaei T, Kazemi M, Jamalizadeh A. Job satisfaction as a multidimensional concept: A systematic review study. Journal of Happiness Economics. 2012;1(2):95-102.
- 56. Lichtenstein D, Drumwright M, Braig B. The effect of corporate social responsibility on customer donations to corporatesupported nonprofits. Journal of Marketing. 2004;68(4):16–32.

- 57. Smidts A, Pruyn Th, van Riel C. The impact of employee communication and perceived external prestige on organizational identification. Academy of Management Journal. 2001;44(5):1051-1062.
- 58. Cable D, Turban D. The value of corporate reputation in the recruitment context: a brand equity perspective. Journal of Applied Social Psychology. 2003;33(11): 2244-2266.
- 59. Riordan C, Gatewood R, Bill J. Corporate image, employee reaction and implications for managing corporate social performance. Journal of Business Ethics. 1997;16(4):401-412.
- 60. Karriker J, Williams M. Organizational justice and organizational citizenship behavior: A mediated Multifoci model. Journal of Management. 2009;35(1):112.
- Hair J, Anderson R, Tatham R, Black W. Multivariate data analysis 5th Ed, Pearson Education India; 2003.
- 62. Gerbing D, Anderson J. Monte Carlo evaluations of goodness of fit indices for structural equation models. Sociological Methods and Research. 1992;21(2):132.
- 63. Wheaton B, Muthen B, Alwin DF, Summers GF. Assessing reliability and stability in panel models. Sociological Methodology. 1977;8:84-136.
- 64. Brown TJ, Dacin PA. The company and the product: Corporate associations and consumer product responses. Journal of Marketing. 1997;61(1):68–84.
- 65. Nunally J, Bernstein I. Psychometric theory: New York: McGraw-Hill; 1978.

© 2015 Kucuk Yilmaz et al.; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history: The peer review history for this paper can be accessed here: http://sciencedomain.org/review-history/10418