EMPLOYEE ENGAGEMENT, ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION AS CONSEQUENT OF PERCEIVED CSR: A MEDIATION MODEL

Abstract

Corporate Social Responsibility (CSR) has become as an important topic of research as it has ramifications for practitioners. Therefore, this study aims at examining organizational commitment and employee engagement as consequent of perceived CSR with the mediating role of job satisfaction. A questionnaire based survey was used to collect data from 736 faculty members of higher education institutions. Hypotheses were tested using structural equation modeling. Results reveal that, perceived CSR positively influence employees level of engagement and commitment towards their organization, whereas, this mechanism is partially supported considering job satisfaction as a mediating variable. This study is novel and has implications for the higher education institutions.

Keywords: Corporate Social Responsibility, Employee Engagement, Organizational Commitment, Job Satisfaction.

Introduction

The conception of Corporate Social Responsibility (CSR) is based on the notion that companies should undertake socially responsible activities to make contributions for the welfare of the community. CSR has gaining importance over the years and recently it has become an important factor to be considered by both businesses and academics (Lee et al., 2013; Bolton and Mattila, 2015). In organizational psychology, CSR has become a key area of interest with the growing amount of organizational involvement in social responsibilities, which are beyond the lawful requirements (McWilliams and Siegel, 2001). In knowledge and service based economies, organizations are gradually relying on employees’ performance to innovate and to provide customer services to secure competitive advantage, in the long term, this type of employees' effort directly affects profitability and shareholders’ values (Whitaker and Wilson, 2007; Reilly and Brown, 2008).

Since, the role of employees has become more important and valuable than before (Chen et al., 2010) and thus, recognizing the growing importance of CSR, it has become very important to investigate the impact of employees’ perception of CSR on their outcomes at their workplace which may ultimately

* Rashid Ahmad National College of Business Administration (NCBA&E), Lahore, Pakistan. rakhan.ciit@gmail.com
** Talat Islam Hailey College of Banking & Finance, University of the Punjab, Lahore, Pakistan. talatislam@yahoo.com
*** Shahzadi Saima Saleem COMSATS Institute of Information Technology, Lahore, Pakistan. saimasaleem@ciitlahore.edu.pk
influence the performance of the organization. In developed countries, “economies have been changes from manufacturing sector to service sector (Ahmed and Islam, 2011; Shuck et al., 2011) as service sector contributes 73% and 53% in the GDP of developed and developing countries respectively (Ahmed and Ahsan, 2011). In Pakistan, service sector contributes one third in employment and 54% in GDP” (Islam et al., 2015). Therefore, service industry (i.e. higher education institutions) is selected as the population of this study. Thus, this study contends that employees’ perceptions of CSR develop on the basis of firms’ CSR concerning activities and it examines the impact of faculty members’ perceptions of CSR on their outcomes. More specifically, the aim of this research study is to examine the impact of employees’ perceptions of CSR on their workplace attitudes and to investigate the mediation role of Job Satisfaction between employees’ perceptions of CSR and employees level of Organizational Commitment and Employee Engagement.

Perception of Corporate Social Responsibility

CSR is a multilevel construct which has been studied across many areas as a field of research and practice. Recently, Islam et al. (2016) concluded that CSR has behavioral and psychological effect on employees’ outcome. Perception of CSR represents the individual cognition of the importance of CSR compliance and employees’ perception of CSR as part of their cognitive processes may have different view about their organizational CSR programs. Further, CSR for both research and practice, there is need to evaluate the psychological impact of practicing CSR activities by employer from employees’ perspective. The employees’ perceptions of CSR develop on the basis of employees’ day to day operations and dealing on workplace. Employees execute the socially responsible activities and witness all such activities which are performed inside the organization. Employees being members of the organization observe, participate, contribute and respond to their firms’ position on social responsibility.

Supporting the importance of employees, Rupp et al. (2006) suggested that employees, as a key stakeholder of an organization are interested to contribute, evaluate and to respond to their organization’ CSR programs. In this context, Aguinis and Glavas (2012) also suggested that employees’ responses are primarily based on employees’ perceptions of CSR activities. Similarly, Rupp et al. (2013) suggested that on account of importance of employees’ perceptions of CSR emphasized that although employees’ perceptions of CSR may actually have strong and direct impact on employees’ subsequent reactions that actual organization’ behaviors towards CSR activities which the employees may or may not possibly be aware. In literature, most of the previous studies were conducted to focus how potential employees view the prospective employers. Findings of these studies indicated that employees’ positive perceptions of organizational CSR programs increase employees’ attraction towards the corporation (Tsai et al., 2014; Ellis, 2009). Some scholars concluded that employees’ perception of CSR which may be positive or negative can influence the employees’ attitudes and behaviors (Turban and Greening, 1997; Rupp et al., 2006). In addition to this, Lefkowitz (2013) suggested that there is still need to consider and examine how CSR influence the employees’ attitudes and behaviors towards organization. Therefore,
it has been established and well known phenomenon that CSR can affect the employees’ relationships at their workplace (Glavas and Piderit, 2009).

Perception of CSR and Job Satisfaction (JS)

A widely-used definition of the construct of job satisfaction was presented by Locke (1976) as "a pleasurable or positive emotional state resulting from the appraisal of one’s job experiences (p. 1300)", this experience of job satisfaction includes all characteristics of the job and workplace environment. Since, the construct of Job satisfaction has been largely discussed in organizational psychology, however, it has been explored and examined in some other perspectives such as organizational performance and employees’ behaviors at workplace (Koh and Boo, 2001). Employees being one of the key stakeholders of the organization care about the fulfillment of social obligations by their organization (Rodrigo and Arenas 2008) which may lead to an influence on their job attitudes and behaviors.

Literature of organizational behavior revealed that JS is generally accepted as an affective variable showing a significant predictor of employees’ attitudes and behavior including job performance, organizational citizenship behavior, absenteeism and turnover, (Wegge et al., 2007; Organ and Ryan, 1995). Considering the importance of job satisfaction, researchers encourages to investigate the concept repeatedly. Recently, Suh (2016) conducted a study on a data set of 1,249 employees of 40 firms in the Korean context, results indicated significant positive influence of CSR on job satisfaction level of employees. Wong and Gao (2014) also noted to investigate the possible effects of “macro-level variables on individual-level effects”. This phenomenon is strongly supported by social identity theory which explains the potential influence of employees’ perceptions of CSR on employees’ attitudes (i.e., job satisfaction). Therefore, it is hypothesized:

H1: Employees’ perception of CSR activities of their organization is positively associated with their job satisfaction (JS).

Perceived CSR and Organizational Commitment (OC)

The construct of commitment is defined as “a force that binds an individual to a course of action that is of relevance to a particular target” (Meyer and Herscovitch, 2001, p. 301; Meyer and Allen, 1997). In particular, there are three basic components included in the organizational commitment i.e., (a) willingness to work for the firm (b) bearing in mind the firm’ objectives are very important (c) willingness to work with the firm (Allen and Meyer, 1990; Chen et al., 2002; Uygur, 2004). This is one of the widely investigated construct and most frequently examined forms of psychological attachment (Meyer and Herscovitch, 2001). Debating the importance of organizational commitment, Morrow (2011) and Rousseau (1998) commented that OC influence organizations to make more efforts to increase employees’ loyalty, because psychologically attached employees are more satisfied and more productive (Hunter and Thatcher, 2007).

In literature, empirical evidences indicated positive influence of perception of CSR on OC such as Brammer et al. (2007) testified that CSR contributes towards an organization. Considering the importance of organization
commitment, some researchers emphasized that the construct of OC has developed as an essential variable in studying work attitudes and behaviors (e.g. Mathieu and Zajac, 1990; Morrow, 1993). Furthermore, based on reviewed literature and following the research direction of Wong and Gao (2014), future research may investigate the possible effects of macro-level variables (e.g. perceived CSR) on individual-level effects (employees’ attitudes i.e. OC). Thus, following is hypothesized:

**H2**: Employee’s Perception of Corporate Social Responsibility (CSR) to their organization is positively associated to Organizational Commitment (OC).

**Perceived CSR and Employee Engagement (EE)**

Employee engagement is relatively a recent concept and two dimensions of employee engagement have been characterized i.e. work engagement and organizational engagement. Saks (2006) differentiate between these two dimensions of employee engagement. Some researchers asserted employee engagement as "a condition of employee who feels involved, committed, passionate, and empowered and demonstrates those feelings in work behavior" (Mone and London, 2010 p. 4). Thus, the construct of employee engagement can be explained as a level of employees’ commitment and involvement towards their firm and its values. Scholars are of the view that internal CSR practices affects employee engagement (Albdour and Altarawneh, 2012). Ferreira and Oliveira (2014) conducted a study and findings indicates overall significant impact of CSR on employee engagement, however, no significant difference between internal and external forms of CSR was found on employee engagement.

Valentin et al. (2015) conducted a study in US and reported that through CSR activities key, antecedents of engagement are self-determination theory which may likely influence intrinsic motivating drivers of employee engagement. In a most recent study, Obeidat (2016) conducted a study on 350 employees of Jordanian mobile telecommunication companies, concluding that CSR has positive significant influence on employee engagement. Social Identity Theory (SIT) explains the association between employees’ perception of CSR and employees’ attitudes and behaviors including employee engagement (Brammer et al., 2007; Turker, 2009). The above reviewed literature warrants to examine the perceived CSR which may have positive impact on employees’ level of engagement in higher education institutions of Pakistan. Therefore, it is hypothesized:

**H3**: Employee’s Perception of Corporate Social Responsibility (CSR) to their organization is positively associated with Employee Engagement (EE).

**Conceptual Framework**

The mediating role of JS in relationship between CSR and OC, EE can be explained with the help of social identity theory presented by Tajfel’s (1978). The SIT supports the principal mechanisms which facilitate comparisons between inter-group and out-group. It proposes that individuals make social comparisons by classifying themselves into in-group and out-group. On the basis of theoretical support of social identity theory (SIT), some researchers suggested that significant positive relationship exist between perceived CSR and organizational commitment. Specifically, Brammer et al. (2007) emphasized that CSR has
positive association with OC. In particular, this theory explains that individuals tend to categorize themselves and others into different groups, and this categorization influence the self-concept of the group members (Peterson, 2004). If employees, consider that their organization is better organization in comparison to others with regards to employees’ relationship. This recognition by the employees improve their self-esteem which positively influence the employees’ attitudes and behaviors towards their organization (Smith et al., 2001). Although, research on CSR has gaining attention, however, research addressing the influence of CSR on employees’ attitudes and mediating influence has received little attention (Jones, 2010; Aguinis and Glavas, 2012; De Roeck et al., 2014).

In literature, previous empirical studies revealed that self-conceptualization of employees is influenced by activities and policies of the organization (Kreiner and Ashforth, 2004). More specifically, self-conceptualization of an employee is more likely to be boosted in a firm engaging in CSR practices (Maignan et al., 1999; Peterson, 2004). Hence, as per SIT, if employees feel proud of their firms’ social performance towards different stakeholders which may lead to positive attitudes at workplace (Peterson, 2004; Turker, 2009). There is likely that satisfied employees with their organization’s social performance may likely display positive emotions, attitudes and behavior, such as engagement (Pivato et al., 2008; Rupp et al., 2006). Furthermore, none of the earlier researcher has ever examined the mediating influence of job satisfaction between the relationship of perception of CSR and organizational commitment and employee engagement, especially in higher education sector. Thus, it is hypothesized:

\[ H4: \text{Job Satisfaction (JS) mediates the association between perceived CSR and organizational commitment (OC).} \]

\[ H5: \text{Job Satisfaction (JS) mediates the association between perceived CSR and employee engagement (EE)} \]

The conceptual framework of this research study is represented as in Figure-1.

**Figure 1: Conceptual Framework**

4.1 **Sample and data collection**

This is a quantitative research study using primary data obtained from full time faculty members of higher educational institutes in Pakistan. Stratified random sampling technique was used to select the universities. At first stage of
sampling, 177 universities recognized by Higher Education Commission (HEC) of Pakistan were divided into two strata i.e. public sector (103) and private sector (74). Hence, a total sample of 30% of 177 (i.e. 54) universities was selected. To determine an appropriate sample size from each stratum, proportional allocation of random sampling was applied. Hence, 30% random sample of the public-sector universities which was comprised of 58.0% of 54 = 31, and 42.0% of 54 = 23 universities from private sector were selected. At the 2nd stage of sampling, faculty members were randomly selected from the identified universities in each stratum i.e., 31 from public sector and 23 from private sector. Considering each stratum of a sub group of population, the sample size of 379 faculty members from public sector and 357 faculty members from private sector universities (i.e. 736 faculty members) were contacted for the study. The survey questionnaire was comprised of 58 questions including 7 items pertaining to demographic. Out of 736 faculty members, 585 faculty members responded to the survey.

4.2. Data Analysis

The data was analyzed using descriptive, correlation, validity and reliability statistics. First, the data was examined regarding the missing values and then normality using p-plots, Kurtosis and Skewness was examined and the data was found to be normally distributed. Further, hypotheses were examined using structural equation modeling (SEM) using AMOS.

5.1 Correlation and Reliability

The values of Mean, standard deviation, correlation, and reliability are presented in Table 1. The study used the value of Cronbach’s alpha to examine reliability as it is the most suitable test. Internal reliability estimate lie in the acceptable range of 0.70 & above as quoted by Murphy & Balzer (1989).

Table 1: Inter Correlation Matrix among Variables and Reliability of Constructs

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D.</th>
<th>CSR</th>
<th>JS</th>
<th>OC</th>
<th>EE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>3.60</td>
<td>.554</td>
<td>1</td>
<td></td>
<td>(.932)</td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>3.98</td>
<td>.748</td>
<td>.528**</td>
<td>1</td>
<td>(.848)</td>
<td></td>
</tr>
<tr>
<td>OC</td>
<td>3.54</td>
<td>.667</td>
<td>.548**</td>
<td>.527**</td>
<td>1</td>
<td>(.810)</td>
</tr>
<tr>
<td>EE</td>
<td>3.60</td>
<td>.543</td>
<td>.555**</td>
<td>.447**</td>
<td>.599**</td>
<td>1</td>
</tr>
</tbody>
</table>

The values of standard deviation were found less than “one”. Therefore, no large dispersion was found in the data (Hair et al., 1995). Additionally, the results of the correlation analysis reveal a partial relationship among some of demographic variables and observed variables of the study. Therefore, job designation, age and qualification are considered as control variables of this study. However, a significant correlation is exited among all other variables of interest of the study. For example, significant correlation was observed between CSR and JS...
(r = .524, p < .001), CSR and OC (r = .548, p < .001), and CSR and EE (r = .555, p < .001).

5.2 Factor Analysis

In this study, confirmatory factor analysis was applied to confirm the factor structure of the latent constructs. Schreiber et al., (2006) suggested that “Confirmatory Factor Analysis (CFA) is normally used to analyze the validity of the observed variables in relationship with latent constructs”. Brown, (2006) described that, "different researchers have suggested different minimum acceptable value for factor loading, but in this study the standardized value of above 0.30 is considered as acceptable value”. Kline (2005) argued that the value of correlation must be less than 0.85 otherwise factors are not distinct.

![CFA Measurement Model](image)

**Figure 2:** CFA Measurement Model

<table>
<thead>
<tr>
<th>Standardize Values of Model Fitness</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2 = 6075.475$, df = 1224, $\chi^2/df = 4.964$, $p = 0.000$, NFI = 0.902, GFI = 0.915, AGFI = 0.905, CFI = 0.934, TLI = 0.923, RMSEA = 0.08.</td>
</tr>
</tbody>
</table>
At the first stage, all items of the scales were examined for their factor loading. The above diagram indicates that one item from CSR, two items each from organizational commitment and employee engagement were deleted because of low loading.

5.3 Reliability and Validity

After assessment of uni-dimensionality of the observed variables i.e. CSR, JS, OC and EE, the reliability and validity of the constructs were also tested (Byrne, 2010). To examine the reliability and validity, Average Variance Extracted (AVE), Composite Reliability (CR) and Cronbach’s Alpha were applied. However, for discriminant and convergence validity, measures of the constructs were used (Kline, 2005). Moreover, the reliability of the constructs was tested through the Cronbach Alpha value and Confirmatory Factor Analysis (CFA). George and Mallery (2003) suggested rules of thumb that the value of Cronbach Alpha “≥ 0.9 – Excellent, ≥ 0.8 – Good, ≥ 0.7 – Acceptable, ≥ 0.6 – Questionable, ≥ 0.5 – Poor, and ≤ 0.5 – Unacceptable”. Based on above referred rules of thumb all the alpha values of the constructs were found in “good” for CSR, JS, OC and EE (see table 2). A formula given by Fornell and Larcker (1981) was applied to calculate the value of Average Variance Extracted (AVE), Composite Reliability (CR). Hair et al., (2006) suggested that, "the value of AVE should be ≥ 0.50 and CR value should be ≥ 0.60. In addition, convergent and discriminant validity of the observed variables were also assessed”. In this context, Holmes-Smith et al., (2006) suggested that, "loading of the construct should be greater than 0.30 with significance value p < 0.001". Table 2 depicts the values of the items of the constructs which shows that all the observed constructs are having convergent validity. Conversely, Kline (2005) concluded that for having convergent validity, correlation and coefficients of the construct should be less than the value of 0.85. The used scale in this study was acceptable for discriminant validity because results of the study were found consistent with the suggested values for correlation and coefficients.
Table 2: Evaluation of Measurement Model

<table>
<thead>
<tr>
<th>Item (CSR)</th>
<th>FL</th>
<th>CR</th>
<th>AVE</th>
<th>Item (JS)</th>
<th>FL</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR1</td>
<td>.868</td>
<td></td>
<td></td>
<td>JS1</td>
<td>.847</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR2</td>
<td>.667</td>
<td></td>
<td></td>
<td>JS2</td>
<td>.898</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR3</td>
<td>.711</td>
<td></td>
<td></td>
<td>JS3</td>
<td>.868</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR6</td>
<td>.633</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR7</td>
<td>.423</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR8</td>
<td>.652</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR9</td>
<td>.505</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR10</td>
<td>.733</td>
<td></td>
<td></td>
<td>OC1</td>
<td>.795</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR11</td>
<td>.661</td>
<td></td>
<td></td>
<td>OC2</td>
<td>.895</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR12</td>
<td>.612</td>
<td></td>
<td></td>
<td>OC3</td>
<td>.854</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR13</td>
<td>.583</td>
<td></td>
<td></td>
<td>OC4</td>
<td>.852</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR14</td>
<td>.583</td>
<td></td>
<td></td>
<td>OC5</td>
<td>.648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR15</td>
<td>.553</td>
<td></td>
<td></td>
<td>OC6</td>
<td>.603</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR16</td>
<td>.597</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR17</td>
<td>.882</td>
<td></td>
<td></td>
<td>EE1</td>
<td>.577</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR18</td>
<td>.516</td>
<td></td>
<td></td>
<td>EE2</td>
<td>.822</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR19</td>
<td>.585</td>
<td></td>
<td></td>
<td>EE3</td>
<td>.806</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR20</td>
<td>.638</td>
<td></td>
<td></td>
<td>EE5</td>
<td>.775</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR21</td>
<td>.583</td>
<td></td>
<td></td>
<td>EE6</td>
<td>.644</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR22</td>
<td>.806</td>
<td></td>
<td></td>
<td>EE7</td>
<td>.741</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR23</td>
<td>.721</td>
<td></td>
<td></td>
<td>EE9</td>
<td>.902</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR24</td>
<td>.711</td>
<td></td>
<td></td>
<td>EE10</td>
<td>.873</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR25</td>
<td>.387</td>
<td></td>
<td></td>
<td>EE11</td>
<td>.547</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR26</td>
<td>.418</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.4 Inferential Analysis

Some scholars are of the view that if any variable is accounts for the relationship between independent and dependent variable it considered as a mediating variable (Baron and Kenny, 1986). Researchers advocated that the SEM is most appropriate statistical tool to analyze the indirect paths because it can evaluate the complex models (Mackinnon et al., 2007; Little et al., 2007). Figure 3 shows the structural model.
Figure 3: Structural Model

As suggested by Byrne (2010) and Hair et al., (2006) for better model fit, model was adjusted for standardized residuals and modification indices. Modified model was found to be fit having fit indices values i.e. $x^2=1981.340$, df=912, $x^2$/df =2.173, p=0.000, NFI=0.915, GFI=0.910, IFI=0.911, AGFI=0.905, CFI=0.910, TLI=0.902, RMSEA=0.045, P-Close=0.999. The result shows a positive impact of CSR on JS, OC and EE. After examining the mediation results, significant path was found between CSR and JS (with values of $\beta=.627$, $p=.000$), similarly the path between JS and OC was also found significant $\beta=0.478$, $p=.000$. Moreover, the indirect path was found lesser ($\beta=.299$) in comparison with direct path ($\beta=.345$), but significant. Similarly, a significant path was found between CSR and JS (with values of $\beta=.622$, $p=.000$), similarly the path between JS and EE was also found significant (i.e. $\beta=0.335$, $p=.000$). Moreover, the indirect path was found lesser ($\beta=0.208$) in comparison with direct path ($\beta=0.427$), but significant. Thus, it is concluded that JS performs its role as a partial mediator between CSR-OC and CSR-EE relationships. The summary of results is presented in Table 3.

Table 3: Summary of the Results

<table>
<thead>
<tr>
<th>Path</th>
<th>Std. Reg.</th>
<th>$P$</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total effect</th>
<th>Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR-JS</td>
<td>.627</td>
<td>0.000</td>
<td>0.345**</td>
<td>0.299**</td>
<td>0.644</td>
<td>Partial Mediation</td>
</tr>
<tr>
<td>JS-OC</td>
<td>.478</td>
<td>0.000</td>
<td>0.427**</td>
<td>0.208**</td>
<td>0.635</td>
<td>Partial mediation</td>
</tr>
<tr>
<td>CSR-JS</td>
<td>.345</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JS-EE</td>
<td>.622</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR-EE</td>
<td>.335</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR-EE</td>
<td>.427</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

162
6. Discussion and Implications

This study was aimed to examine the impact of employees’ perceptions of CSR on employees’ level of job satisfaction which also highlights the essential mechanisms to explain these relationships. In this study, a similar manifestation is expected in elevation of job satisfaction due to participation of organization in volunteering programs. The results of this study indicated significant positive impact of employees’ perceptions of CSR on employees’ level of job satisfaction. It was found that employees’ perceptions of CSR have influence on the job satisfaction level of faculty members in higher education institutions (Path coefficient = 0.63, P < .001) which supports the hypothesis H1. This study links employees’ perception of CSR with their level of commitment in higher education institutions of Pakistan. The hypothesis 2 suggested that employees’ perceptions of CSR would have a significant and positive impact on employees’ level of organizational commitment. If employees believe that their organization is a socially responsible citizen, then they believe that their organization is likely to treat them with responsibility. In Pakistan, massive reforms are being introduced in higher education sector which has developed their level where these institutions can compete with other higher education systems at world across (Hathaaway, 2005). In Pakistan, high paying tenure tracks and pay structures has been introduced to attract, develop and retain talent faculty members in higher education institutions. Therefore, this could be the reason that employees particularly faculty members are more convinced for organizational commitment.

Employee engagement may constitute through job satisfaction, employee involvement into job, rewards and recognition and commitment. The result of this study supported the hypothesized relationship between perceived CSR and employee engagement. In addition, the result of this study partially supported the mediation effect of job satisfaction between the relationship of employees’ perceptions of CSR and OC as mentioned in hypothesis 4. The findings of this study are consistent with the findings of few previous studies which reveals that job satisfaction performs its role as mediator between perceived CSR and OC. This shows that the employees of higher education institutions consider the CSR as the most important factor to increase the commitment level of employees. Moreover, it further indicates that there is need to maintain high level of job satisfaction if organizations need to achieve high level of employees’ commitment to get the desired performance.

It was predicted that job satisfaction mediates relationship of perceived CSR and employee engagement in higher education sector of Pakistan. The results of the study supported the hypothesized relationships and partial mediation influence of JS was also found between perceived CSR and employee engagement. In literature, this is the first ever study which explores the underlying mechanism between employees’ perceptions of CSR and employee engagement in the context of higher education sector of Pakistan. In some of previous studies, positive relationship between CSR and EE was also found such as (Singh & Paithankar, 2015; Glavas, 2016). Hence, considering the impact of job satisfaction on employee engagement, it is fair to say that higher education institutions should introduce CSR practices in term of strategic significance.
7. Conclusion

This study indicates that CSR has significant positive impact on faculty members’ level of job satisfaction, organizational commitment and employee engagement in higher education sector of Pakistan. This means those faculty members’ perceptions of CSR influence on their attitudes at workplace as all the hypothesized relationships have been supported. It also proves that significant mediation influence of job satisfaction exists among perceived CSR, organizational commitment and employee engagement. CSR is considered as a management strategy and findings of this study can be of prime interest for managers who are finding ways and tools to enhance employees’ level of commitment and their morale to enhance their performance. By improving the commitment and morale of the workforce, better productivity and efficiency can be obtained.
Reference


