CHAPTER FIVE

DISCUSSION AND CONCLUSION

The purpose of the present study is to explore the relationship between the corporate social responsibility and Organisational Commitment and assess any influence CSR has on organisational commitment. This chapter contains discussion and interpretation of the data analyses conducted for this study provided in Chapter Four. This chapter is presented in ten sections which include:

1. Instrumentation;
2. Descriptive findings;
3. Correlation analysis;
4. t-test and ANNOVA analysis;
5. Regression analyses;
6. Rank order analysis;
7. Implications;
8. Limitations;
9. Future research; and
10. Conclusion.

5.1 Discussion of Results

In this section, each hypothesis and resultant outcome obtained in Chapter IV will be presented separately, which will include comment on the results from Correlation Analyses, t-test Analysis, One-Way ANOVA, Regression Analysis and Rank order Correlation analysis with a summary of results presenting findings of corporate social responsibility and its dimensions for the whole sample and separately for employees and volunteers (where applicable). Descriptive findings, sampling and measurement biases will be presented first. The number of empirical studies which
focusing on the impact of CSR has continuously increased since 1980’s (Turker, 2008)\(^1\). There are very few studies till date that have examined how corporate social responsibility activities affect the employees and their commitment towards the organisation. The knowledge regarding CSR has demonstrated the importance to employees in two broad categories:

1. Analysing CSR activities that affect prospective employees,
2. The perceived trustworthiness of an organisation for a job seeker.

The second category focuses on impact of CSR on current employees how CSR affects the perceived image, attitudes and behaviour of employees. However the impact of CSR initiatives on the organisation towards the internal stakeholders and the effect of it on employee’s intention to quit the organisation has not been much in light. As such the present study was developed in part to address this void and to focus more on the present construct. Specifically this thesis was concerned with the variables CSR and Organisational Commitment.

5.1.2 Instrumentation

Several preliminary analyses were conducted to determine the dimensionality of the various scales used for the present study. During these analyses, the data were also screened for possible non-linearity, lack of independence, and distribution of a multivariate nature. The data was found to be normal, independent, and properly distributed. The nature of the study was exploratory and the instrumentation still yielded very consistent findings and all reliability scores were in the satisfactory range. The scales used for the thesis were selected to meet the research objectives of the present study. To measure Corporate Social Responsibility component the scale developed by Dugyu Turker in 2009 was used. This scale reflects the corresponding responsibilities of a business to various stakeholders which were of interest to the present study. The scale is a combination of various stakeholders in a balanced manner and provides a useful tool to measure CSR. As this scale reflects only the perceptions and attitudes of internal stakeholders i.e. employees it was found appropriate for the present study. To measure the “commitment” component of employee’s organisational commitment questionnaire was developed by Porter
and Smith was used. The scale measured commitment being a generally affective reaction to the organisation rather than work. The researcher’s interest was also to measure the commitment of the employees towards the organisation rather than job. OCQ has been used successfully with high reliability in over 35 studies in organisational behaviour. The employee’s perceptions towards corporate social responsibility activities of the organisation were measured using PRESOR scale developed by Singhapakdi et.al. PRESOR aims to measure the managerial perceptions about the roles of ethics and social responsibility in achieving organisational effectiveness (Singhapakdi et.al, 1996). The scale is used in present study since it focuses on measuring individual values rather than measuring socially responsible activities of the business. The scale was found appropriate to measure the employee’s perception towards socially responsible attitudes of the organisation to achieve organisational effectiveness. The corporate social responsibility implementation scale used for the present study provided reliable and added contributing evidence to support its use in future investigation.

5.1.3 Descriptive Findings

“The goal is to transform data into information and information into insight”.

- Carly Fiorina

Overall the examination of employee’s attitudes and perceptions linking CSR to employee commitment revealed a general positivity in the employee responses. The descriptive findings provided in Chapter IV provide an overview of the demographic make-up of the employees and volunteers of the organisation in Pune region. The present study has equal representation of employees and volunteers (both being 50% each). The employees were selected from all managerial cadres (top and middle level management) of the organisation. The highest representation of the employees was from middle management (66.86%) as compared to top management (33.14%). The demographics included the grades of the employees from M1-M5. The employees from grade M1 showed the highest representation (24.85%) as compared to M5 (15.47%) The make-up of the entire group for the present study was very balanced thus helping to ensure accurate and reliable results. The demographic variables were not controlled in any of the analysis, which may have led to biases in the measurement and analysis of the data.
5.1.4 Sampling Biases

“To know the true reality, one must be aware not only of one’s conscious thoughts, but also of your unconscious bias”

Other information provided by the descriptive findings was the variable means and standard deviations across major demographic groups (stakeholder role, grade, level). The only demographic variable tested for significant difference was stakeholder role as it was the most relevant to the present study. The proposed analysis was interested in treating all respondents as employees (despite any formal role than held). While the descriptive information for the grades and levels were not central to the present study, the relevant descriptive results did show interesting patterns that represent biases that may not have been addressed in the present study.

<table>
<thead>
<tr>
<th>Potential Bias</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusive Bias</td>
<td>The employees were only from the managerial grades of different organisations from Pune region only.</td>
</tr>
<tr>
<td>Omission Bias</td>
<td>The sample only included employees and volunteers (employees involved in CSR) from M1 and above grades. Extreme top management like the Directors, Vice President were not sampled.</td>
</tr>
</tbody>
</table>

Table 5.1 Summary of Potential Sources of Sampling Biases

5.1.5 Measurement Biases

Issues relating to format of the questionnaires, wordings and operationalization arose as potentially biasing issues. Similarity in item format for CSR items and all other variables (Likert scale) may have caused artifactual covariation by the employees who responded in a particular manner disregarding the content of the item (e.g. rating all questions equally) (Podsakoff et.al 2003). Some of the questions representing the CSR initiatives of the organisation may have been irrelevant or ambiguous to the employees as the questions were originally designed considering
all stakeholders (taken from Turker, 2009). Ambiguity could also have been due to difference in opinions and perceptions of the CSR initiatives of employees representing diverse sectors. Altogether these biases may represent the measurement issues that have influenced all other analyses discussed hereafter.

<table>
<thead>
<tr>
<th>Potential Bias</th>
<th>Source</th>
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<tbody>
<tr>
<td><strong>Common rater effects</strong></td>
<td>Use of same participant to respond predictor and criterion variables.</td>
</tr>
<tr>
<td><strong>Common Scale Formats</strong></td>
<td>All the variables were measured using the same format. (Likert Scale)</td>
</tr>
<tr>
<td><strong>Ambiguity or Irrelevance of items</strong></td>
<td>Use of the standard questionnaires keeping in mind the entire business. Some items may not pertain to employees of some organisations.</td>
</tr>
</tbody>
</table>

Table 5.2 Summary of Potential Sources of Measurement Biases

5.1.6 Correlation Analysis: CSR and Employee Commitment

“CSR is concerned with treating the employees of the firm ethically or in a responsible manner”

Several studies have indicated that CSR has a role to play in enhancing the commitment level of employees. (Rettab et.al, 2008 & Brik et.al, 2008; Collier J et.al, 2007; Earl T, B.W, 2004)\(^3\),\(^4\),\(^5\). From Social Exchange Theory (SET) perspective when employees feel that the organisation is committed to them (e.g.: committed to human rights, safety conditions), they tend to develop a sense of duty towards the organisation and are willing to reciprocate with more supportive and cooperative actions and with a greater level of commitment (Settoon R.P et.al 1996)\(^6\). In the light of above the following hypothesis was proposed and tested.

**H1:** Employees Perceptions about the Firms CSR initiatives will be positively related to their organizational commitment.
The findings from the present study showed significant correlations between Corporate Social Responsibility and Organisational Commitment. The results supported the expected relationship between employee perceptions towards CSR activities and Organisational Commitment. Peterson D.K (2004)\(^7\) explored that employees who strongly believe in the importance of the social responsibility of businesses demonstrated a stronger commitment and relationship between corporate citizenship. Branco et al. (2006)\(^8\) investigated that firms with good social responsibility reputation may improve relations with external factors. Consequently they may attract better employee’s motivation, morale, commitment and loyalty. In the present study the relationship between employees perception towards CSR activities of employees showed a strong relationship to their commitment level.

Pearson Product moment correlation coefficients were computed for the relationship between CSR and Organisational Commitment for both employees and volunteers (employees involved in CSR) separately. The volunteers rated Organisational commitment more than employees. The results based on volunteer data fully supported the hypothesis showing significant correlations between organisational commitment and CSR dimensions.

Middle level management employees perceptions towards CSR activities for social and non-social stakeholders showed higher correlations (p>0.5) as compared to the other dimensions of employees and ethics. On the contrary top level management employees perceive the relationship between CSR dimensions of ethics and commitment of employees showed a significant relationship as compared to social and non-social stakeholders and employees.

Pearson product moment correlations were also computed for determining the relationship between CSR and Organisational Commitment grade wise. The CSR Initiatives towards ethical parameters showed strongest relationship towards organisational commitment for all grades followed by CSR activities towards social and non-social stakeholders and employees. (Social and Non-social stakeholders 0.656 p<0.01; employees 0.631, p<0.01). Table 5.3 provides summary of the findings.

Overall correlation between Corporate Social Responsibility and Organisational Commitment was computed which indicated a very high correlation (0.964; p<0.01). Thus it supported the
hypothesis proposed that employee perceptions of CSR initiatives taken by their organisation are positively correlated to their organisational commitment.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Discussion for Organisational Members (Employees and Volunteers)</th>
<th>Discussion for Managerial Levels</th>
<th>Discussion for CSR dimensions and Organisational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1: Employees Perceptions about the Firms CSR initiatives will be positively related to their organizational commitment.</strong></td>
<td>CSR initiatives of the firm correlation with Organisational Commitment were significant. The volunteers (employees involved in CSR) rated Organisational commitment more than employees not involved in CSR initiatives.</td>
<td>Middle level manager’s perceptions towards CSR activities showed significant relationship towards organisational commitment as compared to top level managers.</td>
<td>CSR initiatives towards social and non-social stakeholders showed stronger relationships to organisational commitment among all grades of employees.</td>
</tr>
</tbody>
</table>

Table 5.3 Summary of Outcome and Discussion of Correlation Analyses: CSR and Organisational Commitment

5.1.7 t- test and ANNOVA Analysis

"Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it".

-Lou Holtz

Sinnott, (2003)⁹ concluded that attitude and behavior are closely related and that the former determined the latter. Harris in 1990 surveyed 148 employees at different levels within the same organization. He found senior managers were significantly less tolerant of fraudulent practices than others in the organization and that first-level managers were less tolerant of behaviors related to self-interest.
Marz and Powers in 2003 surveyed 112 employees of the Berlin office of a large international audit and consulting firm. They found that low-level managers exhibited higher levels of social orientation than their mid-level counterparts. Forte in 2007 examined 214 managers and found a significant relationship between management level and organizational ethical climate. In specific, her findings support the theory that top management sets the ethical tone for an organization. However, she did not find significant differences between management level and the moral reasoning of individual managers.

Petrick et al. (1994)\textsuperscript{10} examined the descriptive and normative responses on social responsibility of 80 managers from a variety of businesses in a U.S. city. The findings indicate that top management perceived economic considerations to be of less importance than where their organization should be and that their organization was less law abiding compared to the lower level managers. Lower level managers perceived that their organization was not placing any emphasis on the philanthropic component of social responsibility. In the light of above the following hypothesis was proposed and tested.

\textbf{H2: CSR leads to positive attitudinal changes in the Top and Middle Level Management.}

The results showed that there was a significant difference between the attitudes of top and middle level management towards CSR. The findings indicated that the top level managers showed significant differences in attitude towards CSR initiatives and organisational commitment as compared to middle level managers. The top level managers rated “talking up for the organisation to the friends as great place to work for” (t=3.077, p=0.001), “feeling extremely glad to choose the organisation over the others” (t=3.168, p=0.001) than middle level managers. The top level managers showed significant difference in attitudes towards “CSR initiatives taken by the organisation to protect the natural environment” (t=3.765, p=0.001) followed by the initiatives taken by the company towards “employees” (t=2.996, p=0.001) and the “company making investments for creating better life for future generations” (t=3.192, p=0.001).

The difference in responses and attitudes of top and middle level managers towards CSR initiatives was evaluated using One way Analysis of Variance (ANNOVA). The results showed that top level managers did rate the attitudinal changes due to CSR initiatives higher than middle level managers. ANNOVA results showed significant differences between the mean responses.
More specifically there were significant differences between the attitudes on focus of company towards employee needs and wants $F(1,982) = 7.233; p=0.007$) and flexible policies to provide good work life balance to the employees $F(1,982) = 8.797; p=0.003$). Similarly the top level managers rated the employees caring about the fate of the organisation $F(1,982) = 15.65; p=0.000$). For the present study there was a difference in attitudes of top and middle level managers towards the organisation due to the CSR initiatives taken by the organisation thus proving the proposed hypothesis. Table 5.4 provides an overview of the findings from the analysis.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Discussion for Organisational Members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H2: CSR leads to positive attitudinal changes in the Top and Middle Level Management.</strong></td>
<td>Both the t test and the ANNOVA analysis showed that there is a significant difference in the attitudes top level and middle level manager’s attitudes due to the CSR initiatives taken by the organisation. Top level managers rated the responses higher than middle level managers.</td>
</tr>
</tbody>
</table>

Table 5.4 Summary of Outcome and Discussion of t-test and ANNOVA analysis

5.1.8 Regression Analysis

"Corporate social responsibility is not just about managing, reducing and avoiding risk, it is about creating opportunities, generating improved performance, making money and leaving the risks far behind."

-Sunil Misser, Head of Global Sustainability Practice, PwC

Peterson (2004, p. 298) argument that “very few investigations have examined the relationship between social performance and work attitudes” and that this scarcity might be due to “a lack of theoretical reasons to link an organization’s performance on social issues with employees’ work
attitudes” needs to be re-reconsidered. Organizational identification is a form of psychological attachment occurring when employees adopt the defining characteristics of the organization as defining characteristics for themselves (Dutton et al., 1994)\(^1\). When employees perceive that “their” organization acts as a “true corporate citizen”, they form positive images about it and increase their organizational identification.

Majority of research on corporate social responsibility roams around financial performance, consumer behavior and its effects on environment for instance Alexander and Buchholz (1978)\(^2\), Cochran and Wood, (1984)\(^3\); Stanwick and Stanwick, (1998)\(^4\); McWilliams and Siegel, (2001)\(^5\); and Arx and Ziegler, (2008)\(^6\) have studied relationship between CSR and corporate financial performance. Likewise many studies have supported the positive effects of CSR on consumer behavior including Brinkman and Peattie (2008)\(^7\) and Ali et al. (2010)\(^8\). Heslin and Achoa (2008)\(^9\) also emphasized the strategic significance of corporate social responsibility for corporate success. However, little research so far has focused on employee’s perceptions towards CSR and its influence on their organizational commitment. The present hypothesis attempt to uncover the influence of perceptions of employee beliefs towards CSR increases their commitment to the organization.

**H3:** *Influence of the perception of organizational commitment will increase as the employee's beliefs supporting the importance of social responsibility of businesses increases.*

Regression analysis was used to test the moderating effect of corporate social responsibility on the relationship between employee perceptions and organisational commitment. The hypothesis was supported for overall CSR initiatives and was supplemented with significant outcomes for the moderating effect on organisational commitment (Volunteers) i.e. keep working with the organisation (F (1,499) =242.03; p=0.00; \(R^2=0.237\)); pride in working with the organisation \(F (1,499) =473.18; p=0.00; R^2=0.487\); driving employee performance (F (1,499) =381.13; p=0.00; \(R^2=0.433\)). For the employees for similar parameter the results indicated keep working with the organisation (F (1,499) =173.49; p=0.00; \(R^2=0.173\)); pride in working with the organisation \(F (1,499) =136.07; p=0.00; R^2=0.215\); driving employee performance (F (1,499) =153.07; p=0.00; \(R^2=0.236\)). The outcomes were compared for the employees and the volunteers. It was observed that the outcomes of the volunteers showed higher results as
compared to the employees indicating as the employee beliefs towards CSR increases the commitment towards the organisation increases. The above findings supported the hypothesis thus testing and proving it. Table 5.5 provides an overview of the findings from this analysis.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Discussion for Organisational Members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H3: Influence of the perception of organizational commitment will increase as the employee’s beliefs supporting the importance of social responsibility of businesses increases.</strong></td>
<td>The perception of employee beliefs towards CSR initiatives of the organisation has significant effect on the commitment of the employees. The linear combination of the various parameters of Organisational commitment also showed a significant impact. The most significant were “keep working with the organisation”, $(F (1,499) =242.03; \ p=0.00; \ R^2=0.237)$; “pride in working with the organisation”, $F (1,499) =473.18; \ p=0.00; \ R^2=0.487)$; “driving employee performance”, $(F (1,499) =381.131; \ p=0.00; \ R^2=0.433)$.</td>
</tr>
</tbody>
</table>

Table 5.5 Summary of Outcome and Discussion of Regression analysis

5.1.9 Rank order Analysis.

From the literature review it is seen that ; the levels of employee motivation and commitment are affected by the CSR initiatives of the organisation. These policies create a sense of pride and ownership of the organisation in the employees. The employees of an organisation judge the attitudes and actions taken by the top management of an organisation; and from this judgement form an opinion of the organisation. Management that seems not to be keen on CSR issues or that has no regard to these issues will attract a negative opinion from the employees; reduced motivation and commitment (Collier, 2007)²⁰.
Stawiski et al. (2010)\textsuperscript{21} proposed that in order to yield maximum benefits of CSR, employees should be involved in decision making regarding which actions should be undertaken relating to environment, community, employees themselves and the likewise. The more employees are influenced by CSR actions, the higher will be their organizational commitment, and consequently it will enhance their productivity. If majority of employees are committed with organization and performing at higher level, certainly it will influence positively on organizational performance. In the light of above the following hypothesis was proposed.

\textbf{H4: Shift in CSR implementation affects employee commitment in the organisation.}

Rank Order Analysis was performed to find out which CSR initiative was perceived important and whether implementation of the CSR initiatives had an effect on the employee commitment of the employees. In case of the CSR initiatives the respondents ranked Competent Leadership (51.78\%) as the highest followed by Healthy and Safe working environment (50\%) for the employees and Learning and Development activities (46.1\%). The responses were also taken for the CSR implementation of employees. The respondents ranked lower attrition rate highest (41\%) followed by reduced cost of recruitment (34.52\%) product and market innovation (33.92\%). The results showed that CSR implementation led to lower attrition of employees which supported the hypothesis.

Product Moment Correlation was computed to determine if the CSR implementation had a relationship with employee commitment. The results showed significant relationships between effective communication of CSR initiatives and Organisational commitment (0.774, p=0.01) and CSR implementation and employee retention by lowering the attrition (0.844, p=0.001) thus testing and proving the proposed hypothesis. The summary of the above analysis is shown in Table 5.6
Table 5.6 Summary of Outcome and Discussion of Rank Order Analysis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Discussion for Organisational Members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H4</strong>: Shift in CSR implementation affects employee commitment in the organisation.</td>
<td>Rank order analysis showed the CSR initiatives perceived important by the employees. Competent Leadership was ranked highest (51.78%) and in CSR implementation Lower attrition was ranked highest. (41%). Correlation analysis showed significant relationship between Employee commitment and CSR Implementation thus proving the hypothesis.</td>
</tr>
</tbody>
</table>

5.2 Academic and Managerial Implications.

The above discussion and concluding findings have both academic and managerial implications.

1. Understanding what contributes to enhancing the relationship between Corporate Social Responsibility and employee commitment to an organization contributes to the retention efforts of important organizational relationships.

2. With the understanding of how corporate social responsibility influences organizational commitment, organizations can assess the attitudes of employees and can subsequently align corporate priorities and actions with the needs of their valued stakeholders to gain competitive advantage over those firms that do not, as creating the “alignment produces a good fit between the organization and its environment, thus increasing the probability of the organization’s success” (Wolfe & Pulte, 2002, p. 64).²²

3. Committed employees are key success drivers especially when strategies that consider workers as priority are implemented as they influence productivity and other performance outcomes (e.g., financial performance) (Bridges & Harrison, 2003; Pfeffer, 1998).³³
4. Attracting and retaining quality employees are necessary for achieving competitive edge, enhancing firm performance and reaching organizational success in the ever-changing and competitive business environment (e.g., Bhattacharya, Sen & Korschun, 2008; Greening & Turban, 2000; Reichheld, 1996; Teece, 1998; Turban & Greening, 1997).24,25,26,27,28


6. The framework of this study with the concept of social identity theory was supported by the evidence. The results suggest that employees’ perceptions of CSR have a significant impact on organizational commitment. CSR initiatives may bring more benefit and effectiveness by effectively communicating their good corporate social responsibility and citizenship with employees.

7. The present study has extended and further supported previous findings that demonstrated the “impact of fit between the individual and the organization [on] increased intention to continue volunteering for the organization” (Kim et al., 2007, p. 167) as represented by commitment. For academicians, this research contributes toward understanding the underlying dynamics of the role CSR plays in commitment towards the organizations. By showing a strong relationship with organizational commitment and CSR, the results of this study strongly support the need to develop a comprehensive research agenda surrounding the CSR construct.

5.3 Limitations

The following list of limitations should be acknowledged for this research thesis:

The main limitations of this research are related to its design and the self-selected sample of employees who participated in the study. Because the study was based on a cross-sectional design where data is collected at one point time, the relationships between internal CSR and Organisational Commitment can be interpreted only as associations rather than causal relationships.
Although the researcher paid great efforts to develop a questionnaire, pre-tested and revised, some respondents may have problem of misunderstanding a question or because the employee might have fear of negative consequence of a truthful response.

CSR was measured based on the perception of employees who may not have been well informed about the CSR involvement of their organisation. Therefore it is possible that there can be a difference between the perceptions of respondents and the actual involvement level. It is possible that there can be a difference between the perceptions of respondents and the actual involvement level.

However, similar to previous studies in the literature (Mahon, 2002; Peterson, 2004; Whetten and Mackey, 2002)\(^{35, 36, 37}\), the organizational commitment is also determined by the employees’ perceptions. SIT suggests that the perception of members is more important in determining self-concept than any possible objective measure of the organization’s social performance, regardless of the accuracy of the employee’s perception (Peterson, 2004, p. 315)\(^{36}\).

**5.4 Conclusion**

In recent years the term corporate social responsibility (CSR) has gained prominence, both in business and in the press, to such an extent that it seems to have become ubiquitous. There are probably many reasons for the attention given to this phenomenon not least of which are the corporate excesses witnessed in recent years. Gaining full support from employees and ensuring that they are committed and motivated to obtaining company’s objectives places challenge and complexity on line management.

There is a symbiotic relationship between employee well-being in organizations and HRM practices when considered from Corporate Social Responsibility (CSR) perspective.

The current study analyzed the impact of CSR on organizational commitment with considering the responsibilities to various stakeholders mainly employees. Based on the theoretical framework of the SIT literature, four hypotheses were tested through correlation, t-test, one-way Annova and regression analysis. The results of the study indicate that employees prefer to work
in socially responsible organizations and their organizational commitment level is positively affected by CSR to society, natural environment, next generations, non-governmental organizations, employees, and customers. Based on the SIT literature, the prestige of an organization affects the self-esteem of its employees. The findings of the current study are consistent with the proposed model of SIT as well. However further studies can build the case for important findings and clarify the issue.

The hypotheses in the study supported, the results obtained from the current study. The study indicates that there exists a relationship between the CSR initiatives taken by the organisation and employee commitment. Hence, as CSR practices lead to employee’s commitment; this would suggest that the managers should pay more attention to CSR practices namely training and education, human rights, health and safety, work life balance and workplace diversity that are most desired by employees and these are most likely to create a sense of obligation that will result in levels of commitment.

For example, when a company provides employees with competent leadership it is observed that it has an impact on the commitment of the employees. Consequently employee will reciprocate by being engaged and be commitment to the organisation.

Employees are sensitive not only to a firm’s responsibilities toward them, but also to its legal/ethical and philanthropic responsibilities. When they perceive their organizations as “bad citizens” regarding such dimensions, they decrease their affective, normative and continuance bonds toward them. The findings also indicate that when organisations performing in an ethical manner are trustworthy, non-biased, and treated employees with dignity and respect, the employees may feel obliged to repay the organisation with level of commitment.

The fact that individuals are not reactive to the firm’s economic responsibilities is a significant challenge for managers, who must convince employees that their jobs and working conditions depend upon the firm’s economic performance.

These findings are very meaningful for organisations undertaking CSR initiatives. It depicts that organizations can enhance their employee commitment through involving themselves in social activities for instance, identifying needs of the community and fulfilling them, working for better environment, involving in employee welfare, producing quality products for customers and
complying with government rules and regulations and working within legal ambiance. All these activities significantly and positively influences employee commitment with organizations and improve organizational performance. This study provides important information to decision makers involved in designing employee related policies for uplifting their moral and motivate them to remain loyal, committed with their organization and work hard for the uplifting of organization. It is an important study in the context that it provides management insight about employee’s behavior regarding CSR. The study found highly significant positive relationship between CSR and employee organizational commitment.

When an organisation provides employees with good training programs and support them with to continue high education, it will send a message that the organisations care about them and are committed to them. Consequently employee will reciprocate by being engaged and commitment to the organisation.

CSR should not be treated as merely a mission statement in corporate conferences; it should be the central piece of a company’s strategy planning. The key to a sustainable success is to engage the employees. It is necessary to explain to the employees why taking care of local communities and their environment represents such a strategic importance.

These findings indicate that management should consider focusing on ethics and culture of the organization with ethics codes, and CSR activity, which might raise more positive trust in the organisation. These results are also important in the light of the factors of CSR; some factors of CSR are advantages to employees, like economic responsibility and legal responsibility. The relationship between factors of CSR and commitment suggests that not only the factors have apparent influences on employees but the factors with latent benefit should also be stress on. Each factor of CSR has advantage to enterprises.
References


