Does Corporate Social Responsibility influence the Organizational Citizenship Behavior and Organizational Commitment? Mediating Role of Organizational Trust & Organizational Justice

Muhammad Asif¹, Qasim Ali Nisar², Hafiz Muhammad Faisal³, Husnain Khalid⁴

¹³⁴ BBA, Department of Management Sciences, University of Sargodha
Gujranwala Campus

PhD Scholar, College of Business, School of Business Management, Universiti Utara Malaysia,

Abstract:

The purpose of this study is to examine the impact of corporate social responsibility on organizational citizenship behavior and organizational commitment by concentrating on the mediating role of organizational trust and organizational justice. Study is descriptive and quantitative in nature. Survey questionnaire method was used and data have been collected from 212 respondents by applying simple random sampling technique. Findings revealed that corporate social responsibility have positive and significant impact on organizational citizenship behavior and organizational commitment. Moreover, results also enlightened that organization trust significantly and partially mediate the relationship corporate social responsibility and organizational citizenship behavior. Similarly, results also elaborated that organizational justice significantly and partially mediate the relationship corporate social responsibility and organizational commitment. Organizations can utilize these findings by paying concentrating to improve their CSR practices, organizational justice & trust level to make their employees more committed and positively shape their organizational citizenship behaviors.

Key words: Corporate social responsibility (CSR), Organizational citizenship behavior (OCB), Organizational Trust (OT), Organizational Commitment (OC), Organizational Justice (OJ).

Introduction:

CSR activities were observed only obligations which were used to improve the public opinion in the direction of the company, but not a basic module of business strategy. Most of the previous studies have found positive impact of corporate social responsibilities on organizational reputation. While some of the study answered the long running debate on the work of CSR and how CSR contributes to corporate performance through influencing the
behaviors and attitudes of organizational internal stakeholders (i.e. employees). Due to CSR activities, employees’ behaviors and attitudes become favorable and positive towards organizations. (Aguilera et al., 2007; Brickson, 2007; Basu & Palazzo, 2008). Previous studies paid less attention to examine the role of CSR activities to shape the employees’ attitudes and behaviors. Scant research is available in this area and there is a need to further integrate CSR with employees’ outcomes (Rosati, Calabrese, Costa, & Pedersen, 2015). Moreover, previous studied also ignored the mediating role of organizational justice and trust in this context and these constructs may explain this relationship and there is further need to examine the mediating role of organizational trust and justice in CSR related studies (Chanteau & Smith, 2016). In addition, banks are striving to make their employees more commitment but still there are facing issue regarding employees’ turnover due to lack of justice and trust. The main focus of banks is to earn money therefore these organizations paid less attention to perform CSR related activities for the sake of their stakeholders and due to this, employees level of commitment and their citizenship behavior became unfavorable for banks (Ahmed & Nadeem, 2015). Therefore, there is a need to pay attention towards CSR activities as due to these activities, stakeholders and especially employees have positive perceptions regarding their organizations (Butt, Butt, & Ayaz, 2016).

Therefore, the purpose of this study is to examine the effect of corporate social responsibility on organizational citizenship behavior and organizational commitment in the presence of organizational trust and organizational justice.

**Literature Review:**

**CSR and OCB:**

Employees’ organizational citizenship behavior play key role to contribute towards overall organizational performance (Nisar, Marwa, Ahmad, & Ahmad, 2014). Abdullah & Rashid (2012) elaborated that CSR programs play significant role and positively influence the employees’ organizational citizenship behavior. Moreover another study identified the behavioral consequences of CSR activities and highlighted that CSR has positive and significant relationship with organizational commitment and organizational citizenship behavior (Fu, Ye, & Law, 2014). When organizations perform different type of CSR activities and programs, their employees feel a sense of commitment and loyalty with their organizations and citizenship behavior within organization became more strong and positive. Employees have positive attitudes towards their organizations (Bozkurt & Bal, 2012). On the basis of previous studies, this study proposed following hypothesis:
**H1: Corporate social responsibility has significant and positive relationship with organizational citizenship behavior.**

**CSR & OC**

According to Meyer & Allen (1999), organizational commitment explore the psychological attitude of the organization’s employee to the organization, and psychological situation that reflects the major association between organization and employee in addition to the decision of the organization to continue as a member of the organization. Peterson (2004) proposed that organizational commitment can also depend on the employees’ interest to the CSR activities. Therefore, the employees who abode emphasis on the CSR activities it will show a greater degree of organizational commitment to a company which implements CSR successfully. Dutton points out those CSR activities are very effective for the establishment of the organizational apparent identity and such activities expand the company reputation, and employees feel sense of commitment (Upham, 2006). It is proved that the employees’ satisfaction is higher in the companies where social projects for voluntary participation is possible. Similarly, there are various studies representing that voluntary participation is closely associated to the organizational commitment (Peterson, 2004; Gilder et al., 2005). Moreover, there are different studies that proved a significant relationship with between CSR and organizational commitment (Ali, Rehman, Ali, Yousaf, & Zia, 2010; Brammer, Millington, & Rayton, 2007; Turker, 2009). Therefore, following hypothesis is proposed:

**H2: Corporate social responsibility has significant and positive relationship with organizational commitment.**

**Mediating role of organizational trust between CSR and organizational citizenship behavior:**

A recent study examined the impact of CSR on employees’ organizational trust and study finding summed up that CSR activities play crucial role to influence the employees’ attitudes and CSR ahs positive association with employees trust. Moreover, results also enlightened that organizational trust also significantly mediate the association between CSR and employees’ attitudes (Lee, Song, Lee, Lee, & Bernhard, 2013). This study also signified that employees with high level of trust also have positive attitudes and behaviors towards organization (Lee et al., 2013). When employees have positive perceptions regarding CSR
programs, their trust level become high and they behave positively therefore, dimensions of CSR have positive and significant association with organizational trust (Lee et al., in press). In addition another study also elaborated positive association between perceived CSR activities and organizational trust (Vlachos, Theotokis, & Panagopoulos, 2010). Meanwhile, most of the previous studies proved that organizational trust also has significant association with employees’ outcomes (Liu, Siu, & Shi, 2010; Shim, Lee, & Kim, 2008; Shockley-Zalabak, Ellis, & Winograd, 2000). On the basis of literature, current study posposed that organizational trust may mediate the relationship between CSR and OCB therefore, following hypothesis is proposed:

**H3 Organizational Trust has significantly and positively impact between the relationship of CSR and OCB.**

**Mediating Role of Organizational Trust:**

Mediating role of Organizational Justice between CSR and Organizational Commitment:

Skarlicki and Kulik (2005) explain that CSR comprises rule related to the fair treatment of external environment to the organization, organizational Justice require the rules related to the fair treatment of internal stack-holders within organization. Based upon the previous studies Cropanzano et al. (2001), a firm’s CSR activities have a great impact on members’ perception and judgments’ related to the organization’s fairness. In other words, we can say that CSR activities determines to the social justice’s level, which affect the employees estimations’ nearby whether they treated fairly in the organization. According to Cohen-Charash and Spector (2001) the recent meta-analysis of the organizational justice established that positively associated with affective commitment. Previous research has proven that high levels of organizational justice that are positively associated with affective commitment, job satisfaction, and trust, while other levels are positively related with poor performance, turnover and increased absenteeism, and also job dissatisfaction (Cohen-Charash et al., 2001; Gumus et al., 2012). In addition, one of the recent study also examined and proved that organizational justice significantly mediated the between the relationship of CSR and organizational commitment (Moon, Hur, Ko, Kim, & Yoon, 2014). In previous studies, less attention ah been paid to the mediating role of organizational justice n CSR
studies therefore, this study is going to propose that justice may mediate the relationship between CSR and organizational commitment.

**H4. Organization Justice significantly mediates the relationship between CSR and Organizational Commitment.**

**Theoretical Model:**

![Theoretical Model Diagram]

**Methodology:**

This study is descriptive and quantitative in nature. It used questionnaire survey method to collect data from respondents. Targeted population is employees of banks of the district Gujranwala and data have been collected by applying simple random sampling technique.

**Data collection Procedure**

List of employees is obtained from the head office of all banks located in Gujranwala. 300 questionnaires were distributed among the employees of banks. List of all employees was taken from HR managers and selected 300 employees by using random sampling. Questionnaires were circulated among employees and respondents were assumed to complete questionnaire within one week. After one week questionnaires were collected. Data have been collected within 2 months.

**Measures:**

To measure the corporate social responsibility, 12 items scale has been used that is developed by (Maignan & Ferrell, 2001). Organizational Trust is measured with 7-items scale used that was developed by (Robinson, 1996). Three types of Organizational Justice were
measured using 10 items scale developed by (Niehoff & Moorman, 1993). To measure the organizational Commitment, 4-items scale adapted from (Babin and Boles 1998; Hartline and Ferrell 1996; Netemeyer et al. 1997). In addition, organizational Citizenship Behaviors scale has 5 items and adapted from (Netemeyer et al. 1997; Organ and Konovsky 1989; Williams and Anderson 1991).

**Findings**

**Table 1**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>SD</th>
<th>α</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Corporate Social Responsibilities</td>
<td>4.02</td>
<td>.541</td>
<td>.90</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Organizational Trust</td>
<td>3.06</td>
<td>.723</td>
<td>.79</td>
<td>.634**</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Organizational Justice</td>
<td>4.05</td>
<td>.637</td>
<td>.77</td>
<td>.656**</td>
<td>.543**</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Organizational Citizenship Behavior</td>
<td>4.13</td>
<td>.503</td>
<td>.71</td>
<td>.387*</td>
<td>.274**</td>
<td>.131</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>5 Organizational Commitment</td>
<td>3.87</td>
<td>.65</td>
<td>.86</td>
<td>.445**</td>
<td>.347**</td>
<td>.349**</td>
<td>.298**</td>
<td>--</td>
</tr>
</tbody>
</table>

**Table 1** is describing the Pearson correlation, descriptive statistics, and reliability. Results revealed that alpha values for all variables are above the acceptable range and all variables are significantly and positively associated with each other.

**Regression Analysis:**

**Table 2**

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>SE</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>5.021</td>
<td>.155</td>
<td></td>
<td>32.38</td>
<td>.000</td>
</tr>
<tr>
<td>Corporate Social Responsibilities</td>
<td>.356</td>
<td>.085</td>
<td>.314</td>
<td>4.18</td>
<td>.001</td>
</tr>
</tbody>
</table>

**R² = 0.28**

**F = 120.84**

**Dependent Variable:** Organizational Citizenship Behavior

**Table 3**

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>SE</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.234</td>
<td>.456</td>
<td></td>
<td>7.09</td>
<td>.000</td>
</tr>
<tr>
<td>Corporate Social Responsibilities</td>
<td>.349</td>
<td>.069</td>
<td>.335</td>
<td>5.05</td>
<td>.000</td>
</tr>
</tbody>
</table>

**R² = 0.31**

**F = 113.72**

**Dependent Variable:** Organizational Commitment
Table 2 and table 3 indicated that corporate social responsibilities are significantly and positively associated with organizational citizenship behavior \((b=0.356, \ p<0.05)\) and organizational commitment \((b=0.349, \ p<0.05)\) and supported to H1 and H2.

**Mediating Role of Organizational Trust**

**Table 4:**

**Path Analysis**

<table>
<thead>
<tr>
<th>Paths</th>
<th>Coefficients</th>
<th>SE</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR to Organizational Trust (a path)</td>
<td>.2350</td>
<td>.0456</td>
<td>5.75</td>
<td>.00</td>
</tr>
<tr>
<td>Effect of Organizational Trust on Organizational Citizenship Behavior (b path)</td>
<td>.7182</td>
<td>.0629</td>
<td>11.83</td>
<td>.01</td>
</tr>
<tr>
<td>Direct effect of CSR on Organizational Citizenship Behavior (c path)</td>
<td>.4840</td>
<td>.0526</td>
<td>9.20</td>
<td>.00</td>
</tr>
<tr>
<td>Total effect of CSR on Organizational Citizenship Behavior (c’ path)</td>
<td>.6527</td>
<td>.0600</td>
<td>10.86</td>
<td>.00</td>
</tr>
</tbody>
</table>

\(P<0.05\)

**Table 4** signifies that all paths \((a, b, c\) and \(c’)\) fulfill the conditions of partial mediation. Results indicate that organizational trust significantly and partially mediate the relationship between corporate social responsibilities and organizational citizenship behavior and supported to H3.

**Mediating Role of Organizational Justice**

**Table 5**

<table>
<thead>
<tr>
<th>Paths</th>
<th>Coefficients</th>
<th>SE</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR to Organizational Justice (a path)</td>
<td>.2268</td>
<td>.0391</td>
<td>5.79</td>
<td>.00</td>
</tr>
<tr>
<td>Effect of Organizational Justice on Organizational Commitment (b path)</td>
<td>.7044</td>
<td>.0642</td>
<td>10.96</td>
<td>.00</td>
</tr>
<tr>
<td>Direct effect of CSR on Organizational Commitment (c path)</td>
<td>.4087</td>
<td>.0465</td>
<td>8.79</td>
<td>.001</td>
</tr>
<tr>
<td>Total effect of CSR on Organizational Commitment (c’ path)</td>
<td>.5685</td>
<td>.0520</td>
<td>10.93</td>
<td>.02</td>
</tr>
</tbody>
</table>

**Table 4** signifies that all paths \((a, b, c\) and \(c’)\) fulfill the conditions of partial mediation. Results indicated that organizational justice significantly and partially mediate the
relationship between corporate social responsibilities and organizational commitment and supported to H4.

**Conclusion and Discussion:**

The main purpose of the research was to investigate the relationship among CSR and organizational commitment, organizational citizenship behavior through the mediating impact of organizational trust and organizational justice. H1 predicted that CSR has positive impact on OCB. Study also proved that there is a significant and positive relationship between CSR and Organizational Commitment and supported to H2. In addition, the finding indicated that organizational trust partially mediates the association between CSR and organizational citizenship behavior. Similarly organizational trust also significantly and partially mediates the relationship among CSR and organizational commitment, Hypothesis 3 & 4 supported. However, results from current study showed that CSR are significantly and positively correlated with each other variables which recommend that organizations currently operating in Pakistan should focus upon all these practices that increase and show the CSR activities. Furthermore, results suggest that HRM practices are likely to offer a collection of benefits including organizational commitment, create trust, competency and flexibility, improve organizational behavior, and improve staff performance and organizational justice.

**Practical Implication:**

Organizations can utilize these findings and focus on CSR activities to make their employees’ perception positive towards organizations. Service organizations should organize continual training and development programs at organization and performance based compensation programs to improve the organizational trust and justice within he organizations that ultimately enhance the organizational citizenship behavior. Organizations can also use these results by paying concentrating to improve their CSR practices, organizational justice & trust level to make their employees more committed and positively shape their organizational citizenship behaviors.

**References:**


