

NUML International Journal of Business & Management

Volume 17, Issue 1, June (2022)

Journal Home Page: nijbm.numl.edu.pk/index.php/BM

ISSN 2410-5392 (Print), ISSN 2521-473X (Online)

The Effect of Corporate Social Responsibility (CSR) on Employees' Performance (EP): A Mediating Role of Organization Commitment (OC) in the Multinationals Companies (MNCs) of Pakistan

Omer Sagheer¹, Muhammad Umer², Sehrish Aslam^{3*}

Abstract

Article History:

Received: April 27, 2022

Revised: June 23, 2022

Accepted: June 28, 2022

Available Online: June 30, 2022

Keywords:

Organizational Commitment (OC), Employee Performance, Multinationals Companies (MNCs), Pakistan, and The Social Identity Theory

Funding:

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

CSR appears to affect employee attitudes and behaviors, according to previous studies. However, actual evidence is scarce, especially in developing economies like Pakistan. As a result, the purpose of this research is to enrich the present literature on corporate social responsibility by analyzing the influence of CSR on employee performance by employing social identity theory. In addition, the role of Organization Commitment (OC) as a mediator has been investigated in the current study. To conduct the study, the data were collected from employees of the six Multinationals Companies (MNCs) in Pakistan. The findings of the study show that corporate social responsibility (CSR) has a major effect on employee performance. The results also show that OC mediates the link between CSR and employee performance. In addition, it helps in the administration of organizations by promoting employee commitment through corporate social responsibility activities. Additionally, the organization's reputation can be enhanced as a result of improved employee performance and increased corporate social responsibility.

Introduction

Academicians and practitioners throughout the world have been interested in corporate social responsibility (CSR) for a few decades now. Scholars are focusing on the ethical, social, moral, environmental, and sustainable aspects of organizations. Most organizations, on the other hand, deal with these issues through their social and environmental initiatives and policies (Carroll, 1979). Also, corporate social responsibility (CSR) is critical to a company's long-term

¹ Department of Management Sciences, Center for Advanced Studies in Engineering (CASE), Islamabad, Pakistan.

² Institute of Technology, Center for Advanced Studies in Engineering (CASE), Islamabad, Pakistan.

³ Department of English, International Islamic University (IIU), Islamabad, Pakistan.

* Corresponding Author: sehrish.phdeng138@iiu.edu.pk



performance and a more peaceful and prosperous world (Aslaksen et al., 2021). CSR has become an accepted corporate practice around the world, regardless of the type of organization. Many businesses now view CSR as one of their primary tactics for staying ahead of the competition. Organizations' CSR programs have evolved into a widely accepted method of fulfilling and gratifying key stakeholders, including shareholders, consumers, and employees (Žukauskas et al., 2018). For businesses, CSR practices can help them gain the trust of customers and other stakeholders, allowing them to thrive in the market. CSR is defined as “the business's duties for the well-being of the community” (Buertey et al., 2020). It is common knowledge that CSR refers to how an organization interacts with and defends the rights of its stakeholders, as well as how it responds to their pressure. Similarly, because of the well-informed clientele, quick technical advancements, and market conditions, organizations must fulfill their stakeholders' needs in addition to their economic, social, and environmental responsibilities (Farrukh, 2019). One of the most important sources of competitive advantage and long-term expansion is an organization's intangible assets. When it comes to achieving the objectives of an organization, human capital is a critical intangible resource (ibid, 2019). Keeping a motivated and capable workforce is challenging for organizations that fail to address questions from employees about the significance of the tasks they perform.

Numerous implications for stakeholders of CSR were investigated by previous researchers. There have been studies showing that CSR is linked to an image of a company, reputation, and performance in the eyes of investors (Asrar-ul Haq, 2020). Several researchers have explored the relationship between CSR and customer satisfaction and loyalty (Xie et al., 2017). Moreover, employee association with CSR and numerous behavior characteristics, such as job satisfaction, organizational identity, turnover intentions, and employee commitment have been observed in previous studies (Cheema et al., 2020). However, there is a need to investigate the link between CSR and specific employee-related outcomes, particularly in emerging eastern nations like Pakistan.

In addition, the impact of corporate social responsibility (CSR) on the performance of employees has been overlooked in previous research (Kang, 2016). Furthermore, most organizations are still unaware of the role that CSR plays in enhancing organizational commitment (OC) and performance on an individual level. As a result, the focus of the present study must be on the relationship between corporate social responsibility (CSR) and the individual performance of employees, which is critical to the success of any organization. Besides, Story (2019) investigated the impact of job happiness in mediating the relation between corporate social responsibility (CSR) and employee performance. Employee performance can be predicted by both intrinsic and extrinsic CSR, according to Story and Neves (2015). Research conducted in Western countries (with well-functioning regulatory bodies and competitive markets) may be relevant, but it should not be applied to underdeveloped countries like Pakistan. Therefore, investigating the relationship between CSR and employee performance in the context of selected Pakistani multinational companies seems relevant.

Consequently, the current study also intends to analyze the relation between CSR and OC, which is an important part of CSR practices. Besides, the role of organizational commitment in employee performance and organizational achievement is well-established. Only 13% of employees worldwide are actively committed, and the United States alone suffers a yearly loss of USD 500 billion due to the low productivity because of uncommitted employees (Hur, 2019). Hence, it is practical to investigate the relationship between CSR and OC.

The research on CSR also emphasizes the importance of figuring out how CSR contributes to specific outcomes (Rupp & Mallory, 2015). As Christian et al. (2011) note, OC has a significant impact on employee performance and organizational production since engaged individuals know the organization's objectives and perform their job superbly. Employees who work for a firm that is recognized for its social responsibility are more likely to go above and beyond to help the company achieve its goals (Aguinis & Glavas, 2019). According to Rupp et al., (2018), CSR initiatives are a significant predictor of Organizational Commitment (OC). As a strategic resource and source of employee performance, Organizational Commitment (OC) has been characterized as a pleasant mental state that drives people to involve enthusiastically and cognitively with their work. Furthermore, employees who are actively committed to their work see the importance of what they do and put forth extra effort to help the company meet its goals. Therefore, we investigate the involvement of OC in the CSR-EP connection, which has never been examined before. In many aspects, this work is a significant addition to the literature. First, this study explores the impact of corporate social responsibility (CSR) on employee performance, particularly in the setting of Pakistan, an Eastern developing country (unique socioeconomic culture). Second, to better understand the link between CSR and EP, this work adds a new mediator (OC). Lastly, it's important to appreciate the value of CSR in terms of boosting employee morale and encouraging people to contribute to the success of their organizations.

In the study of literature related to the achievement of organizational sustainability, the need for further research is established particularly the empirical investigation by proposing an innovative and logical research framework. Santos, Anunciação, & Svirina, (2013) evaluated corporate social responsibility and also mentioned that a new empirical study can be performed for different types of organizations to find the responsibility of business in society across different sectors. Furthermore, the success of any organization depends on employees' commitment to their organization which is why OC is taken as a mediator to test the link between CSR and employee performance to some degree. studied spirituality across multinational organizations and also realized the need for more research on this through the involvement of management. Furthermore, OC across multinational organizations is investigated, and also realized the need for more research on this through the involvement of commitment as no work has yet been done in the Pakistani context.

Literature Review

Corporate Social Responsibility

An important component of sustainable development is increasing the quality of life for employees, their property, the general public, and the community as a whole. This is what corporate social responsibility (CSR) aims to do. When it comes to corporate social responsibility, Carroll (1979) says there are four main components which are legal, social, ethical, and philanthropic obligations. It's important to be fiscally responsible since investors and employees both expect good returns and expect to be treated fairly when it comes to compensation, and customers care about getting quality items at a good price. Policies and procedures established by government regulators are part of a person's legal responsibilities in today's society. Ethical responsibility states that you must carry out actions that are morally correct and ethically correct. Corporate philanthropy requires firms to take the lead in improving society. The global business area is managed to control public pressure to play an increasingly active part in society's well-being. Some academicians examine the impact of corporate social responsibility (CSR) on stakeholders, including customers and employees. Corporate social responsibility, according to Bhattacharya (2006), has a positive impact on sales by attracting new customers and retaining existing ones. Corporate social responsibility has a significant impact on our company's success, as well as the morale of our workforce.

Numerous other studies focus on the impact of corporate social responsibility on various areas of employee productivity. Empirical research has found links between corporate social responsibility (CSR) and employee commitment, retention, and recruitment (Korschun, 2014). According to Spector (1997), happy employees are more likely to put in extra effort to help the company achieve its goals. According to Shahzad (2008), devoted employees are more likely to stay in their jobs because they are more likely to perform at a high level in accordance with the expectations of the organization.

Organization Commitment

Organizational commitment is one of the most important factors in motivating people in management studies. Organizations strive to achieve these goals through sustained growth, and people play a critical part in this process. Because the success of an organization depends on the performance of its workforce, it is beneficial for the organization if its employees show a high level of dedication to their work (Gavrea et al., 2011). To improve employee performance, organizations must take proactive measures to educate and train employees on these topics and more. Employees that are committed to the company are more likely to have a positive impact on the company as a whole. An organization's level of commitment to its strategic and operational goals can be measured by its level of organizational commitment (Ho, 2008). An employee's level of psychological attachment to the company is referred to as their level of organizational commitment. Enhancing both the internal and external performance and effectiveness of organizations requires effective management of personnel performance. Another important factor in sustaining worldwide success is the availability of resources to help firms assist their most dedicated employees. Providing a conducive working atmosphere is also essential to retaining

key staff in any firm. Employee training and motivating lectures are the most important responsibilities of upper management. A company's long-term success depends on its employees' ability to perform their jobs successfully and productively (Danish et al., 2013). It is possible to view the organization's performance as a result of an effect. As a business, a company's performance is measured in terms of profitability, efficiency, productivity, quality of services, and customer and satisfaction of employees.

Employee Performance

A lack of resources, such as a poor working environment, lack of sufficient training, and a lack of necessary equipment, are the main causes of poor performance in an organization, according to Molopo (2002). Organizations who apply techniques to mitigate these downsides, on the other hand, see their staff productivity rise. When businesses set realistic expectations for their staff, it serves as an effective motivator. Organizational strategy, legal factors, the internal environment, and internal control should be taken into consideration by management to manage employee performance evaluation. Mohram et al., (1991) also found that effective employee performance appraisal is based on the following factors: Change management is a process in which organizational structure, policy, and the information system are all restructured. To help employees adjust to a new work environment, management needs to become involved and provide assistance. To help the organization reach its long- and short-term goals, managers should support their employees' performance evaluations. Performance appraisals must be anticipated by management to find ways to improve employee performance.

Thus, the study employed a quantitative methodology and cross-sectional data collection strategy to determine the effect of corporate social responsibility on employee productivity and satisfaction. Employees from six Multinationals Companies (MNCs) (“Jazz, Careem, Attock Refinery Limited, Berger Paints Pakistan, and McDonald's Pakistan”) filled 250 questionnaires. Out of which, 225 completed questionnaires were returned by the participants.

OC and Employee Performance

Organizational commitment is one of the most important factors in motivating people in management studies. Organizations strive to achieve these goals through sustained growth, and people play a critical part in this process. Because the success of an organization depends on the performance of its workforce, it is beneficial for the organization if its employees show a high level of dedication to their work (Gavrea et al., 2011). To improve employee performance, organizations must take proactive measures to educate and train employees on these topics and more. Employees that are committed to the company are more likely to have a positive impact on the company as a whole. An organization's level of commitment to its strategic and operational goals can be measured by its level of organizational commitment (Danish et al., 2013). An employee's level of psychological attachment to the company is referred to as their level of organizational commitment. Enhancing both the internal and external performance and effectiveness of organizations requires effective management of personnel performance. Another important factor in sustaining worldwide success is the availability of resources to help firms assist their most dedicated employees. Providing a conducive working atmosphere is also

essential to retaining key staff in any firm. Employee training and motivating lectures are the most important responsibilities of upper management. A company's long-term success depends on its employees' ability to perform their jobs successfully and productively (Danish et al., 2013). It is possible to view the organization's performance as a result of an effect. As a business, a company's performance is measured in terms of profitability, efficiency, productivity, quality of services, and customer satisfaction of employees.

H1: OC and Employee Performance has a positive relationship

CSR and Organizational Commitment (OC)

Various study trends in CSR are already evident in the already-existing literature. Early CSR research found a link between a company's financial success and its commitment to social responsibility (Wang et al., 2016). Financial success has since been replaced by other metrics, such as customer loyalty and the company's reputation, as well as the company image (Javed et al., 2020). But the research on the link between corporate social responsibility (CSR) and employee behavior is scarce.

Research on CSR and OC has recently shown that they are closely linked, according to a small number of studies (Duthler & Dhanesh, 2018). CSR activities, according to Gnoth, and Garry (2018), increase OC. Mencin and Jiang (2013) provided evidence to support the claim that CSR is associated with OC. A study by Farrukh et al. (2019) looked into the relationship between CSR and OC as a possible reason for gender variations. They found that CSR has a greater impact on the commitment of female employees than on male employees. OC is more influenced by internal CSR initiatives than by external CSR activities (Ferreira, 2014). The reason for this positive correlation is that organizational involvement in CSR activities increases employees' self-image and helps them feel more connected to the company. According to SIT, this strong sense of belonging drives their devotion, and they are glad to be a member of such a well-known institution (Turker, 2009). They also viewed their roles in the company as significant and showed a strong attachment to their employment (Glavas, 2012). Using CSR, corporations can go above and beyond their financial responsibilities to benefit all of their stakeholders (Glavas, 2016). It encourages employees to take ownership of their job and strive tirelessly to achieve corporate objectives. In the same way, by being aware of CSR activities and their impact on society, employees are more likely to work harder for the success of their firm (Rosso, 2008). So, according to the literature, CSR is strongly linked to OC.

H2: Organizational Commitment is positively associated with CSR.

Corporate Social Responsibility and Employee Performance

An important component of sustainable development is increasing the quality of life for employees, their property, the general public, and the community as a whole. This is what corporate social responsibility (CSR) aims to do. When it comes to corporate social responsibility, Carroll (1979) says there are four main components which are legal, social, ethical, and philanthropic obligations. It's important to be fiscally responsible since investors and

employees both expect good returns and expect to be treated fairly when it comes to compensation, and customers care about getting quality items at a good price. Policies and procedures established by government regulators are part of a person's legal responsibilities in today's society. Ethical responsibility states that you must carry out actions that are morally correct and ethically correct. Corporate philanthropy requires firms to take the lead in improving society. The global business area is managed to control public pressure to play an increasingly active part in society's well-being. Some academicians examine the impact of corporate social responsibility (CSR) on stakeholders, including customers and employees. Corporate social responsibility, according to Waheed et al (2021), has a positive impact on sales by attracting new customers and retaining existing ones. Corporate social responsibility has a significant impact on our company's success, as well as the morale of our workforce.

Numerous other studies focus on the impact of corporate social responsibility on various areas of employee productivity. Empirical research has found links between corporate social responsibility (CSR) and employee commitment, retention, and recruitment (Korschun, 2014). According to Cheffi et al (2021), happy employees are more likely to put in extra effort to help the company achieve its goals.

Workers' positive attitudes and behaviors were strongly linked to corporate social responsibility (CSR) previously (Shen & Benson, 2016; Valentine & Fleischman, 2008). This association is based on the literature, as well as studies (Stinglhamber et al., 2015) that found a high positive correlation between employees' affiliation with organizations and their behavior. When employees have a strong sense of belonging to their workplaces, they are more likely to take ownership of the company and engage in positive behaviors that help it succeed. In addition, CSR efforts help employees feel more connected to their workplaces (Korschun et al., 2014).

Only a few researchers (Rupp, Skarlicki, 2013; Story, 2019) have looked at the relationship between corporate social responsibility (CSR) and workplace behavior. Previous studies have looked into how well a company's corporate social responsibility (CSR) measures up to how well people perform in their roles within the company, and the results consistently show that CSR is a reliable indicator of how well individuals do in their jobs. Employee performance is boosted by CSR programs when employees see them as beneficial and worthwhile to them, as Newman et al., (2015) expanded the literature on CSR and employee behaviors by studying its impact on extra-role conduct as well as in-role behavior (employee performance). According to Chaudhary (2018), only those employees who place a high value on CSR have a noticeable effect on their productivity.

Based on SIT, when employees see an organization's actions according to their beliefs, desirability, and values, they form strong bonds with the organization. (Tajfel & Turner, 1985). CSR techniques are used by organizations to gain respect in society and display particular ideals for the well-being of their employees. As a result, employees place a high value on firms that are socially acknowledged and responsible. For the sake of the organization's success, prosperity, and accomplishments, they are motivated to perform better and work harder. Therefore, we hypothesize based on the preceding arguments in the context of Pakistan that:

H3: There is a positive association between CSR and employee performance.

Mediating Role of OC

Since 2006, OC has become a hot issue for scholars (Welch, 2011). The term “commitment” refers to a person's emotional connection to and dedication to their place of employment. Competitive advantage in the market can only be gained by a business that has committed, and involved employees (Anitha, 2014). OC measures a company's strength since a committed employee recognizes his or her obligations and goes above for the success of the company (Anitha, 2014). When people are successful in their job duties, they use and express themselves physically, cognitively, and emotionally, and this is what is meant by the term “harnessing organizational members' selves” (Kahn, 1990).

Employees that work for a socially responsible organization feel that their existence is worthwhile, which inspires them to labor beyond their responsibilities, according to CSR literature (Aguinis & Glavas, 2019). As they address their moral duty to others, CSR plays an important part in satisfying the desire of employees for a purposeful existence (Rupp et al., 2013). Workers are more likely to be satisfied in their jobs if their employers are doing their part to improve society and their well-being through CSR efforts. Alonso-Almeida and Llach (2019) found that millennials prefer working for a socially responsible company. For Claxton, Ferreira, and de Oliveira (2016), Glavas (2016) confirmed the favorable influence of CSR on OC (2014). CSR initiatives, according to him, boost employee self-esteem and help them feel more connected to the company, both of which contribute to higher levels of engagement (Chaudhary, 2017). Employees who work for these firms are more engaged, devoted, and content, and they go above and beyond their jobs to help the community, in contrast to those who work for companies that are less socially responsible (Luo, & Tang, 2018). A good indicator of organizational commitment to corporate social responsibility (CSR) is a company's ability to attract and retain motivated employees (Aguinis & Glavas, 2019).

Besides, organizational commitment (OC) is a significant predictor of an employee's success since committed individuals are happier, more engaged in their work, and have a strong identification with the organization. OC and performance have a good relationship (Leiter, 2010). They are correct, according to a wide variety of studies. Research also shows that the productivity, efficiency, and dedication of employees who are involved are greater than those who are not committed. Numerous studies have found that committed employees are more likely to perform at a high level, be satisfied with their work, and be devoted because they understand their position in the organization's success and have strong relationships with colleagues, which motivates them to do an extra effort. Exogenous variables such as OC and employee performance have been linked in the past, according to previous research (endogenous variable). Therefore, the role of mediation has been established to fulfill the requirements set forth by Baron and Kenny (1986) as shown above (Figure 1) and as a result, we came up with the 4th hypothesis below;

H4: The CSR-EP relationship is mediated through employee commitment.

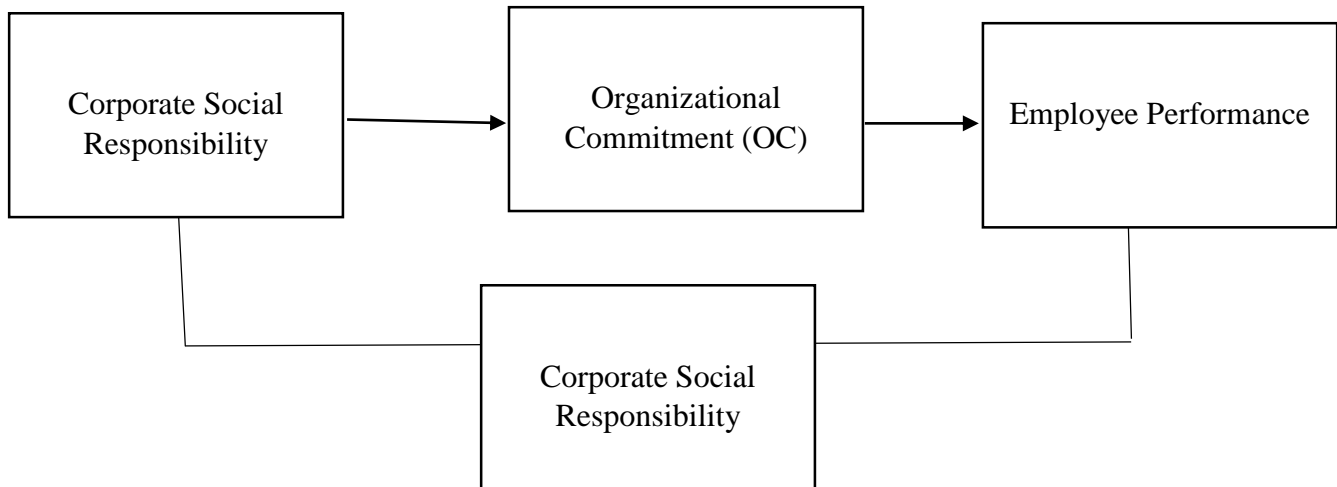
Methodology

Using social identity theory, this study aims to discover the link between corporate social responsibility (CSR) and organizational commitment (OC). Several previous studies on the relationship between corporate social responsibility (CSR) and organizational behavior support the idea that employees' behavior is influenced by their sense of belonging to a company that places a high value on social responsibility.

In other words, SIT shows that people regard themselves as belonging to some sort of social network (Tajfel & Turner, 1985). According to this theory, a person's self-evaluation and sense of self are influenced by their involvement in social groups as well as the company where they work. In addition, people compare their group characteristics with those of other groups and individuals to improve or establish a more favorable self-concept (Ashforth & Mael, 1989). This contrast enhances people's self-esteem. Because membership in groups is associated with good social standing and repute (Tajfel & Turner, 1985) and increases one's sense of self-worth and self-concept, SIT argues that people are more likely to join them.

Individuals seek to associate themselves with a social group that has distinct traits, ideals, and a positive reputation to be recognized and valued (Chaudhary, 2018). To meet their psychological need for uniqueness, people seek to recognize themselves in a “socially responsible” and well-respected institution (Turker, 2009). This association helps to maintain its good reputation (Turker, 2009). Employees' pride and self-esteem are also bolstered when they identify themselves with well-respected firms. Therefore, based on SIT, it is argued that employees' self-confidence and sense of belonging to a company are bolstered by their involvement in a socially responsible and well-respected corporation that upholds high standards of ethics and morals, as evidenced by its concern for the welfare of all stakeholders. Having a greater sense of belonging in the workplace encourages employees to take on more responsibility.

According to SIT, a company's CSR initiatives have a direct impact on its employees' sense of belonging to it. In socially responsible firms, employees see their work as more meaningful, purposeful, and valued. It has been shown that corporate CSR initiatives have a favorable impact on employees' attitudes, which in turn have an impact on their job performance (Rupp et al., 2018). Thus, SIT was utilized in the current study to investigate the process by which CSR activities raise OC and lead to high performance, which in turn increases fortune, efficiency, and performance within the organization, as shown in Fig 1.

Figure 1: Theoretical Framework

Participants in this research were employees of six Multinationals Companies (MNCs) namely, “Jazz, Careem, Attock Refinery Limited, Berger Paints Pakistan, and McDonald's, Pakistan”. CSR practices, organizational commitment, and performance were among the items employees were asked to answer in the survey. Only CSR-compliant organizations were included in the sample of employees. According to organizations' websites and annual reports, we were also able to validate this. Researchers sent a questionnaire via email to the selected organizations from Islamabad, Pakistan to gather information about their production processes. We received permission from company executives via email to distribute the survey to their workers. As a means of ensuring that the whole workforce was represented, the corporation randomly distributed questionnaires. As a result, data were solely gathered from employees at all levels of management, as they have firsthand knowledge of corporate policies and strategies and are actively involved in making decisions. In addition, we made sure that only employees who were directly involved in CSR initiatives were selected as respondents. Respondents were sent a cover letter explaining the scope of the study and the importance of confidentiality. Volunteers were encouraged but not required to take part in the survey. Data collection was done in two stages; in the first stage, respondents were tasked with providing information on their demographics and the company's CSR procedures. And in the second stage, data on the ‘mediator’, OC, and employee performance were gathered.

Electronic distribution of questionnaires yielded an initial response rate of 83% after researchers sent 340 questionnaires to employees. 222 questionnaires were returned with a 79 percent response rate. Six responses were excluded from the study because of missing or incorrect information. As a result, 216 responses were used in the research process.

Participants’ experience, age, gender, and educational level were all included in the demographics section of the survey. More than half of those who took the survey had been employed by the same employer for at least six years, indicating that they were well-versed in

the CSR procedures of the organization. For a complete breakdown of demographic data, see Table 1.

Table 1: Demographic Characteristics

Variable	Category	Frequency	Percentage
Gender	Female	52	24
	Male	165	76
Age	22–26	24	11
	27–31	48	22
	32–36	98	45
	Above 36	47	22
Experience	0–2	35	16
	3–5	56	26
	6 or above 6	126	58

Measures

For the present study, scales extensively used in the literature were employed to measure the variables in this investigation, all of which were validated and verified. Pakistani Multinationals Companies use English as the language of communication, and so all measurement scales were written in English. Since the survey was written in English, the responses were understandable. The 5-Likert scale, which ranges from “1= strongly disagree” to “5= strongly agree”, was also used to alleviate respondents' dissatisfaction and improve the data quality. We ran Cronbach alpha and CFA on each variable to ensure reliability and validity.

Validity, Reliability, and Findings

Corporate social responsibility

We adapted Carroll's (1979) CSR scale, which has 29 items. Economic, discretionary, ethical, and legal components were all included in this rating. The questions designed were “Top management sets long-term strategies for our company”, “a program to reduce the amount of energy and materials wasted in our business”, and “equality toward coworkers and business partners is an integral part of our employee evaluation process”, and “internal policies to prevent discrimination in employee compensation and advancement”. Cronbach's alpha statistics were (0.91).

Employee performance

Janssen and Van Yperen (2004) developed a five-item scale for evaluating employee performance. When asked, “Do you always perform the obligations of your job?” and “Do you always fulfill the responsibilities of your job?” Cronbach's alpha (= 0.81) was calculated. We used factor loadings of more than 0.5 to demonstrate convergent validity. All items exceeded the threshold factor loading of 0.63–0.79. The AVE (0.53) statistics were likewise above the cutoff level.

Organizational Commitment

To measure OC, a “nine-item” scale was taken from Soane et al. (2012). In this scale, “intellectual”, “social”, and “effective” commitment was all included. According to several types of research, this scale has been proven to be reliable and accurate. Inquiries include “employee (I) devote a lot of attention to my work” and “I have the same work attitudes as my colleagues”. This scale's Cronbach alpha was (.79), which is also above the cutoff value of (.78). It was proven that the variable had convergent validity based on the factor loadings (0.65–0.73) for all items above the threshold.

Confirmatory Factor Analysis

To ensure the variables' validity and reliability (both discriminant and convergent), the CFA procedure was followed by published recommendations (Raja, & Matsyborska, 2014). For all items, there were factor loadings and AVE values greater than 0.50. This proved the strength of the convergent hypothesis. Table 2 shows the complete results. It also shows that AVE's square root was higher than the correlation of the variables, demonstrating its discriminant validity. Following the Fornell and Larcker process, reliability can be demonstrated through composite reliability.

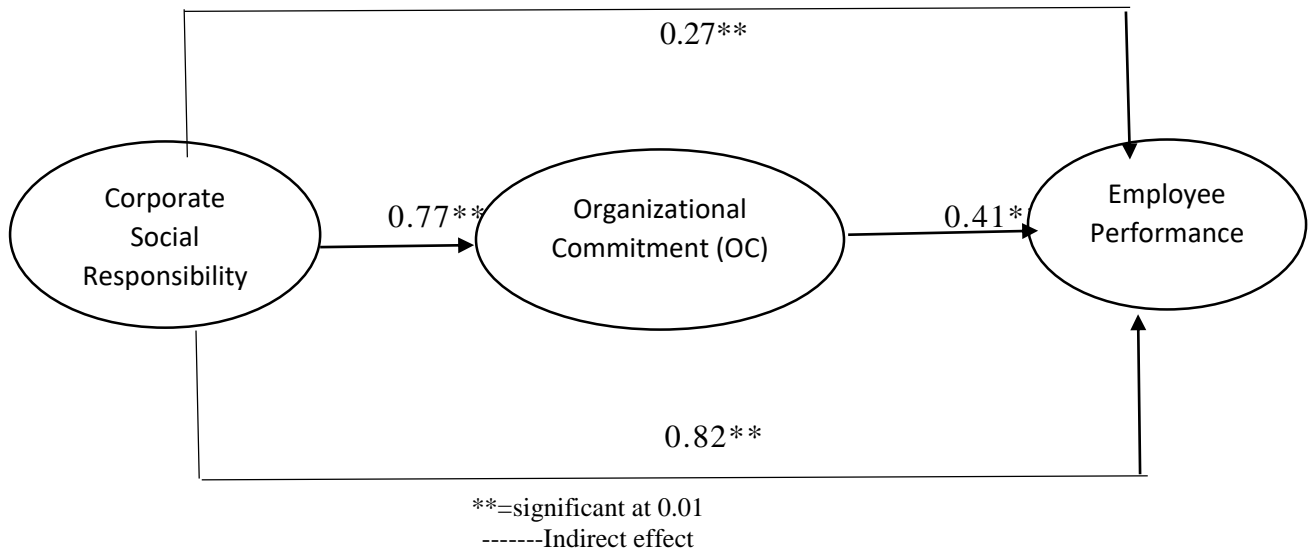
Table 2: Reliability and Validity

Variable	Factor loading	AVE	CR
CSR	0.60–0.68	0.51	0.83
OC	0.65–0.73	0.56	0.89
EP	0.63–0.79	0.53	0.85

Results

Multiple regression was used to test hypotheses by researchers (Figure 2). This study found an impact on Organization Commitment and performance that was positive and significant. A considerable impact on performance may be found in the OC ($p = .001$, LLCI = .215, ULCI = .618).

Figure 2: Multiple Regression Analysis



Moreover, Table 3 presents the findings of the descriptive analysis. OC and performance ($r = .374, .325$) are favorably correlated with CSR. Employee performance ($r = .30$) is also favorably correlated with Organization Commitment (OC).

Table 3: Descriptive Statistics

	Mean	SD	CSR	OC	EP
CSR	4.08	0.39	(0.714)		
OC	4.20	0.47	0.374**	(0.748)	
EP	3.93		0.52	0.325**	0.30** (0.728)

Note: **Significant at 0.05.

The impact of OC in interfering with the CSR-EP relationship was examined using three distinct methodologies (Hayes, 2004). Table 4 shows that the mediator (commitment) and the outcome variable (performance) are significantly affected by CSR, as expected. The mediator has a considerable impact on the outcome variable, according to the findings. When the mediator (commitment) is included in the regression equation, the direct effect of CSR on performance ($\beta = .82$) becomes weak ($\beta = .50$). Thus, the CSR-EP link is mediated to some extent by a person's level of commitment. The bootstrapping method is also employed to confirm the impact of OC. There is a statistically significant ($\beta = .27$) and beneficial effect of CSR through organizational citizenship on employee performance, according to the findings of this study.

Table 4: Mediation Analysis

Path	R	R2	B	SE	t-test	p-value
CSR → EP	.689	.475	.82	.054	15.19	.000
CSR → OC	.83	.69	.77	.032	24.05	.000
OC → EP			.41	.10	4.08	.001
Indirect effect			Effect	SE	LLCI	ULCI
CSR → EP → ENG			0.27	.103	0.0627	0.4667

Discussion

OC and performance were the primary goals of the present study. The mediating role of OC in the CSR-EP link was also examined in this study. We observed that CSR has a direct effect on Multinationals Companies' employee's performance and commitment. In addition, OC plays a role in mediating the interaction between CSR and EP because OC is linked directly to both CSR and employee productivity. As a result, it serves as a powerful mediator between CSR and EP.

Employees in Pakistani Multinationals Companies believe that CSR practices help them feel more connected to their employers, and this, in turn, has a direct impact on their productivity. These findings corroborated prior studies showing a link between CSR and EP (Story & Castanheira, 2019). Workers at companies that practice CSR are more motivated, work harder, and produce more as a result of their increased regard for the company's standing in society (De Roeck, El Akremi, & Swaen, 2016). When working for a company with a solid reputation, employees feel obligated to do their best. In addition, employees are more productive and perform better in companies that meet the needs of all their stakeholders. This suggests that CSR policies have a major impact on employee behavior and performance.

CSR was found to have a considerable favorable impact on OC, according to the findings of the study. The outcomes of this study were verified by prior research (Saeidi et al., 2015). These findings revealed that employees in Pakistani Multinationals Companies saw CSR as a powerful predictor of work commitment, increasing their loyalty and dedication to the job. Committed employees are also more devoted, happier, healthier, and more productive. An employee's level of involvement is a powerful predictor of performance (Farrukh et al., 2019). Moreover, committed employees feel proud, and perform more effectively, efficiently, and productively in organizations that engage in CSR efforts. In addition, these organizations have a great reputation and image in society.

Furthermore, CSR-EP correlations are also partially mediated by commitment, as both the predictor (CSR) and outcome (EP) have a direct association with commitment. Even if CSR has a favorable and powerful impact on employee performance, OC strengthens this link because

involved employees are committed to their position. Employees who are enthusiastic about their work are also more productive.

Conclusion

The purpose of this study was to examine the relationship between corporate social responsibility and organizational commitment to Multinationals Companies' employees' performance. According to the findings, there is a strong link between Multinationals Companies' employee performance and organizations' social responsibility. For Multinationals Companies, there is also a management impact. If an organization wants its employees to be committed, it has to give back to the community. Moreover, the results of the study showed that organizations that make a positive impact on society inspire greater loyalty and commitment among their workforce. It is feasible to add variables such as job description, employee motivation, employee loyalty, and employee happiness to the theoretical framework, however, there are some limitations. This study employs a quantitative approach, however, a qualitative approach may help to better comprehend the findings and results. In our study, time was a factor, thus additional data or a lengthier research design could have predicted better findings. To conduct quantitative research, SPSS 21.0 was employed. The employment of more advanced software or approaches (such as AMOSS) is an option (Such as SEM) for future researchers.

Implications

Academics and practitioners alike can benefit from the findings of this study. Based on the study's findings, there are several theoretical implications: It is a one-of-a-kind investigation into the concept of corporate social responsibility, examining it from a variety of angles and drawing new, significant conclusions about how it affects employees in general and organizations in particular. Moreover, the present study uncovered new connections in the literature that can help researchers uncover new avenues of investigation in more complex situations. Also, it adds to corporate social responsibility in the MNCs in underdeveloped countries by leveraging three separate phenomena, i.e., trust, bonding, communication, empathy, shared value, and reciprocity.

In several ways, this work expands the literature on CSR and OC. Researchers have previously researched the influence of corporate social responsibility (CSR) on restricted employee behaviors such as organizational citizenship, organizational identity, and commitment. In developing countries like Pakistan, such as only a few studies have focused on OC (Gao et al., 2018; Glavas, 2016) which is an important predictor of employee performance and productivity, as well as organizational performance. According to Gao et al. (2018), just 13 percent of employees throughout the world are engaged, and only the United States has more engaged employees.

Because of the low productivity of disengaged workers, states are losing roughly \$500 billion a year in economic output. Consider the impact of Corporate Social Responsibility (CSR) on Organizational Commitment (OC) in underdeveloped nations. As a result, these nations will be able to recover their lost funds and put them to good use in raising the living standards of their

citizens. The influence of CSR on OC is examined in this study, which adds to the body of knowledge. Furthermore, this study examines the effect of OC in mediating the CSR-EP link.

Furthermore, the findings of this study might assist Pakistani MNCs' managers in better grasping the significance of CSR in enhancing OC and performance. As an example, some corporations may be considering investing their money in employee-friendly working policies and charitable donations for the benefit of the general public and especially for the families of their employees. Managers may also recognize the importance of CSR in improving staff well-being and morale, as well as their dedication to the company, all of which contribute to higher output and efficiency. The outcomes of this study may also motivate managers to participate in initiatives aimed at enhancing the well-being of their staff to improve their productivity. The HR department, for example, may inform workers of the company's CSR initiatives and share this information with new employees during orientation. The best people want to work for socially responsible firms (Albinger & Freeman, 2000; Alonso-Almeida & Lach, 2019), hence this would assist companies to recruit top talent and acquire a competitive edge.

Limitations and Future Directions

Weaknesses in the current investigation are minimal. CMB may be a result of OC and employee performance being measured by self-reported data, as was the case in the current study (Podsakoff et al., 2003). There are several pre-remedial measures that researchers have utilized to overcome the possible issue of CMB (Podsakoff et al., 2003), including explicitly stating our aim, ensuring that the replies are secret, and conducting CFAs. According to the CFA results, the hypothesized model is more fit than the alternative models. It is also possible to address the potential problem of CMB and social desirability by employing time-lagged or longitudinal designs and using peer-reported measurements. Second, we only looked at data from MNCs when examining the impact of CSR on employee commitment and productivity. Using data from other sectors, such as the service industry, which plays a significant part in Pakistan's economic growth and provides employment possibilities, might improve the trustworthiness of findings in future research.

References

- Aguinis, H., & Glavas, A. (2017). On corporate social responsibility, sensemaking, and the search for meaningfulness through work. *Journal of Management*, 45(3), 1057-1086. <https://doi.org/10.1177/0149206317691575>.
- Ali, H. Y., Danish, R. Q., & Asrar-ul-Haq, M. (2019). How corporate social responsibility boosts firm financial performance: The mediating role of corporate image and customer satisfaction. *Corporate Social Responsibility and Environmental Management*, 27(1), 166-177. <https://doi.org/10.1002/csr.1781>.
- Alonso-Almeida, M. D., & Llach, J. (2018). Socially responsible companies: Are they the best workplace for millennials? A cross-national analysis. *Corporate Social Responsibility and Environmental Management*, 26(1), 238-247. <https://doi.org/10.1002/csr.1675>.
- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review*, 14(1), 20-39. <https://doi.org/10.5465/amr.1989.4278999>.
- Aslaksen, H. M., Hildebrandt, C., & Johnsen, H. C. (2021). The long-term transformation of the concept of CSR: Towards a more comprehensive emphasis on sustainability.

- International Journal of Corporate Social Responsibility*, 6(1).
<https://doi.org/10.1186/s40991-021-00063-9>.
- Asrar-ul-Haq, M., Kuchinke, K. P., & Iqbal, A. (2017). undefined. *Journal of Cleaner Production*, 142, 2352-2363. <https://doi.org/10.1016/j.jclepro.2016.11.040>.
- Bhattacharya, C. B., Sen, S., & Korschun, D. (n.d.). The next challenge for corporate responsibility. *EFMD Insights into Sustainability and Social Responsibility*, 97-100. https://doi.org/10.5848/efmd.978-1-909201-16-3_26.
- Buertey, S., Sun, E., Lee, J. S., & Hwang, J. (2019). Corporate social responsibility and earnings management: The moderating effect of corporate governance mechanisms. *Corporate Social Responsibility and Environmental Management*, 27(1), 256-271. <https://doi.org/10.1002/csr.1803>.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4), 497-505. <https://doi.org/10.5465/amr.1979.4498296>.
- Chaudhary, R. (2018). Corporate social responsibility and employee performance: A study among Indian business executives. *The International Journal of Human Resource Management*, 31(21), 2761-2784. <https://doi.org/10.1080/09585192.2018.1469159>.
- Cheema, S., Afsar, B., & Javed, F. (2019). Employees' corporate social responsibility perceptions and organizational citizenship behaviors for the environment: The mediating roles of organizational identification and environmental orientation fit. *Corporate Social Responsibility and Environmental Management*, 27(1), 9-21. <https://doi.org/10.1002/csr.1769>.
- Cheffi, W., Abdel-Maksoud, A., & Farooq, M. O. (2021). CSR initiatives, organizational performance and the mediating role of integrating CSR into management control systems: Testing an inclusive model within SMEs in an emerging economy. *Journal of Management Control*, 32(3), 333-367. <https://doi.org/10.1007/s00187-021-00323-6>.
- Danish, R. Q., Ramzan, S., & Ahmad, F. (2013). Effect of perceived organizational support and work environment on organizational commitment; Mediating role of self-monitoring. *Advances in Economics and Business*, 1(4), 312-317. <https://doi.org/10.13189/aeb.2013.010402>.
- Duthler, G., & Dhanesh, G. S. (2018). The role of corporate social responsibility (CSR) and internal CSR communication in predicting employee engagement: Perspectives from the United Arab Emirates (UAE). *Public Relations Review*, 44(4), 453-462. <https://doi.org/10.1016/j.pubrev.2018.04.001>.
- Farrukh, M., Sajid, M., Lee, J. W., & Shahzad, I. A. (2019). The perception of corporate social responsibility and employee engagement: Examining the underlying mechanism. *Corporate Social Responsibility and Environmental Management*, 27(2), 760-768. <https://doi.org/10.1002/csr.1842>.
- Ferreira, P., & Real de Oliveira, E. (2014). Does corporate social responsibility impact employee engagement? *Journal of Workplace Learning*, 26(3/4), 232-247. <https://doi.org/10.1108/jwl-09-2013-0070>.
- Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 18(3), 382-388. <https://doi.org/10.1177/002224378101800313>.
- Glavas, A. (2012). Employee engagement and sustainability: A model for implementing meaningfulness at and in work. *Journal of Corporate Citizenship*, 2012(46), 13-29. <https://doi.org/10.9774/gleaf.4700.2012.su.00003>.

- Glavas, A. (2016). undefined. *Frontiers in Psychology*, 7. <https://doi.org/10.3389/fpsyg.2016.00796>.
- Ho, L. (2008). What affects organizational performance? *Industrial Management & Data Systems*, 108(9), 1234-1254. <https://doi.org/10.1108/02635570810914919>.
- Hur, W., Moon, T., & Choi, W. (2019). When are internal and external corporate social responsibility initiatives amplified? Employee engagement in corporate social responsibility initiatives on prosocial and proactive behaviors. *Corporate Social Responsibility and Environmental Management*, 26(4), 849-858. <https://doi.org/10.1002/csr.1725>.
- Janssen, O., & Van Yperen, N. W. (2004). Employees' goal orientations, the quality of leader-member exchange, and the outcomes of job performance and job satisfaction. *Academy of Management Journal*, 47(3), 368-384. <https://doi.org/10.5465/20159587>.
- Javed, M., Rashid, M. A., Hussain, G., & Ali, H. Y. (2019). The effects of corporate social responsibility on corporate reputation and firm financial performance: Moderating role of responsible leadership. *Corporate Social Responsibility and Environmental Management*, 27(3), 1395-1409. <https://doi.org/10.1002/csr.1892>.
- Kahn, W. A. (1990). undefined. *Academy of Management Journal*, 33(4), 692-724. <https://doi.org/10.5465/256287>.
- Korschun, D., Bhattacharya, C., & Swain, S. D. (2014). Corporate social responsibility, customer orientation, and the job performance of frontline employees. *Journal of Marketing*, 78(3), 20-37. <https://doi.org/10.1509/jm.11.0245>.
- Mone, E. M., & London, M. (2018). The performance management process and employee engagement. *Employee Engagement Through Effective Performance Management*, 1-12. <https://doi.org/10.4324/9781315626529-1>.
- Rupp, D. E., & Mallory, D. B. (2015). Corporate social responsibility: Psychological, person-centric, and progressing. *Annual Review of Organizational Psychology and Organizational Behavior*, 2(1), 211-236. <https://doi.org/10.1146/annurev-orgpsych-032414-111505>.
- Rupp, D. E., Shao, R., Skarlicki, D. P., Paddock, E. L., Kim, T., & Nadisic, T. (2018). Corporate social responsibility and employee engagement: The moderating role of CSR-specific relative autonomy and individualism. *Journal of Organizational Behavior*, 39(5), 559-579. <https://doi.org/10.1002/job.2282>.
- Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saeidi, S. A. (2015). How does corporate social responsibility contribute to a firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, 68(2), 341-350. <https://doi.org/10.1016/j.jbusres.2014.06.024>.
- Shen, J., & Benson, J. (2016). When CSR is a social norm. *Journal of Management*, 42(6), 1723-1746. <https://doi.org/10.1177/0149206314522300>.
- Singh, K., & Misra, M. (2021). Linking corporate social responsibility (CSR) and organizational performance: The moderating effect of corporate reputation. *European Research on Management and Business Economics*, 27(1), 100139. <https://doi.org/10.1016/j.iedeen.2020.100139>.
- Story, J., & Neves, P. (2014). When corporate social responsibility (CSR) increases performance: Exploring the role of intrinsic and extrinsic CSR attribution. *Business Ethics: A European Review*, 24(2), 111-124. <https://doi.org/10.1111/beer.12084>.

- Story, J. S., & Castanheira, F. (2019). Corporate social responsibility and employee performance: Mediation role of job satisfaction and affective commitment. *Corporate Social Responsibility and Environmental Management*. <https://doi.org/10.1002/csr.1752>.
- Tajfel, H., & Turner, J. C. (2004). The social identity theory of intergroup behavior. *Political Psychology*, 276-293. <https://doi.org/10.4324/9780203505984-16>.
- Turker, D. (2008). How corporate social responsibility influences organizational commitment. *Journal of Business Ethics*, 89(2), 189-204. <https://doi.org/10.1007/s10551-008-9993-8>.
- Valentine, S., & Fleischman, G. (2007). undefined. *Journal of Business Ethics*, 77(2), 159-172. <https://doi.org/10.1007/s10551-006-9306-z>.
- Waheed, A., Zhang, Q., Zafar, A. U., Zameer, H., Ashfaq, M., & Nusrat, A. (2021). Impact of internal and external CSR on organizational performance with moderating role of culture: Empirical evidence from the Chinese banking sector. *International Journal of Bank Marketing*, 39(4), 499-515. <https://doi.org/10.1108/ijbm-04-2020-0215>.
- Wang, Q., Dou, J., & Jia, S. (2016). A meta-analytic review of corporate social responsibility and corporate financial performance. *Business & Society*, 55(8), 1083-1121. <https://doi.org/10.1177/0007650315584317>.
- Welch, M. (2011). The evolution of the employee engagement concept: Communication implications. *Corporate Communications: An International Journal*, 16(4), 328-346. <https://doi.org/10.1108/13563281111186968>.
- Xie, X., Jia, Y., Meng, X., & Li, C. (2017). Corporate social responsibility, customer satisfaction, and financial performance: The moderating effect of the institutional environment in two transition economies. *Journal of Cleaner Production*, 150, 26-39. <https://doi.org/10.1016/j.jclepro.2017.02.192>.
- Žukauskas, P., Vveinhardt, J., & Andriukaitienė, R. (2018). Regional tendencies of corporate social responsibility. *Management Culture and Corporate Social Responsibility*. <https://doi.org/10.5772/intechopen.70626>.