The Influence of Perceived Corporate Sustainability Practices on Employees and Organizational Performance

Yongrok Choi 1 and Yanni Yu 2,*

1 Department of International Trade, Inha University, Nam-gu, Incheon 402-751, Korea; E-Mail: yrchoi@inha.ac.kr
2 School of Business Administration, Jiangxi University of Finance and Economics, Nanchang 330013, China

* Author to whom correspondence should be addressed; E-Mail: yayabaobei@naver.com; Tel.: +82-32-860-7760; Fax: +82-32-876-9328.

Received: 23 November 2013; in revised form: 6 January 2014 / Accepted: 8 January 2014 / Published: 13 January 2014

Abstract: Most previous studies on corporate sustainability (corporate social responsibility) practices tend to focus on external stakeholders and outcomes. However, the influence of CSR practices on employees remains largely unexplored. In this study, we examine the influence of CSR practices on employees’ attitudes and behaviors. We investigate the mediation effect of employees’ attitudes and behaviors on the relationship between CSR practices and organizational performance. The empirical results indicate that employees’ perceptions of CSR practices have a positive impact on their organizational commitment and organizational citizenship behavior. The organizational citizenship behavior partially mediates the relationship between CSR practices and organizational performance, whereas organizational commitment indirectly mediates the relationship only through organizational citizenship behavior. This study also raises some important implications based on the empirical results.

Keywords: organizational commitment; employee perceptions of CSR; organizational citizenship behavior; social identity theory; China
1. Introduction

Corporate sustainability or named corporate social responsibility (CSR) has become an increasingly important issue in current business scenarios. The rapid diffusion of CSR practices could be attributed to the positive influence of CSR on business performance, such as improvement in reputation and profits. Using this background, a number of previous studies on CSR have investigated the impact of CSR on corporate financial performance (CFP) [1,2] and customer relationship management (CRM) [3].

Although CSR has attracted growing attention, the majority of studies only focus on external stakeholders, such as customers, while paying lesser attention to the internal stakeholders, such as employees. Therefore, there is need to examine the influence of CSR on employees, who form an important part of an organization. In addition, previous studies are largely inconclusive about the nature of the relationship between CSR and organizational performance, reporting positive, neutral, and even negative associations [1,2,4–7]. Therefore, it is safe to consider that some missing links exist in the relationship between CSR practices and organizational performance. Moreover, none of the studies examine the potential mediatory role of the employees’ attitudes and behaviors in this relationship. Thus, this paper tries to fill this gap by investigating the potential mediatory role of employees’ organizational commitment and organizational citizenship behavior (OCB) on the relationship between CSR practices and organizational performance. In sum, the purpose of this study is two-fold: first, we aim to explore the impact of CSR practices on employees’ attitudes and behaviors; and second, we examine the potential mediating effect of employees’ attitudes and behaviors on the relationship between CSR and organizational performance.

This paper contributes to the literature in the following ways. First, we focus on the impact of CSR on the internal stakeholders (employees) of companies, while most previous studies focus on external stakeholders (customers); Second, we propose a conceptual model to incorporate the mediating variables, employees’ organizational commitment, and organizational citizenship behavior (OCB) into the relationship between CSR practices and organizational performance; Third, in contrast to previous studies on CSR, which mainly focus on developed countries, we focus on China, which is very different from the western countries. Thus, this empirical study will give us many insightful implications for other developing countries as well.

The rest of this paper is organized as follows. Section 2 reviews the literature and proposes the hypotheses. Section 3 explains the methodology and data used in the empirical study. Section 4 presents the empirical results and related discussions. Section 5 concludes the study and provides some implications.

2. Theory and Hypotheses

2.1. Perceived CSR and Organizational Commitment

CSR requires companies to do more than they are obligated to under applicable laws governing product safety, environmental protection, labor practices, human rights, community development, corruption, and so on. It implies that the companies should consider not only the interests of shareholders, but also other stakeholders. CSR is a relatively modern concept and, over the years, has been progressively developed. CSR has been defined varyingly. A widely used definition of CSR is that
it goes beyond compliance and engages in “actions that appear to further some social good, beyond the interests of the firm and that which is required by law” [8]. For the attributes of CSR, the four-dimensional conceptual model suggested by Carroll [9] is widely accepted, according to which, firms have economic, legal, ethical, and philanthropic responsibilities. Besides, the companies should also focus on more external CSR practices, such as environmental protection [10,11] and stakeholder relations [12–14]. Accordingly, we use the CSR practices with the following four attributes in this study: environmental CSR, philanthropic CSR, ethical CSR, and stakeholder relation CSR practices. The CSR practices used in this study are based on employees’ perceptions because organizational behavior theory suggests that employee perceptions of events or activities influence the employees’ attitudes and behaviors even more than the events themselves [15]. We define the perceived CSR practices as the degree to which employees perceive a company to support the CSR related activities.

The concept of organizational commitment has been growing in popularity in the literature on industrial and organizational psychology [16]. According to Porter [17], organizational commitment refers to the psychological attachment or affective commitment formed by an employee in relation to his identification and involvement with the respective organization. O’Reilly [18] similarly defines organizational commitment as “an individual’s psychological bond to the organization, including a sense of job involvement, loyalty, and belief in the values of the organization”. The concept of organizational commitment has been developed by many scholars. One of the more comprehensive ones describes organizational commitment as a tri-dimensional concept, characterized by the affective, continuance, and normative dimensions [19].

Social identity theory suggests some theoretical linkages between employee perceptions of CSR practices and organizational commitment. According to the social identity theory, the individuals’ views are influenced by their memberships of social organizations, including the organizations for which the individuals work [20–22]. Individuals attempt to establish or enhance their positive self-concept by comparing their own as well as their group’s characteristics with other individuals and groups [20,23–25]. Favorable comparisons lead to an enhanced self-concept. Social identity theory, therefore, hypothesizes that individuals are happiest when they associate themselves with organizations with positive reputations, because this association will enhance their self-concept [23,26]. If an organization attempts to engage in CSR activities, its employees can be proud of being members of such an organization. The employees can feel that their organization cares about their present and future; even when it is not a profitable decision for the organization, at least in the short run. With the increasing attention of people to the CSR problems in the recent times, people working for such an organization can feel an increasing commitment to it. More recently, it has been suggested that employees’ perceptions of a firm’s ethics, values, and social responsiveness play a significant role in shaping their perceptions of attractiveness toward specific organizations [13]. There is also some empirical evidence to support this positive relationship between perceived CSR practices and organizational commitment [14,27–29]. Thus, based on the social identity theory and previous studies, we propose the following hypothesis:

- H1: Perceived CSR activities have a positive impact on an employee’s organizational commitment.
2.2. Organizational Citizenship Behavior and Organizational Performance

Organizational Citizenship Behavior (OCB) has been studied since the late 1970s. Over the past three decades, interest in OCB has increased substantially. Dennis Organ is generally considered the father of OCB. Organ [30] defines OCB as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in aggregate promotes the effective functioning of the organization” [30] (p. 4). OCB can be examined using five dimensions, such as altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. Some studies also extend Organ’s concept to include more items [31,32]. Other examples of OCBs of employees include cooperating with others, orienting new staff, volunteering for extra work, and helping others in their jobs [33].

CSR practices relate to OCBs in terms of social identity theory, which suggests that the perceptions of an organization’s identity largely affect the strength of employees’ identification and their subsequent citizenship behavior inside the organization. Dutton et al. [21] suggest that the better reputation employees make with their organization, the more they identify with it, which eventually affects their organizational behavior (e.g., OCBs). Some studies also provide the empirical evidence [34–36]. It is thus very likely that fair demonstration of CSR practices by an organization will positively influence individuals’ citizenship behavior toward the organization. Some previous studies also empirically support this positive relationship (e.g., [33]). Thus, we propose the following hypothesis:

- **H2**: Perceived CSR activities have a positive impact on the organizational citizenship behavior.

Moreover, a number of previous studies also investigate the relationship between employees’ attitudes and their behaviors. O’Reilly and Chatman [37] found a strong positive relationship between organizational commitment and citizenship behavior. The same relationship could be supported in other previous studies (e.g., [38]). Based on the previous studies, we propose the following hypothesis:

- **H3**: Organizational commitment of the employees has a positive impact on the organizational citizenship behavior.

Organizational commitment is an important job-related outcome at the individual level, which may have an impact on other job-related outcomes, such as turnover, absenteeism, job effort, and work performance [39]. Cohen [16] states that organizations whose members have higher levels of commitment show higher performance and productivity, and lower levels of absenteeism and tardiness, which in turn improves the organizational performance. Previous studies also identify a positive correlation between organizational commitment and organizational performance [40,41]. Thus, we propose the following hypothesis:

- **H4**: Organizational commitment of employees has a positive impact on the organizational performance.

Even if OCB, as personal and volunteer behavior, is not mentioned directly in the official rewards system of an organization, it contributes to performance and efficiency in an organization [42]. Therefore, successful organizations need employees who will do more than their usual job duties and provide performance beyond expectations. Multiple studies and meta-analyses have been conducted to examine the relationship between OCBs and organizational performance and/or success [43–45]. These researchers found a positive and significant relationship between overall OCB and performance at the organizational level. In addition, Nielsen et al. [46] found that similar patterns of this relationship
existed for each dimension of OCB, such as civic virtue, sportsmanship, altruism, conscientiousness, and courtesy. Based on these previous studies, we propose the following hypothesis:

- H5: Organizational citizenship behavior has a positive impact on the organizational performance.

In addition, some theories support the positive relationship between CSR and a firm’s performance. For instance, the “resource based view” (RBV) of the enterprise [47,48] suggests that sustainable competitive advantages gained from implementation of CSR practices, procurement of resources, and development of skills result in a product that cannot be imitated immediately by the competitors. However, in the empirical studies, prior findings are largely inconclusive about the relationship between CSR and performance outcome, reporting positive, neutral, and even negative associations [1,2,4–7].

Such inconsistent results on the relationship between CSR practices and corporate performance may stem from a variety of reasons. One possible reason is that there are some mediating variables in this relationship. Based on this argument, we consider that the employees’ organizational commitment and citizenship behavior might be considered as mediators in the relationship between CSR and firm performance. Thus, based on the RBV theory and the role of employees, we propose the following hypotheses:

- H6: Perceived CSR activities have a positive impact on organizational performance.
- H7: Employees’ organizational commitment mediates the relationship between CSR and organizational performance.
- H8: Employees’ organizational citizenship behavior mediates the relationship between CSR and organizational performance.

Based on the proposed hypotheses, the conceptual model of this study is presented in Figure 1.

**Figure 1. The structural model.**

![Diagram](image)

**3. Methodology**

**3.1. Data**

For the empirical research, the data was collected through a questionnaire survey. First, a pilot study was conducted. Three experts with rich experience in CSR management were invited to evaluate the
questionnaires. In addition, some managers from Chinese enterprises were invited to complete the questionnaire as a pilot test. The questionnaire was modified based on feedbacks from this stage. The questionnaire survey is collected from September 1 until the end of October 2013. A total of 683 questionnaires were sent randomly to the Chinese companies by e-mail or messengers as retrieved from business yellow pages for various sectors and provinces. A total of 175 unique and usable organizational enterprise responses were received (response rate of 25.6%). The survey sample represents various sectors: the general service sector accounts for 24.1% of the sample, the manufacturing sector for 15.2% of the sample, the financial and banking sector for 11.8% of the sample, the construction sector for 11.4% of the sample, and various industries, such as power supply, transportation, and medical account for the remaining proportion of the sample. Table 1 presents the demographic characteristics of the respondents.

| Characteristic       | Frequency | Percent (%) |
|----------------------|-----------|-------------|
| **Gender**           |           |             |
| Male                 | 79        | 45.1        |
| Female               | 96        | 54.9        |
| **Education Level**  |           |             |
| High school          | 25        | 14.3        |
| College              | 45        | 25.8        |
| University           | 87        | 49.7        |
| Graduate school      | 18        | 10.2        |
| **Position**         |           |             |
| Senior level         | 9         | 5.3         |
| Middle level         | 46        | 26.4        |
| Staff                | 120       | 68.3        |
| **Age**              |           |             |
| 20–29                | 26        | 14.9        |
| 30–39                | 112       | 64          |
| 40–49                | 37        | 21.1        |

The firm size and employees’ positions are selected as the control variables. The different sizes of firms may mean varying pressure to conduct CSR practices. Usually larger companies face larger stakeholder pressure to adopt CSR. The reason for using employees’ positions as the control variable is that different levels of employees may mean different CSR awareness. The large-sized enterprises with annual sales over 20 million Yuan account for 48.5% of the firms, and the small- and medium-sized enterprises account for 51.5% of the firms, based on the annual sales. The senior level management account for 5.32% of employees, middle level for 26.4%, while the general staff form the largest proportion at 68.28%.

To deal with the problem of non-response bias issue, we compared the early and late respondents as recommended by Armstrong and Overton [49]. The 175 questionnaires were divided into two groups based upon their finished time. An independent t-test was employed to examine any differences between the answers between the early and late groups. The results indicated no significant differences on various items between these two groups, thus suggesting that our sample is free from non-response bias.
3.2. Measurement

To measure all the observed variables in this study, we adopted existing well-established multiple-item 5-point Likert scales. These scales ranged from 1 (“strongly disagree”) to 5 (“strongly agree”). The detailed measurement items can be found in Table A1.

3.2.1. Perceived CSR Practices

Based on the previous studies [10–14], the CSR practices used in this paper include the following four parts: environmental CSR, philanthropic CSR, ethical CSR, and stakeholder-relation CSR practices. These four items were measured using a five-point Likert scale (1) not considering it at all; (2) planning to consider it; (3) considering it currently; (4) initiating implementation; (5) implemented successfully) in response to the following: “Please assess the degree to which your company adopted or implemented the following CSR practices in your company.”

3.2.2. Organizational Commitment

Organizational commitment is defined as the extent to which an individual identifies with and involves in an organization. Organizational commitment has been widely measured using three aspects suggested by Meyer and Allen [19], which are affective commitment, continuance commitment, and normative commitment. Following Meyer and Allen [19,50], the affective commitment is measured by asking three items, which are (1) I have a strong belief in the organization’s goals and values; (2) I present a deep desire to keep the relationship with organization; and (3) I express a willingness to make great contribution to the organization. The continuance commitment is measured by saying, “I perceived high costs of leaving the organization.” The normative commitment is measured by saying “I feel a moral obligation to the organization.”

3.2.3. Organizational Citizenship Behavior

Organizational citizenship behavior is defined as an extra-role behavior that is an individual discretionary behavior that goes beyond the formal reward system and promotes organizational effectiveness [30]. Five most widely used dimensions of OCB are conscientiousness, altruism, sportsmanship, courtesy, and civic virtue [51]. We use the following questions to measure the five aspects: conscientiousness (I do extra work than the organization requires); altruism (I usually help other colleagues with their work); sportsmanship (I do not complain even when the environment is not good); courtesy (I show respect to companions); and civic virtue (I participate in organizational activities positively) [51].

3.2.4. Organizational Performance

The scale of organizational performance is adopted from Deshpande et al. and Drew [52,53]. The measurement of organizational performance could be regarded as a variation of balance scorecard method by using global output measurement, such as profitability growth, cost saving and efficiency, market value created, and brand improvement.
The structural equation modeling (SEM) approach is used to test the research hypotheses for the latent variables. SEM is a technique that involves a multiple regression analysis, path analysis, and confirmatory factor test [54]. Some empirical cases for sustainable behaviors can be found in [55,56]. The use of SEM approach for mediation test could overcome the problems of measurement error in mediator variable score, which results in difficulties in modeling causality and possible reverse causality by hierarchical regression. In this study, we use the bootstrapping SEM method. One reason of this choice is that through the bootstrapping resampling process, we could overcome the issue of the small sample size used in this study. Another reason is that the use of bootstrapping could help us choose the best estimation method.

4. Empirical Results

4.1. Reliability Test

Our proposed model must be statistically reliable and valid. Reliability is used to describe the overall consistency of a measure, which means that the proposed method should reflect similar results when tested again under the same conditions. For the reliability test, we use widely known Cronbach’s alpha coefficient, the corrected item-total correlation coefficient, and the construct reliability coefficient. These are the most commonly used criteria when measuring reliability. As shown in Table 2, each measure is well above the suggested threshold at 0.7, 0.5, and 0.8, respectively. These values are considered to be adequate to confirm a satisfactory level of reliability in this study.

| Latent variables                  | No. of items | Cronbach’s $\alpha$ (>0.7) | Corrected item-total correlation (>0.5) | Construct reliability (>0.8) |
|----------------------------------|--------------|----------------------------|----------------------------------------|-----------------------------|
| Perceived CSR practices          | 4            | 0.886                      | 0.680–0.799                            | 0.902                       |
| Organizational Commitment        | 5            | 0.891                      | 0.692–0.782                            | 0.888                       |
| Organizational Citizenship Behavior | 5            | 0.934                      | 0.720–0.894                            | 0.928                       |
| Organizational Performance       | 4            | 0.954                      | 0.840–0.913                            | 0.957                       |

4.2. Validity Test

Validity of an assessment is the degree to which it measures what it is supposed to measure (the true information). The validity analysis includes both content validity and construct validity components. The content validity analysis tests the representativeness of items in the questionnaire. We found no reports of any misunderstanding during the pilot test. The interviewees stated that the items are easily understood, which indicates a good content validity [57].

The confirmatory factor analysis (CFA) is one of the most effective tools used to test construct validity. According to Campbell and Fiske [58], construct validity research typically tests the extent to which data provides the following: (a) convergent validity, that is, the extent to which different assessment methods show similar measurements of the same trait (i.e., construct; ideally, these values should be moderately high); (b) discriminant validity, that is, the extent to which independent assessment methods show divergent measurements of different traits (ideally, these values should demonstrate minimal convergence).
As summarized by He and Li [59], convergent validity occurs when (a) all factor loadings are significantly over the 0.5 cut-off point; and (b) the average variance extracted (AVE) from items by their respective constructs is greater than 0.5. Table 3 shows the results of the convergent validity as measured using CFA. We recognize that the measurement scale shows a strong convergent validity because all the factor loadings are significant and over 0.5, and AVE of all the items is larger than 0.5.

Table 3. Convergent validity test on the measurement model.

| Variable                                      | SFL a  | C.R b     | AVE c  |
|-----------------------------------------------|--------|-----------|--------|
| Perceived CSR practices                       |        |           |        |
| CSR1-Environmental CSR                        | 0.881  | -         | 0.813  |
| CSR2-Ethical CSR                              | 0.825  | 13.793    |        |
| CSR3-Philanthropic CSR                        | 0.816  | 13.540    |        |
| CSR4-Stakeholder-relation CSR                 | 0.731  | 11.382    |        |
| Organizational commitment                     |        |           | 0.789  |
| OC1-strong belief in firm                     | 0.728  | 10.335    |        |
| OC2-deep desire to stay                       | 0.823  | 12.097    |        |
| OC3-willingness to make contributions         | 0.743  | 10.593    |        |
| OC4-perceived high leaving cost               | 0.802  | -         |        |
| OC5-moral obligations                         | 0.847  | 12.564    |        |
| Organizational citizenship behavior           |        |           | 0.861  |
| OCB1-conscientious                            | 0.897  | -         |        |
| OCB2-altruism                                 | 0.922  | 19.547    |        |
| OCB3-sportsmanship                            | 0.936  | 20.309    |        |
| OCB4-courtesy                                 | 0.812  | 14.684    |        |
| OCB5-civic virtue                             | 0.739  | 12.384    |        |
| Organizational performance                   |        |           | 0.917  |
| OP1-sale and profit growth                    | 0.931  | -         |        |
| OP2-market value                              | 0.943  | 23.872    |        |
| OP3-cost saving and efficiency                | 0.931  | 22.837    |        |
| OP4-brand improvement                         | 0.862  | 18.079    |        |

Goodness-of-fit and recommended cut-off point

\[
\chi^2 = 262.197; \chi^2/df = 2.033 (<5); \text{NFI} = 0.912 (>0.9); \text{AGFI} = 0.814 (>0.8); \text{CFI} = 0.953 (>0.9); \text{RMR} = 0.041 (<0.1); \text{RMSEA} = 0.077 (<0.1).
\]

a SFL is an estimate of standardized factor loading; b C.R is critical ratio; c AVE is average variance extracted.

For the model fit of CFA, we also used a number of goodness-of-fit indices recommended in previous studies, such as a normed Chi-square (\(\chi^2/df\)), goodness-of-fit (GFI), adjusted goodness-of-fit (AGFI), comparative fit index (CFI), root mean square residual (RMR), and root-mean-square error of approximation (RMSEA) [60]. In our measurement model, we find that all of the various overall goodness-of-fit measures are better than the recommended criteria. Thus, the construct validity of the measurement model is acceptable.

We achieve discriminant validity when the square root of the AVE for the constructs is larger than any respective inter-construct correlations. Table 4 shows that the square roots of the AVE of all the variables are higher than their inter-correlations, which supports the discriminant validity.
Table 4. Discriminant validity test of the measurement model.

| Construct items                  | CSR | OC  | OCB | OP  |
|----------------------------------|-----|-----|-----|-----|
| Perceived CSR practices          | 0.902 a |     |     |     |
| Organizational Commitment        | 0.750 | 0.888 a |     |     |
| Organizational Citizenship Behavior | 0.612 | 0.689 | 0.928 a |     |
| Organizational performance       | 0.675 | 0.637 | 0.598 | 0.957 a |

a The square root of the AVE as a criteria of the cutting point for correlation.

As our data is all self-reported data, there is the potential for the existence of common method variance. To address this issue, several procedural and statistical remedies are employed. First, the cover letter of the questionnaire assured respondents that their answers would be anonymous, and there is no right or wrong answers to every question; second, we use a Harman’s one-factor test via CFA by specifying a hypothesized method factor as an underlying driver of all of the indicators. The results revealed that the fit of the single-factor model was extremely unsatisfactory, indicating the common method variance is not a major source of the variations in the items.

4.3. Hypotheses Test

After the confirmation of the reliability and validity of the questionnaires, we now test the hypotheses proposed previously. By using the bootstrapping method, we compare five different estimation methods in SEM: maximum likelihood (ML), generalized least squares (GLS), unweighted least squares (ULS), scale-free least squares (SLS), and asymptotically distribution-free (ADF). We find that ML estimation method fits our data the best, thus ML estimation is used for the hypotheses testing. The empirical findings are shown in Figure 2.

Figure 2. The results of the structural model.

Our results show that perceived CSR practices have a positive impact on the employees’ organizational commitment. Thus, H1 is supported \((p < 0.001)\). It is found that perceived CSR practices have a positive impact on the employees’ organizational citizenship behavior, which supports H2 \((p = 0.040)\). H3 is also supported indicating that employee’s organizational commitment is positively
related to organizational citizenship behavior ($p < 0.001$). However, H4 is not supported, which suggests that employees’ organizational commitment is not significantly related to organizational performance ($p = 0.120$). In contrast, employees’ organizational citizenship behavior shows significant impact on the organizational performance that confirms H5 ($p = 0.007$). We also find that perceived CSR activities have a positive impact on the organizational performance, which confirms H6 ($p < 0.001$).

For testing the mediating effect of organizational commitment and citizenship behavior, the relationships amongst the variables should satisfy all of the following conditions as suggested by Baron and Kenny [61]: (1) the independent variable should significantly influence the dependent variable; (2) the independent variable should influence the mediator significantly; (3) the mediator must influence the dependent variable significantly; and (4) the impact of the independent variable on the dependent variable must diminish after controlling for the effects of the mediator. If any of these conditions are not satisfied, there is no mediation. If all of these conditions are satisfied and the influence of the independent variable becomes non-significant in the presence of the mediator, the effects of the independent variable are said to be “completely” or “fully” mediated by the mediator. If all the conditions are satisfied, while the influence of the independent variable remains significant in the presence of the mediator, the effects of the independent variable are said to be “partially” mediated [61–63].

We run the direct model of the relationship between perceived CSR practices and organizational performance. The results show that perceived CSR practices have a direct positive impact on the organizational performance at 99% significance level, thus, condition (1) and condition (2) are supported by H1 and H2. However, mediator condition (3) of organizational commitment is not satisfied because H4 is not supported. Therefore, organizational commitment is not a direct mediator in the relationship between CSR and organizational performance, thus rejecting H7. However, mediator condition (3) of organizational citizenship behavior is supported by H5.

To examine the condition (4) of organizational citizenship behavior, we should compare the results of direct model and mediation model. It is found that with the inclusion of organizational citizenship behavior into the direct model, the standard coefficient of path of the perceived CSR practices on the organizational performance decreases from 0.675–0.402 with significant value ($p < 0.001$). Accordingly, we could conclude that the relationship between perceived CSR practices and organizational performance is partially mediated by the organizational citizenship behavior, which supports H8 [64]. This result indicates that perceived CSR practices influence the organizational performance through employees’ citizenship behavior in an organization. In this regard, the organizational citizenship behavior could be an important factor in understanding the relationship between CSR practices and organizational performance.

Although H7 is rejected, it is found that H3 is accepted, which indicates that organizational commitment could be regarded as an indirect mediator of CSR and performance, only through the organizational citizenship behavior. It is also found that the impact of CSR on organizational commitment (0.750) is larger than on organizational citizenship behavior (0.217), which suggests that the organizational commitment is also an important variable connecting CSR and organizational citizenship behavior.
5. Conclusions and Discussion

5.1. Theoretical and Practical Implications

This study examined the influence of corporate sustainability (CSR) practices on the employees’ attitudes and behaviors based on some organizational theories. This study also investigates the mediation effect of employees’ attitudes and behaviors on the relationship between perceived CSR practices and organizational performance in the case of Chinese companies. The empirical results show that an employee’s perceived CSR practices have significant impact on both the employee’s organizational commitment and citizenship behavior. In relation to the mediation model, it is found that the organizational citizenship behavior exerts partial mediating effect on the relationship between CSR practices and organizational performance.

These results indicate that CSR practices are advantageous in improving both employees’ loyalty and organizational performance. Thus, company managers should develop CSR-related strategy proactively to improve both employees’ satisfaction and organizational performance. The results also suggest that organizational citizenship behavior could serve as a mediator between CSR and organizational performance, confirming the important role of employees’ behaviors. In contrast, the organizational commitment was not found to improve the organizational performance directly, as it is not possible to improve performance using just employees’ emotional attachment to the organization.

Based on the results, we suggest that the company should involve the employees more actively in practicing CSR, and incentivize and reward them to induce their citizenship behaviors. In addition, the organizational commitment is an important variable linking the CSR and organizational citizenship behavior. Thus, we suggest the companies develop strategies to help employees transfer their organizational commitment to organizational citizenship behavior.

Companies should try their best to keep their employees happy and engage them in CSR practices to create shared value for society. Some suggestions are proposed for Chinese companies, first, in China, the employees pay attention to the emotional experience, therefore, the company should try their best to satisfy the needs of employees, develop some polices to take care of employees to ensure they feel at home; second, the company should establish effective employment career systems to provide training programs and promotion opportunities for the employees’ development; third, the company should communicate with the employees frequently to understand the condition of employees’ attitudes, commitment and citizenship behaviors.

5.2. Study Limitations and Future Research

There are two major limitations to our study. First, our sample size is not large enough for the generalization of our results. China is an extremely large country. Thus, it is difficult to determine the generalized implications from the sample size selected in the study. In addition, our sample data covers a number of industries and, thus, it might be difficult to provide some specific implications related to any individual industry. In future, this research could be enhanced by focusing on a specific industry in China, such as the manufacturing or service industries, which would help researchers obtain more specific implications. It should be noted that the problems of the convenience sample could exist in the questionnaire, which is also a limitation of this study.
Another limitation of our findings may arise from China’s special cultural characteristics. Thus, the empirical findings may find marginal applicability in the explanation of our theoretical model. A comparative study on China, Korea, Japan, and other East Asian nations could be interesting and provide much more comprehensive implications in the future.

Author Contributions

These authors contributed equally to this work.

Conflicts of Interest

The authors declare no conflict of interest.

References and Notes

1. Griffin, J.; Mahon, J. The corporate social performance and corporate financial performance debate. *Bus. Soc.* 1997, 36, 5–31.
2. Margolis, J.D.; Walsh, J. *People and Profits? The Search for a Link between a Company’s Social and Financial Performance*; Lawrence Erlbaum Associates: Mahwah, NJ, USA, 2001.
3. Martens, B.J.; Akridge, J.T. Customer relationship management at farm credit services of America: Working toward a single view. *Int. Food Agribus. Manag. Rev.* 2006, 9, 23–37.
4. Agle, B.R.; Mitchell, R.K.; Sonnenfeld, J.A. Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values. *Acad. Manag. J.* 1999, 42, 507–525.
5. Cochran, P.L.; Wood, R.A. Corporate social responsibility and financial performance. *Acad. Manag. J.* 1984, 27, 42–56.
6. Heinze, D.; Sibary, S.; Sikula, A. Relations among corporate social responsibility, financial soundness, and investment value in 22 manufacturing industry groups. *Ethics Behav.* 1999, 9, 331–347.
7. Jin, K.R.; Drozdenko, R.G. Relationships among perceived organizational core values, corporate social responsibility, ethics, and organizational performance outcomes: An empirical study of information technology professionals. *J. Bus. Ethics* 2010, 92, 341–359.
8. McWilliams, A.; Siegel, D. Corporate social responsibility: A theory of the firm perspective. *Acad. Manag. Rev.* 2001, 26, 117–127.
9. Carroll, A.B. A three dimensional conceptual model of corporate social performance. *Acad. Manag. Rev.* 1979, 4, 497–505.
10. Freeman, R.E. *Strategic Management: A Stakeholder Approach*; Pitman: Boston, MA, USA, 1984.
11. Clarkson, M.B.E. A stakeholder framework for analyzing and evaluating corporate social performance. *Acad. Manag. Rev.* 1995, 20, 92–117.
12. David, P.; Kline, S.; Dai, Y. Corporate social responsibility practices, corporate identity, and purchase intention: A dual-process model. *J. Public Relat. Res.* 2005, 17, 291–313.
13. Greening, D.W.; Turban, D.B. Corporate social performance as a competitive advantage in attracting a quality workforce. *Bus. Soc.* 2000, 39, 254–280.
14. Rupp, D.E.; Ganapathi, J.; Aguilera, R.V.; Williams, C.A. Employee reactions to corporate social responsibility: And organizational justice framework. J. Organ. Dyn. 2006, 12, 537–543.
15. Ajzen, I. The theory of planned behavior. Organ. Behav. Hum. Decis. Proces. 1991, 50, 179–211.
16. Cohen, A. Multiple Commitments in the Workplace: An Integrative Approach; Lawrence Erlbaum Associates: Mahwah, NJ, USA, 2003.
17. Porter, L.W.; Steers, R.M.; Mowday, R.T.; Boulian, P.V. Organizational commitment, job satisfaction, and turnover among psychiatric technicians. J. Appl. Psychol. 1974, 59, 603–609.
18. O’Reilly, C. Corporations, culture, and commitment: Motivation and social control in organizations. Calif. Manag. Rev. 1989, 314, 9–25.
19. Meyer, J.P.; Allen, N.J. A three component conceptualization of organizational commitment. Hum. Resour. Manag. Rev. 1991, 1, 61–89.
20. Ashforth, B.E.; Mael, F. Social identity theory and the organization. Acad. Manag. Rev. 1989, 14, 20–39.
21. Dutton, J.E.; Dukerich, J.M.; Harquail, C.V. Organizational images and member identification. Adm. Sci. Q. 1994, 39, 239–263.
22. Lee, C.K.; Song, H.J.; Lee, H.M.; Bernhard, B.J. The impact of CSR on casino employees’ organizational trust, job satisfaction, and customer orientation: An empirical examination of responsible gambling strategies. Int. J. Hosp. Manag. 2013, 33, 406–415.
23. Tajfel, H.; Turner, J.C. The Social Identity Theory of Intergroup Behaviour. In Psychology of Intergroup Relations; Austin, S., Austin, W.G., Eds.; NelsonHall: Chicago, IL, USA, 1986; pp. 7–24.
24. Turner, J.C. Social Categorization and the Self-Concept: Social Cognitive Theory of Group Behavior. In Advances in Group Processes; Lawler, E.E., Ed.; JAI: Greenwich, CT, USA, 1985; pp. 77–122.
25. Lee, E.M.; Park, S.Y.; Lee, H.J. Employee perception of CSR activities: Its antecedents and consequences. J. Bus. Res. 2012, 66, 1716–1724.
26. Maignan, I.; Ferrell, O.C. Antecedents and benefits of corporate citizenship: An investigation of French business. J. Bus. Res. 2001, 51, 37–51.
27. Peterson, D.K. The relationship between perceptions of corporate citizenship and organizational commitment. Bus. Soc. 2004, 43, 296–319.
28. Brammer, S.; Millington, A.; Rayton, B. The contribution of corporate social responsibility to organizational commitment. Int. J. Hum. Resour. Manag. 2007, 18, 1701–1719.
29. Turker, D. How corporate social responsibility influences organizational commitment. J. Bus. Ethics 2009, 89, 189–204.
30. Organ, D.W. Organizational Citizenship Behavior: The Good Soldier Syndrome; Lexington Books: Lexington, MA, USA, 1988.
31. Podsakoff, P.M.; MacKenzie, S.B.; Moorman, R.H.; Fetter, R. Transformational leader behaviors and their effects on followers’ trust in leader, satisfaction, and organizational citizenship behaviors. Leadersh. Q. 1990, 1, 107–142.
32. Robinson, S.R.; Morrison, E.W. Psychological contracts and OCB: The effect of unfulfilled obligations. J. Organ. Behav. 1995, 16, 289–298.
33. Lin, C.P.; Lyau, N.M.; Tsai, Y.H.; Chen, W.Y.; Chiu, C.K. Modeling corporate citizenship and its relationship with organizational citizenship behaviors. *J. Bus. Ethics* 2010, 95, 357–372.

34. Berger, I.E.; Cunningham, P.H.; Drumwright, M.E. Identity, identification, and relationship through social alliances. *J. Acad. Mark. Sci.* 2006, 34, 128–137.

35. Brown, T.J.; Dacin, P.A.; Pratt, M.G.; Whetten, D.A. Identity, intended image, construed image, and reputation: An interdisciplinary framework and suggested terminology. *J. Acad. Mark. Sci.* 2006, 34, 99–106.

36. Elsbach, K. An Expanded Model of Organizational Identification. In *Research in Organizational Behavior*; Sutton, R., Staw, B., Eds.; JAI Press, Inc.: Stanford, CA, USA, 1999; Volume 21, pp. 163–199.

37. O’Reilly, C.; Charles, A.; Chatman, J. Organizational commitment and psychological attachment: The effects of compliance, identification, and internalization on prosocial behavior. *J. Appl. Psychol.* 1986, 71, 492–499.

38. Carmeli, A. Perceived external prestige, affective commitment, and citizenship behaviors. *Organ. Stud.* 2005, 26, 443–464.

39. Randall, D.M. The consequences of organizational commitment: A methodological investigation. *J. Organ. Behav.* 1990, 11, 361–378.

40. Bashaw, R.E.; Grant, E.S. Exploring the distinctive nature of work commitments: Their relationships with personal characteristics, job performance, and propensity to leave. *J. Pers. Sell. Sales Manag.* 1994, 14, 1–16.

41. Benkhoff, B. Ignoring commitment is costly: New approaches establish the missing link between commitment and performance. *Hum. Relat.* 1997, 50, 701–726.

42. Salavati, A.; Ahmadi, F.; Sheikhesmaeili, S.; Mirzai, M. Effect of organizational socialization on organizational citizenship behavior. *Interdiscip. J. Contemp. Res. Bus.* 2011, 3, 395–410.

43. Podsakoff, P.M.; MacKenzie, S.B. Organizational citizenship behaviors and sales unit effectiveness. *J. Mark. Res.* 1994, 3, 351–363.

44. Walz, S.M.; Niehoff, B.P. Organizational citizenship behaviors: Their relationship to organizational effectiveness. *J. Hosp. Tour. Res.* 2000, 24, 108–126.

45. Podsakoff, N.P.; Blume, B.D.; Whiting, S.W.; Podsakoff, P.M. Individual- and organizational-level consequences of organizational citizenship behaviors: A meta-analysis. *J. Appl. Psychol.* 2009, 94, 122–141.

46. Nielsen, T.M.; Hrivnak, G.A.; Shaw, M. Organizational citizenship behavior and performance: A meta-analysis of group-level research. *Small Group Res.* 2009, 40, 555–577.

47. Barney, J. Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *J. Manag.* 2001, 27, 643–650.

48. Branco, M.C.; Rodrigues, L.L. Corporate social responsibility and resource-based perspectives. *J. Bus. Ethics* 2006, 69, 111–132.

49. Armstrong, S.J.; Overton, T.S. Estimating non-response bias in a mail survey. *J. Mark.* 1977, 14, 396–402.

50. Meyer, J.P.; Allen, N.J. *Commitment in the Workplace: Theory, Research, and Application*; Sage: Newbury Park, CA, USA, 1997.
51. Organ, D.W.; Podsakoff, P.M.; MacKenzie, S.P. *Organizational Citizenship Behavior: Its Nature, Antecedents, and Consequences*; Sage Publications: London, UK, 2006.
52. Deshpande, R.; Jarley, U.; Webster, F. Corporate culture, customer orientation, and innovativeness in Japanese firms: A quadrad analysis. *J. Mark.* 1993, 57, 23–37.
53. Drew, S. From knowledge to action: The impact of benchmarking on organizational performance. *Long Range Plan.* 1997, 30, 427–441.
54. Hussey, D.M.; Eagan, P.D. Using structural equation modeling to test environmental performance in small and medium-sized manufacturers: Can SEM help SMEs? *J. Clean. Prod.* 2007, 15, 303–312.
55. Khanna, M.; Speir, C. Motivations for proactive environmental management. *Sustainability* 2013, 5, 2664–2692.
56. Tapia-Fonllem, C.; Corral-Verdugo, V.; Fraijo-Sing, B.; Durón-Ramos, M. Assessing sustainable behavior and its correlates: A measure of pro-ecological, frugal, altruistic and equitable actions. *Sustainability* 2013, 5, 711–723.
57. Zeng, X.S.; Meng, X.H.; Yin, H.T.; Tam, C.Y.; Sun, L. Impact of cleaner production on business performance. *J. Clean. Prod.* 2010, 18, 975–983.
58. Campbell, D.T.; Fiske, D.W. Convergent and discriminant validation by the multitrait-multimethod matrix. *Psychol. Bull.* 1959, 56, 81–105.
59. He, H.; Li, Y. CSR and service brand: The mediating effect of brand identification and moderating effect of service quality. *J. Bus. Ethics* 2011, 100, 673–688.
60. Bagozzi, R.P.; Yi, Y. On the evaluation of structural equation models. *Acad. Mark. Sci.* 1988, 16, 74–93.
61. Baron, R.M.; Kenny, D.A. The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *J. Personal. Soc. Psychol.* 1986, 51, 1173–1182.
62. Tepper, B.J.; Shafer, S.; Meredith, J.R.; Marsh, R. A clarification on conceptual and methodological issues related to the job characteristics model: A reply. *J. Oper. Manag.* 1996, 14, 369–372.
63. Chen, S.C.; Yen, D.; Hwang, M. Factors influencing the continuance intention to the usage of web 2.0: An empirical study. *Comput. Hum. Behav.* 2012, 28, 933–941.
64. The sobel test is also used to test the significance of mediation effect; the test showed that the indirect effect of the mediator OCB is significantly different from zero which confirms our result. For the sobel test, one can refer to http://quantpsy.org/sobel/sobel.htm for more details. We thank one referee for the suggestion on this point.
### Appendix

**Table A1.** The Measurement items for latent variables.

|                                                                 | Strongly disagree | Strongly agree |
|------------------------------------------------------------------|-------------------|----------------|
| **1. The questions about CSR practices**                         |                   |                |
| 1. Our company conduct many environmental CSR practices-(CSR1)  | 1                 | 2  3  4  5    |
| 2. Our company conduct many ethical CSR practices-(CSR2)        | 1                 | 2  3  4  5    |
| 3. Our company conduct many philanthropic CSR practices-(CSR3)  | 1                 | 2  3  4  5    |
| 4. Our company conduct many Stakeholder-relation CSR practices-(CSR4) | 1                 | 2  3  4  5    |
| **2. The questions about Organizational Commitment**             |                   |                |
| 1. I have a strong belief in the organization’s goals and values-(OC1) | 1                 | 2  3  4  5    |
| 2. I present a deep desire to keep the relationship with organization-(OC2) | 1                 | 2  3  4  5    |
| 3. I express a willingness to make great contribution to the organization-(OC3) | 1                 | 2  3  4  5    |
| 4. I perceived high costs of leaving the organization-(OC4)      | 1                 | 2  3  4  5    |
| 5. I feel a moral obligation to the organization-(OC5)           | 1                 | 2  3  4  5    |
| **3. The questions about Organizational Citizenship Behaviors**   |                   |                |
| 1. I do extra work than the organization’s required-(OCB1)       | 1                 | 2  3  4  5    |
| 2. I usually help other college with their work-(OCB2)           | 1                 | 2  3  4  5    |
| 3. I do not complain even the environment is not good-(OCB3)     | 1                 | 2  3  4  5    |
| 4. I show respect to college-(OCB4)                              | 1                 | 2  3  4  5    |
| 5. I participate in organizational activities positively-(OCB5)  | 1                 | 2  3  4  5    |
| **4. The questions about Organizational Performance**            |                   |                |
| 1. Our company has a competitive advantage in its sales and profit growth (OP1) | 1                 | 2  3  4  5    |
| 2. Our company has a competitive advantage in its market value (OP2) | 1                 | 2  3  4  5    |
| 3. Our company has a competitive advantage in cost saving and efficiency (OP3) | 1                 | 2  3  4  5    |
| 4. Our company has a competitive advantage in its brand improvement (OP4) | 1                 | 2  3  4  5    |

© 2014 by the authors; licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/3.0/).