Assessing the Mediating Role of Work Engagement Between the Relationship of Corporate Social Responsibility with Job Satisfaction and Organizational Citizenship Behavior

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ABSTRACT

This study investigates how perceived corporate social responsibility directly influence the job satisfaction and organizational citizenship behavior of employees, and indirectly influence through the mediating effect work engagement. A questionnaire-based survey was conducted to collect data from 327 students of MBA executive employed in different organizations of Lahore, Pakistan. Structural equation modeling was applied to test the hypothesized conceptual model. Results reveal that corporate social responsibility activities of the organizations increase job satisfaction and discretionary behaviors or organizational citizenship behavior among employees. CSR also increases work engagement, which, in turn, increases job satisfaction and organizational citizenship behavior as well. This study has shown that concerns toward CSR have increased in the business organization operating in developing countries, and employees working in those organizations are reciprocating to CSR through positive outcomes in the workplace. The employees, as internal stakeholders are responding favorably to the CSR. As per the best of researchers’ knowledge, the study firstly tests the mediating role of work engagement in the linkage of CSR with job satisfaction and organizational citizenship behavior. The theoretical and practical implications are also discussed.

Keywords: Corporate social responsibility, Job satisfaction, Organizational citizenship behavior, Work engagement

JEL Classifications: M14, J24, J28

1. INTRODUCTION

The public has become more aware of business responsibilities toward society. Businesses were facing criticism because of increased societal expectations. They alleged that exploiting the employees, are not concerned about different environmental and societal needs, not following the ethical criteria for the decision making, and less concerned about the consumers. Business organizations are responding to this criticism in the form that increases concerns for society. The contemporary organizations have not only to earn a profit, but they also have to react toward the legal obligations, follow the ethics to make the corporate decision, and focus on philanthropic activities for the human welfare.

The term corporate social responsibility (CSR) was introduced by Merrick Dodd, who highlighted that organizations earn profit from society, and managers are responsible for that society. Currently, CSR includes many general categories, such as corporate sustainability, social responsiveness, governance, social entrepreneurship, citizenship, accountability, and organizational social performance. Social obligation is common among these all concept, beyond the financial consideration. From the perspective of agency theory, CSR may result in an agency problem between shareholders and managers, because the primary objective of the profit-making organization is to maximize the wealth of shareholders. Therefore, resources could be used to increase shareholders’ return or more value-added...
activities within a firm rather than the waste of those resources on CSR (Friedman, 1970).

CSR means “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” (Aguinis, 2011). Carroll defined CSR as a multidimensional concept, including the economic, legal, ethical, and philanthropic responsibilities of a business. The economic aspect of CSR focuses on the economic burdens of the industry, such as profitability, competitiveness, and operational efficiency. The legal dimension means that businesses have to abide by all set of laws, regulations imposed via the supervisory structure of systems in a particular business environment or society. On the other hand, the ethical dimension desire from the corporations to respect all ethical norms and fairly conduct the business. The fourth dimension of CSR named as philanthropic responsibilities means that business should behave like a good citizen to promote human welfare in the society (Carroll, 1991; Lee et al., 2012).

The different research studies have highlighted the significance of CSR for value creation activities of the organization from the perspective of stakeholder management theory (Carroll and Shabana, 2010). According to the stakeholder management perspective, organizations must develop a good relationship with different individuals, groups, or organizations that can influence or be influenced by the policies, practices, and decisions of the business (Donaldson and Preston, 1995). Furthermore, the term stakeholder management suggests that organization needs to address the concerns of internal stakeholders which include employees, management, and stockholders; and external ones including customer, suppliers, public, media, and government (Fombrun and Rindova, 1996). Employees work harder and exert more effort for the achievement of organizational goals, even paid less for socially responsible organizations, and CSR also increases their commitment and morale to the employed organization (Porter and Kramer, 2006; Panagopoulos et al., 2016; Wang et al., 2015).

The existing studies have explored the association among organizational CSR activities and various employee outcomes and revealed that employees had acknowledged the environmental and social programs designed by their companies (Kim et al., 2010). Moreover, these studies concluded that CSR activities positively influence various employees’ outcomes on the workplace such as employee retention (Bhattacharya et al., 2008), job satisfaction (Valentine and Fleischman, 2008), trust (Hillenbrand et al., 2013), organizational identification (Kim et al., 2010), and organizational citizenship behavior (Ong et al., 2018), work engagement, psychological availability, safety and meaningfulness (Chaudhary, 2019; Ilkhanizadeh and Karatepe, 2017).

Scholars have revealed that Asian business is far behind than western companies from the different perspectives of CSR (Dirany et al., 2009). Yunis et al., (2017) reviewed the literature on CSR activities in Pakistan. They found that CSR activities, particularly in Pakistan, are below average than Africa, America, Europe, and Asia (Salzmann et al., 2005). Literature also indicated that there exists significant improvement in some issues related to CSR, such as health and safety and child labor in the leather and textile industry of Pakistan (Khan, 2007; Khan, 2006). A few academic research studies regarding CSR and employees’ outcomes in the context of Pakistan (Yunis et al., 2017). The different studies on CSR in Pakistan have concluded that CSR means only philanthropic activities. Therefore future studies should investigate the economic, legal, and ethical dimensions of CSR from the perspective of Pakistan (Ahmad, 2006; Khan, 2006).

Recent literature on CSR emphasizes empirical studies to strengthen further the business case toward the fulfillment of social responsibility (Gond et al., 2017). For example, the only five empirical research papers were found in the CSR literature exploring the association between CSR and employee outcomes since 1970. Furthermore, it is also noted that “CSR literature thus far has been much more focused on predictors, outcomes, and moderators than on mediators” (Aguinis and Glavas, 2012). Gond et al. (2017) also argued that “ignoring CSR evaluation processes might limit insights into how people experience CSR, cognitively and emotionally, yet these experiences can influence whether and how CSR initiatives produce effects” (p. 226). However, according to previous literature, there is no study had investigated the mediating effects of employee work engagement (WE) in the association among firms’ CSR activities, employee job satisfaction (JS), and organizational citizenship behavior (OCB).

Work engagement (WE) has been defined as “a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption” (Schaufeli et al., 2002). This construct has captured the attention of practitioners and scholars in various fields like human resource development, psychology, organizational development, and business because energetic, dedicated, and organizations desire absorbed employees. Work engagement improves the quality of interaction between the customer and employees and significantly contribute to achieving business goals and targets (Anikann and Oyewole, 2014). Mainly, WE result in improved performance at both individual and group levels. Furthermore, customer loyalty is also a significant consequence of employee WE. Therefore, engaged customers repeat their buying behavior toward the product and services of a company and have positive word of mouth, resulting in increased firms’ profitability and sustainability performance (Anikann and Oyewole, 2014; Kim and Ferguson, 2014).

A positive emotional state of an individual because of his/her work experience is defined as job satisfaction (Evans, 2001). It is also showing the level of employee’s satisfaction with the reward in exchange of services provided to the company (Statt, 2004). Olorunsola (2012a) elaborated that JS is linked with feelings of personal achievement. The multiple factors create job satisfaction, including work itself, supervision, relationship with coworkers, promotion opportunities, financial rewards, social environment, working environment, and workload (Judge et al., 2001). It is essential for efficacy, performance, and effectiveness as well (Judge and Bono, 2001). For example, the behavior of supervisors is the most important of job satisfaction among the subordinates (Tsai, 2011), and participative decision-making approach management in the workplace also increases the job satisfaction (Hansen and Høst, 2012).
Organ (1988) describes OCB as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (p. 21). Simply, the discretionary actions of employees other than their formal job descriptions to increase organizational effectiveness are known as OCB. OCB involves the free activities of employees to increase the efficiency of the organization instead mentioned in the formal contract with an employer, and not result in any punishment if omitted (Podsakoff et al., 2000). For instance, employees help their colleagues to achieve goals in the workplace (Lee and Allen, 2002). OCB has become famous for the contemporary organizations as Grant et al., (2009) noted, “As the world of work becomes increasingly uncertain, it is no longer enough for employees to complete their assigned tasks. Organizational success and survival depend on proactiveness – anticipatory action taken by employees to have an impact on the self or the environment” p. 31-32). Therefore, the contemporary organization needs to realize the significance of CSR activities for different employees’ outcomes such as OCB.

The study constructs include CSR activities, organizational citizenship behavior, work engagement, and job satisfaction are closely related with each other and essential for both employee effectiveness and corporate sustainability, the previous studies have partially found an association among these variables. However, no study (to the best of our knowledge) has yet investigated the intervening role of work engagement in the association among firms’ CSR activities, job satisfaction among employees, and organizational citizenship behavior. This study aims to investigate the relationships between employee perceived CSR activities, work engagement, job satisfaction, and OCB. The identified outcomes of perceived CSR (independent variable) were work engagement (mediating variable), job satisfaction (dependent variable), and OCB (dependent variable).

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Conceptual Framework

If the two parties, such as employees and organizations, follow the rules of exchange like reciprocity, they convert their relationship into loyalty, trust, and joint commitments over some time (Cropanzano and Mitchell, 2005; Saks, 2006). When an exchange relationship is developed between the employer and his/her employees, which “… tend to involve the exchange of socioemotional benefits” and is linked with “… close personal attachments and open-ended obligations” (Cropanzano et al., 2003, p. 161); then, an effective behavioral outcome is likely to be experienced. For the sake of high engagement in work and contribution to the organizational performance, the investment of management in CSR leads to a sense of obligation for employees to display a positive attitude like that of voice behavior and career satisfaction.

SET as theoretical framework, the current literature describes the empirical studies which have established an association between WE and high-performance work practices/job resources. Job features like getting feedback and autonomy were also found to promote WE, ultimately resulting in positive behavioral responses, for example, OCB organizational citizenship behavior and job satisfaction (Saks, 2006). Likewise, according to research conducted by Karatepe (2013) in Iran, employees become highly involved in their job as the result of a speedy work method as well as a collective effort at work. Furthermore, an employee’s observation of organizational support is also enhanced by CSR practices, as reported by (Glavas, 2016).

The theory posits, “… individuals, as adaptive organisms, adapt attitudes, behavior, and beliefs to their social context and the reality of their past and present behavior and situation” (Salancik and Pfeffer, 1978), thus obtaining cues about appropriate reasons to act in a social environment of their workplace. Aryee et al., (2012) also reports that employees develop their attitudes and behaviors by utilizing these cues to interpret events at their workplace. Likewise, the management’s concern and embracement of CSR as a principal element of the company is signaled to the employees through various organizational CSR practices such as (e.g., business conduct, employee relations, and voluntary activity for the community). The resultant high engagement of employees also makes them experience career satisfaction. In Northern Cyprus, hotel employee’s service recovery and creative performances were increased by high-performance work practices as indicated by Karatepe and Choubtarash (2014) in practical terms.

2.2. CSR and Job Satisfaction

As a result, work experience is the output of a positive emotional state known as Job Satisfaction (Randy Evans and Davis, 2011). Against one’s services for the organization, the amount to which personnel perceives comfortable with his/her intrinsic and extrinsic rewards is also job satisfaction (Statt, 2004). According to (Olorunsola, 2012b), this state is also related to an individual’s feelings of achievement. Such as, workload, social environment, nature of work, working conditions, career opportunities, and association of supervisor are some aspects of work experience that can influence satisfaction. For instance, employees’ job satisfaction is enhanced by their involvement in decision-making and other activities (Hansen and Hast, 2012; Kim, 2002). Employee’s job satisfaction is also increased by dynamic leadership behavior (Tsai, 2011). On the contrary, decreased job satisfaction occurs due to tentative job prospects, a considerable working load, a higher workload, repulsive working states, as well as other aspects that also negatively impact organizational performance (Hang-Yue et al., 2005). However, little research has been done to study how CSR activities by the organization can influence employee job satisfaction. It has been reported by Rupp et al., (2006) that if the organization carries the right image and is recognized in the society, employees would perceive happier with their working conditions. Employees tend to identify themselves with a well-reputed company (Peterson, 2004), a notion supported by the theory of social identity. According to Greening and Turban (2000), the perceived values, ethics, and social responsiveness of an organization play a critical role in shaping employees’ views about the company’s attractiveness. Thus, the involvement of an organization in CSR activities results in boosting performance in the eyes of its employees and hence creates satisfaction (Galbreath, 2010). Consequently, the following has been proposed:
H₀: Employees’ job satisfaction is positively influenced by the employee’s perspective of organizational CSR.

2.3. CSR and OCB

Organ (1988) has provided a concept and derived definition of “Organizational Citizenship Behavior” (OCB) as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system and that in the aggregate promotes the effective functioning of the organization” (p. 4). It also can be inferred that a willing attitude that can instigate to go beyond job requirements can be considered as an act of OCB. By applying the virtues of OCB, defined by Moorman and Blakely (1995), elaborated another four-dimensional model of OCB, which accounted for not only the loyal boosterism but also the individual’s initiatives along with the interactive, interpersonal helping. The four-dimensional model includes (1) interpersonal helping: it concentrates on assisting the colleagues in carrying out their jobs whenever the help is required; (2) individual initiative: this particular component defines the improvements in the performance at individual and the group or team levels through effective communications with others; (3) personal industry: it is related with performing the specific tasks beyond the call of duty; (4) loyal boosterism: it is primarily targeted to enhance the organizational image in the outsiders.

Numerous studies have been performed to recognize and observe that what influences OCB by providing the voluntary behavior of OCBS not supported by formal rewards or incentives (Podsakoff and MacKenzie, 1997). Some previous empirical studies have found a positive link between OCB and perception of procedural justice. Employees must be able to feel the procedural justice towards the organization’s socially responsible practices, primarily, including the concerns about professional ethics, sustainability, shared values, and stakeholder management (Carroll, 2015). In society, CSR activities should particularly strive for justice and fairness. Thus, OCBs are led by the employees’ procedural justice, which is attributed to the organization’s CSR policies.

Following the reciprocity norm, Social exchange theory (SET) advocates the CSR-OCB relationship (Peterson, 2004). According to SET, if one’s given favor is returned in the form of support. This particular phenomenon is termed as restricted reciprocity. For example, in a broader sense, the employees reciprocate positively in response to a firm’s CSR (e.g., OCB). Yet, another form of reciprocation is known as “Generalized Reciprocity.” The Generalized Reciprocity is indirect among three or more parties. One gives favor to others, while it is returned from the third party. An example can be extracted from a company’s CSR initiatives in which donations and offerings to communities are not substantially benefitting for the employees. However, the employees would be able to reciprocate as members of the city with positive behaviors, such as OCBS (Greening and Turban, 2000). Contrary to this, employees being encouraged by socially irresponsible organizational practices are more likely to display deviant behaviors like unpunctuality, theft, and sabotage (Appelbaum and Roy-Girard, 2007). Conclusively, a sense of obligation to engage in OCBs as response to socially responsible activities, is developed by the employees due to the norm of reciprocity. Depending upon the given explanations, the following has been proposed:

H₁: OCB is positively influenced by the employee’s perspective of organizational CSR.

2.4. Intervening Role of Work Engagement

To develop the co-relation among CSR and WE, both SIP and SET theory provide complete guidance. SET states that employees feel morally obliged to reciprocate with a higher degree of WE, elevated levels of voice behavior, and higher career satisfaction because of numerous CSR indicators (economic, ethical, legal, and philanthropic) practiced by the company. When a company’s CSR practices are able to exhibit its concern for the wellbeing of workers as well as the society as a whole, an attempt is made by the employees to contribute to improving the overall organizational performance. Such acts enable them to enhance and sustain loyal and long-term relations within the firm (Chaudhary, 2019; Karatepe, 2013; Saks, 2006). Organizational investment in all the four indicators of CSR depicts its concerns about the satisfaction and welfare of its employees. Thus, positive perceptions eventually result in the development of productive attitudes of employees.

H₁: Work engagement is positively affected by all four indicators of CSR.

Work engagement depends upon a favorable condition of mind and work-relevant experience (Schaufeli and Bakker, 2004). A general belief is supported by the real studies that work engagement interferes with organizational changes like employee performance and job satisfaction (Saks, 2006; Sonnentag, 2003). In a similar context, Schaufeli and Bakker (2004) had found that positive experiences can positively influence work-related outcomes, for example, employee engagement, emotions, and positive state of mind. Moreover, sufficient job resources generally gained by engaged employees (Hobfoll, 2001). Stress brought by job demands can be reduced by the abundant resources that have a negative relation to job satisfaction (Alarcon et al., 2011). Work engagement promotes job satisfaction, as described by several empirical studies (Kamalanabhan et al., 2009).

The idea of OCB had coined in the 1980s, which was perceived as the attitude and behavior of an individual, which is not recognized with any legal formal compensate order or system, yet advocate capable and competent organizational functioning (Organ, 1988). OCB add concomitantly to the organizational performance via an institutional social system that assists in undertaking production (Organ, 1997). Since the time of its emergence, OCB has a quality that has been empirically studied for more than a hundred (100) times (LePine et al., 2002b). Nevertheless, the classification of this particular concept had not consistently studied in the academic or practical domain. There are some constructs which have amalgamated with OCB and also mixed contextual performance (Motowidlo, 2000), such as, pro-social organizational behavior, extra-role behavior (Vandewalle et al., 1995), and spontaneity (George and Brief, 1992). Apart from the confusing labels, the inconsistency can also be observed when it comes to the behavioral dimensions of OCB.
The taxonomy of OCB contains conscientiousness (e.g., impersonal behavior such as that of complying with norms that define a noble employee), altruism (attitude intended to help people in face-to-face interactions), sportsmanship (e.g., not complaining about trivial matters), civic virtue (e.g., avoiding such matters which may influence the firm in a negative manner), and courtesy (e.g., checking with others before taking in action) (Organ, 1988). This five-dimensional taxonomy, mainly practiced by many researchers, is also served as a base framework for measuring OCB in various studies. Organ’s (1998) conceptualization of OCB is also most widely used in empirical studies (LePine et al., 2002a). Podsakoff et al. had given a proper valid and reliable scale to measure Organ’s five dimensions. Previously, OCB had attached with exhaustion, leader support, job satisfaction, and fairness (Chiu and Tsai, 2006). Using a sample of 461 employees, Williams and Anderson (1991) established OCB as a significant outcome of the cognitive component of job satisfaction. However, the affective component was not found to predict OCB. In 2006 Chiu and Tsai used a scientific sample of 296 pairs of staff colleagues working in a hotel. They reported burnout to have a negative relation with OCB while the opposition has been suggested that the relationship between work engagement and OCB had found (González-Romá et al., 2006).

Using the Job Demand-Resources Model of (Demerouti et al., 2001) and Hakanen et al., (2006) to explore their teaching practice, and they mobilized with the highly motivational process. This study showed that WE are positively related to organizational commitment. In the same, mediated associations were found between job resources and organizational commitment. Since OC is a precursor to OCB, by this high merit, it is anticipated with work engagement, and similarly, OCB has a positive relationship (Ehigie and Otukoya, 2005). Hence on behalf of pre-literature and systematic literature review, this particular theoretical and empirical research has been proposed:

H1: Work engagements have a positive relationship with job satisfaction.

H2: Positive relation will exist between work engagement and OCB.

H3: Work engagement mediates the association between CSR and employee job satisfaction.

H4: Work engagement mediates the association between CSR and OCB.

3. METHODS

3.1. Procedure and Sample

The cross-sectional design has been applied for data collection from the employees to analyze the conceptual model. The target population was the students of MBA Executive enrolled in different semesters at the Institute of Business Administration, University of the Punjab, Lahore. The eligibility criteria for admission include 3 years of job experience for the candidates. Besides this, the majority of students were employed in different private and public sector organizations of Pakistan. The students belonged to diverse industries like pharmaceutical, banking, insurance, petroleum, etc. The 400 questionnaires were distributed to students, and 340 students returned the filled questionnaires with an approximately 85% response rate. The item-respondent ratio (1:5) was used to determine the sample size (54:340), which exceeded the recommended ratio (Bentler and Chou, 1987). The data collection was completed in 1 week. The response of 327 students was used for the data analysis purpose.

3.2. Measurement

The perceived corporate social responsibility of employees as an independent variable of the study was measured by an 18-items scale developed by (Maignan and Ferrrell, 2000). This scale includes four dimensions of CSR, such as economic, legal, ethical, and philanthropic responsibilities defined by Caroll (Caroll, 1979; 1991). A 9-item Utrecht Work Engagement Scale (UWES-9) was used to assess the three dimensions of work engagement, including vigor, dedication, and absorption (Schaufeli et al., 2006). All three aspects have a three-item subscale for every dimension of work engagement. Job satisfaction was measured by using a 3-item subscale of the Michigan Organizational Assessment Questionnaire (Cammann et al., 1979). A 24-item scale developed by (Smith et al., 1983) was used to measure the organizational citizenship behavior. The 24-items were summed to create a composite score of OCB construct because OCB has been supported as an aggregate construct (Farh et al., 2004).

3.3. Data Analysis Strategy

In this study, the SEM technique has been used with some additional statistics (e.g., descriptive statistics such as mean, standard deviation, normality through z-statistic of skewness and kurtosis, multicollinearity, reliability, correlation and Harman’s single factor test for common method bias). In this research, in order to assess the overall model fitness, the χ²/df (Chi-square/degree of freedom), RMSEA (Root mean square error of approximation), NNFI (Non-normed fit index), CFI (Comparative fit index) with cutoff criteria (χ²/df < 3, RMSEA < 0.08, NNFI > 0.95, and CFI > 0.95) (Hu and Bentler, 1999; Bagozzi and Yi, 1988). In SEM, confirmatory factor analysis (CFA) with two models (measurement and structural models) has been used. In the measurement model, convergent validity by using average variance extracted (AVE) and discriminant validity through the Fornell-Lacker criterion has been assessed. In the structural model, hypotheses were tested, and mediation was assessed through the bootstrapping technique.

Table 1: Descriptive statistics, normality, and correlation

| Variables               | Mean | SD  | Skewness statistics | Std. error of skewness | Kurtosis statistics | Std. error of kurtosis | 1   | 2   | 3   | 4   |
|-------------------------|------|-----|---------------------|------------------------|--------------------|------------------------|-----|-----|-----|-----|
| Corporate social responsiblity | 3.91 | 0.76 | 0.243               | 0.140                  | 0.625              | 0.279                  | -   | -   | -   | -   |
| Work engagement         | 3.88 | 0.68 | 0.274               | 0.140                  | 0.441              | 0.279                  | 0.173** | -   | -   | -   |
| Job satisfaction        | 3.45 | 0.72 | 0.362               | 0.140                  | 0.482              | 0.279                  | 0.210** | 0.162** | -   | -   |
| OCB                     | 3.82 | 0.71 | 0.281               | 0.140                  | 0.427              | 0.279                  | 0.204** | 0.220** | 0.049 | -   |

*p<0.05; **p<0.01; ***p<0.001
4. RESULTS

4.1. Common Method Bias, Descriptive Statistics, Normality, and Correlation

In this study, there is no issue of common method variance, (Podsakoff et al., 2003) because 27% variance found of the total variance. This variance of <50% of the variance in the items (Mattila and Enz, 2002). There is no issue of normality because all variables’ standard deviation is <1. The normality is also checked by z-statistics of skewness and kurtosis (Table 1). Data is considered normal when the value of $z < ±2.58$ (Field, 2013). So, in this study, data is normal because the values are within the said limit. There is positive significant correlation of CSR with work engagement ($r = 0.173$, $P < 0.01$), job satisfaction ($r = 0.210$, $P < 0.01$) and OCB ($r = 0.204$, $P < 0.01$). The work engagement is also positively correlated with job satisfaction ($r = 0.162$, $P < 0.01$) and OCB ($r = 0.220$, $P < 0.01$). The correlation of all variables is <0.70 (Table 1). Hence, there is no multicollinearity problem in this study (Tabachnick and Fidell, 1996).

4.2. Measurement Model Evaluation

The CFA (confirmatory factor analysis) is used for checking validity. The convergent and discriminant validity is checked through measurement model which is the sub part of CFA (Anderson and Gerbing, 1988). The model values are good fit ($\chi^2 = 1527.571$, df = 771, $\chi^2$/df = 1.981, RMSEA = 0.06, CFI = 0.96, NNFI = 0.95).

According to Kline (2005), if because Cronbach alpha value of all tested variables exceeds 0.70, data is considered reliable to conduct further analysis. The Cronbach alpha values are higher than > 0.70 (Kline, 2005), so the data is reliable. The convergent validity is confirmed because of the AVE values higher than > 0.50 of all variables (in diagonal) in Table 2 (Fornell and Larcker, 1981).

### Table 2: Reliability and convergent validity

| Factor            | CR >0.7 | AVE >0.5 | Square root of AVE |
|-------------------|---------|----------|--------------------|
| CSR               | 0.95    | 0.63     | 0.79               |
| Work engagement   | 0.90    | 0.59     | 0.77               |
| Job satisfaction  | 0.86    | 0.65     | 0.81               |
| OCB               | 0.83    | 0.60     | 0.77               |

### Table 3: Results of discriminant validity

| Factor          | 1     | 2     | 3     | 4     |
|-----------------|------|------|------|------|
| CSR             | 0.79 |      |      |      |
| Work engagement | 0.173** | 0.77 |      |      |
| Job satisfaction| 0.210** | 0.162** | 0.81 |      |
| OCB             | 0.204** | 0.220** | 0.049 | 0.77 |

*p<0.05; **p<0.01; ***p<0.001

### Table 4: Results of structural model

| Hypotheses | Hypothesized paths | Standardized regression weights (β) | t-value | P-value | Results |
|------------|--------------------|-------------------------------------|---------|---------|---------|
| H1         | CSR → OCB         | 0.401                               | 14.871  | ***     | Accepted|
| H2         | CSR → Job Satisfaction | 0.345                             | 11.423  | ***     | Accepted|
| H3         | CSR → Work Engagement | 0.281                           | 12.773  | ***     | Accepted|
| H4         | Work engagement → Job Satisfaction | 0.220                          | 15.548  | 0.002   | Accepted|
| H5         | Work engagement → OCB | 0.386                           | 10.503  | ***     | Accepted|

*** Significance at P<0.001 ** significance at P<0.01 * significance at P<0.05

4.3. Hypotheses Testing

The structural model is used for checking study hypotheses. The values of structural model showing good fit ($\chi^2 = 1040.12$, df = 348, $\chi^2$/df = 2.99, RMSEA = 0.07, CFI = 0.97, NNFI = 0.96).

Table 4 show that all hypotheses supported significantly in this study. H$_1$ supported ($\beta = 0.401$, $P < 0.001$) as CSR has positive impact on OCB. H$_2$ supported ($\beta = 0.345$, $P < 0.001$) as CSR has a positive impact on job satisfaction. H$_3$ supported ($\beta = 0.281$, $P < 0.001$) as CSR has a positive impact on work engagement. H$_4$ supported ($\beta = 0.220$, $P < 0.002$) as work engagement has a positive impact on job satisfaction. H$_5$ supported ($\beta = 0.386$, $P < 0.001$) as work engagement has a positive impact on OCB.

4.4. Mediating Role of Work Engagement

The mediation is checked with two structural models, the direct and indirect path of CSR to job satisfaction and OCB through work engagement (Iacobucci et al., 2007).

4.4.1. Mediation model 1

The model is good fit ($\chi^2 = 1032$, df = 435, $\chi^2$/df = 2.372, RMSEA = 0.05, NNFI = 0.96, CFI = 0.95). Table 5 showing partial mediation of work engagement between the relationship of CSR and job satisfaction. Because direct and indirect both relationships are significant, hence H$_6$ supported.

4.4.2. Mediation model 2

The model is good fit ($\chi^2 = 1022$, df = 350, $\chi^2$/df = 2.92, RMSEA = 0.06, NNFI = 0.97, CFI = 0.98). There is also partial mediation of CSR and OCB relationship through work engagement. The direct and indirect both relationships are significant (Table 6), so, H$_7$ supported.

5. DISCUSSION AND CONCLUSION

This study investigates how various attitudes and behaviors of employees in the workplace influence by CSR to create value for the organizations. Notably, this study focused on linking CSR with OCB and job satisfaction through intervening in the role the work engagement. The rift in the existing literature about the outcomes of CSR at both individual and organizational levels is minimized because this study focused on the micro-level investigation employee-related consequences of CSR (Chaudhary, 2019; Morgeson et al., 2013). This study extended the existing literature.
on CSR and employee outcomes because previous studies have more focused on external stakeholders. The work engagement mediated the association of CSR with OCB and job satisfaction.

Furthermore, from the social exchange perspective, when employees perceive that their organization is involved in corporate citizenship, exhibit corporate responsiveness, and improve the social performance, consider the sustainability performance to increase organizational effectiveness, they become more engaged in the workplace through increase vigor, dedication, and absorption. Their job satisfaction is increased, and they become involved in behaviors beyond their formal job description in the shape of helping their colleagues and organization to achieve the goals. The current study provides useful insights for the management of organizations to focus on CSR to increase the job satisfaction of employees which is most desired outcome from the perspective of an organization, the discretionary actions of employees beyond their formal job description, and engagement of workers on the workplace, which are essential to increase the organizational effectiveness. Organizations need to focus on the increase the concern for the planet, people, and profit for sustainable business.

This study has several implications for existing research, theory, and practice. This research contributes to the existing research on CSR by providing empirical evidence on the effectiveness of CSR activities for different employees’ outcomes. The research on CSR activities is increasing, but literature is still understudied (Etzion, 2007). The existing studies like Brammer et al., (2015) focused on the attitudinal response of employees toward the CSR. Still, the current study explained the influence of CSR activities on various employee outcomes, including work engagement, job satisfaction, and OCB, to unfold the significance of CSR activities for improved employee behavior. This study also developed and tested the indirect effect of work engagement in the relationship between CSR, job satisfaction, and OCB. This study also contributes to the existing limited literature on CSR in the context of a developing country.

This study also has theoretical implications. The primary aim of this research was to test the SET theory. Still, the findings have supported the social exchange theory as an essential framework for understanding employee behaviors in the workplace. When organizations are engaged in the CSR activities by fulfilling their legal, economic, ethical, and philanthropic responsibilities, the workers reciprocate through several positive behaviors such as work engagement, job satisfaction, even actions that are not part of their formal duties on the workplace.

The management of organizations always looks to increase the effectiveness of their employees in the workplace through different actions and decisions. The findings suggest that if organizations address the needs internal stakeholders such as owners and employees, external stakeholders including the general public, fulfill the legal obligations imposed by the different regulatory bodies, take care of environmental issues, give importance to the ethics within and outside the organization, consider humans welfare activities as part of their business; these all actions and decision taken by the management evoke the positive and favorable attitudes and behaviors of employees. The more engaged employees feel satisfaction about their job, the more they show concerns for colleagues and organization through performing activities more than described in their actual job description. These activities increase the effectiveness of employees, which contributes toward the achievement of overall organizational goals to compete in the hypercompetitive environment globally.

6. LIMITATIONS AND FUTURE DIRECTIONS

This study has few limitations, which create an opportunity for other scholars to incorporate in future studies. Firstly, the self-reported data were used to examine the association of CSR with employees’ outcomes, which may lead to the common method bias. However, a survey is a widely used data collection tool for survey research (Nair, 2010). Secondly, the respondents belonged to Lahore, Pakistan, which reduce the generalizability of findings applications in other countries or cultures. Thirdly, the cross-sectional design was used in this study, and longitudinal design can be used to infer the causation. Future studies can also investigate the influence of CSR on other different outcomes, such as psychological empowerment, psychological safety, and social identity.

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