The relationship between corporate social responsibility, job satisfaction, and organizational commitment: Case of Pakistani higher education

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PII: S0959-6526(16)31879-0
DOI: 10.1016/j.jclepro.2016.11.040
Reference: JCLP 8429

To appear in: Journal of Cleaner Production

Received Date: 22 June 2015
Revised Date: 20 October 2016
Accepted Date: 6 November 2016


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Abstract

Despite significant economic and social importance, corporate social responsibility in Pakistan has not been examined extensively yet. Many universities in the globe have also incorporated this corporate concept into their processes, systems, curricula, development programs, and even mission and visions. However, information on how universities in Pakistan perceive and practice corporate social responsibility is significantly limited. Thus, the purpose of this study is to highlight how corporate social responsibility is perceived in Pakistani universities, and how it can add to achieving long term objectives. Organizational commitment and job satisfaction are considered precedents of employee performance, and the relationship between employee performance and organizational performance is also well established. Therefore, perceptions of corporate social responsibility impact employee organizational commitment and job satisfaction are investigated in this study. Using the survey method, 245 responses from 14 campuses of eight universities were collected. Structural equation modeling was used to test the hypotheses. The results show that perceived corporate social responsibility has a significant relationship with job satisfaction \((b = .43)\) and organizational commitment \((b = .63)\). However, the relationship between some components of corporate social responsibility at dimension level of job satisfaction were found insignificant. Thus, universities
should be encouraged to engage society, corporations and government to accomplish higher aims and sustainability by focusing on corporate social responsibility initiatives. To the best of authors’ knowledge, this study is the first to examine these variables in Pakistani higher education and will encourage scholars and practitioners to work in this area.

*Keywords: social responsibility, job satisfaction, organizational commitment, higher education*
1. Introduction

Corporate Social Responsibility (CSR) has emerged as a global trend and has been acknowledged in every sector and type of organization. CSR covers different issues and perspectives, such as business ethics, social contract, environment sustainability, and corporate citizenship. The concept of CSR is evolving and a single globally accepted definition for CSR does not yet exist (Kercher, 2007; Van der Heijden et al., 2010). CSR relates to non-profit activities of corporations implemented for the welfare of communities beyond their economic interests (Carroll & Shabana, 2010). However, it has an economic value, and leads to profit maximization in long run. It can be considered as ‘doing well by doing good’. According to Wu et al. (2015), CSR with only an ethical stance can be harmful for the organization, especially at early stages of expansion and with limited resources. Therefore, organizations do not merely give to society without increasing profitability, yet pursue CSR initiatives for different motivations. Graafland and van de Ven (2006) explored drivers and barriers, and identified normative pressures to practice CSR initiatives. In addition, many researchers visualized that the search for potential benefits drives organizations towards practicing CSR (Branco & Rodrigues, 2006; Hart, 1995; Saeidi et al., 2015).

CSR has become a competitive advantage to organizations by portraying a positive image of organizations in society that may eventually help them retain and attract new employees and customers (Jones, Willness, & Madey, 2010). CSR efforts, activities, policies and initiatives are not confined to corporations, but are also being adopted by higher education institutions in their capacity as developer of national human resource and as employers. Many top universities around the globe have developed strategies to adopt or enhance CSR activities. According to the Aspen Institute (cited in Swanson and Fisher, 2008), 25% of top ranked business schools include CSR components in their curricula.
In many countries, higher education funding has shifted from generous support by the public to private modes, with public support accounting for less than one-fifth of fixed cost (Kärkkäinen, 2006; University World News, 2014). Given shrinking public budgets, universities around the world are adopting business models to finance their operations, and this provides the justification for this study. In the past, the role of universities has been reactive rather proactive (Jimena, 2011), but as higher education embrace business models to finance their operations, attention to stakeholder needs and expectations are taking on increased significance. In this era, when the importance of CSR is growing in for-profit and non-profit sectors, universities’ role in addressing CSR needs is twofold. It can lead the corporate to use CSR as a competitive edge by capacity building and providing skilled and talented workforce or it can practice CSR activities as a follower. In this age, academia-industry linkages guarantee the success of both sectors by understanding and satisfying the genuine supply and demand of skilled workforce. Universities should develop a true CSR culture to design social marketing actions to better link with industry (Jimena, 2011).

As a follower of CSR practices, universities have three main stakeholders; employees, students (customers) and society. Without focusing on any of the above mentioned stakeholders, universities cannot sustain. On the other hand, society and corporate cannot progress and survive without universities. By engaging in CSR activities, organizations can have favourable, supportive, and advocacy behaviour (Du, Bhattacharya, & Sen, 2010). CSR activities of universities start from the employees and move on to other stakeholders. As universities are considered a driver for CSR practices, (Ahmad, 2012), employees are considered an important stakeholder (Rodrigo & Arenas, 2008). Hence, it is assumed that without focusing on employees, universities may not be able to implement CSR activities, policies and practices for other stakeholders effectively. Therefore, the purpose of this study
is to examine that how employees perceive their universities’ CSR practices and how it impacts their job satisfaction.

As far as the term CSR for universities is concerned, scholars have different views based on the goal of universities in different countries and cultures. It leads to a shift from conventional view of the corporate, where the main goal of the corporate is profit to one which sees corporate as contributing to the welfare of society also (Carroll, 1979; Williamson et al., 2006). This is specifically so true for universities, where contribution to knowledge and well-being of society is of great importance (Nejati, Shafaei, Salamzadeh, & Daraei, 2011). For a long time, it has been believed that universities are not the same as corporate, as the goal of the university is not profit. Today, universities are also undergoing fundamental change and act like big businesses, where students are considered customers (Rossi, 2014). According to him, this is a cultural shift to view higher education as a private good, rather than as a public good. According to Pérez-Peña (2013), some elite colleges in the United States ignored to recruit poor students and said ‘they do not have the same moral obligation as public colleges’. Kamalakanthan (2013) considered it a ‘full-scale corporation of American University’. This is happening around the globe and Pakistan is no exception. In Pakistan, the number of universities turned more than double in last few years. The number of private universities is increasing and universities are opening multiple campuses in different cities. The reason seems to be profit maximization or to cover operational expenditures. This trend is so increasing that Higher Education Commission Pakistan, the Governmental body to bring reforms in higher education (Asrar-ul-Haq, 2015) and accredit higher education institutions, has to publish its concerns and warnings in electronic and print media. According to Hightower (2013), a lot of schools are adopting corporate approach. The institutions those were centres of free thinking, are now becoming corporate-think, and turning into sales centres, he added. Lane and Kinser (2015) consider opening of university
A campuses in foreign countries as multinational organizations. The reasons might be different, but the university as a business model is being accepted worldwide. According to Ellin (2006), change in economy, scope of universities, size of classes, and salaries of faculty are some of the reasons, which have changed the philosophy behind universities. Due to financial pressure, many universities are adopting different marketing strategies to attract students (customers). Universities are launching new programs, closing those programs where the number of students decreased, selling faculty research projects, and moving from on campus degree programs to online degree programs in many top universities in the world clearly represent the corporate thinking and profit oriented approach of universities. Therefore, the authors assume, as Nadeem and Kakakhel (2012), that CSR is an appropriate term for universities in Pakistan. Although, some studies are conducted on the perceived value of CSR and their relationship with work outcomes and attitudes/behaviors in corporations, but very few studies are conducted to explore this effect in higher education (Nadeem & Kakakhel, 2012). Specifically, organizational commitment and job satisfaction are rarely studied in higher education in relationship to CSR in developing countries like Pakistan. Most of the studies are conducted in corporate settings of the West and on organizational commitment (Farooq, Payaud, Merunka, & Valette-Florence, 2014; Hofman & Newman, 2014; Fifka & Pobizhan, 214), but few are done on CSR's direct relationship with job satisfaction (Tamm, Eamets, & Mõtsmees, 2010). Pakistan is a developing country, with a variety of socio-economic challenges (Memon, Wei, Robson, & Khattak, 2014), including a rapid increase in population, poverty, scarcity of drinking water, electricity shortage, and lack of provision of basic education in rural areas. Unfortunately, the concept of CSR is newer and is still confined only to educational curricula in developing economies (Jaseem, 2006 cited in Memon et al., 2014). Many organizations in Pakistan spend money for the welfare of people in the form of charity or philanthropic activities. There is an acute need to make people and
organizations aware of CSR practices. Therefore, the purpose of this study is to explore the perceptions of employees about CSR activities in Pakistani universities and to examine its impact on their job satisfaction and organizational commitment.

2. Theoretical framework

Organizations have different philosophies behind their CSR policies and practices. According to Branco and Rodrigues (2006) organizations engage in corporate social responsibility for some kind of competitive advantage. Hart (1995) explained that organizations engage in CSR to reveal that CSR activities generate a resource for the organization, which is a source of competitive advantage. McWilliams and Siegel (2001) affirmed that some organizations use CSR initiatives just to further social good, beyond the interest of organization, they added. The management of such organizations believe that organizations have some responsibilities towards societies (rather than only shareholders). They further added that corporate social responsibility also leads to product differentiation.

The Based on the above discussion, Resource Based Theory (RBT) is assumed as the basis for CSR activities in university settings of Pakistan. Resource based perspective views the corporation as a bundle of heterogeneous resources that cannot readily be transferred from one organization to the other (Wernerfelt, 1984; Barney, 1991). Organizational resources may include capital, technical knowledge, skilled employees, positive reputation, distribution channels, plant, machinery, and other equipment and technology (Wernerfelt, 1984). These resources provide an organization with competitive advantage when they are valuable, inimitable, rare, and non-substitutable (Barney, 1991). From a resource-based perspective, CSR provides an organization with internal and external benefits. Investments in socially responsible activities provide internal benefits of know-how, corporate culture and those associated with employees (Russo & Fouts, 1997, Branco & Rodrigues, 2006) and
external benefits of customers’ loyalty and reputation (Branco & Rodrigues, 2006; Saeidi et al., 2015).

The concept of corporate social responsibility has been studied in relationship to employee organizational commitment, consumer behavior, organizational performance, employee behavior, and employee job satisfaction, customer satisfaction, and customer’s loyalty based on different theoretical assumptions. However, there exists few studies that examined these variables in higher education institutions with focus on employees, especially in a developing country like Pakistan. Wu et al. (2015) provides the basis for this study to examine the correlation between CSR perceptions and employee behaviors towards their job, supervisor and organization.

2.1 Corporate social responsibility

Corporate social responsibility is a form of self-regulating mechanism that requires corporations to be responsible in their business processes to all stakeholders to benefit society (Freeman, 2011). CSR goes beyond traditional compliance with legislation and is an ongoing commitment to the welfare of society. Mcwilliams and Siegel (2001) defined CSR as “actions that appear to further some social good, beyond the interests of the firms and that which is required by law. CSR is beyond obeying the law” (p. 117). A more detailed description of CSR is given by Pierce and Madden (cited in Garavan and McGuire, 2010) as “contributing to sustainable development by working to improve the quality of life with employees, their families, the local community and stakeholders up and down the supply chain” (p. 490).

Carroll (1979) presented a four-component model of CSR: economic, legal, ethical, and discretionary. The economic component is defined as responsibility to produce goods and services that society wants. The legal component is about following laws and regulations
under which it operates. The ethical component involves societal expectations over and above what laws require. The discretionary component is the responsibility of organization to go above societal expectations. These components form a pyramid with economic responsibility as basis and philanthropy or discretionary responsibility as top responsibility (Carroll, 1991). Later on, an overlapping model of three dimensions was introduced with legal, ethical and economic responsibilities (Schwartz & Carroll, 2003).

Researchers have tested Carroll’s CSR framework for the last 35 years, for being an appropriate conceptualization of CSR. He segregated economic, legal, ethical and discretionary strands responsibility which facilitates stark analysis of different corporate actions. Moreover, in form of a pyramid, he spelled out implied attention to be paid to each category and explained either a particular CSR category was socially required, expected or desired (Carroll, 1991). These CSR categories - economic, legal, ethical and discretionary - helped organizations identify specific benefits flowing back to companies. Carroll’s model of CSR is followed in this study because it provides conceptual foundation for Corporate Social Performance (CSP) model of Wartick and Cochran (1985) and CSP model of Wood (1991) which included principles of social responsibility, processes of social responsiveness and outcome of performance. Organizations engaged in CSR activities are viewed more favorable than organizations with no CSR or less visible CSR programs (Bhattacharya, Sen, & Korschun, 2012). CSR activities have a positive impact on organizational performance (Carroll & Shabana, 2010; Carroll, 2012; Calabrese, Costa, Menichini, Rosati, & Sanfelice, 2013). There is a growing literature on the relationship of employee perceived CSR and their work outcomes, attitudes/behaviors (Valentine & Fleischman, 2008; Mueller, Hattrup, Spiess, & Lin-Hi, 2012; Hofman & Newman, 2014). CSR activities are equally important for organizational external (society) and internal stakeholders (employees). Many of the organizations engage in CSR activities to better their image in society whereas many
organizations consider it an increasingly important way to attract and retain good employees (Bhattacharya, Korschun, & Sen, 2009). They take employees as internal customers and believe that organizational success depends on motivation and retention of its talented employees. Therefore, the purpose of this study is to examine how employees perceive CSR and how it impacts their job satisfaction and organizational commitment. Though expanding literature is available on CSR and employee work outcomes, but a limited literature is available on the relationship of CSR with employees’ job satisfaction and organizational commitment, especially in the higher education sector of a developing county.

2.2 Job satisfaction

Job Satisfaction is a positive emotional state as a result of one’s work experience (Evans, 2001). It is also the extent to which an employee is content with the rewards (in terms of intrinsic motivation) against his/her services for the organization (Statt, 2004). According to Olorunsola (2012), it is associated with personal feelings of achievement. It includes certain aspects of work experience, i.e. workload, working conditions, social environment, career opportunities, compensation, and relationship with supervisor and nature of work. High job satisfaction leads to better performance both at individual and organizational levels (Judge, Thoresen, Bono, & Patton, 2001), and its role in efficacy, effectiveness and performance is determined (Judge & Bono, 2001). For instance, involvement in different activities and decision-making enhances employees’ job satisfaction (Kim, 2002; Hansen & Høst, 2012). The effective leadership behavior also increases employees’ job satisfaction (Kim, 2002; Tsai, 2011). On the other hand, uncertain job expectations, higher workload, unpleasant working conditions and unproductive relationship with supervisor lead to emotional exhaustion and decreased job satisfaction that ultimately affects individual and organizational performance (Hang-yue, Foley, & Loi, 2005). In order to ensure the prevalence of corporate social responsibility, an organization must ensure the smooth
relationship with its employees. If an organization does not undertake the responsibility towards its employees, it cannot do so for its customers or the environment in which it operates. However, little research has been conducted to explore the relationship between corporate social responsibility and employee job satisfaction. Rupp, Ganapathi, Aguilera, and Williams (2006) explained that employees feel more satisfied with their job, when they realize that the organization is recognized in the society. This relationship can be justified with the application of social identity theory that employees like to identify themselves with the organization that has a promising reputation (Peterson, 2004). In order to shape the perceived attractiveness of an organization for potential employees, the perception of the organization’s values, ethics and social responsiveness plays an important role (Greening & Turban, 2000). When an organization is involved in CSR activities, it boosts the image of the organization in the eyes of the employees and it results in the satisfaction of employees (Galbreath, 2010).

In this study, the impact of CSR on five aspects of the employees’ job satisfaction is examined. These five aspects include their satisfaction with career opportunities, pay, supervisor, workload and working conditions in their employer universities. These aspects are selected on the basis of their relevance and construct validity (Tamm, Eamets, & Mõtsmees, 2010). The available literature on CSR and job satisfaction establishes a positive relationship, but this relationship in higher education sector and in a developing country still needs to be explored. Therefore, it can be hypothesized that:

\[ H1: \text{The perceived CSR has a significant positive relationship with employees’ job satisfaction in the higher education sector of Pakistan.} \]

2.3 Organizational commitment

Organizational commitment refers to the affiliation and involvement of an employee with his/her organization (Steers, 1977). It has been a widely studied concept in industrial
and organization psychology (Cohen, 2003). According to Meyer and Allen (1997), employees, who are committed to their organizations, have belief in the organization’s vision and values, desire to stay there, and want to contribute to it. Allen and Meyer’s model of organizational commitment identifies three components of organizational commitment: affective commitment, continuance commitment and normative commitment (Meyer & Allen, 1991; Meyer, Allen, & Smith, 1993; Karrasch, 2003; Turner & Chelladurai, 2005; Gamble & Huang, 2008). Affective commitment means the positive emotional attachment to the organization, continuance commitment refers to the perceived high costs associated with leaving organization, and normative commitment is the sense of moral obligation to be with the organization. Meyer, Stanley, Herscovitch, and Topolnitsky (2002) state that affective commitment is strongly and favorably correlated with attendance, performance, organizational citizenship behavior, stress, and work–family conflict outcomes. Considering the constructs behind these aspects of commitment and strength of its relationship with CSR philosophy, a majority of the researchers chooses only affective commitment to study organizational commitment as a whole (Brammer, Millington, & Rayton, 2007; Turker, 2009; Rego, Leal, Cunha, Faria, & Pinho, 2010; Farooq, Payaud, Merunka, & Valette-Florence, 2013). Under the same logic, only affective commitment is examined in this study in relation to CSR.

In 2009, Turker claimed that there exist a positive relationship between corporate social responsibility and organizational commitment. According to him, employee perception of organization is increased, when an organization engages in socially responsible activities which in turn enhances the social identity of the employees as a part of the organization. He incorporated the notion of social identity theory to explain the relation between CSR and organizational commitment of the employees. According to Social Identity theory, individuals tend to identify and define themselves with the group to which they belong. Their
perception of corporate social responsibility results in positive work related outcomes including organizational commitment (Cullen, Parboteeah, & Victor, 2003; Schwepker, 2001; Collier & Esteban, 2007). Literature shows that employees of ethically strong and socially responsible organizations tend to value their relationship with the organization and increase their recognition with the organization. Employees of such organizations feel honour to identify themselves with their organization, and as a result, commitment and loyalty towards their organization is developed. Therefore, when an organization develops strong ethical values and becomes socially responsibility, a climate of justice develops, which promotes organizational commitment through socially exchange relationships (Gong et al., 2010). In addition to social identity theory, internal marketing theory and psychological contract theory can also be considered to enrich and deepen understanding of employee reactions to CSR (Du, Bhattacharya, & Sen, 2015, p. 320). There is a common perception that commitment can be redefined as loyalty, but that is not the case. Commitment and loyalty are two different terms. Organizational commitment has been widely studied concept in organizational behavior literature and different scholars have defined it differently. Allen and Meyer (1990) and Mathieu and Zajac (1990) takes organizational commitment as an attitudinal phenomenon, while Solingar et al. (2008) and Mowday et al. (1982) described it as a behavioural phenomenon. Committed employees exercise responsible autonomy and self-control without the need of supervisors to keep check on their performance. Commitment is, when an individual make an agreement/ promise or show willingness to give ones time for anything or to perform any duty. Commitment involves moral obligation to keep one’s words, whereas loyalty to organization does not have any promise involved. This psychological attachment is beyond any moral obligation. For instance, employees’ efforts to work hard and improve their efficiency is termed as commitment, because it is their moral obligation to make efforts, whereas customers’ attachment with the organization is loyalty
because they don’t have any obligation to be with the same organization. However, if employees go beyond what they were expected/agreed to do on job, it will be loyalty. According to Fullerton (2003), commitment leads towards loyalty and loyalty is more stressful than commitment.

In order to cope with the emerging concerns about the social and environmental issues, and rising demand of the public for a sustainable society, universities are reviewing their visions, missions and educational practices globally (Shahbudin et al., 2011). However, there is limited research to explore how employees of universities perceive CSR (Wright, 2010), and how it impacts employees’ performance outcomes, especially in a developing country. Therefore, it can be hypothesized that:

H2: The perceived CSR has a significant positive relationship with employees’ organizational commitment in the higher education sector of Pakistan.

Figure 1. Theoretical model
3. Research Methods

3.1 Sample and data collection

The sample consisted of the faculty and staff of social sciences departments in 14 campuses of 8 universities in Pakistan. The universities were randomly selected. However, only those universities were selected where social sciences departments were well established and had a history of at least twenty years. Based on information available on university websites, the total number of faculty members in fourteen departments was 379. The heads of the concerned departments were contacted through phone or email before data collection in 2014. After the consent of respective head of department, a web-based link of the questionnaire was emailed to them to forward it to their academic faculty and staff. After one month of data collection process, 245 responses were received and more than 96% responses were reported as faculty members. In addition, 95% confidence interval is used for this study.

3.2 Measurement

There were two dependent variables in this study: employee job satisfaction and organizational commitment. According to Kelly (1980), Satisfaction is the difference between actual accomplishment and expected reward. In order to measure the employees’ job satisfaction, a 15 items questionnaire was adopted from (Tamm, Eamets, & Mõtsmees, 2010). The aspects included career opportunities, pay, supervisor, working conditions, and workload. The second dependent variable was organizational commitment. In this study, only affective commitment was used as a dependent variable. In order to measure organizational commitment, 9 items shortened version of Organizational Commitment Questionnaire (OCQ) by Mowday et al. (1982) was used.

Perceived corporate social responsibility was the independent variable. In this study, Maignan and Ferrell (2000) questionnaire was used to measure the perceived CSR of employees. This questionnaire was based on Carroll’s (1979, 1991) framework of corporate
social responsibility. It adopts Carroll's (1979) classification of CSR and measures four domains (economic, legal, ethical, and discretionary responsibilities) at the organizational level. There were 18 items representing the four dimensions of CSR.

3.3 Data analysis

The responses were measured following a five-point Likert scale (1= strongly disagree to 5= strongly agree). Data was analyzed using descriptive and inferential statistics. Structural Equation Modeling (SEM) technique was used to test the hypotheses of this study. Reliability and validity tests were also conducted to measure the authentication of data. Multicollinearity among variables has also been checked through tolerance and VIF index and the values are found in satisfactory range. Data normality has also been checked through skewness and kurtosis measure and the values of all variables are found in +/- 2 range; that is acceptable to run structural equation modeling. The study has used Pearson Correlation Coefficient in order to measure the association among variables. For the verification of hypotheses of the research study, structural equation modeling (SEM) has been applied using SmartPLS software version 2.0 and results are interpreted.

4. Results

The sample consisted of 245 faculty and staff members. The demographics showed that higher education sector in Pakistan is a male dominant sector. There were only 25 females that represent only 10% of the sample. There may be different reasons for this. First, Pakistan culture is based on religious values, where women do not prefer to job, especially in those sectors where males and females work together. Second, there are certain women universities in Pakistan where only female faculty is inducted and only female students are admitted. The females who get higher education prefer to work in those universities. Therefore, a particular study can be done on gender basis to check the difference of perceptions between male
faculty and female faculty. The education level of 136 respondents was post graduate. Higher Education Commission of Pakistan has set some high standards of education for faculty of all universities and in next few years only PhD faculty will be considered to teach in universities. It was illustrated by the demographic data that 92.54% of the respondents belonged to 26-35 years age group, indicating that most of the faculty members have joined teaching profession right after completion of degree; and, they intend to pursue their career in teaching. There were only 4 respondents who were 46 years of age or more, whereas 14 employees had 25 years of age or less. For respondents’ job tenure, 37.1% had 6 to 10 years of experience at their current institutions. The respondents with 1 to 5 years of experience were 24.9% whereas 31.4% respondents had 11 to 15 years of experience. Based on researcher’s personal experience, many of the experienced faculty has either been transferred to management positions or have opened private institutions to make money as major aim, and the number of such institutions is continuously increasing. Therefore, the concept that educational institutions are the non-profit organizations is no more applicable on higher education sector in Pakistan. The detail of demographic information can be viewed in Table 1.

Table 1. Demographic characteristics of the informants

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
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<tr>
<td>Male</td>
<td>220</td>
<td>90%</td>
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<tr>
<td>Female</td>
<td>25</td>
<td>10%</td>
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<tr>
<td>Education</td>
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<td>Undergraduate</td>
<td>20</td>
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<tr>
<td>Graduate</td>
<td>84</td>
<td>35%</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>136</td>
<td>56.67%</td>
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<tr>
<td>Experience</td>
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<td></td>
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<tr>
<td>less than 5 years</td>
<td>61</td>
<td>24.9%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>91</td>
<td>37.1%</td>
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### Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-15 years</td>
<td>77</td>
<td>31.4%</td>
</tr>
<tr>
<td>16 years or above</td>
<td>16</td>
<td>6.5%</td>
</tr>
<tr>
<td>18-25 years</td>
<td>14</td>
<td>5.8%</td>
</tr>
<tr>
<td>26-35 years</td>
<td>159</td>
<td>65.98%</td>
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<tr>
<td>36-45 years</td>
<td>64</td>
<td>26.56%</td>
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<tr>
<td>46 years or above</td>
<td>4</td>
<td>1.66%</td>
</tr>
</tbody>
</table>

#### 4.1 Factor analysis

Factor analysis is conducted with the help of exploratory factor analysis and confirmatory factor analysis. In this study, questionnaire was adapted, so, exploratory factor analysis was not carried out. Confirmatory factor analysis was performed to confirm the factor structure of the latent constructs. For the variable data analysis, the KMO index is found very helpful and it should be higher than 0.6. The results of the present study shows that KMO value is 0.924. While, Bartlett evaluation of Sphericity significance level should be less than 0.05 (Tabachnick & Fidell, 2013) and results reveal that it is $p < 0.001$. With the help of SmartPLS software, confirmatory factor analysis is conducted and measurement model is represented below in Figure 2.

Figure 2. Measurement model
The value for the factor loading score should be higher than 0.5. The above diagram indicates that two items from affective commitment, one from discretionary responsibility, two from economic responsibility and one from legal responsibility were having factor loading score below than 0.5. So, they were deleted. The table 2 summarizes the validity and reliability of latent constructs after deletion of those items. Factor loadings, averages variance extracted, composite reliability and Cronbach alpha are used as the measures of validity and reliability.

**Table 2.** Factor loading ($\lambda$), Cronbach’s $\alpha$, AVE and composite reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>$\lambda$</th>
<th>$\alpha$</th>
<th>AVE</th>
<th>Squared root of AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived CSR</td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Economic</td>
<td>ECR1</td>
<td>0.871</td>
<td>0.766</td>
<td>0.684</td>
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<td>0.866</td>
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<td></td>
<td>ECR3</td>
<td>0.855</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>ECR4</td>
<td>0.750</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>LR1</td>
<td>LR2</td>
<td>LR3</td>
<td>ER1</td>
<td>ER2</td>
<td>ER3</td>
</tr>
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<td>------</td>
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<tr>
<td>Legal</td>
<td>0.861</td>
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<td>0.615</td>
<td>0.782</td>
<td>0.824</td>
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<td>Ethical</td>
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<td>0.718</td>
<td>0.544</td>
<td>0.737</td>
<td>0.826</td>
<td></td>
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<tr>
<td>Discretionary</td>
<td>0.866</td>
<td>0.706</td>
<td>0.538</td>
<td>0.733</td>
<td>0.814</td>
<td></td>
</tr>
<tr>
<td>Affectio commitment</td>
<td>AC2</td>
<td>AC3</td>
<td>AC4</td>
<td>AC5</td>
<td>AC6</td>
<td>AC7</td>
</tr>
<tr>
<td>AC</td>
<td>0.826</td>
<td>0.887</td>
<td>0.598</td>
<td>0.773</td>
<td>0.912</td>
<td></td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>Pay1</td>
<td>Pay2</td>
<td>RS1</td>
<td>RS2</td>
<td>CO1</td>
<td>CO2</td>
</tr>
<tr>
<td>Pay</td>
<td>0.842</td>
<td>0.765</td>
<td>0.696</td>
<td>0.834</td>
<td>0.821</td>
<td></td>
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<tr>
<td>Relationship</td>
<td>0.891</td>
<td>0.755</td>
<td>0.803</td>
<td>0.896</td>
<td>0.890</td>
<td></td>
</tr>
<tr>
<td>with supervisor</td>
<td>RS1</td>
<td>RS2</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Career</td>
<td>Workload</td>
<td>WC1</td>
<td>WC2</td>
<td>WC3</td>
<td>WC4</td>
<td>WC5</td>
</tr>
<tr>
<td>opportunities</td>
<td>WL1</td>
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<td>0.852</td>
<td>0.630</td>
<td>0.793</td>
<td>0.894</td>
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<tr>
<td>Workload</td>
<td>WL2</td>
<td>0.882</td>
<td>0.882</td>
<td>0.793</td>
<td>0.743</td>
<td>0.798</td>
</tr>
<tr>
<td>Working</td>
<td>WC1</td>
<td>0.820</td>
<td>0.835</td>
<td>0.752</td>
<td>0.867</td>
<td>0.902</td>
</tr>
<tr>
<td>conditions</td>
<td>WC2</td>
<td>0.890</td>
<td>0.890</td>
<td>0.890</td>
<td>0.890</td>
<td>0.890</td>
</tr>
<tr>
<td></td>
<td>WC3</td>
<td>0.891</td>
<td>0.891</td>
<td>0.891</td>
<td>0.891</td>
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</tbody>
</table>

AVE = Average Variance Extracted, CR = Composite Reliability
4.2 Reliability and validity

Cronbach’s alpha of $\geq 0.70$ is considered more appropriate (Pallant, 2011). Composite reliability is known to be the most refined form of Cronbach’s alpha values (Hair et al. 2010). Table 2 tells us that the value of the variables for both Cronbach’s alpha and composite reliability which is quite higher than the required values of $\geq 0.70$. The validity of the variables in the table 2 can also be verified with help of convergent and discriminant validity. The Average Variance Extracted (AVE) score above the cut-off value of 0.5 indicates that convergent validity is achieved. (Fornell & Larcker, 1981).

To measure discriminant validity, the value for the square root of AVE is compared for any two construct with the square of the correlation estimates between the same two constructs. The variance extracted estimates should be greater than the squared correlation estimates to have evidence of discriminant validity (Fornell & Larcker, 1981). Table 3 clearly indicates that square root of AVE is greater than correlation estimates between same two constructs pointing out the achievement of discriminant validity. The positive relationships between variables are confirmed by checking the correlation coefficient (i.e. Pearson r). In order to explore the relationship among variables, inter correlation of all the items were measured. The correlation table offers an overview of all possible relationships among variables. The correlation estimates with two asterisks are significant at $p < 0.01$ (2-tailed) and with an asterisk are significant at $p < 0.05$ (2-tailed). The inter correlation measures are shown in Table 3.

Table 3. Correlations and squared root of Average Variance Extracted (AVE)

<table>
<thead>
<tr>
<th>DIS</th>
<th>ECO</th>
<th>ETH</th>
<th>LEG</th>
<th>AC</th>
<th>CO</th>
<th>PAY</th>
<th>SUP</th>
<th>WC</th>
<th>WL</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECO</td>
<td>.52**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETH</td>
<td>.55**</td>
<td>.49**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEG</td>
<td>.53**</td>
<td>.53**</td>
<td>.68**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>AC</td>
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<td>.49**</td>
<td>.69**</td>
<td>.64**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.3 Inferential analysis

The obtained results of SEM with help of SmartPLS are presented in this section. The hypothesis will be presented for further testing and verification on the bases of results obtained through SEM. Figure 3 shows the structural model below.

Figure 3. Structural model
Path analysis shows that model is reasonably fit with the following description of model fit indices. The study used chi-square, RMSEA, RMR, NFI, CFI and PGFI goodness of fit indices to report the results as it is not realistic to include every index in output (Hu & Bentler, 1999). NFI statistics is used to assess the comparison between $\chi^2$ value of the model to $\chi^2$ value of the null model and CFI takes into account sample size even when sample size is small (Tabachnick & Fidell, 2007). Parsimony fit indices are considered best to deal with complex models when estimation process is dependent on the sample data. This results in a less rigorous theoretical model that produces better fit indices (Mulaik et al., 1989). RMSEA and RMR are considered as second fit statistics to run SEM for manifest and latent variables (Steiger & Lind, 1990). The literature shows that there are no golden rules for assessment of model fit so, only those fit indices should be used that indicates the best fit (McDonald & Ho, 2002; Kline, 2005). The measurement model fit was checked with chi-square goodness-of-fit, CMIN/DF, and approximate fit indexes (Kline, 2010). The resulting model produced good fit indices with $\chi^2 = 4.571$, degrees of freedom (df) = 1 with $p > 0.05$ and CMIN/df = 4.571. A large chi square value with $p < 0.001$ shows that model is hardly fit. CMIN/DF shows that model is reasonably fit, as its value is below 5. For absolute fit indices, the values of root mean square residual (RMR) = 0.057 and root mean square error of approximation (RMSEA) = 0.058 indicates that model is reasonably fit (Stevens & Taylor, 2009). The values of incremental and parsimony fit indices including comparative fit index (CFI) = 0.948, normed fit index (NFI) = 0.947 and parsimony goodness-of-fit index (PGFI) = 0.755 are also within recommended range.

SEM technique was used to examine the impact of the independent variables on dependent variables. The analysis was run to check the impact of each four dimensions (economic, legal, and ethical and discretionary) of CSR on each of the five dimensions of job satisfaction (career opportunities, pay, supervisor, working conditions and workload) and
affective commitment which is the uniqueness of this study. The result shows that perceived
CSR has a significant and positive impact on employee overall job satisfaction and especially
affective commitment, which is in line with the existing literature. The result explained 32% of
the total variation in job satisfaction and 29% in affective commitment. Parameter
estimation results indicated that perception of CSR was significant predictor of job
satisfaction with $\beta = 0.434$, $SE = 0.041$, $t = 10.542$, $p = <.001$ and of affective commitment
with $\beta = 0.635$, $SE = 0.061$, $t = 9.890$, $p = <.001$.

The results at sub dimension level had some variations. It shows that discretionary
responsibilities had statistically significant relationship only with affective commitment, $\beta =
0.167$, $SE = 0.047$, $t = 3.512$, $p = <.001$. The surprising finding is the statistically insignificant
relationship of discretionary responsibilities with three components of job satisfaction
including career opportunities, pay and relationship with supervisor. Since, discretionary
responsibilities had statistically significant relationship with workload and working
conditions with $\beta = 0.157$, $SE = 0.098$, $t = 1.597$, $p = <.05$ and $\beta = 0.117$, $SE = 0.069$, $t =
1.693$, $p = <.05$ respectively. The economic responsibilities and ethical responsibilities are
found to be the most effective responsibilities in relation to job satisfaction and affective
commitment. Economic responsibilities has statistically significant relationship with
employees’ job satisfaction, career opportunities, pay, and relationship with supervisor $\beta =
0.321$, $SE = 0.066$, $t = 4.845$, $p = <.001$; $\beta = 0.316$, $SE = 0.072$, $t = 4.374$, $p = <.001$ and $\beta =
0.289$, $SE = 0.042$, $t = 6.863$, $p = <.001$ respectively. On the other hand, ethical
responsibilities has statistically significant relationship with employees’ career opportunities,
working conditions and their affective commitment with $\beta = 0.224$, $SE = 0.088$, $t = 2.530$, $p =
<.001$; $\beta = 0.477$, $SE = 0.071$, $t = 6.691$, $p = <.001$ and $\beta = 0.444$, $SE = 0.058$, $t = 7.571$, $p =
<.001$ respectively. The summary of results can be seen in Table 4.
Table 4. Summary of Results

<table>
<thead>
<tr>
<th>CSR components</th>
<th>Measures of job satisfaction</th>
<th>Affective commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Career opportunities</td>
<td>Pay</td>
</tr>
<tr>
<td>Economic responsibilities</td>
<td></td>
<td>.321***</td>
</tr>
<tr>
<td>Legal responsibilities</td>
<td></td>
<td>.095</td>
</tr>
<tr>
<td>Ethical responsibilities</td>
<td></td>
<td>.224***</td>
</tr>
<tr>
<td>Discretionary responsibilities</td>
<td></td>
<td>-.030</td>
</tr>
</tbody>
</table>

*p < .05. **p < .01. ***p < .001.

5. Discussion

The education as an organizational responsibility within universities characterizes a priority oriented to respond proficiently to the new socioeconomic needs of modern economies. From this perspective, the paper has analysed the impact of perceived CSR on job satisfaction and affective commitment in higher education sector of Pakistan. The empirical finding of this study supports previous results in general. Findings from previous researches suggest strong relationships between perceived CSR and organization commitment both in the Western and the Asian countries (Hofman & Newman, 2014) and with job satisfaction (Tamm, Eamets, & Mõtsmees, 2010). Its effect on organizational commitment is almost three times than its effect on job satisfaction. Since, this research is conducted in higher education environment, where employees feel that their organization’s core processes are for the betterment of society, and CSR activities are default features of their organizations. This may create this higher effect of CSR on affective commitment.

5.1 CSR and affective commitment
Explicitly, the study links the CSR with affective commitment in higher education sector of Pakistan, where employees strongly identify themselves with the organization because of common and shared values at the place. This study goes beyond simple calculation of effect of CSR on job satisfaction and organizational commitment. It measures CSR in terms of its components and their effect on Job satisfaction components and affective commitment. Out of four components of CSR, legal responsibilities and ethical responsibilities had significant relationships with affective commitment, and out of these two components ethical responsibilities was contributing more to commitment. Considering the constructs behind ethical responsibility and affective commitment, it is not a surprise. The real surprise is discretionary responsibilities. Based on previous research, it should contribute more toward affective commitment, but it does not. Possible explanations are attributed to Schwartz and Carroll (2003), who proposed that discretionary responsibility is reflected as a part of ethical responsibility, and does not exist at its own. As Pakistani culture is influenced by strong religious values, the respondents might feel it as their obligation rather than any discretion. Ethical responsibility has the highest relationship with affective commitment. This means that organizations’ obeying rules and regulation contribute significantly toward affective commitment. This obeying of law may lead to fairness in organization and ultimately toward social identity and organizational justice, which inherently affects organizational commitment (Hofman & Newman, 2014). It is believed, as part of Pakistani culture, that merit is often violated and transparency is not common. Following the law is of great importance for employees, and abiding by laws and regulations have significant effect for binding the employees to organizations. The economic responsibility component of CSR had second highest effect on commitment. A possible explanation is context related, i.e. the higher education sector in Pakistan has undergone massive reforms and has evolved to the level where it is compatible to exemplary higher education systems in other parts of the world.
(Hathaway, 2005). This sector introduced high paying tenure tracks and pay structures to attract, develop and retain talent in higher education and research institutions. That is why, employees are more convinced for organizational commitment.

5.2 CSR and job satisfaction

Employee job satisfaction is measured in five components, career opportunities, pay, supervisor, working conditions and workload. These components were selected on the basis of their relationship and construct relatedness with CSR (Tamm, Eamets, & Mötsmees, 2010). The literature supports the result that organizational CSR activities and ethics increase job satisfaction (Deshpande, 1996; Koh & Boo, 2001; Valentine & Fleischman, 2008; Valentine, Godkin, Fleischman, & Kidwell, 2011). However, the relationship of discretionary and legal responsibilities with job satisfaction was found to be reversed in most of the parts. There may be different reasons for this interesting result. For instance, this study is based on the employees’ perceptions, who may be unaware of organization’s activities regarding legal responsibilities.

The results present the interrelationship of the four dimensions of CSR with the five dimensions of job satisfaction. Organization’s economic responsibilities have more impact on career opportunities than workload or any other job satisfaction components. This is quite evident in the higher education sector that has experienced high levels of growth in the past few years. This is surprising and different from the findings of existing studies like Tamm, Eamets, and Mötsmees (2010) that career opportunities are considered comparatively less significant to workload, supervisor and working condition. This may be due to specific context of higher education sector of Pakistan at this time due to extra ordinary expansion in higher education sector. In last few years, the number of universities turned more than double. The significant reason is granting university status to many colleges, opening new
campuses of existing universities in different cities. In addition, recognition of private universities and permitting new private universities have provided attractive and multiple career opportunities. Therefore, people prefer those institutions that they perceive as more economic responsible. Employees require organizations to offer timely career opportunities. Pay is the second one in priority list of employees for organization’s economic responsibility. Supervisors’ role stood among other components of job satisfaction in legal responsibilities. This depicts the expectation of employees that supervisors comply with legal aspects, while dealing with internal and outside stakeholders. It may be due to culture where merit is often violated and transparency is not common. But, legal responsibilities as a key driver of CSR could not impact three out of five dimensions of job satisfaction. A plausible reason for this could be the wrongly interpreted function of CSR, seeing it as extenuating the friction between organization and employees (Wu et al., 2015). Ethical responsibilities have strong relationship with career opportunities and working conditions. From an ethical standpoint, employees perceive that organization should perform ethically in offering them career opportunities as well as conducive to working conditions. Another way of looking at this result is that it fulfils deontological standards (i.e. provide moral rights and justice by embodying duties which reflect one’s right and obligation) of ethical responsibilities (Schwartz & Carroll, 2003) by providing opportunities and environment conducive to perform. Significantly, CSR approaches to improve the affective commitment and job satisfaction of employees of those organizations at early stage of CSR implementation (Wu et al., 2015).

6. Conclusions
To conclude, this paper extended the discussion on the impact of perceived CSR values on job satisfaction and organizational commitment of employees in specific context of higher education sector of Pakistan. If any university wants to develop organizational commitment
among its employee, a substantial way is to engage in CSR activities. Universities may be considered key driver of CSR not only because of their capacity building role among national human resource but also for dealing with stakeholders. Policies should be changed on national level to switch CSR strengths from corporate sector to education. Moreover, being a developing country with socioeconomic challenges, Pakistan can optimize CSR overall achievement by creating best synergy between organizational resources and need for education. As, there is a need to focus on social outcomes of CSR according to an institutional perspective. The employees’ satisfaction with job can be increased through practicing legal and ethical responsibilities the most. The findings of this paper do not only lead the organizations and management of the universities to improve performance through focusing CSR activities, but also provide practitioners and scholars with better understanding of CSR from perspective of developing countries.

CSR has been the focus of interest for scholars and practitioners. However, most of the studies were conducted in developed countries. CSR activities and their impact varies across nations. This study may be a baseline to lead and help scholars and practitioners to study this phenomenon in different sectors and cultures, especially developing countries. It will help organizations achieve CSR, sustainability, and ethical goals. This paper can lead similar universities, especially new universities to better design their CSR activities in order to develop better reputation and good relationship with all stakeholders, including employees, government, clients, and community. The perception and practices of such universities can add new insight to CSR literature.

The findings of this study may help the top management of the universities and other organizations to initiate and use CSR activities to attract, improve morale, increase productivity and retain high performers that will ultimately improve organizational performance and provide a competitive edge.
The study is subject to some possible limitations. First, only eight universities were selected with multiple campuses in the country. The size and location of the institution may affect the results. Second, due to limited time and funding, convenience sampling is used to approach the participants and results of the study are subject to possible bias. Third, it has been tried to examine the impact of perceived CSR on employee job satisfaction and organizational commitment, which may be different based on a different kind of department or universities (i.e. business, engineering, agriculture and humanities). In addition, the employees’ perceptions as internal stakeholders might have been shaped by their actual knowledge of the organization's CSR values (priorities) and activities. Therefore, the results should be interpreted accordingly. Fourth, there may be different other factors which may affect employee job satisfaction and organizational commitment in the universities. However, only CSR is considered in this study. Fifth, Pakistani culture is based on religious values and religion as a determinant of ethical attitude may also affect the results of the study.

The main aim of private universities is often profitability and cannot carry on CSR activities without considering return on investment. On the other hand, public sector universities do not aim at making a profit and usually do not need to get involved in CSR activities. A future study may be designed to explore the difference of CSR perception and practices in public and private universities. The change in the nature of university may bring significantly different and interesting results. Future studies may be designed to examine the perceptions of CSR and its relationship with performance outcomes on the basis of gender. In Pakistan, some universities are gender specific. This study can be replicated in other sectors of Pakistan as well as in other developing countries. This study deals with the effects of perceived CSR values on job satisfaction and organizational commitment in higher education sector of Pakistan and pinpointed the components that enhance work outcomes and
organization performance. Future researches may be designed to study CSR in relation to other performance outcomes.

Acknowledgements

The authors would like to thank Dr. Rodrigo Lozano (Associate Editor), Sandra Caeiro (Subject Editor), and anonymous reviewers for their constructive comments and recommendations during the review process.
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Highlights

1. Corporate social responsibility is doing well by doing good.
2. Discretionary responsibility is reflected as a part of ethical responsibility.
3. Organization’s economic responsibilities have more impact on career opportunities than pay or any other job satisfaction components.
4. The dimensions of corporate social responsibility have different effects on employee job satisfaction.
5. Organizational commitment can be developed among employees by engaging in corporate social responsibility activities.