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Corporate Social Responsibility and Employee Engagement: A Case Study of Selected Private firms in Pakistan

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Abstract

CSR is in trend among businesses to enhance their reputation and employment conditions. In the developing world such as Pakistan where the private sector enterprises play a critical role in the economy, it is important to research how employees perceive CSR programs and their influence on work behavior. This paper focuses on the effects of perceived CSR on employee engagement, work satisfaction, organizational pride, perceived external prestige, and commitment. It focuses on organizational identity as an intermediate. This paper has explored the impacts of perceived CSR on the employees of the Pakistani private sector. It looks at the influence of the organizational identity of CSR, employee engagement, commitment, and work, satisfaction, organizational pride, and perceived external prestige. The study is a quantitative study where structured questionnaires were used to gather data among 285 employees of the private sector in the banking sector, insurance sector, pharmaceutical sector, chemicals sector and the automotive sector. The SPSS was used to analyze variable relationships using descriptive statistics, correlation analysis, regression analysis, and mediation analysis. The findings indicate that the perceived CSR has a positive influence on the company commitment, employee engagement, organizational pride and perceived external prestige. The CSR-work satisfaction relationship was not statistically significant. Organizational identity influenced CSR and most employee outcomes, including commitment, engagement, pride, and prestige. The results demonstrate that perceived CSR is crucial for employee engagement and emotional attachment, especially when they strongly connect with the organization. CSR may not directly make workers satisfied, but it promotes other positive work attitudes. These findings have major theoretical and practical consequences for Pakistani private sector enterprises. Employee-focused CSR programs should foster long-term engagement and corporate loyalty.

Keywords: CSR, employee engagement, organizational commitment, job satisfaction, organizational identification, organizational pride.

INTRODUCTION

In CSR, companies incorporate social and environmental issues into their operations and stakeholder interactions. CSR organizes an organization's charity, community, and social value efforts. Organisations are increasingly utilizing CSR to improve the world and their brand. Companies have long worried about CSR for moral and business reasons. Adding value through socially good activities like environmental conservation and charitable giving drives CSR (Jain *et* *al.*, 2016). Due to stakeholders' rising expectations and awareness, organisations are under more pressure to participate in CSR (Schmeltz, 2017). CSR is increasingly considered as an ethical obligation and a strategic tool for generating business value (Liang & Renneboog, 2013).

According to Ullah and Sun (2021), stakeholder expectations require socially conscious behavior. Effective CSR assists companies to attract the loyalty, trust and satisfaction of the stakeholders. The premise has been supported by empirical evidence that well implemented and reported CSR enhances brand equity and non-financial performance (Islam et al., 2016). Schaltegger et al. (2019) also assume that CSR programs make a company more valuable and reputable. According to Minor and Morgan (2011), CSR enhances the perception and business image by people. CSR is able to enhance effectiveness of staff, customer loyalty, identification with the organization, and reputation (OECD, 2011).

According to Singh and Misra (2021), the advantages come to the advantage of various organizations. The motifs of CSR are relational, instrumental and moral (Fortis et al., 2016). Companies tend to deal with financial, legal, and ethical issues with CSR (Carroll, 2016). According to Hopkins (2014), CSR is active support of key interest groups in terms of short- and long-term projects that can be of benefit to the stakeholders. CSR usually includes community-related, environmental, and respect to employees (Ailawadi et al., 2014). The policies of CSR influence the employees, the suppliers, the consumers, the local communities, the regulators, and the investors (Malik, 2015). The perspectives of CSR should be political, social, legal, ethical, and economic. The reasons behind CSR have been complicated as time goes by.

Donia et al. (2017) draw the line between business case and normative motives. According to Carroll (2016), the normative scenario represents social demand of ethical business conduct and legality. Barnett (2016) states that organizations ought to be unfair in the pursuit of material and immaterial returns. CSR influences the current company behavior and ideals despite the differences in motivations. CSR plays a vital role (Farooq and Salam, 2020). The study of micro-level CSR has just begun to develop the perspective of how workers assess CSR programs concerning themselves and other interested parties (Low, 2016). This academic area that overlaps with management such as organizational behavior, corporate ethics, and human resource management has expanded fast and yielded contradictory CSR results (De Roeck and Maon, 2018). Therefore, similar results are regularly provided, yet only a limited number of studies have proven the micro-level contributions of previous CSR studies.

Morgeson et al. (2013) reduce their generalizability and deny scholars the opportunity to elaborate on these results and companies to adopt CSR programs that would benefit their workforce. In literature, CSR and its effects on the stakeholders are categorized by studying internal and perceived CSR (Tamm et al., 2010). The literature would suggest that examining perceived CSR encompasses both the internal and external actions (Turker, 2009). External CSR programs are those that assist external stakeholders, whilst internal ones assist the employees (Margolis and Walsh, 2003).

CSR perception is vital (Calveras and Ganuza, 2018). The relationship between perceived CSR and workers' employment attitudes has largely focused on two areas. Gond *et al.* (2017) focused on how CSR affects organizational commitment, ignoring other significant employee job attitudes including organizational pride and engagement. However, employees' perceptions of CSR affect other work-related attitudes besides organizational commitment (Low, 2016).

Cornelius *et al.* (2008) assessed external CSR activities including community development and volunteerism but not internal ones. Employee perceptions of CSR have been neglected in previous studies (Hameed *et al.*, 2016), disregarding this important stakeholder group. Recent CSR studies have taken a micro-level stakeholder-oriented approach, such as those that consider how employees view and respond to CSR initiatives (Jones *et al.*, 2017).

Micro-level CSR research has grown due to demands (Frynas and Yamahaki, 2016), but few studies have examined how perceived CSR affects internal stakeholders (Frerichs and Teichert, 2021). More research is needed so companies can benefit from CSR (Sharma and Tewari, 2018).

CSR has grown in Pakistan's corporate sector during the past 20 years. CSR is no more merely a charity deed as companies strive to meet ethical, social, and environmental criteria. It is now a strategy for stakeholder management and business continuity. Engro Corporation, Unilever Pakistan, and Lucky Cement are Pakistani companies that prioritize CSR. Education, health, sustainability, and community development are their priorities (Khan, 2018). These projects boost an organization's public image and benefit internal stakeholders, especially employees.

In Pakistan, CSR influences the employee engagement significantly. Research indicates that the more a company is concerned with the society, then employees are more motivated, loyal and committed. Studies have indicated that CSR programs give the workers a sense of mission and gives them the perception that they share the values of the company (Ali et al., 2010). Volunteering, environmental and health awareness programs are some of the examples of CSR programs that increase employee morale and job satisfaction among Pakistani companies. Such programs enable workers to perform meaningful work beyond the scope of their work thus enhancing the loyalty of their companies (Farooq et al., 2014). Pakistan is also a collectivist nation that respects the social values and relationships. In this way, the employees consider CSR as an ethical duty and a company endeavor. CSR provides a working culture in which employees are proud of their contribution to the national developments of their firm.

Khan et al. (2019) discovered that Pakistani firms implementing CSR demonstrated a better employee trust and engagement, which increases productivity and decreases turnover. A large number of Pakistani firms are using CSR to strengthen their company brand internally through proving their morality to attract and maintain the best of talent. Younger employees, in particular, millennials, want to work in a company with a high level of corporate citizenship and values (Iqbal, 2020). Such a strategic relationship of CSR and human resource management assures the engagement of employees and their good representation of the company. Pakistani CSR is difficult. The absence of regulatory control may cause a poor CSR or greenwashing. Application of CSR as a marketing strategy rather than a commitment could hurt staff confidence. The company should ensure that CSR is included in the strategy which is backed by the leadership and clearly communicated to involve employees (Ahmed and Rashid, 2017).

CSR greatly influences employee organizational identity, according to Shin *et al.* (2016). Based on social identity theory (SIT) (Tajfel and Turner, 1979), organizational identification discusses why employees engage in CSR and the benefits they and their organizations receive. Some CSR kinds affect organizational identity (Newman *et al.*, 2016). Employee perspectives of CSR (not types) did not positively enhance organizational identity, according to De Roeck *et al.* (2016). This contradicting evidence suggests more research is needed to understand how perceived CSR influences employee organizational identity (Farooq *et al.*, 2014). This study addresses this gap by examining organizational identification as a meditation, perceived CSR, and workers' work-related attitudes.

Few experimental studies have examined CSR's mediating mechanisms and the rationale behind employees' work-related attitudes, such as organizational pride and employee engagement, and how socially responsible organizations can improve them, according to Gond *et al.* (2017) Because micro-level CSR is still growing, the link between perceived CSR and organizational identification is uncertain (Lythreatis, 2019). Many studies on perceived CSR and organizational identity have overlooked the mechanisms and contexts that potentially impact workers' work-related attitudes.

The beliefs, psychological processes, and mediating-moderating factors that produce this relationship are unknown (Aggarwal and Kumar, 2022). Hameed *et al.* (2016) investigated why, how, and when perceived CSR affects workers' work attitudes. According to Wang *et al.* (2017), organizational psychology research needs a firmer theoretical foundation to explain how perceived

CSR affects employees psychologically. Micro-level CSR's impact on employee attitudes has expanded in the literature, although more research is needed (Frerichs and Teichert, 2021). From 1970 to 2011, Wang *et al.* (2017) found eight studies on micro-level CSR, 4% of all research. From 2012 to 2016, 30 top journal papers addressed micro-level issues (Wang *et al.* 2017). In developed countries, the relationship between perceived CSR and workers' work-related attitudes is well established, but in developing countries, it must be examined (Barakat *et al.*, 2016). Wealthy nations like the UK and US developed most modern CSR concepts. Many studies on CSR have focused on Western countries, not poor nations (Raza *et al.*, 2021; Scheepers and Ellemers, 2019).

Problem Statement

To address CSR literature gaps, this study evaluates perceived CSR acts and their effects on employees' work-related attitudes. The study also explores indirect organizational identification effects on employee work attitudes. SIT can help us understand employees' attitudes toward socially responsible companies and explain how organizational identification affects perceived CSR and employees' work-related attitudes. The conceptual approach that experimentally tests the relationship between developing country employees' assessment of CSR actions and their work-related attitudes is novel. Shari'ah governs Pakistan's government, courts, and culture. CSR is tricky, therefore its effects on employees vary by country.

Research Objectives

- To understand privately listed organization CSR.
- To use social identity theory to create and evaluate a conceptual framework to investigate how perceived CSR affects privately listed workers' work-related attitudes.
- To assess how perceived CSR affects organizational commitment (OC), job satisfaction (JS), employee engagement (EE), perceived external prestige (PEP), and organizational pride (OP).
- To examine how organizational identification mediates the relation between perceived CSR and the dependent variables.

Research Questions

1. What is the function of CSR in Pakistani privately listed organizations?
2. Why is social identity theory used to explain the relationship between perceived CSR and employee work-related attitudes?
3. Does organizational identity moderate the relationship between workers' CSR views and work-related attitudes?

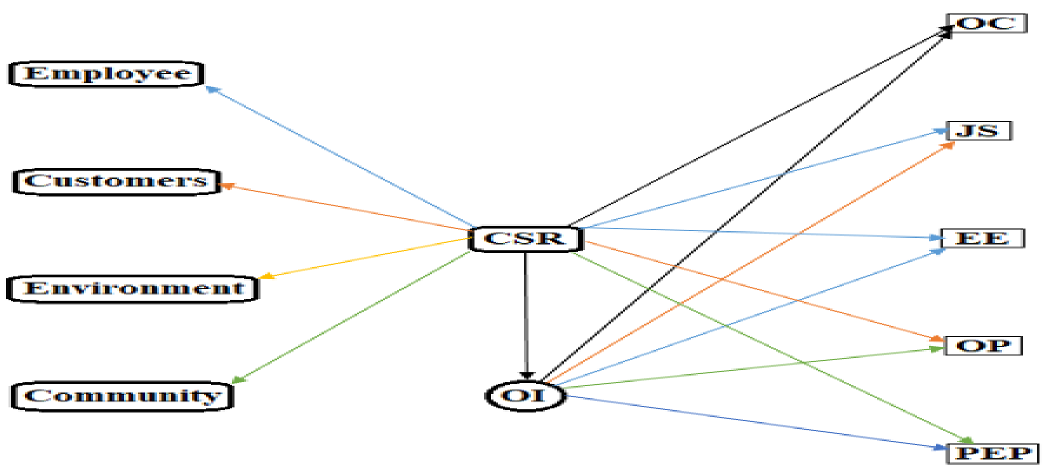
Hypothesis

H_1: There is a positive relationship between CSR and employee engagement.
H_2: There is a positive relationship between CSR and organizational commitment.
H_3: There is a positive relationship between CSR and job satisfaction.
H_4: There is a positive relationship between CSR and employees perceived external prestige.
H_5: There is a positive relationship between CSR and employees' organizational pride.
H_6: Organizational identification mediates the relationship between CSR and employee outcomes (OC, JS, EE, OP and PEP).

Conceptual Framework

A conceptual framework is a researcher's approach to the research aim, inquiry path, and variable interactions, according to Grant and Osanloo (2014). According to Miles and Huberman (1994), a conceptual framework links key trait, concepts, and factors. Conceptual frameworks let researchers visualize how their subject issues interact in a theoretical framework. To increase meaning, a conceptual framework tests the relationship between two or more variables. Empiricism, rigor, and explanation of ideas and variables can be improved by the conceptual framework, helping explain the findings (Imenda, 2014). It guides theory-based research and problem-solving (Dickson *et al.*, 2018; Ravitch and Carl, 2016).
The conceptual framework includes a researcher's subject theory and application to the investigation. The SIT guided this study's objectives. This study empirically validates the Turker (2009a, b) paradigm in Saudi enterprises. This model examined employees' perceptions of CSR and its impact on organizational commitment utilizing organizational identification as a mediation variable using social identity theory. This study examined job satisfaction, work engagement, perceived external status, and organizational pride. Since they affect employees' CSR perceptions, these components were adopted after a thorough CSR study review. Thus, the researcher has created a conceptual framework to demonstrate how CSR affects workers' work attitudes (Figure 1).

Figure 1: Conceptual Framework



Organizational Commitment (OC), Job Satisfaction (JS), Employee Engagement (EE), Organizational Pride (OP), And Perceived external prestige (PEP) and Organizational Identification (OI)

RESEARCH METHODOLOGY

Research Method

Methods used by researchers to gain knowledge are called research methods. When choosing a methodology, consider the phenomena being studied, the study questions and objectives, the resources available, and the methodology's ability to solve the research problem. Quantitative method was used to analyze cause-effect relationships like those between perceived CSR and employee attitudes. The quantitative technique is best for this study.

Population and Sampling

A suitable sampling method is used to obtain data. This method helps researchers achieve their aims while producing reliable, accurate, and generalizable data. Saunders *et al.* (2016) believe that selecting the right sample is crucial to scientific research because it greatly affects the results. The researcher selected a sample of organizations (Automobile, Banks, Pharmaceutical, Insurance, Chemical and Fertilizers) from Pakistan. Total 58 samples from 298 were selected for this study (Table 1).

Table 1: Selected Organizations

Sector	Sample Sector	Percentage
Automobile	11	18.9%
Banks	16	27.83%
Pharmaceutical	5	8.6%
Insurance	16	27.5%
Chemical	7	12.0%
Fertilizers	3	5.17%
Total	**58**	**100.0%**

58 of 298 companies reported CSR activities. The sample used in this study is sufficient because CSR in Pakistan is still new and few organizations share information about it. The selected firms' CSR initiatives affected the community, environment, employees, and customers. The poll was emailed to 430 employees, and 285 responded. The organizations got questionnaires. We received 285 responses. The response rate was 66.2%. Ruane (2005) estimates a 30.0% response rate for a large population. In the meantime, survey participants came from several organizations in many industries (Table 1). Automobile (10.3%), Banks (14.7%), Pharmaceutical (9.9%), Insurance (13.2%), Chemical (2.9%), and Fertilizers (15.2%) sectors are represented (Table 2).

Table 2: Response Rate

Sector	Percentage
Automobile	10.3%
Banks	14.7%
Pharmaceutical	9.9%
Insurance	13.2%
Chemical	2.9%
Fertilizers	15.2%
Total	**66.2%**

Research Instruments

This study examines how employees view CSR and how it influences engagement. The study examines how employees' perceptions of CSR activities directed toward them and external stakeholders (the community, the environment, and customers) may affect job satisfaction, employee engagement, organizational commitment, perceived external prestige, and pride. The survey questionnaire of sixteen items, seven demographic and seven scale-based. Questions were divided into seven sections. The questionnaire began with seven demographic questions. These questions about gender, age group, qualification, employment level, work department, work experience, and industry were crucial to defining sample characteristics. Based on Farooq *et al.* (2013), the second segment assessed employee attitudes toward CSR. CSR was also assessed for community, environmental, and customer impact. The other sections measured organizational identification (six items) from Mael and Ashforth (1992), job satisfaction (three items) from Cammann *et al.* (1983), employee engagement (eight items) from Ouweneel *et al.* (2012), organizational commitment (seven items) from Allen and Meyer (1990), perceived external prestige (five items), and pride (three items) from Lea and Webley (1997).

Data Collection Methods

This study collected data from Pakistani private sector employees using a quantitative method and structured questionnaire. Only companies that mentioned or did CSR initiatives were sampled using purposive sampling. We selected corporations from chemicals, fertilizers, medicines, banking, cars, and insurance. Of 298 firms, 58 were chosen because they reported CSR practices. We submitted 430 surveys to 58 firms' employees in various divisions and levels. Some questionnaires have open-ended optional items and closed-ended Likert scale questions. Of 430 surveys sent, 285 were completed. This means that 66.2% of survey recipients responded it, well above the 30% threshold for big population surveys. Because so many people responded, the study's findings are more reliable, valid, and generalizable. The sample was representative and the results meaningful because respondents came from various organizational roles and industries. Seven sections comprised the questionnaire. The first section inquired about demographics (gender, age, education, employment level, experience, and sector), whereas the rest used validated scales from earlier research projects. They included perceived CSR, organizational identity, work satisfaction, employee involvement, organizational commitment, perceived external prestige, and pride. Each item was scored on a 5-point Likert scale, with "strongly disagree" (1) being the lowest and "strongly agree" (5) being the highest.

Data Analysis

Data analysis of the survey was done through SPSS Version 25.0. Quantitative data is analyzed using this program by social science researchers. The descriptive statistics (means, frequencies, percentages, and standard deviations) were applied to summarize the demographics of the respondents of the survey and identify the central tendencies of the variables. Frequency tables of age, gender, employment level, job experience and industry sector were also to be drawn. Assumptions were checked with the help of inferential statistical tests that tested the impact of CSR on the outcomes of employees. The analysis tested the linear relationships between the perceived CSR, employee engagement, organizational commitment, job satisfaction and the perceived external prestige through Pearson Correlation Coefficient. To establish the relationship between the CSR perceptions and the employee performance, multiple linear regression was conducted. The proposed type of research is suitable due to using regression, which will show the strength of the relationship and the extent to which perceived CSR explains the difference in employee opinions. The researcher looked at cause and effect relations that are paramount to the positivist theoretical framework of the study. The most appropriate statistical test in this study was the linear regressions since they revealed the extent to which CSR perception in the study forecasted numerous dependent variables. Regression analysis also allowed us to test hypotheses which were accepted or rejected according to p-values and coefficients.

RESULTS AND DISCUSSION

Based on table 3, the total number of participants was 285, of which 181 were male, which is 63.5% of the participants and 104 were female, representing 36.5 percent. The age distribution indicates that most of the respondents are between the 31-40 direction with 40.7% of the total sample population (116 respondents). This comes after the participants that are above the age of 50 years (69 respondents), and those who are between 18-30 years (64 respondents). The least age group is 41-50 years, which is 12.6% (36 respondents). Most of the respondents have a bachelor degree which constitute 36.8 (105 respondents). This is closely trailed by the holders of a master degree, which constitute 31.9 (91 respondents), and high school graduates, which constitute 31.2 (89 respondents). The highest percentage of the respondents (41.4, or 118 respondents) is working in the middle management posts. The numbers of the top management and the position of employees are almost equal at 21.4% (61 respondents) and 21.1% (60 respondents). There are 46 respondents accounting to 16.1% operational management roles.

The finance department represented highest with 17.2% (49 respondents) and human resources had 16.1% (46 respondents), IT had 15.8% (45 respondents) and accounting had 14.4% (41 respondents). The insurance and administration groups had the proportions of 14.0% (40 respondents) and 10.5% (30 respondents), respectively. A low percentage of the respondents belonged to operations (4.2) and other departments (7.7). The spread of this department guarantees the holistic view of the perception of the CSR in the various functional units. The median number of professional years is 48.8 which suggests that 50% of the respondents have less than 5 years of professional experience, meaning that the workforce is highly represented by the early-career employees. Approximately 22.8% of the respondents have a less than one year experience, with 16.8% possessing 6-10 years of experience. The proportion of the ones with more than 10 years of experience is only 11.6%. Good percentage proportion of respondents are in the banking sector that constitute 36.1% (103 respondents). The insurance business comes next at 22.1% (63 respondents) followed by the pharmaceutical sector at 17.5% (50 respondents). Others that were represented are the automobile (15.8%), the chemical and fertilizer industries at 4.2 each (12 respondents).

Table 3: Demographic Information

		f	%
Gender	**Male**	181	63.5%
	Female	104	36.5%
Age	**18-30 Year**	64	22.5%
	31-40 Year	116	40.7%
	41-50 Year	36	12.6%
	> 50 Year	69	24.2%
Education	**High School**	89	31.2%
	Bachelor	105	36.8%
	Master	91	31.9%
Job Level	**Top Management**	61	21.4%
	Middle Management	118	41.4%
	Operational Management	46	16.1%
	Employee	60	21.1%
Department	**Accounting**	41	14.4%
	Finance	49	17.2%
	Administration	30	10.5%
	Human Resources	46	16.1%
	IT	45	15.8%
	Insurance	40	14.0%
	Operation	12	4.2%
	Other	22	7.7%
Experience	**< 1 Year**	65	22.8%
	1-5 Year	139	48.8%
	6-10 Year	48	16.8%
	> 10 Year	33	11.6%
Industry	**Automobile**	45	15.8%

Banks	103	36.1%
Pharmaceutical	50	17.5%
Insurance	63	22.1%
Chemical	12	4.2%
Fertilizers	12	4.2%

The table 4 indicates that the Perceived CSR and Employee Engagement (EE) have the same mean of 2.3775 and 2.3772 with relatively low standard deviation (0.19540 and 0.28908) showing consistency in the responses of the participants. These average means indicate that the employees have a feeling that CSR initiatives are fairly implemented, and they are moderately involved in work. The lowest mean of 1.6959 (SD = 0.46337) was recorded in Job Satisfaction (JS), which suggests a rather high level of employee satisfaction, assuming that a low result of the Likert scale would mean agreement or a positive feeling. Perceived external prestige (PEP) on the other hand recorded the highest mean of 3.1361 (SD = 0.345999), which implies that, although the organization is rated as positive to the masses, there is a small difference between the views of the employees regarding the external prestige of the organization. The mean values of Organizational Identification (OI) and Organizational commitment (OC) were moderate, with 3.0446 and 2.9333 respectively, which means that the psychologically committed employees have a fairly positive sense of belongingness to their organization. The mean of the Organizational Pride of the company (OP) was 1.8199 (SD=0.46589), which means that the majority of the employees are proud of their work and the affiliation to the organization.

Table 4: Descriptive Statistics of All Scales

	Mean	SD
Perceived CSR	2.3775	.19540
Organizational Identification (OI)	2.9333	.29742
Job Satisfaction (JS)	1.6959	.46337
Organizational Commitment (OC)	3.0446	.27925
Organizational Pride (OP)	1.8199	.46589
Perceived external prestige (PEP)	3.1361	.34599
Employee Engagement (EE)	2.3772	.28908

The results are demonstrated in Table 5, which shows the correlation coefficients between the main study variables. Perceived CSR has positive and significant relationships with Organizational Identification ($r = .211$, $p < .01$) and Organizational commitment ($r = .166$, $p < .01$), Organizational Pride ($r = .466$, $p < .01$), Perceived external prestige ($r = .522$, $p < .01$), and Employee engagement ($r = .273$, $p < .01$). These results indicate that employees who believe that their organization is socially responsible are more prone to the identification process, be proud of their organization, be committed to it as well as being engaged in their work. Organizational Identification (OI) is closely positively related to Employee Engagement ($r = .662$, $p < .01$) which means that the more employees identify themselves with the organization, the more engaged they tend to be. And intriguingly, there is a negative correlation between OI and Job Satisfaction ($r = -.165$, $p < .01$) such that the result may indicate a complicated relationship that strong identification does not necessarily imply satisfaction probably because of high personal expectations or emotional investment.

Job Satisfaction (JS) has a weak but significant positive correlation with Employee Engagement ($r = .205$, $p < .01$) which is in line with the current literature that highlights the general result that satisfied employees tend to be more engaged. Nevertheless, there is a negative bondage between Perceived external prestige and JS ($r = -.354$, $p < .01$), thus, the respondents, who perceive their organization as highly prestigious externally, may be internally dissatisfied, which could be caused by the lack of correspondence between image and the internal realities. Employee Engagement (EE) is strongly correlated with Organizational Identification (r = .662, p < .01), modestly with CSR (r = .273, p < .01) and Job Satisfaction (r = .205, p < .01), but interestingly shows a significant negative correlation with Perceived external prestige (r = –.297, p < .01). This may suggest that external reputation alone does not necessarily translate to internal motivation or engagement, and may even contrast with employee experience.

Table 5: Correlation

	CSR	OI	JS	OC	OP	PEP	EE
CSR	1						
OI	.211**	1					
JS	.082	-.165**	1				
OC	.166**	.109	-.061	1			
OP	.466**	.071	-.113	.044	1		
PEP	.522**	.036	-.354**	.065	.175**	1	
EE	.273**	.662**	.205**	-.040	-.107	-.297**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6 looks at the correlation of Perceived CSR and Job Satisfaction (JS). The regression model was not significantly significant, F (1, 283) = 1.897, p =.169, which means that CSR does not significantly predict job satisfaction between employees in this sample. This finding presents in agreement with the weak and non-significant correlation found in the previous case, implying that job satisfaction could be more affected by internal organizational conditions like role clarity, pay, or management style than the CSR perceptions do.

Table 6: Relationship Between CSR and JS

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.406	1	.406	1.897	.169[b]
Residual	60.573	283	.214		
Total	60.979	284			

a. Dependent Variable: JS, b. Predictors: CSR

Table 7 indicates the relationship between CSR and Organizational Commitment (OC). The model was statistically significant, F (1, 283) = 8.012, p =.005 which shows that the perceived CSR is a strong predictor of organizational commitment. This means that employees will tend to be emotionally attached and be devoted to the organization once they perceive their organization as being socially responsible. The variance of the explanations might be small but the significance ascertained validates the purpose of CSR in strengthening the loyalty of employees.

Table 7: Relationship Between CSR and OC

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.610	1	.610	8.012	.005[b]
Residual	21.537	283	.076		
Total	22.147	284			

a. Dependent Variable: OC, b. Predictors: CSR

Table 8 examines how CSR relationship with Organizational Pride (OP). The outcome of the regression is very significant, F (1, 283) = 78.496, p <.001 as this proved the existence of a significant predictive relationship between CSR and pride. This observation confirms the fact that employees who work in socially responsible companies or organizations come to feel more pride in their work and membership. The fact that the F-value is high also indicates that CSR explains a significant amount of variance in the levels of pride.

Table 8: Relationship Between CSR and OP

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	13.385	1	13.385	78.496	.000[b]
Residual	48.258	283	.171		
Total	61.643	284			

a. Dependent Variable: OP, b. Predictors: CSR

Table 9 explores the relationship between CSR and Employee Engagement (EE). The model statistically significantly changed, $F (1, 283) = 22.711$, $p < 0.001$, which proves that CSR is positively related to employee engagement. The employees that believe that their organizations are socially responsible tend to be more emotionally, cognitively, and behaviorally engaged in work. This finding highlights how strategic CSR is as a branding exercise, but also a performance platform of the work force.

Table 9: Relationship Between CSR and EE

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.763	1	1.763	22.711	.000[b]
Residual	21.970	283	.078		
Total	23.733	284			

a. Dependent Variable: EE, b. Predictors: CSR

Table 10 examines the relationship that exists between CSR and Perceived external prestige (PEP). A very significant model was obtained in the regression analysis, $F (1, 283) = 106.256$, $p < .001$. This close correlation suggests that CSR makes a great contribution to the way employees perceive their organization to be perceived by the outside world. Positive CSR image enhances organizational prestige; which in turn may enhance identification of employees to the organization and commitment.

Table 10: Relationship Between CSR and PEP

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.280	1	9.280	106.256	.000[b]
Residual	24.717	283	.087		
Total	33.998	284			

a. Dependent Variable: PEP, b. Predictors: CSR

Table 11 provides the outcomes of a multiple regression that was implemented to analyze the relationship between different employee-related factors and the perceptions of CSR. The general model is statistically significant where all five predictors Job Satisfaction (JS), Organizational Commitment (OC), Organizational Pride (OP), Perceived external prestige (PEP) and Employee Engagement (EE) are found to have significant positive predictive relationships with CSR (all predictors have $p < .001$). Perceived external prestige (PEP) became the best-predicted indicator of CSR perception with a standardized β of 0.678 and a t-value of 19.416, meaning that when the employees feel that their organization has a good reputation in the external community, they tend to believe that their organization is a socially responsible organization. Employee Engagement (EE) also showed significant effects (β =.467, t=14.092), and it can be noted the engaged employees are more sensitive and more appreciative of the CSR activities of their organization. Organizational Pride (OP) played a great role in CSR perception (β = .423, t = 13.239), which supports the notion that the employees who were proud of their job and their company are more likely to see and appreciate socially responsible actions. Although Job Satisfaction (JS) and Organizational commitment (OC) had lower values in terms of their effect, they still presented significant and significant contributions (β =.282 and.139, respectively), which demonstrates that having positive internal experiences also affects perceptions of external responsibility. Interestingly, the constant term was negative (B = -0.395, p =.001), which might mean that in case these positive internal factors are absent, perceived CSR might be reduced significantly.

Table 11: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	β		
(Constant)	-.395	.119		-3.319	.001
JS	.119	.014	.282	8.345	.000
OC	.097	.022	.139	4.416	.000
OP	.178	.013	.423	13.239	.000
PEP	.383	.020	.678	19.416	.000
EE	.316	.022	.467	14.092	.000

a. Dependent Variable: CSR

The output of the mediation analysis in investigating the direct and indirect effects is shown in Table 12. It was found that Organizational Identification is negatively predicted by the factor of Job Satisfaction (= -0.26), which can be considered to imply that employees who feel more content about their specific roles are not more likely to identify with the organization as a whole, perhaps because of a respondent motivation factor or a role-specific influence. The CSR perceptions were found to have negative relationships with Organizational Commitment (= -0.21), which is not expected as it may mean that highly committed employees may be more judgmental or critical about CSR practices. Nevertheless, OC significantly anticipated OI (= 0.27), indicating that employees committed are more likely to be personally identified with the identity of the organization. Job Satisfaction was found to have a significant and negative effect on Employee Engagement (= -0.39), Organizational Pride (= -0.31) and Perceived external prestige (= -0.21). These adverse links may appear counterintuitive yet perhaps suggest that work-related satisfaction may decrease responsiveness to organizational values or image at large. Equally, OC exhibited a strong negative correlation with EE (0.31), OP (0.21) and PEP (0.21), which means that the employees can be loyal, yet their commitment does not always translate to enthusiasm, pride and belief in the prestige of the organization. The Positive relation was observed between Organizational Identification and Perceived external prestige as there were two significant paths (2 = 0.18 and 2 = 0.11), which demonstrates that employees that strongly identify with their company develop a better perception of their company as prestigious to the public. Lastly, the analysis established positive and strong relationship between Job Satisfaction and Organizational Commitment (= 0.44), which indicates that the more employees are satisfied, the more chances they have to remain loyal to the organization.

Table 12: Mediation Analysis Between Variables

Predictor	β	Decision
JS → OI	–0.26	Significant
OC → CSR	–0.21	Significant
OC → OI	0.27	Significant
JS → EE	–0.39	Significant
JS → OP	–0.31	Significant
JS → PEP	–0.21	Significant
OC → EE	–0.31	Significant
OC → OP	–0.21	Significant
OC → PEP	–0.21	Significant
OI → PEP	0.18	Significant
OI → PEP	0.11	Significant
JS → OC	0.44	Significant

The findings of mediation show complicated and even surprising interdependences among internal perceptions, organizational identification and employee outcomes. Although Organization Identification has a positive impact on the perceived external prestige, satisfaction and commitment do not necessarily result in pride and engagement, which suggests more profound psychological processes in employee relationship with CSR and organizational values (Fig. 2).

Figure 2: Mediation Analysis

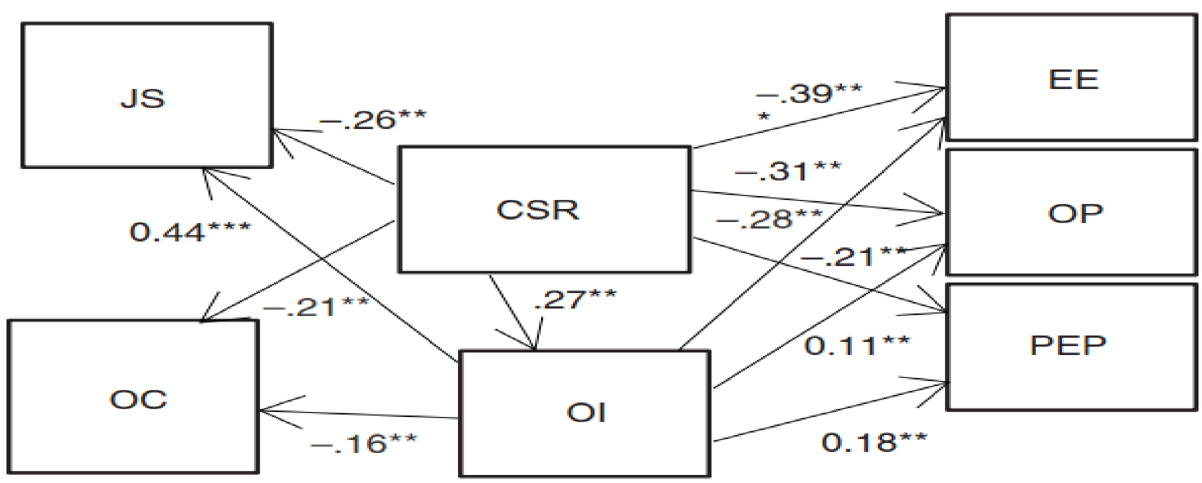


Table 13 provides the results of the hypothesis test that was carried out to test the relationship between Perceived CSR and different employee-related outcomes as well as the mediating effect of Organizational Identification (OI). Hypothesis 1 (H1), that stated that there is a positive correlation between CSR and employee engagement, was accepted ($p < .01$, = 0.273), showing that more engaged employees are probable to work in socially responsible organizations. Hypothesis 2 (H2), which hypothesize a positive relationship between CSR and organizational commitment, was also confirmed (= 0.166, $p = .01$) to support the notion that CSR initiatives have the power to create employee loyalty and long-term attachment to the organization. Hypothesis 3 (H3), however, was rejected ($\beta = 0.082$, $p = .169$) since the correlation between CSR and job satisfaction was not statistically significant. This implies that CSR might have an impact on a larger scale organizational attitude, but not on the level of satisfaction of the employees on their particular job role. Contrarily, Hypothesis 4 (H4) and Hypothesis 5 (H5), which assumed CSR to have a positive effect on perceived external prestige (0.522, p <.01) and organizational pride (0.466, p <.01) respectively, were accepted, which implies the profound effect of CSR on both external image and internal emotional bond. The significance of mediation paths was used to support hypothesis 6 (H6) stating the relationship between CSR and employee outcomes (OC, JS, EE, OP, and PEP) would be mediated by Organizational Identification.

Table 13: Hypothesis Testing

Statement	Test Result	Decision
H_1: There is a positive relationship between CSR and employee engagement.	$\beta = 0.273$, $p < .01$ (Significant)	Accepted
H_2: There is a positive relationship between CSR and organizational commitment.	$\beta = 0.166$, $p < .01$ (Significant)	Accepted
H_3: There is a positive relationship between CSR and job satisfaction.	$\beta = 0.082$, $p = .169$ (Not Significant)	Rejected
H_4: There is a positive relationship between CSR and employees perceived external prestige.	$\beta = 0.522$, $p < .01$ (Significant)	Accepted
H_5: There is a positive relationship between CSR and employees' organizational pride.	$\beta = 0.466$, $p < .01$ (Significant)	Accepted
H_6: Organizational identification mediates the relationship between CSR and employee outcomes (OC, JS, EE, OP and PEP).	Mediation paths significant	Accepted

DISCUSSION

The studies have shown that there is a positive relationship between job engagement and perception of CSR (0.273, p <.01). This aligns with previous studies which show that CSR increases intrinsic motivation and affiliation thus enhancing employee engagement. Martinez Palacios et al. note that the CSR views of employees facilitate pro-environmental programs and involvement in the service industry. The studies show that perceived CSR is a predictor of organizational commitment (= 0.166, =.01). This confirms other research in the banking and service sector in Pakistan, like Khan (2018), who also found direct relationships between CSR and OC. According to the study by the construction industry (Lee et al., 2025), the CSR enhanced job satisfaction through commitment. Our results are in line with psychological contract theory that CSR can meet social and emotional needs of the employees and encourage them to be loyal and willing to remain with the company. There was no significant effect of perceived CSR on job satisfaction (0.082, p = 0.169). This is contrary to Pakistani and international research which indicates that CSR increases job satisfaction on pride in the company and equity.

The external organizational activities might not happen to influence compensation, workload, and team relationships as they would on a worker. Employees will be able to differentiate between bigger CSR initiatives and those that will impact their job satisfaction directly. According to Social Identity Theory, there is satisfaction among people of being members of reputable groups. The study shows that perceived CSR has a positive relationship with the organizational pride (0.466, p <.01). In South Asia, Hameed et al. (2016) discovered that internal CSR proud people and increases their intention to contribute to the environment. These findings are consistent with those of Amir et al. (2021), who used structural equation modeling on the Pakistani population to demonstrate that CSR enhances work satisfaction and organizational pride. This depicts the fact that CSR activities generate a symbolic status, which enhances pride and encourages people to embrace the values of the company.

The most affected outcome was perceived external prestige (0.522, p <.01) which is in line with the studies on CSR and positive brand citizenship in the banking industry based on pride and service climates. We made a mediating analysis of the findings of other studies and established that the organizational identity is very strong in its influences on CSR on OC, EE, OP, and PEP, but not on JS. Amir Ch. et al. (2021) discovered that OI was able to explain the full extent of influence of CSR on the variables of JS and OP. Devotion is one of the work attitudes that is enhanced when OI sifts internal CSR. Distributive and procedural systems of justice also make CSR and involvement stronger. Our results confirm the assumption that the effectiveness of CSR on the attitudes and behavior of employees is influenced on how closely they feel to their company. This depicts the psychological implication of CSR. Most of the mediation directions were favorable, except that, many directions had unexpected negative outcomes, including: JS → EE, JS → OP, OC → EE and OC → PEP. This can suggest the suppression effects of regression models.

The social value system in Pakistan and other collectivist countries is a paradox to them in that they strongly identify with the idea. That is why it is hard to correlate personal pleasure, commitment, and external impressions. Based on these differences, we can see that CSR and identity conception attract and offer pride to some respondents more than employment does. The Pakistani culture promotes unity and social bonding and good reputation of all. Khan et al. (2019) determined that employees are identified and proud when their internal CSR programs involve training and care. Group membership and prestige are some of the key motivators in this case. OI, CSR and PEP are interconnected due to this. The conditions of employment are likely to influence job satisfaction more than social and cultural influences. Research conducted in Pakistan has shown that banking, hospitality and insurance have a stronger CSR-OC. These findings are supported by our sample of bank and insurance. The manufacturing and construction research on OI/OC reveals that CSR indirectly enhances job satisfaction.

CONCLUSIONS

Key conclusion to note is that the perceived CSR increases the commitment of a company, employee engagement, pride, and perceived external prestige. These results endorse Social Identity and Social Exchange Theories. They concluded that the employees were more emotionally and mentally attached to socially responsible companies. Employees tend to show dedication, pride, and commitment more when the employers carry out CSR. It is significant that CSR makes no difference with job satisfaction. In this study, it has been considered that job satisfaction does not necessarily increase with the CSR programs, particularly when the programs are based on the external stakeholders or symbolic reputation. The organizational practices that have a direct impact on job satisfaction include salary, work-life balance, workload, and relationship with colleagues rather than CSR goals. One of the mediating models was organizational identity (OI). It was revealed that there are a higher engagement, commitment and pride among the company-related employees. OI has a relationship between CSR programs and employee behavior. Employees tend to support their companies on CSR programs in case they think such programs are valid and consistent with their values. This increases the probability of people to embrace the identity of the company thereby enhancing work patterns. Also, the most correlated were CSR and perceived external prestige (PEP). CSR programs are closely related to the views of workers towards the perception of outsiders about their organization. CSR programs enable companies to have a favorable image and this makes employees proud. This is particularly important in collectivist cultures such as that of Pakistan where social status and acceptance is appreciated.

Recommendations

Business organizations are supposed to ensure that they focus on internal and external CSR such as training, treating employees fairly, employee’s welfare, community development, and sustainability of the environment. Full-scale CSR strategy enhances the image and involvement of staff. The management must also inform all the departments about CSR goals and achievements via newsletters, meetings, and social media. Such openness will aid the employees to recognize and embrace the principles of the firm, which will enhance pride and commitment and identify with the company. Organizations ought to identify and compensate employees to participate in CSR. This relationship instills a culture of accountability, employer pride, and engagement among the employees as they feel appreciated whenever they are working on significant social issues. The employees are not just to follow the rules of CSR but they also should take part in the design and implementation of the projects. This participative approach instills a sense of ownership, dedication and alignment of value to the company objectives. Customize CSR programs to kind of business, position and employees. Younger workers can opt to use digital or environmental campaigns, whilst the older workers can use community outreach or educational support.

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