Linking Corporate Social Responsibility (CSR) and Affective Organizational Commitment: Role of CSR Strategic Importance and Organizational Identification

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Abstract
Executives around the world continue to explicitly test the business value of corporate social responsibility and organizational commitment that ultimately transform businesses to superior performance and sustainable success. The purpose of this study is to empirically examine the impact of corporate social responsibility (CSR) on affective organizational commitment (AOC) under moderating condition of CSR strategic importance and mediating effect of organizational identification (OI). Survey-based primary data was collected from 229 participants from the telecom sector. We used sequential methodological approach for developing a conceptual framework (through qualitative research) and then structural equation modeling (SEM) (as a quantitative technique) for hypotheses testing and assessment of our proposed model. Our SEM findings reveal that CSR has a significantly positive effect on AOC. Findings conclude that organizational identification significantly mediate the CSR-AOC relationship; while CSR strategic importance significantly and positively moderate the CSR effect on AOC. Our study findings offer novel contribution to theory and practice by introducing a holistic model of affective organizational commitment involving CSR and organizational identification. We developed a better understanding for business leaders about the dynamics of CSR (practices and strategic importance) in shaping member’s affective commitment in organizations.

Keywords: corporate social responsibility, organizational commitment, organizational identification, CSR strategic importance, telecom sector.

1. Introduction
Sustainability of long-term success for modern businesses requires robust understanding and application of CSR practices and elevation of its strategic importance in organizations (Kuokkanen & Sun, 2019). Hence, business leaders and executives need to incorporate CSR practices into the very heart of their business strategies to fully capture the strategic value of CSR practices (Kuokkanen & Sun, 2019; Vishwanathan et al.,...
Businesses adopt socially responsible practices to increase the business pressure from various stakeholders to build healthy competition in market. After the introduction of “new Companies Act 2013” in Pakistan, it has made it mandatory to report and spend on corporate social responsibility (CSR) for the corporations, which are large, and doing profitable business. To gain edge over other competitors, it makes imperative to integrate the CSR activities into their business model and operations in Pakistan. Considering the current hysterical business environment, which is characterized by high competition, there is high importance to establish the business value driven by CSR efforts for an organization (Kuokkanen & Sun, 2019). In current era, the organizations are required to take the advantage by investing more on CSR, which is essential for sustainability and development of their business operations. As reported by developed countries, we have witnessed a positive impact of CSR-related outcomes. CSR results in high employee engagement, attraction of talent from competitive market and better financial performance (Bhattacharya et al., 2008; Crites et al., 1994; Vishwanathan et al., 2019).

The formation of corporate social responsibility (CSR) is based on the belief and norms pursued by the companies with a focus on activities to be socially responsible and their key contribution towards the welfare of the community around (Edinger-Schons et al., 2019). Strategic importance of CSR practices is getting high attention and focus since a decade and now a days it has become one of the essential factor to be considered for both academics and business practitioners (Bolton & Mattila, 2015; Lee et al., 2013). CSR concept has a strategic importance to achieve business outcomes (Turker, 2009), drive commitment among employees (Allen & Meyer, 1990) and build a long lasting bond between employee and employer (Ashforth & Mael, 1989). Considering the aforementioned discussion, the study aims to explore the link of CSR with affective commitment taking organizational identification and CSR strategic importance as mediator and moderator respectively. Organizational attractiveness and reputation are few outcomes that are being studied by examining the impact of prospective employees’ perception about CSR. However, the studies related to employees who are currently employed workers are at lower side (Edinger-Schons et al., 2019).

Numerous research studies have described the strategic importance of CSR and its positive impact on building employees bonding towards organization. Scholars has revealed direct relationship between CSR and employees commitment towards organization (Ali et al., 2010; Wong & Gao, 2014; Bouraoui et al., 2019; Ditlev-Simonsen, 2015; Mozes et al., 2011; Mueller et al., 2012). Some of the studies introduce intervening mechanisms within this relationship such as organizational trust (Farooq et al., 2014), corporate culture (Wong & Gao, 2014), job satisfaction (Rahman et al., 2016), employee engagement (Gupta, 2017) and perceived organizational support (Bouraoui et al., 2019). Glavas (2016) conducted a literature review of 181 articles, out of these 16 found to be targeting intervening variables. Similarly, Rahman et al. (2016) and Gupta (2017) argue that this area is still under developed and hence recommended to explore other intervening structures that mediate and moderate the relationships between organizational commitment and CSR. Globally, the top sustainable firms have reported roughly US$650 million of incremental market capitalization, lower debt costs, increased earnings and improved financial performance. CSR enabled practices have reportedly

Studies have identified CSR issues as considerably sensitive with respect to how employees take these initiatives and respond back (Rupp et al., 2013). Employees perceptions towards CSR and subsequent outcomes is considered to be sensitive in nature as they consider their employer as second home (Glavas & Godwin, 2013) and hence such perceptions may lead to success or vice versa. It is imperative to get a more comprehensive knowledge and understanding about the commencement of CSR, its strategic importance and micro foundations that are important to be focused upon (Aguinis & Glavas, 2012). Recent studies emphasize on having deep analysis of CSR efforts by organizations to make people realize its strategic importance and enhance internal bonding (Wong & Gao, 2014; Rahman et al., 2016).

Direct moderating effect of CSR strategic importance and mediating effect of organizational identification between these variables is an area to be explored further. This study plays an important part to bridge the gaps in academic literature by further examining the CSR related impact on organizational commitment targeting the employees who are business professionals working in Pakistan by using a theoretical framework of social identity theory (SIT). Apart from that, we also studied the possibilities of ‘CSR strategic importance’ as a moderator and ‘organizational identification’ as mediator of the proposed relationship.

The primary objective of this research was to further explore the CSR concepts primarily in the landscape of Asian market before the findings are generalized from context of western culture. To explore the cultural, economic and political variances between emerging and developing economies; in comparison to the cultures where economies are more stable and highly developed. Moreover, in Pakistan, the CSR landscape is changing and after introduction and execution of the new Companies Act (2013) it further emphasizes a focus to conduct studies of this nature. Our study assists practitioners in bridging the gap in incorporating CSR strategic importance and employee’s identification that can drive employee’s commitment towards organization backed by CSR. Theoretical evidences encourage leadership and management to enforce CSR practices, subsequently elevate levels of organizational identification and business outcomes can be achieved driven by affective commitment.

2. Literature Review
2.1 Corporate Social Responsibility

CSR being an important topic of research by scholars, in literature, there are some competitive theories and definitions where precision of this construct has been diluted (Edinger-Schons et al., 2019; Kuokkanen & Sun, 2019). Davis (1960) has elaborated CSR as “businessmen’s decisions and actions taken for the reasons at least partially beyond the firm’s direct economic or technical interest”. In 1973, Davis has further elaborated the description as social responsibilities of the businesses has been separated based on economic, technical and legal compulsions. Carroll (1999) explained the difference between economic and non-economic components of CSR that states that economic component is what business does for itself and the non-economic component is
associated with others. Turker (2009) maintains that the economic part is the actual reason of being in business for any firm instead of taking the responsibility of the society.

In order to elaborate the purpose and objective of our study pertaining to CSR, we have kept ourselves restricted to broad range of definitions and relevant theories instead of digging into the conceptual details. A broad and commonly used framework in theory is stakeholders’ perspective provided in the CSR literature that explains the concept related to CSR in detail. Present study embraces CSR concepts proposed by Turker (2009), because this concept closely resonates to the term and definition of stakeholders (Carroll, 1991). According to Turker, the CSR practices are corporate behaviors where stakeholders are positively affected and that also goes beyond the economic level interests as well. This particular study measures the impact of CSR with respect to different stakeholders by using the CSR scale developed by Turker (2009). This scale is widely used to measure the impact of CSR and its connection with various variables. It covers the activities to reduce the negative impacts related to natural environment and to ensure the quality, doing good for the society, maintainable growth, good level of future generation life and capitalizing in projects and companies (Turker, 2009).

All these stakeholders’ components were able to build consensus under the common umbrella of “CSR towards community” because of their close relationship among each other (CSR-1). Precisely, in a short term these stakeholders will not have any impact by the business operations, hence categorized as secondary (Turker, 2009). The second group is comprised of flexible and fair workplace, procedures and policies, growth and development opportunities and fulfilling the needs and wants of employees, categorized as CSR towards employees (CSR-2). Third group comprised of disclosure of accurate information by firms, consumer rights, accurate and detail information related to products and high importance for superior customer service, labelled as CSR towards customers (CSR-3). The fourth group covers the CSR towards environment (CSR-4) with a focus on paying close attention towards environment friendliness (Turker, 2009).

2.2 Corporate Social Responsibility and Organizational Commitment

The proposals such as “doing well by doing good with others” and “what is good for society is good for the company” encouraged scholars to actively explore CSR scope on multiple outcomes within an organization and played an important role for organizational success (Edinger-Schons et al., 2019; Kuokkanen & Sun, 2019). Employee commitment is well explained by social exchange theory that explain value proposition, benefits they get from the organization and their possessed understanding (Collier & Esteban, 2007; Edinger-Schons et al., 2019). As per the concept of organizational commitment, precisely mentioning affective commitment part is relevant to employees’ emotional bonding with their company is found to be the most powerful tool to minimize employee absenteeism, turnover and to improve the performance of employees (Edinger-Schons et al., 2019).

Research results pertaining to organizational support theory, demonstrates that organizational commitment, particularly the affective commitment increases as a result of organizational support perceived by employees (POS).

Organizational commitment additionally speaks to an extensive scope, specific to attitudes and behavior related attributes among the employees of the organization. These
qualities incorporate reliability, organization citizenship behavior, execution and disposition towards organizational change (Allen & Meyer, 1996; Herscovitch & Meyer, 2002). Allen and Meyer (1990) identified three specific tangents of Organizational Commitment: affective commitment (the emotional bonding towards organization), normative commitment (feelings of responsibility and commitment toward the organization) and continuance commitment (understanding of perceived costs, which are associated with leaving the organization). In contrast, some studies argue that employees are more prone to perform better and accomplish high results in the presence of affective commitment and these employees become highly valuable and produce excellent results in performance compared to employees who exhibit continuous organizational commitment (Allen & Meyer, 2000; Meyer et al., 2004). Hansen et al. (2011) has also contended that “stakeholders’ perceptions about CSR may be more important than the CSR activities themselves, since these perceptions are what constitute the reality upon which stakeholders base their decision, opinions, and attitudes”. Bouraoui et al. (2019) emphasize corporates to increase their investments on CSR initiatives. Our study incorporates this point of view from both perspectives i.e. emphasizing employee centric approach; also employees’ emotional attachment towards employer (affective commitment) that leads to develop a strong organizational bonding.

There is a positive relationship between perceived CSR and employee’s commitment (Brammer et al., 2007; Collier & Esteban, 2007; Peterson, 2004; Turker, 2009). Although the CSR related material is available publicly, considering the employee characteristics there is a possibility that some of the employees may see the CSR related efforts as satisfactory while the others may not see the same picture and perceive as insufficient as per their personal understanding (Hameed et al., 2016). Affective commitment is a key part of organizational commitment having a strong relationship with the CSR attitudes and practices as per the studies conducted in developed countries. Through corporate reports and indices, we can also measure the CSR, although for this study, employee perceptions are to be considered which are key measures to review the CSR perceptions of employees towards the social and non-social stakeholders. Hence, this has been considered as an appropriate approach. Taking the base of social identity theory and organizational support theory, we build and present the first hypothesis:

- \[ H_1: \text{CSR to employees, social and non-social stakeholders and CSR to customers positively relate to affective organizational commitment} \]

2.3 Corporate Social Responsibility and Organizational Identification

Organizational identification is a situation where an organization and its employees share the same goal and values (Lythreatis et al., 2019). Organizational identification is defined as “a specific form of social identification in which people align themselves in terms of their membership to a specific group” (Ashforth & Mael, 1989; Mael & Ashforth, 1992). Organizational identification additionally speaks to an extensive scope of attitudes and behavior related attributes among the workers of a particular organization. These qualities incorporate reliability, organization citizenship behavior, execution and dispositions towards organizational identification (Dutton et al., 1994). As per social identity theory, the individuals are more inclined to be treated well, categorized with respect and high status among groups (Dutton et al., 1994).
As per Cheney and Tompkins (1987), the organizational identification creates when a representative relates himself/herself to the organization, and needs to proceed with whatever is left of his/her profession with that organization. In light of social identity theory (Ashforth & Mael, 1989), the organizational identification (OID) is the closeness and full of strong feelings from employees with an organization particularly they are part of. Additionally, it is also alluded as an enrollment in an organization by the representatives (Rousseau, 1998). In social identity theory (Tajfel & Turner, 1986), the organizational identification has been abridged as affective and cognitive point of view. In order to strengthen employee identification, organizations should focus on developing a culture of respect and dignity through CSR initiatives (Bouraoui et al., 2019).

To improve the organizational identification, it is essential to have a positive outer image of the organization in view of its internal members (Ashforth & Mael, 1989; Dutton et al., 1994). At this point, when employees see that external stakeholders have positive vibes and feedback about the organization, they are likewise liable to feel happy and create positive feelings for the organization they are working for. Additionally, if the employees of an organization see their company being regarded and praised more by others, the organizational identification will probably occur, in light of the fact that it could expand the level of confidence (Dutton et al., 1994). Based on the theoretical evidences provided above, we formulate our second hypothesis:

- **H2**: CSR is positively associated with organizational identification.

### 2.4 Mediating Role of Organizational Identification

One of the important contributions of this study is to examine and assess the mediating role that organizational identification plays in the relationship between CSR and organizational commitment. Carmeli and Schaubroeck (2007) defined a connection between CSR practices and workers hierarchical recognition, as the person's social character is upgraded when there are sentiments of constructive CSR. An organization conducts extensive CSR that results in elevated level of organizational identification and this outcome is achieved by having an affective commitment. Affective commitment is an important component that is closely associated with organizational identification. This enthusiasm and dedication of employees develop solid bond and make them feel a pivotal part of organization. As described above, OID manifest a cognitive bond between the employees and the organization that further strengthens the relationship (Dutton et al., 1994).

People enter in an organization with particular abilities, needs, qualities, objectives, and expect a workplace where they can utilize their skill-set, abilities, enhance their range of skills, discover esteem likeness, and accomplish their objectives alongside the organization. Organization identification is more likely to increase when organization is perceived as facilitator for their employees. On comparative lines, DeCotiis and Summers (1987) expressed that employees feeling high level of organizational identification are highly likely to exhibit high level of affective commitment. As per Westerman and Cyr (2004) normally candidates pick the organizations by assessing the characteristics of their own-self and the organization they are applying for. Once leaders implement and build a
culture of CSR, organizations tend to get quality resource and people feel closer with their organization and start involving and aligning themselves with the core values of an organization, retain talent and deliver the results against their goals (Allen et al., 2017). Based on this causal chain, we have some links between organizational identification and perceived CSR in a particular way, which describes the fundamental relationship between two important variables like affective organizational commitment and corporate social responsibility, thus we present our third hypothesis as:

- **H3**: Organizational Identification has significant effect on affective commitment
- **H4**: Organizational Identification mediates the relationship between CSR and affective commitment.

### 2.5 CSR Strategic Importance and Affective Organizational Commitment

The job seekers do consider organizational norms and an expected psychological contract while pursuing their jobs. Apart from current employees, the job seekers are not able to comprehensively assess the policies and CSR associated programs of an employer unless they have specific referrals working for that employer. However, the applicants can assess the communication on CSR according to their own positive or negative beliefs and attitudes toward CSR. This attitude is a “disposition to respond with some degree of favorableness or un-favorableness to a psychological object” (Ajzen & Cote, 2008). Therefore, while embracing the perspective of job seekers, it is essential to intellectualize CSR as a psychosomatic component. Hence this specific attitude would lead to three key dimensions that is behavioral, affective and cognitive. In current era where talent has utmost importance for any employer, both practitioners and researchers put more emphasis on CSR value proposition. Job applicants are prone to join employers who practice CSR and reject the ones with bad reputation. Millennial generation is more likely to make employment choices based on their moral, ethical and CSR practice in an organization. Millennials that comprise of particular age group, shows deeper compassion toward CSR and ethical issues (Connell et al., 2012; Michailides & Lipsett, 2013), subsequently our analysis are focused on these individuals.

Individuals looking for jobs, tend to find potential employers and try to align their expectations compare to organizational offers (Wanous et al., 1992). Organizations send these signals as hiring strategy to attract talent by sharing their key attributes, organizational norms and values, culture and working conditions. Job seekers use these signs as predictors of building future employment relationships (Turban & Greening, 1997). By doing this, organizations make themselves more attractive towards perspective employees with effective CSR communication strategies (Backhaus et al., 2002). Stawiski et al. (2010) proposed that the significance, value and strategic importance of CSR is likely to improve in upcoming years because of the reason that there is high understanding being developed among people around the world related to social and environmental effects of firms. Based on these facts and theoretical relationship, we present our fifth hypothesis:

- **H5**: CSR strategic importance moderates the relationship between CSR and affective organizational commitment such that when CSR strategic importance is
high among the employees, then the relationship between CSR and affective commitment become stronger and vice versa.

2.6 Social Identity Theory

As per social identity theory, when people feel the membership and bonding with specific organizations, their positive self-concept is developed (Ellemers & Haslam, 2012). As per Tajfel and Turner (1986) when employees categorize themselves within existing groups that result in provoking positive social identity, also categorized as in-group; conceded with high self-confidence as compared to rest of the teams, which is known as an out-group. In order to develop and sustain a positive notion in an organization, the in-group can possibly be famous from out-bunches by one of a kind and good stages. People incline towards and desire to have a place with a group who is more supportive in nature; otherwise, they would move to other out-group with better fulfilling conditions as perceived by employees.

Mael and Ashforth (1992) has emphasized the implication of social identity theory within organizations and concluded that people would consider it in a positive manner when they see that their organization is being valued by other people or admired by public. Likewise, it implies that organization increases the commitment level among employees by ensuring and implementing the process of social identification. People additionally get input from the outsides and society about their organization and then realize themselves what other people feel on the same (Tyler, 1999). In particular, employees assess the perception of people from outside, what they think about their organization and their point of view and associate their values and standards accordingly (Tajfel & Turner, 1986; Tyler, 1999). Social identity theory likewise portrays in a way that the individual-idea of people resembles with their personality and to their interests and aptitudes, which at last turns into the reason for social identity classification (Tajfel & Turner, 1986). These individuals sort themselves as well as other people into various consistent gatherings after self-assessment related to the traditional qualities that may be perceived by themselves or from others around them. Based on the directions of relevant literature, this study developed a research framework illustrated as Figure 1.
3. Methodology

3.1 Sample

The research was conducted within five telecom companies of Pakistan, i.e. Telenor, Mobilink, Ufone, PTCL and Zong. We distributed 300 questionnaires among the population and received 240 responses with a success rate of 87%. Total 31 responses were excluded from study because of incompleteness and considered 229 (N=229) as sample size. Survey has covered five demographic dimensions i.e. gender, age, qualification, role in organization and name of the organization. The first demographics was gender, which was sub categorized as male and female population. Out of total 229 surveyed respondents, 164 were males and 65 were females which constitute 72 and 28 percent respectively. The second demographic was age, which was further divided into sub groups. Age group 20 to 25 has 29 respondents with a 12.7%, age group 26 to 30 has 85 respondents with 37%, age group 31 to 35 constitutes 49 respondents with 21.4%, age group 36 to 40 has 51 responses with 22.3%, age group of 41 to 45 consists of 9 responses with 3.9% and 46+ age group constitutes 6 respondents with 2.6%.

Third survey dimension was qualification level of employees. It turned out that only 0.4% employees were with 12 years education, while 7.4 were having 14 years of education. 64% of employees were having graduation degree and 27% have masters level degree and about 1% of the respondents have doctorate level degree. Forth survey dimension was role of employees in their organization. As per sample size, we have 166 employees working at entry level (72.5%), 42 at mid-level management (18.3%), 17
employees were from senior management role with a percentage of 7.4% and only 4 respondents from executive management with a percentage of 1.7%. Fifth dimension was the name of organization, we had 15.7% responses from Telenor, 16.6% from Ufone, 34.5% from Zong, 14.8% from Mobilink and 18.3% respondents belong to PTCL.

3.2 Measures

For this study, primary data has been collected through the survey method from the telecom companies mentioned above in the region of Islamabad and Rawalpindi. This data was statistically evaluated to analyze its significance. Data collection is important part of research study; there are two major types of data collection, primary and secondary data collection sources. For this study, we used the survey approach to collect the data with different approaches such as web-based surveys and paper based surveys.

To assess the items related to CSR, the instrument was adapted from the scale developed by Turker (2009). Participants rated their feelings collectively on 18 items related to four components of CSR which are “CSR towards employees, CSR towards community, CSR towards customer and CSR towards environment” on five point likert scale (i.e. 1=Not at all 2=Very Little 3=To some extent 4=To a large extent 5= To a very large extent). CSR strategic importance instrument was adapted from Etheredge (1999). Participants rated their feelings collectively on 6 items on a five point likert scale (i.e. 1=Strongly Disagree to 5 = strongly disagree). To assess items related to organizational identification, the instrument was adapted from the scale developed by Mael and Ashforth (1992). Participants rated their feelings collectively on 6 items on a five point likert scale (i.e. 1=Strongly Disagree to 5 = strongly disagree). Items related to organizational affective commitment were adapted from Meyer and Allen (2004). Participants rated their feelings on 8 items on a five point likert scale (i.e. 1=Strongly Disagree to 5 = strongly disagree).

4. Results

To analyze data, this study has employed partial least square (PLS) method using Smart PLS 3.0 software to examine the research framework. This study contains second-order reflective-reflective constructs hence PLS is an appropriate approach to be used to determine results. Considering hierarchical component model, this study used two stage approach (Hair et al., 2011). At stage one the construct validity, reliability and assessment of the first order reflective indicators of measurement model were examined, whereas structural model testing was performed at second stage.

4.1 Measurement Model

Measurement model is used to evaluate and examine the Cronbach alpha score for reliability and validity statistics including convergent and discriminant validity (Hair et al., 2014). Composite reliability is used to estimate the internal consistency of constructs or variables, while outer loading is used for item’s reliability. When construct’s validity and reliability is met and set up appropriately, it denotes the normal quality of the connections between the builds or ideas can be deciphered (Peter & Churchill, 1986). Subsequently, guaranteeing that estimation model in research catches what it is planned to evaluate (Campbell & Fiske, 1959).
4.1.1 Reliability Analysis

Factor loading estimation of 0.70 is ideal yet in the exploratory research the value of 0.40 or higher is considered satisfactory (Hulland, 1999). According to Bagozzi and Yi (1988) for internal consistency of construct, estimation of composite reliability (CR) ought to be at 0.70 or above, yet 0.60 or above is considered as worthy if there should be an exploratory research. Construct reliability has been established after removing those indicators whose values are less than 0.50 (Zaman et al., 2019). Detail results of reliability are stated in table 1.

4.1.2 Validity Analysis

4.1.2.1 Convergent Validity

Convergent validity indicates the intensity of the items that are being utilized to measure the idea are in concession. Cheung et al. (2015) stated that to identify any item which is not related to the measurement, convergent validity is used. To measure convergent validity we use average variance extracted (AVE) value in Smart PLS. Value of average variance extracted (AVE) should be 0.50 or greater (Bagozzi & Yi, 1988; Zaman et al., 2019). Results of convergent validity are summarized in Table 1.

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment</td>
<td>0.863</td>
<td>0.894</td>
<td>0.518</td>
</tr>
<tr>
<td>CSR</td>
<td>0.913</td>
<td>0.927</td>
<td>0.514</td>
</tr>
<tr>
<td>CSR Importance</td>
<td>0.755</td>
<td>0.833</td>
<td>0.502</td>
</tr>
<tr>
<td>Organizational Identification</td>
<td>0.851</td>
<td>0.89</td>
<td>0.574</td>
</tr>
</tbody>
</table>

4.1.2.2 Discriminant Validity

Discriminant validity determine and assert that whether concepts and measurements are being evaluated is actually unique or extraordinary and validates that the condition being viewed is not apprehended by various measures in SEM. According to Campbell and Fiske, (1959), all together for discriminant legitimacy to set up association between measures that ought to change from each other shouldn’t be unreasonably at higher side. In case discriminant validity isn’t avowed; which suggests that the components have an impact on the difference is higher than the hypothesically related variable; than hence, scholars would not have the alternative to insist the aftereffects of speculated basic ways that whether they are real or are a result of quantifiable and symptomatic inconsistencies.

In this novel circumstance, consideration of discriminant legitimacy evaluation has ended up being one of the most huge and essential practice in SEM assessment. Three methodologies are utilized to quantify discriminant validity:

- Fornell-Larcker criteria.
- Heterotrait-heteromethod ratio (HTMT) criteria.
- Cross loadings
Heterotrait - Monotrait Ratio (HTMT).

To manage discriminant validity, HTMT measure is considered a best approach, for instance, Fornell-Larcker criterion and partial cross-loadings. This strategy helps in to achieve high affectability and affectability rate through multiple conditions. HTMT procedure is effective in appraisal of relationship of variables transversely thoughts assessing particular phenomena (Henseler et al., 2015). If the HTMT evaluation of variables that have a spot with two distinctive develop is more diminutive than one; by then this infers the two builds vary from one another (Henseler et al., 2015). HTMT is appeared differently in relation as far as possible and worth higher than the edge infers that discriminant validity did not set up.

- HTMT.85 (Clark and Watson, 1995; Moore et al., 2012)
- HTMT.90 (Gol et al., 2001; Henseler et al., 2015)
- HTMT inference - assessed by using bootstrapping routine.

Bootstrap strategy gives the confidence intervals where upper certainty ought to be underneath 1 (Valaei & Jiroudi, 2016). If HTMT worth is ≥1 this implies the acceptance of null hypothesis, which demonstrates absence of discriminant validity (Henseler et al., 2015). Table 2 demonstrates HTMT results.

| Table 2: Discriminant Validity – Heterotrait - Monotrait Ratio (HTMT) |
|-----------------|-------|-------|------|
| Aff. Commit     | -     | CSR   | CSR Imp |
| CSR             | 0.737 | -     | -     |
| CSR Imp         | 0.492 | 0.524 | -     |
| Org. Ident      | 0.872 | 0.647 | 0.426 | -     |

4.2 Structural Equation Model

Bootstrapping procedure has been applied after building adequate confidence and establishment of measurement model, for the testing of hypothesis and assessment of structural model. Structural model is used to find the association of path coefficient between the different variables part of study. Goodness of theoretical model which is created by path estimates significance level and endogenous variables is described by variance (R²). As per Henseler, (2017), researchers who are using path modeling approach should consider and measure direct effects among variables within hypothesized path model first and after that execute other analysis including mediating and moderating effects to establish a conclusion (e.g. Zaman et al., 2019). R-square value of dependent variable is adequate (0.693) as this value is lie in an acceptable range (Chin, 1998; Henseler, 2017; Hair et al., 2011).

Structural model relations’ analysis explains that affective organizational commitment has a positive relation (0.277) with corporate social responsibilities. With the help of bootstrapping routine, significance level was checked which verified the above relation i.e. p-value (0.000). Results of all tested hypothesis are represented below in Table 4. From the results of above table, value of R² which is 0.693 indicates that 69.3% variation
is observed in dependent variable i.e. affective organization commitment is explained by independent variables i.e. CSR (practices and strategic importance) and organizational identification. Consequently, above results indicate and conclude accuracy and predictive quality of model at a moderate level (Hair et al., 2011; Henseler et al., 2009; Chin, 1998). Fig 2 shows the graphical representation of model.

![Structural Model of AOC](image_url)

**Figure 2: Structural Model of AOC**

Results of Table 3 shows that relationship between corporate social responsibility and affective organizational commitment was positive ($\beta=0.277$, $p=0.000$) which support our hypothesis H1. Our second hypothesis stated that there is a significant relationship between corporate social responsibility and organizational identification. The result of study supported this hypothesis ($\beta=0.589$, $p=0.000$). Similarly, the relationship between
organizational identification and affective organizational commitment was also positive and significant (β=0.494, p=0.000) supporting H₃.

4.5 Mediation Analysis

The indirect effect of potential variables is tested by bootstrapping. For testing the mediation effect bootstrapping is considered as most reliable, powerful and rigorous procedure which is getting more attention from researchers’ perspective (Hayes, 2009, Zhao et al., 2010). For mediation analysis in PLS-SEM, bootstrapping is best suited as it can be applied on small sample size (Hair et al., 2014).

In current study, mediating effect of organizational identification was tested with Smart PLS 3.0 by applying bootstrapping technique with re-sample of 500 and model presented the t-values. Both direct and indirect effect was checked to find the mediation of organizational identification. Direct effect of CSR and affective organizational commitment was significant. After introducing mediating variables that is organizational identification, the relationship between CSR and affective organizational commitment was still significant and increases slightly (β=0.290, p=0.000). These results showed that organizational identification partially mediates the relationship between CSR and affective organizational commitment which support our hypothesis H₄.

Table 3: Significant Testing Results of the Structural Model Path Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Beta</th>
<th>S.D</th>
<th>t value</th>
<th>P Values</th>
</tr>
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<tbody>
<tr>
<td>H₁</td>
<td>CSR -&gt; AC</td>
<td>0.277</td>
<td>0.057</td>
<td>4.831</td>
</tr>
<tr>
<td>H₂</td>
<td>CSR -&gt; OID</td>
<td>0.589</td>
<td>0.051</td>
<td>11.443</td>
</tr>
<tr>
<td>H₃</td>
<td>OID -&gt; AC</td>
<td>0.494</td>
<td>0.051</td>
<td>9.688</td>
</tr>
<tr>
<td>H₄</td>
<td>CSR -&gt; OID -&gt; AC</td>
<td>0.29</td>
<td>0.037</td>
<td>7.755</td>
</tr>
<tr>
<td>H₅</td>
<td>CSR x CSR Imp -&gt; AC</td>
<td>0.175</td>
<td>0.087</td>
<td>2.014</td>
</tr>
</tbody>
</table>

4.6 Moderating Analysis

Moderation effect of CSR strategic importance was check by Partial least squares – SEM method recommended by Rigdon et al. (2010). Table 3 shows that our first hypothesis i.e. there is a significant relationship between CSR and affective organizational commitment, was supported (β=0.277, p=0.000). Our fifth hypothesis stated that CSR importance significantly moderates the relationship between CSR and affective organizational commitment. Results from table 3 showed that CSR strategic importance significantly moderate the relationship between CSR and affective organizational commitment (β=0.175, p=0.045), hence supporting H₅.

5. Discussion

This study was primarily conducted in Pakistan telecom sector with an objective to analyze the association of CSR and affective commitment of employees towards the organization, organizational identification playing a mediating role and the moderation effect of CSR strategic importance. Demographic results were reviewed along with descriptive of variables. Subsequently, by evaluating the SEM results we found that the variables i.e. CSR (and its strategic importance), organizational identification and
affective commitment revealed significant positive relationships, which provided support towards the acceptance of our hypothesis one to three.

On further examining the mediating role of organizational identification (OID) between CSR and affective commitment of employees towards organization. Results clearly indicate that organizational identification play a key role to mediate the relationship between CSR and affective commitment, i.e. if the organizational identification is high, it further improves the affective commitment of employees, which has provided support towards the acceptance of the fourth hypothesis. Apparently these results are supported by recent study conducted by Bouraoui et al. (2019). The moderation impact of CSR strategic importance was examined on the relationship of CSR and affective commitment. Study results reveal that CSR strategic importance moderates the relationship between the two variables. Such that when CSR strategic importance is high among the employees, then the relationship between CSR and affective commitment become stronger and vice versa, which provided support towards the acceptance of our fifth hypothesis.

This study utilized five main hypotheses to test the proposed model that also included the mediating and moderating role of organizational identification CSR strategic importance respectively. Hypothesis developed as part of this study on the basis of literature review has supported the concept that CSR positively influence to improve and enhance employees’ affective commitment which is helpful (Bouraoui et al., 2019) for every organization aiming to make their workers more productive and achieve the business outcomes. Organizational identification further strengthens this relationship and contributes further to improve the affective commitment in employees (Hameed et al., 2016). Based on the theoretical evidences we have noted that when organization enforce CSR practices, subsequently elevated levels of organizational identification and business outcomes can be achieved driven by affective commitment. Organizational commitment (affective) is meticulously associated and considered as an important element of organizational identification. Based on this perseverance, employees feel more connected, stay positive and consider themselves an essential part of organization that also leads to build strong relationship and emotional attachment with that organization. In presence of organizational identification, the employees remain part of their firm without any feeling of obligation and work for longer durations with zeal and strength (Balay, 2000). Hence, the SEM results supported our hypothesis 1 to 5.

In context of Pakistan telecom sector, workplace that ensures CSR practices to engage employees, flourish positive feelings among the employees, teams and organization get maximum benefit out of it. Moreover, telecom sector in Pakistan tend to get high level of societal repute, hence attract top talent and retain employees for a long time. This is conditional and only applicable when employer and organizations shows commitment towards the employees, society, environment and customers. This helps to have positive influence on the employees and they work with high level of dedication, thus positively impact the business performance. Along with that people get the opportunities to build their expertise and grow themselves as professionals and improve their lifestyle. According to study results the CSR implications with respect to building organizational commitment among employees are in line with multiple sectors across different geographies. Recent study conducted by Abdulai and Hinson (2012) in Ghana telecom
sector has identified positive CSR influence in behavioral components resulting in high performance. Similarly, Batool, Butt and Niazi (2016) has revealed positive CSR outcome in private and public sector of Pakistan. A qualitative study was conducted by Khan, Lew and Park (2015) in multinational organizational context that found CSR to be an important initiative to develop employee bonding and to attract high-talent.

5.1 Study Implications

This study has academic as well as managerial implications. Considering telecom sector of Pakistan this study adds value for academicians to understand the essential aspects of promoting CSR practices in organizations that drive high commitment level of employees towards organization. Mediating role of organizational identification remain least-investigated in the context of telecom sector in Pakistan however this study has made key contribution towards this context. Scale validation and hypotheses testing was performed as part of this framework which justify the findings in context of a developing country i.e. Pakistan which is aligned with the similarity of findings in the developed world. The research has also enhanced the body of knowledge regarding the study variables, especially examining the moderating effects of CSR strategic importance and how this influences the CSR outcomes towards affective commitment.

This theoretical model has implications for organizational heads, HRM practitioners, business segment managers, strategic executives and board members to concentrate on the strategic importance of CSR in organizations. Considering telecom sector of Pakistan which is a lucrative employment option for fresh graduates make it imperative to prioritize CSR initiatives. Our study findings showed that by promoting the CSR culture will result in getting high level of confidence from employees that ultimately creates positive effect on employee’s performance. Another important point to remember for HR managers is that evoking organizational identification amongst employees will lead to developed sense of strong bonding when backed by CSR practices. This will help them to get higher performance and feel more accomplished. Employers should keep specific investment budgets to promote CSR practices to attract and retain talent that leads to higher business outcome. It is recommended for telecom companies in Pakistan to design CSR programs and manage such initiatives in a centralized manner along with other business projects.

5.2 Study Limitations

The prominent contribution of this study is defining the relationship of CSR with affective commitment via mediating role of organizational identification and moderating role of CSR strategic importance. According to study results, organizational identification is an important component and a key contributor to improve employees’ affective commitment backed by CSR (and its strategic importance). Although our research achieved its objectives but there were some unavoidable limitations. Telecom sector being very large in Pakistan was out of scope for this research due to time constraints, geographical limitations and resources. In telecom sector, the research was limited to a set of mobile companies, small portion of landline and data providers in Pakistan. Firstly, generalizing the study cannot be ensured to other setting due to limited choices of scientific sampling scheme in Pakistani business environment as the employees tend to
have information for several reasons. Secondly due to limited availability of time, the researcher had to adopt convenience sampling to get the maximum sample size of survey responses. Moreover, this study is cross-sectional as data was collected just once from the respondents due to limited time and resources.

Despite this in-depth analysis of CSR (and its strategic importance), organizational identification and affective commitment there are still some areas that need to be studied in more details. It is expected that this study may create interest of future researchers in the education and banking sector, hence more studies are needed specifically in Pakistan and other developing countries. For in-depth analysis, data can be collected from multiple cities of Pakistan by adopting random sampling approach. Furthermore, longitudinal studies can be done and future investigations may also undertake a comparative approach. Private and public sector may be focused and compared regarding the implications of practices to promote CSR and its impact on employees’ affective commitment towards employer. The outcomes of such research could help in reducing the gap between both sectors and maximize the business outcomes.

Additionally, it must be of worth testing the model with introduction of other mediating and moderating variables, such as employee motivation, transformational leadership, innovation, organizational trust and turnover intentions of employees. Researchers should incorporate this research study to do the impact analysis of organizational performance as a whole. Finally, future studies can also take an approach of reviewing CSR towards employees in parallel with managerial view point. Such as CSR outcome with respect to employees needs to be compared with managerial thought process. Such study in parallel would help researchers to understand whether perceptions and experiences are same or different in varying hierarchical positions and roles. There is much more to be investigated which helps in achieving better performance and well-being of employees.

6. Conclusion

Corporate social responsibility (CSR) practices are found to be an essential component in Pakistan telecom sector that increase employees’ commitment towards organization, build interest and drive employee engagement that leads to better business outcome. The interest level is being continuously developed among the corporations to accept the CSR practices. The formation of CSR is based on the belief and norms, which are to be pursued by the companies with a focus on activities to be socially responsible and their key contribution towards the welfare of the community around. Strategic importance of CSR is getting high attention over the years and now a days it is utmost important for the companies to be compliant. It has now become a vital area of interest for organizations because of increased interest of organization’s involvement in social and ethical responsibilities. This eventually help organizations to project a better image in the society, attract top talent and achieve business results. Despite weak institutional framework in Pakistan, some employers are focused on community development, health, education and environmental protection projects (Khan et al., 2015).

Corporations that adopt CSR practices gradually disseminate within their daily routine businesses (Aguinis & Glavas, 2012). Employee perceptions is one of the core element and an important component that has strong impact on employees’ behavior, attitude and performance compare to firm’s actual behaviors which they might not be aware of (Rupp
et al., 2013). Affective commitment part is relevant to employees’ emotional bonding with their company they are working for, is found to be a most powerful tool to improve the employee engagement and affective commitment. There is a positive relationship between perceptions of CSR and employee’s commitment. Organizational identification additionally speaks to an extensive scope of attitudes and behavior related attributes amongst workers of a particular organization and further enhance the employees’ commitment with the organization. Despite the fact there is limited understanding of CSR strategic importance among general public in Pakistan where majority of population belong to rural areas and hence CSR concepts is negligible, we still have some profound organizations playing key role to enhance the CSR strategic awareness (Batool et al., 2016).

In conclusion, we can state that employees’ CSR experiences often leads to commitment from employees towards employer. In this respect, management should establish CSR model and emphasize on its strategic importance at the workplace. In case of failure to compliance with CSR, it would lead to low commitment level amongst employees and higher cost to business. Executives and managers should highly emphasize on CSR implementation and adoption of practices to ensure the acceptable working place for employees that will result in achieving higher business outcome.

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