

**CORPORATE SOCIAL RESPONSIBILITY AND EMPLOYEE
ENGAGEMENT: ROLE OF ORGANIZATIONAL
IDENTIFICATION AND EMPLOYEES' LOWER-ORDER
NEED STRENGTH**

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**FACULTY OF ECONOMICS AND ADMINISTRATION
UNIVERSITY OF MALAYA
KUALA LUMPUR**

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Field of Study: Human Resource Management

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ABSTRACT

In recent years, a growing number of studies have been carried out regarding the benefits of corporate social responsibility (CSR), while very little attention has been paid to how the perceived external and internal CSR initiatives influence the employees' positive work-related attitudes with regard to employee engagement. Furthermore, employee engagement is a crucial factor for companies in order to gain sustainable business results. Nevertheless, the percentage of the engaged employees in organizations around the world, especially in Asia is not satisfactory.

In spite of the fact that CSR is considered as one of the significant drivers of employee engagement, little is known about the effect of CSR on employees, their attitudes and reactions to, as well as their role in the success of CSR programs in motivating workplace. Besides, most of the studies have been carried out in Western context and the employees' attitude toward CSR has been largely remained unexplored in developing countries, including Iran. Furthermore, a few recent studies demonstrated that CSR initiatives may foster organizational identification, but there is a lack of empirical support about the mechanism of the mediation effect of organizational identification between CSR and engagement. In addition, considering that developing countries face dramatic changes in economic and social issues, it can be anticipated that increasing employees' deficiency needs play an important role in employees' reactions toward company policies. Therefore, probably, if they feel that organization policies are not in line with to meet their deficiency needs, some employees may oppose to CSR initiatives and react with negative behaviours.

This study aims to investigate the effect of perceived external and internal CSR on employee engagement by considering the role of employees' lower order need strength

(LONS) and identification as well as to identify the employees' opinion towards CSR programs.

This study involves a sample of 1080 employees from four selected organizations in Iran which are pioneers in conducting CSR activities. Structural Equation Modeling (SEM) was used to evaluate the proposed model and testing hypothesis. The analysis of hypothesis supports the positive effect of the perceived external and internal CSR on employee engagement as well as the mediating role of organizational identification and moderating role of employees' LONS are proven in the above relationship. Twelve interviews were further conducted to gain a comprehensive understanding in the subject and further knowledge development.

This thesis also contributes to the theoretical and practical knowledge, for the first time in providing the evidence on the relationship between perceived external and internal CSR (as a second order construct) and employee engagement. These findings extend the application of the underpinned theories (e.g. social identity theory, social exchange theory and justice theory) in explaining the relationships between CSR, employee engagement, and organizational identification.

Practically, this research provides a deeper understanding and further insights for business managers in developing countries provided they consider the strength of employees' LONS and identification in determining their CSR policies.

ABSTRAK

Sejak kebelakangan ini, terdapat pertambahan dalam jumlah kajian tentang faedah Tanggungjawab Sosial Korporat (CSR), sedangkan terlalu sedikit perhatian diberikan kepada isu bagaimana tanggapan inisiatif CSR luaran dan dalaman mempengaruhi sikap kerja positif berkaitan penyertaan pekerja. Tambahan pula, penglibatan pekerja adalah faktor kritikal kepada syarikat untuk memperoleh hasil perniagaan yang mampan. Walau bagaimanapun, peratusan penyertaan pekerja di serata dunia, terutama di Asia masih belum mencapai tahap yang memuaskan.

Walaupun CSR dilihat salah satu pemacu penting dalam penyertaan pekerja, terlalu sedikit diketahui tentang impak CSR ke atas pekerja, tabiat mereka, dan reaksi mereka terhadap CSR, serta peranan mereka dalam kejayaan program CSR ke atas persekitaran bekerja yang memberangsangkan. Selain itu, kebanyakan kajian telah dijalankan dalam konteks Barat manakala kesan sikap pekerja terhadap CSR masih belum disiasat di negara membangun seperti IRAN. Beberapa kajian terkini menunjukkan inisiatif CSR mungkin menggalakkan pengecaman organisasi, tetapi terdapat kurang bukti empirikal mengenai mekanisme tentang peranan pengecaman organisasi sebagai pengantara antara CSR dan penglibatan pekerja. Memandangkan negara membangun menghadapi perubahan dramatik dalam ekonomi dan isu sosial, dapat dijangkakan bahawa peningkatan kadar pekerja dalam kemahuan yang tidak tercapai (*deficiency needs*) memainkan peranan penting dalam reaksi pekerja terhadap dasar-dasar organisasi. Maka, sekelompok pekerja mungkin membantah inisiatif CSR sekiranya mereka percaya dasar organisasi tidak selari dengan keperluan mereka dan menunjukkan tabiat negatif.

Kajian ini bertujuan meneliti kesan tanggapan CSR luaran dan dalaman terhadap penyertaan pekerja dengan mengambilkira kekuatan aras rendah pekerja (LONS) dan identifikasi dan juga mengenalpasti pendapat pekerja terhadap program CSR.

Kajian ini menggunakan sampel 1080 pekerja daripada empat organisasi terpilih di Iran yang menjadi pelopor aktiviti CSR. Structural Equation Modeling (SEM) digunakan untuk menilai model yang dicadangkan dan menguji hipotesis. Analisa hipotesis menyokong kesan positif CSR luaran dan dalaman ke atas penyertaan pekerja serta peranan pengantara OI dan peranan LONS pekerja sebagai pengesan dibuktikan. Dua belas temuramah dijalankan untuk meninjau kefahaman dalam bidang ini.

Tesis ini menyumbang dalam pengetahuan teoretikal dan praktikal menghasilkan, buat pertama kalinya, membuktikan hubungan antara tanggapan CSR luaran dan dalaman (sebagai konstruk darjah dua) dan penyertaan pekerja. Penemuan ini mengembangkan aplikasi teori yang berkaitan (contoh teori identiti sosial, teori pertukaran sosial, dan teori tanggapan keadilan pekerja) dalam menjelaskan hubungan antara tanggapan CSR luaran dan dalaman, penyertaan pekerja, dan pengecaman organisasi.

Secara praktikal, kajian ini memberi pemahaman mendalam dan pandangan lebih jauh kepada pengurus perniagaan di negara-negara membangun asalkan kekuatan LONS pekerja dan identifikasi dalam menentukan polisi CSR diberi perhatian.

DEDICATION

*To my beloved parents,
for a debt I can never repay*

and,

*To my brothers who sacrificed their welfare for me to
continue my higher education overseas*

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TABLE OF CONTENTS

Abstract	iii
Abstrak	v
Dedication	vii
Acknowledgements	viii
TABLE OF CONTENTS	ix
LIST OF FIGURES	xv
LIST OF TABLE	xvi
List of Symbols and Abbreviations	xviii
Chapter 1 Introduction	1
1.1 Overview	1
1.2 Background of Study	1
1.3 Problem Statement	8
1.4 Significance of Study	12
1.5 Research Questions	14
1.6 Research Objectives	14
1.7 Scope of Study	15
1.8 Thesis Structure	16
Chapter 2 Literature Review	18
2.1 Overview	18
2.2 Corporate Social Responsibility	18

2.2.1 Evolution of CSR.....	19
2.2.2 External and Internal CSR.....	23
2.2.3 Corporate Social Responsibility and Employee Attitudes and Outcomes.....	26
2.2.4 CSR Standards.....	38
2.2.5 Criticism on CSR.....	38
2.3 CSR in Iran.....	39
2.3.1 Corporate Social Responsibility in Iran.....	41
2.3.2 CSR Researches in the Context of Iran	45
2.3.4 Centre of Promoting CSR in Iranian Organizations	49
2.3.5 Background of Selected Organizations in this Research.....	50
2.3.5.1 Kaveh Bandage, Gauze and Cotton	51
2.3.5.2 Pakshoo	53
2.3.5.3 Kayson	55
2.3.5.4 Saipa.....	56
2.4 Employee Engagement and the Theoretical Underpinning.....	59
2.5 Importance of Employee Engagement	67
2.6 Employees‘ Need Strength and the Theoretical Perspective.....	69
2.7 Organizational Identification.....	79
2.10 Identification of Research Gaps	83
Chapter 3 Conceptual Framework and Hypothesis Development	87
3.1 Overview	87
3.2 Conceptual Framework	87

3.2.1 Organizational Justice Theory	88
3.2.2 Social Identity Theory	90
3.2.3 Social Exchange Theory	92
3.3 Research Hypotheses.....	94
3.3.1 Perceived External CSR and Employee Engagement	95
3.3.2 Perceived Internal CSR and Employee Engagement.....	97
3.3.3 Mediation Effect of Organizational Identification	100
3.3.4 Moderating Role of Employees' Lower-Order Need Strength.....	103
Chapter 4 Research Methodology	108
4.1 Overview	108
4.2 Research Paradigm	108
4.3 Research Method, Strategy and Process	110
4.4 Quantitative Research Design	114
4.5 Sampling.....	115
4.5.1 Target Population and Unit of Analysis	115
4.5.2 Justification of Selected Companies.....	116
4.5.3 Sampling Technique	117
4.5.4 Sample Size	118
4.6 Measurement of Constructs.....	118
4.6.1 Second- Order Reflective Constructs	119
4.6.2 Organizational Identification.....	125
4.6.3 Employee Engagement.....	125

4.6.4 Lower-Order Need Strength	126
4.7 Translation Process	127
4.8 Pilot Study	128
4.9 Data Collection Procedures	137
4.10 Timeline	139
4.11 Data Analysis	139
4.12 Measurement and Structural Models Using Partial Least Square.....	141
4.12.1 Measurement Model	141
4.12.1.1 Internal Consistency.....	141
4.12.1.2 Indicator Reliability	142
4.12.1.3 Convergent Validity	143
4.12.1.4 Discriminant Validity.....	143
4.12.2 Structural Model	144
4.13 Demographic Measures.....	144
4.13.1 Control Variables.....	146
4.14 Mediating Relationship	146
4.15 Moderating Relationship	147
4.16 Qualitative Data Collection and Sample	150
4.17 Interview Protocol Development	152
4.18 Qualitative Data Analytic Procedure.....	152
Chapter 5 Results of Quantitative and Qualitative Phases.....	155
5.1 Overview	155

5.2 Measurement Model.....	155
5.2.1 Reliability	156
5.2.2 Convergent Validity.....	157
5.2.3 Discriminant Validity	161
5.3 Common Method Bias	166
5.4 Structural Model and Hypothesis Testing.....	166
5.4.1 Mediating Analysis.....	171
5.4.2 Moderating Analysis.....	175
5.5 Findings and Discussion of Qualitative Phase.....	178
Chapter 6 Conclusion, Discussions and Implications.....	204
6.1 Overview	204
6.2 Conclusion.....	205
6.3 Discussion of Findings	207
6.4 Contributions.....	219
6.4.1 Contribution to the Body of Knowledge and Theory	219
6.4.2 Methodological Contributions.....	221
6.4.3 Contextual Contributions.....	223
6.5 Managerial Implications.....	223
6.6 Limitations	226
6.7 Recommendations for Future Studies	227
References	230
Appendix A1 - Questionnaire (English Version)	262

Appendix A2 - Questionnaire (Persian Version).....	268
Appendix B1 - Interview Protocol (English Version)	274
Appendix B2 - Interview Protocol (Persian Version).....	276
Appendix C - Figure of Control Variable Assessment.....	278

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LIST OF FIGURES

Figure 3.1: Justice Theory	89
Figure 3.2: Conceptual Framework.....	94
Figure 4.1: Research Process	113
Figure 4.2: Measurement Model of Pilot Study	136
Figure 4.3: A Simple Model with a Moderating Effect (d).....	148
Figure 5.1: Measurement Model	161
Figure 5.2: Structural Model	170
Figure 5.3: Hypotheses Results.....	171
Figure 5.4: Illustration of a Mediation Design.....	172
Figure 5.5: Illustration of the Moderator Variable.....	175
Figure 5.6: Interaction Effects of PECSR and Employees' LONS on Employee Engagement	177
Figure 5.7: Interaction Effects of PICSR and Employees' LONS on Employee Engagement	178

LIST OF TABLE

Table 2.1: Empirical research on CSR and Employee Attitudes and Outcomes	34
Table 4.1: Justification of Selected Companies	116
Table 4.2: Appropriate Sample Size (Krejcie & Morgan, 1970)	118
Table 4.3: External CSR Items.....	121
Table 4.4: Internal CSR Items.....	123
Table 4.5: Organizational Identification Items (Mael & Ashforth, 1992)	125
Table 4.6: Employee Engagement Items (Schaufel et al., 2006).....	126
Table 4.7: Lower-Order Need Strength Items.....	126
Table 4.8: Measurement Model in Pilot Study	131
Table 4.9: Cross-Loadings of Items in Pilot Study	134
Table 4.10: Discriminant validity of Pilot Study	136
Table 4.11: Data Distribution.....	138
Table 4.12: Demographic of Respondents (n=1080)	145
Table 4.13: Sample of Qualitative Phase	151
Table 5.1: Measurement Model	158
Table 5.2: Discriminant Validity of Constructs	163
Table 5.3: Cross-Loadings of Items	164
Table 5.4: Inter-Construct Correlations	166
Table 5.5: Hypotheses Results	169
Table 5.6: Summary of Mediation Analysis	174
Table 5.7: Themes Analysis of Employee Reactions to External CSR	183
Table 5.8: Themes Analysis of Employee Reactions to Internal CSR	188
Table 5.9: Themes Analysis of the Role of Identification between External CSR and Employee Engagement	191

Table 5.10: Themes Analysis of Identification Role between Internal CSR and Employee Engagement	192
Table 5.11: Themes Analysis of LONS between External CSR and Employee Engagement	198
Table 5.12: Themes Analysis of LONS between Internal CSR and Employee Engagement	202

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LIST OF SYMBOLS AND ABBREVIATIONS

AC	:	Affective commitment
AVE		Average variance extracted
B.I.D	:	Business Initiative Directions
CBSEM		Covariance-based structural equation modelling
CA		Cronbach Alpha
CFA		Confirmatory factor loading
CI		Confidence interval
CR		Composite reliability
CSR	:	Corporate social responsibility
DNV	:	Det Norske Veritas
ECI	:	Earth Charter Initiative
G3	:	Global reporting organization
GPN	:	Global Partner Network
HR	:	Human resource
HRD	:	Human resource development
HRM	:	Human resource management
ISO	:	International Organization for Standardization
LL		Lower level
LONS		Lower-order need strength
LONs		Lower-order needs
LV		Latent variable
MNs	:	Multinational companies
NGOs	:	Non-governmental organizations

NSQ	:	Need satisfaction questionnaire
OBD	:	Outside directors on the board
OCB	:	Organizational citizenship behaviour
OECD		Occupational health and safety development
PECSR	:	Perceived external corporate social responsibility
PICSR	:	Perceived internal corporate social responsibility
PLS		Partial least square
QWL	:	Quality of work life
SEM		Structural equation modelling
SR		Social responsibility
SET	:	Social exchange theory
SIT	:	Social identity theory
SA8000	:	Social Accountability 8000
TQM	:	Total Quality Management
UL		Upper level
UNICEF	:	United Nations Children's Fund
UWES	:	Utrecht Work Engagement Scale

Chapter 1

Introduction

1.1 Overview

This chapter provides an overview of the purpose and significance of this study. It presents a review of the concepts of corporate social responsibility (CSR) and employee engagement from different perspectives. Problem statement is presented along with the background of the study. Then, the research questions and objectives as well as the scope of the study are provided. In the final stage, an outline of the thesis is presented.

1.2 Background of Study

CSR has lately drawn tremendous attention of researchers from different perspectives (Dentchev, 2005). It should be highlighted that although CSR is considered as one of the most distinguished concepts and has been debated among the researchers for more than 50 years, it is yet challenging to explore an accepted and accurate definition that is acknowledged by all the researchers (Sen & Bhattacharya, 2001).

Bowen (1953) was among the first researchers tried to give a definition of the CSR as “to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (p. 6) and emphasized on it as an obligation for everyone in his/her business. Consequently, the next decade experienced a huge rise in the amount of the scientific discussions in CSR studies. These researches concentrated on finding a substantial definition for social responsibility along with its significance in business and in public (Carroll & Shabana, 2010). Davis (1960), in the early years of 1960s, gave a definition of CSR as the collection of the activities or choices businessmen make beyond the company’s

business-related and technical advantages. Moreover, it was in 1963 that McGuire differentiated social responsibility (SR) as the initial concept of the CSR from the four obligations of legal, economic, ethical and technical.

Later in the next decade, in order to approach the issues of CSR, most of the company managers applied traditional managerial methods with a majority of them using the enlightened self-interest model (Carroll, 2008). This model implies that it is necessary for companies to contribute their money in the projects with the present value of the exclusive benefit stream lower than the amount of deducted private costs (Keim, 1978). In the same decade, Davis (1973) held up McGuire's perspective of SR by describing CSR as the responsibilities of the companies towards the concerns which are other than economic, ethical and legal commitments. The CSR definitions given by these authors did not include the economic elements, although Carroll (1979) disagreed with excluding the economic elements. Later, Carroll (1979, p. 500) gave the definition of CSR –“The social responsibility of business that encompasses the economic, legal, ethical, and discretionary expectations which society has of organizations at a given point in time”.

Actually, in 1970s, CSR evolved as a highly recognized approach employed by companies for long period plans of profit maximization. The organizations were employing it as a combative method which is considered as a strategy that can help organizations to boost their social and economic stability. Finally the progress of CSR started to drop off in 1980s and 1990s with fewer endeavours to give a definition of CSR (Carroll, 1999). In 1980s, Carroll and Shabana (2010) quit providing more definitions of CSR and began to focus on the point that CSR is an effort to help the companies to establish ethical perceptions. It lingered to be considered as a course of

business ethics, corporate social responsiveness, public policy, and stakeholder management which each of them has an important role in the concept of CSR in 1980s.

Moreover, it should be mentioned that 1990s was the time when CSR emerged with other concepts like corporate citizenship, business ethic theory, corporate social performance and stakeholder theory (Carroll, 1999). Eells and Walton (1974) have stated, “In its broadest sense, corporate social responsibility represents a concern with the needs and goals of society which goes beyond the merely economic” (p. 247). It is necessary to be mentioned that in this research, the economic element has not been included in the CSR definition. Hence, CSR is described as a corporate act which tends to have a positive influence on stakeholders and extends beyond the economic benefits. This definition of CSR is highly associated with the concept of stakeholder, and holds its roots in stakeholder theory (Carroll, 1991). Based on the principal premise of stakeholder theory, besides the information, competence and commitment from its employees the long run value of a company lies in company’s communication with the customers and investors and other stakeholders (Lee et al., 2012; Wheeler & Sillanpää, 1997).

Several attempts have been made in the previous studies to archive and understand the predictors and the results of CSR for firms (Aguinis & Glavas, 2012; Margoulis & Walsh, 2001; Peloza & Shang, 2011). The researchers mostly focused on the influences of CSR activities on various organizational parameters like financial performance (Luo & Bhattacharya, 2006), economic performance (Griffin & Mahon, 1997), customers’ behaviours as external stakeholder (Luo & Bhattacharya, 2006), and organizational prestige (Fombrun & Shanley, 1990).

At present, in the extremely competitive status of markets, CSR is considered as a necessary tool for majority of firms in respond to various stakeholders (Lai et al., 2010).

In spite of the fact that many researchers approved the function of CSR in motivating employees (Skudiene & Auruskeviciene, 2012), developing organizational commitment, identification as well as organizational citizenship behaviour and work meaningfulness (Bauman & Skitka, 2012), no significant consideration has been made to the influences of internal and external CSR activities independently on the employees as a main internal stakeholder (Lee et al., 2013), specifically on employee engagement as a motivational construct (Bakker et al., 2007), and their identification with the organization (Collier & Esteban, 2007).

Employee engagement is regarded as a notion which has recently been taken from positive psychology; and concentrates on positive involvement rather than shortcomings and defective experiences (Mauno et al., 2007). For the first time, Kahn (1990) introduced the notion of personal engagement in organizations and defined engagement as “the harnessing of organization members’ selves to their roles which, people show and engage themselves cognitively, emotional and physically while doing their role” (p.694).

Engagement concept lies in the belief that every person is required to be able and to express and harmonize himself in his work. Otherwise, engagement cannot be considered as cognitive concepts like job satisfaction or commitment as the employee engagement is more emotional rather than cognitive (Thayer, 2008). Saks (2006) declares that a suitable and appropriate method for the employees to reimburse their companies is through the extent of their engagement. And this is their option to get

engaged in the resources which their company provides them with or not. Moreover, it has been presented in this perception that there is a mutual relationship between the back-up the organization provides and the employee's enthusiasm and eagerness to improve the performance of their team and the individual.

Employee engagement is composed of emotional and psychological relations of the employees and the organizations that is possible to be interpreted as negative or positive attitude which employees have towards their job (Ologbo & Sofian, 2013). Regarding the definition presented by Kahn (1990), employees experience a deeper engagement with their work performance as their reimbursement to the resources provided by their company. Hence, in the case of not providing the employees with the resources, it is highly possible that the employees be dissociated from their role performance and finally quit. Consequently, it can be seen that the extent that employees tend to dedicate their psychological, physical and mental resources to their performance at work is related to financial and socio-emotional resources that their company provide for them (Saks, 2006). But when it comes to greater engagement, it can be seen as linked with declined amount of costs such as less quality error, lower cost of goods and declined turnover (Harter et al., 2002; Schaufeli & Bakker, 2004).

In spite of the fact, the literature related to the area of engagement is getting improved, scholars have observed that academic studies are dragging behind the development and progress of practitioners (Macey & Schneider, 2008; Robinson et al., 2004). Based on Lin (2010), employee engagement is positively influenced by legal, ethical, discretionary and economic which are four aspects of corporate citizenship. She came to the conclusion that corporate citizenship and the success in business are highly related. Therefore, the organizations that improve their citizenship are more probable to build up

trust and engagement in their employees. Sirota Survey Intelligence (2007), likewise, carried out a survey which gave the results that compared with the employees who are staying in less responsible organizations, the employees that are satisfied with their organization's social responsibilities tends to be more creative, positive and more involved. Individuals aim to answer not only to their own needs but also to the society's demands with their job (Benveniste, 2000). Moreover, organizational identification is considered as an important element of an employee's identity since they respond to the achievements of their organizations as their own success (Turker, 2009a). Hence, according to Social Identity Theory (SIT), individuals obtain a positive feeling at the time their company gains a positive image and reputation that it could be the result of committing to CSR. On the other hand, the cooperation with an organization which holds a negative image has a destructive impact on the self-concept of the employees (Peterson, 2004).

SIT implies that the companies which tend to perform CSR activities are probably more appealing businesses, since employees are able to count on developing their self-concept by getting engaged in such firms (Greening & Turban, 2000; Peterson, 2004). Earlier finding of Gavin and Maynard (1975) showed significant relationship between the extent in which an organization carries out its social responsibilities and the extent in which individuals carry their job.

Additionally, it has been confirmed that individuals' attitudes and behavior are highly affected by their realization about the degree of fairness taken in their organization's activity (Cropanzano et al., 2001). They often rely on their own judgment to accept whether the management is trustworthy and honest or not. Then, they merge this kind of judgment with their attitudes towards managers. Previous studies have reported that

employees' perception of CSR leads in psychological, behavioral and attitudinal responses. Moreover, SIT signifies that employees are satisfied with recognizing themselves with careers which hold positive reputation (Ashforth & Mael, 1989; Dutton et al., 1994; Gavin & Maynard, 1975; Maignan & Ferrell, 2001).

CSR is considered as a system through which businesses observe and conduct their performance based on social and ethical standards in order to obtain positive effects on the entire stakeholders (Carroll, 1999). Hence, CSR leads the companies to exceed the ethical norms and react in a way which benefits the society members in general. The point is that employees' attitude towards the company's degree of CSR can influence the employee's own perception of fairness even though they are not directly involved in the unfair acts that the company may have undertaken (Rupp et al., 2006).

Consequently, it can be predicted that perceived CSR has a positive relationship with employee engagement which can be influenced by other factors that affect the perceptions of the employees towards justice of CSR activities performed by the organization. Employee perceptions of corporate morality can affect employee attitudes and behaviour because corporate morality also addresses some basic psychological needs (Bauman, 2012).

According to Maslow (1954) and Herzberg (1966), individuals have higher order needs and lower order needs. In Maslow's point of view, satisfying lower order needs such as payment and security activate the presence of higher order needs including social relations, self-esteem, and self-actualization. Employees' lower-order need strength has been predicted to play an important factor on the relationship between perceived CSR and employee engagement. In other words, if managers do not know what workers'

needs are, they will not be able to set organization programs effectively in line with employees' wants and demands or provide them the opportunity and rewards that can satisfy their basic needs. Lower-order needs should be satisfied first, since higher order needs will not motivate people as long as lower-order needs remain unsatisfied. Therefore, it can be predicted if CSR programs are in contrast with employees' lower-order needs, consequently employees will not support company programs and this dissatisfaction will have adverse effect on their job engagement.

1.3 Problem Statement

Based on Barnett (2007), corporate social responsibility is considered as a system of corporate investment which is defined through a binary adjustment towards the development of societal well-being and of stakeholder relations.

A number of factors influence the effectiveness of CSR; however, the concentration on the stakeholder relations construes that employees can significantly influence the policies of CSR. First of all, employees are able to perform as agents for social development when they motivate their organization to maintain socially responsible attitude (Aguilera et al., 2007). Second, environmental tactics show that in order to guarantee influential CSR activities, it is necessary to have the employees' help (Ramus & Steger, 2000). Third, regarding employees as a group of stakeholders, they observe, assess, criticize and respond to CSR activities and programs (Rowley & Berman, 2000; Wood & Jones, 1995).

Since employees are considered as a significant factor for the companies to gain long-term competitive benefits (Bassi & McMurrer, 2007), it is necessary to analyse the influence of CSR on employees' positive attitudes like employee engagement which has

a noteworthy effect on business outcomes regarding customer satisfaction, productivity, profitability and employee turnover (Harter et al., 2002).

On the other hand, results of the extent researchers and surveys intensify the need of such study in the context of Asian countries. Towers Perrin (2005) released the results of a survey of 85,000 employees internationally regarding the employment engagement which presented the degree of engagement among different countries. On the top of the list is Mexico with the highest level of engagement (40%) and Brazil (31%) and later USA (21%), Canada (17%), European countries (11%) and Asian countries (7%). Based on this study, Asia is at the bottom of the list suggesting the lowest level of engagement among all the countries (Sarkar, 2011). It should also be mentioned that the big part of what has been done on employee engagement is based on practitioner's experiences and consultant firms and surprisingly, there is a lack of academic research in this area (Saks, 2006).

According to Lin (2010) and Towers Perrin (2007), CSR is one of the essential drivers of employee engagement. Moreover, some of the previous studies showed that corporate social responsibility initiatives are able to support organizational identification (Glavas & Godwin, 2013; Kim et al., 2010). This is despite the fact that, many of these researches did not dig the definite essence of such relationship. Although, past researches concentrating on workers' reactions to CSR have verifiably accepted that employees' identification, and self-improvement procedure, supports the effect of CSR on employees' perception (Brammer et al., 2007; Jones, 2010; Peterson, 2004); still, there is lack of empirical support for this mechanism (Jones, 2010).

Although the improvement of the studies on CSR is very fast, there is not a huge literature on the influence of CSR on employees, their role-in and responses to the establishment and implement of CSR activities. There are individuals who may be against the CSR drives due to their view that the fund can be spent in the organization or the corporate philanthropy excuses local, state, and national governments from their duties to support the community (ELLIS, 2008). But this should also be mentioned that their identification with the organizations with positive reputation is not necessarily prompting them to have positive attitude towards CSR (Rodrigo & Arenas, 2008).

In addition, according to World Bank report, the lower economic development level in Iran (\$4,763.30 GDP per capita, at PPP, in 2013), it can be predicted that firms in Iran may not meet lower-level needs of employees as well as developed countries. It should be added that developing countries (e.g., Iran) are highly exposed to the striking - whether positive or negative- social and environmental impacts of globalization, business activities, and economic development (Visser, 2008). Hence, it can be observed that individuals' deficiency need should be considered as a significant point in employees' eyes. If employees assume that CSR activities are not fair and does not consider their concerns and demands, this may result in decreasing their engagement as a motivational factor or decrease the relationship between CSR and employees' positive behaviour.

In this study, the author aims to develop these discussions offering that the appropriation of external CSR that concentrates on external stakeholders like customers, community, government, business partners can be considered as a risk for employees who have high deficiency need strength. Although employees hold positive perceptions about CSR in total, there are still possibilities that they respond negatively to certain

CSR activities from their organization like declining their involvement when they think that in spite of enhancing their lower-order need, their organization is still heavily contributing their money on external CSR.

In order to focus on these gaps, the direct impacts of perceived external and internal corporate social responsibility along with the indirect impacts through organizational identification on employee engagement have been examined. Moreover, the relationship between CSR and employee engagement among those employees placed in high level of lower-order need strength (LONS) as well as those located in low level of lower-order need strength are examined.

By the help of examining the main effects of different type of CSR on employee engagement considering role of employees' lower-order need and organizational identification, a bigger picture of how corporate citizenship impacts employee engagement can be illustrated. Therefore, conducting a research on this field would be very beneficial for managers since shows the comparative significance of these elements for the employees that are able to assist the managers to regulate their CSR activities more effectively by decreasing the disengagement's cost and help the individuals to get more inspired.

In addition, previous researchers did not investigate the relationship between CSR and engagement concerning mix-method and extracting employees' point of view toward implementing different CSR programs due to quantitative result. By understanding the CSR dimensions that actively engage people in the workplace, managers can attempt to foster feeling of meaningfulness for their employees, resulting in a better bottom line for the organization.

Lack of study in this area, especially in developing countries such as Iran would be considerable, in order to aware managers to apply CSR appropriately in order to boost employee engagement as well as gives them an insight to know about the reaction of employees toward CSR activities.

1.4 Significance of Study

This study essentially covered four significant areas of management (perceived corporate social responsibility, employee engagement, organizational identification and employees' lower-order need strength) from the perspective of social exchange theory (SET), social identity theory (SIT) and justice theory. An organization's commitment to CSR activities is a major factor to shape employee perspectives. An organization with a reputation of engaging in CSR has an increased ability to recruit top talent. Understanding the connection between company's CSR activities and employee engagement may help organizational leaders implement CSR activities in a way that enhances employee engagement and recruit highly qualified employees (Chiang, 2010).

Specially, this study will bolster the suggestion of Sluss et al. (2008) that both social identity and social exchange affect employee's professional life. This research will address this gap by examining organizational identification as a possible mediator of the relationship between internal and also external CSR and employee engagement. Many companies have recognized that in order to be competitive, they should manage their stakeholders and especially their employees' identification with the company (Cardador & Pratt, 2006).

Although some of studies have been investigated on the effect of CSR on employees' positive attitudes toward firms (Branco & Rodrigues, 2006; Collier & Esteban, 2007;

Rupp et al., 2006; Valentine & Fleischman, 2008), there is still lack of empirical researches that examined this link. Furthermore, it responds to the command for more studies on the individual-level effects of CSR (Aguilera et al., 2007; Rodrigo & Arenas, 2008; Tziner et al., 2011; Van Buren III, 2005). Most of studies in CSR have been done in organizational level of analysis or focused on external stakeholders. Only, few researches have considered how organizational members acquire behaviours and attitudes in line with the ways they perceive their organizations' CSR activities (Rego et al., 2011). It is needed to empirically examine this connection and the current study was an attempt to address this gap.

On the other hand, in recent years, there has been an increasing amount of literature on employee engagement. As noted by Saks (2006), previous researches indicated that employee engagement predicts employee outcomes, organizational success, and financial performance; however, it has been reported that employee engagement is decreasing and there is an extending disengagement among employees today. Gallup Consulting group conducted a study in 142-country on the State of the Global Workplace through 2011-2012, just 13% of employees worldwide are engaged at work, and specifically only 7% of Iranian employees were engaged in their job.

This research is important because it spotlights the potential impact of CSR on employees – their identification and engagement. In addition, to investigate if perceived external CSR (PECSR) and also perceived internal CSR (PICSR) are predictors of employee engagement can have benefits for managers. By knowing how and why PECSR and PICSR can be used as tools to increase employee engagement, organizational cost dues to disengaged employees will be decreased. Therefore, this research provides a significant contribution to the CSR literature. This could have a

positive effect on the firm's bottom line and providing better workplace (Wolf et al., 2014).

1.5 Research Questions

Given the background of the study and the overview of the research problems, there seems to be an imminent need and opportunity to understand the relationship between CSR and employee engagement and the role of variables in terms of organizational identification and employees' lower order need strength in the above relationship. Hence, the research questions to be addressed in this proposed study are as following:

1. Do perceived external and internal CSR respectively affect employee engagement?
Which dimension of CSR has greater impact on employee engagement?
2. Does organizational identification mediate the relationship between perceived external, internal CSR respectively and employee engagement?
3. Does employees' lower order need strength influence the interaction between PECSR and PICSAR and employee engagement?
4. What are employees' perspectives and attitudes toward external and internal CSR?

1.6 Research Objectives

Based on the above research questions, the aim of this study is to develop and test a comprehensive conceptual framework that assesses the effect of different approaches of CSR (external and internal) on employee engagement as well as identify the role of

organizational identification and employees' lower order need in this relationship. This research is designed to accomplish the following specific objectives:

1. To empirically examine the effects of PECSR and PICSR respectively on employee engagement.
2. To assess the role of organizational identification in the relationship between PECSR and also PICSR respectively and employee engagement.
3. To assess and examine the relationship between CSR and employee engagement among people who have stronger lower-order needs in compare to those who have weaker lower-order needs.
4. To explore employees' opinion towards external and internal CSR in Iranian context.

1.7 Scope of Study

With respect to the purpose of this research, this research is aimed to study the scope of CSR and employee engagement in Iran. Other variables, including organizational identification and employees' lower order needs strength are covered in this research. This research conducted in four pioneer companies which are representatives in their own industry in conducting CSR programs according to the report of CSR center in Iran. They have achieved different awards and ISO standards related to CSR activities. In addition, they are considered as top companies in their own industry, according to their high productivity and value rate. Introducing of these companies with more details is provided in Chapter 2; in addition, justification of selecting them as target companies in this research has been explained in Chapter 4. All employees in these selected companies elected as the society of analysis in this research.

1.8 Thesis Structure

The overall outline of this thesis is discussed in the following section. The thesis comprises six chapters and each of the chapters is introduced as follows:

Chapter 1: The introduction clarifies the concept of corporate social responsibility and employee engagement; research background is following research problem, research questions and objectives, scope and significance, and the summary of chapter.

Chapter 2: The literature review chapter provides a general discussion on different perspectives about CSR and its outcomes and classification, the concept of employee engagement and its importance, employees' lower-order needs and related motivation theories as well as organizational identification in different types of studies. Later the status of CSR in Iranian companies and CSR-related research in Iranian context are discussed. Finally, research gaps discussed due to previous literature weaknesses.

Chapter 3: Theoretical framework and hypotheses development chapter provides how conceptual model and hypothesized relationships developed. This chapter explains the theories are used to describe the relationships between variables in research framework. This chapter further discusses to verify the mediating impact of organizational identification and the moderating role of employees' lower order need strength in the above relationships.

Chapter 4: The methodology of the study covers all the relevant issues of the quantitative and qualitative research approaches to be followed in this study. This chapter includes research paradigm, strategy, method (the rationale for the quantitative and qualitative approaches for this study), population and sample, response rate, unit of

analysis, measurement of constructs, research instrument, survey data, and analytical method of quantitative data, qualitative data collection, protocol and analytical approach of qualitative data. In this chapter pilot study's results presented the reliability and validity of the instrument and the items which modified are described.

Chapter 5: Chapter 5 (Results of quantitative and qualitative phase) includes two main parts. First, Structural equation modeling of the research model by using SmartPLS software presented, and also the results of testing hypothesizes in the quantitative part of this study presented. Following, qualitative findings of the study, including the sample profile of the interviews and the results of analysis are discussed in this chapter. Important themes are extracted from interviews.

Chapter 6: This chapter integrates the findings of quantitative and qualitative phase of this study by providing an extensive discussion due to the theories and previous literature review. This chapter follows by the contributions and implications of this study. As directed by the present research findings, several future research directions are suggested. Finally, limitations of this research are addressed.

In this chapter background of the relationship between CSR, employee engagement, employees' lower-order needs and identification were presented. In problem statement, Iran as an Asian country which face low rate of employee engagement presented and the role of CSR as a tool to increase job engagement described. The next chapter presents the literature review and background of the selected companies in this research.

Chapter 2

Literature Review

2.1 Overview

This chapter first provides a review of literature on the concepts of CSR, organizational identification, employee engagement and employees' motivation and need strength. Second, it addresses previous studies which have been done in relation to these constructs and the relationships between them. In addition, the main CSR researches which have been done in the context of Iran are presented and also the backgrounds and CSR practices of those Iranian companies which have been selected as target population of this study are explained. At the last section, the gaps drawn from previous literature review have been addressed.

2.2 Corporate Social Responsibility

As stated by Van Marrewijk & Werre (2003), "Corporate Sustainability, and also CSR, refers to a company's activities – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders" (p.107). This concept is increasingly gaining attention from both practitioners and scholars (e.g. Maignan & Ferrell, 2004), because as noted by Pérez and del Bosque (2013), CSR investment has been demonstrated to lead to the recovery of corporate credibility in product and company crisis, the improvement of employee attraction and retention or the establishment of beneficial relationships with customers and other primary stakeholders.

2.2.1 Evolution of CSR

As cited by Lee (2008), Bowen (1953)'s book, "Social Responsibilities of the Businessman", is the most frequently mentioned initial source for CSR. He is known as the "father of CSR" and tried to give definitions of the society and cooperation relationships. He provided this definition for CSR as "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (p.44).

The review on CSR started in 1960s decade which Davis (1960) defines it as "decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (p.60). The prior explanations concentrated on decisions and actions which have been taken due to the justifications which are outside of the company's industrial and financial concerns (Davis, 1960), highly including the philanthropic and charity activities. But in 1960s, the CSR review's focus switched on to the society and corporation relations and the next decade was the time of improvement in CSR literature bringing up citizens' welfare, stakeholders' engagement and etc.

As discussed by Carroll (1999); in 1970s, the ways more academic researchers engaged in the research of CSR and he found 18 definitions of CSR in literature. He published his three dimensional conceptual model of CSR which is known as corporate social performance (CSP) in 1979, including social issues, CSR and corporate social responsiveness as the three factors of it. Shortly after that time, this definition drew a huge attention by the CSR researches (Lee, 2008). Ethical, legal, discretionary and economic components are the four essential elements of CSR proposed by Carroll (1979) in his book. To elaborate more, it should be mentioned that economic element is defined as the firm's responsibility to generate and sell to gain profit. The second

element connoting that companies have a legal responsibility which implies that the company should follow the regulations and guidelines which have already been introduced by the government and social standards. Ethical responsibility as the next element is related to the companies' actions which are beyond the law's expectations of them and can be seen as the behavioural standards matched with the society's expectation. The last element which is discretionary element of corporate social responsibility is defined as the company's voluntary actions to which society does not specify obvious approach of following (Carroll, 1999).

The 1980s was a new time for research in the area of CSR in which CSR reviews had a shift from finding a definition which everyone accepts to studying the CSR and more ideas and alternative concepts like public policy, social responsiveness, business ethics and corporate social performance which emerged and turned to a publicly accepted form (Carroll, 1999). As cited in Carroll (1999), few of highly recognizable researchers like Jones (1980) offered that "CSR ought to be seen not as a set of outcomes but as a process" (p.285), and Tuzzolino and Armandi (1981) presented a micro-analysis corporation and proposed an approach to evaluate the performance of the organization and factors to observe social responsibility of the firms.

The 1980s was also the time that Carroll (1983) developed his prior descriptions of CSR. He essentially reworked on the discretionary element and adjusted it to philanthropic or voluntary believing that these actions are the excellent instances of this element. In spite of the fact that he reconstructed his definition, his previous definition can be seen as the most cited definition of discretionary element among the researchers who worked on CSR. This can be justified as this definition is more applicable for the academic researches related to CSR. The amount of empirical researches emphasizing

on the effects of CSR has continuously grown from 1980s. The performance outcomes which are the result of the company's investment in CSR have been investigated in a number of studies (Arlow & Gannon, 1982; Stanwick & Stanwick, 1998; Ullmann, 1985), however, a clear relationship between economic performance and CSR has been established by none (Aupperle et al., 1985; Griffin & Mahon, 1997).

In the next decade, 1990s, the concept of CSR shifted tremendously to alternative notions like corporate citizenship, stakeholder theory, corporate social performance and business ethics theory. The models range from shareholders engagement, commitment to society, people, planet and profit and also environmental maintenance. Carroll (1991) revised his explanations of CSR one more time as –The CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen” (p. 43).

The 21st century has experienced evaluation initiative along with hypothetical advancement (Carroll, 1999). It should also be mentioned that CSR reviews in 21st century are more concerned with environmental and social matters, voluntaries, economical advancement, ethical manners, well-being improvement, environment's conservation, human rights in general and workers' right in particular, acts against corruption, and transparency and accountability and clarity (Post et al., 2011). Corporate philanthropy is another concept related to CSR that emerged at the first years of 21st century and is a significant but though discretionary element in firms' business strategy. Corporate philanthropy has been defined by Walter and Bruch (2005) as –The act of corporations donating a portion of their profits or resources to a non-profit cause or organization” (p. 1). He then decomposed the construct of philanthropy in three specific means by which a non-profit cause or a firm is able to show corporate philanthropy: 1) corporate giving, 2) sponsorships, and 3) cause-related marketing. To elaborate these

three ways, it is worth noting that corporate giving is related to in-kind donations and to cash. Sponsorships are associated with the arrangements between business organization and another system to exchange advertising which can be for the system or for the responsibility of financing an event.

In the same decade, CSR progress seemed to shift from a discourse overshadowed by US to a more international discourse (Lee, 2008). Remarkable international advancement which had an impact on the growth of CSR comprise the advocating of CSR's related European Framework, the British government's assignment of a minister for CSR, the announcing of United Nations Global Compact related to environment, human rights and labour and publication of the European Commission's Green Paper (Thomas & Nowak, 2006). This era is also the time of a debate associated with the extent in which business organizations in developing countries hold CSR commitment and moreover, the time of growing CSR industry as huge organizations began to establish CSR administrations and hiring CSR consultants and CSR managers (Jamali & Mirshak, 2007).

CSR practices have different effects on organizational metrics, based on a positive relationship which is commonly known, CSR provides the organizations the potential to decrease their costs and enhances their sales (Luo & Bhattacharya, 2006; Orlitzky et al., 2003; Waddock & Graves, 1997). The evidences found in recent researches, there is a positive relationship between CSR practices and customer loyalty (Maignan et al., 1999) and customer satisfaction (Luo & Bhattacharya, 2006). Lafferty and Goldsmith (1999) believe that a positive organizational image has a significant correlation with purchasing intentions. Thus, if organizations perform accountably and responsibly in relation to their environmental and social impacts, there are potentials for the

commitment and loyalty of customers. In addition, to improve awareness about the CSR practices and policies also appears to have a positive impact on customers' assessment of product attribute and features (Rahim et al., 2011).

2.2.2 External and Internal CSR

The stakeholder approach to CSR has been widely popularized in recent years in accounting for and explaining CSR. Pioneered by Freeman (1984), this approach understands business as a function of the corporate value chain. Freeman (1984) work helped to reconceptualise the nature the firm to encourage consideration of new external stakeholders, beyond the traditional pool- shareholders, customers, employees and suppliers- legitimizing in turn new forms of managerial understanding and action. From this perspective, organizations are expected to manage responsibly an extended web of stakeholder interests across increasingly permeable organizational boundaries and acknowledge a duty of care towards traditional interest groups as well as silent stakeholders, such as local communities and the environment.

Furthermore, it is possible to infer from the discussion above relating to stakeholder theory that CSR has two main dimensions, internal and external (Amann & Stachowicz-Stanusch, 2012; Brammer et al., 2007; Jamali et al., 2008).

External activities which accommodate an external entity are considered as external CSR includes aiding a non-profit organization, a cause of some sort or a charity. Event sponsorship, humanitarian donations, cause-related marketing and employee volunteerism are the instances of the external activities which each of them need the integration of behaviors with an external cause or non-profit organization. These CSR activities are designed to benefit some cause that is separate from the company through

the donation of money or time. As such, an external cheque exists in the performance of this behavior. This does not imply that the behavior only has an external impact or benefit, but rather that some involvement with an external entity is required, even if this involves is minimal. The second classification which is known as internal CSR does not hold an external entity. Since these activities do not involve external entities, they may not have a strong external check. Such practices relate to internal policies and codes of conduct that may or may not actually be practiced (Jamali et al., 2008).

The European Commission (2001) defines CSR as “a concept whereby companies integrate social and environmental concerns in the business operations and in their interactions with their stakeholders on a voluntary basis” (p.4). It has created several statements dealing employment issues with CSR agenda. The Commission announced that “employment and social policy integrates the principles of CSR, in particular, through the European Employment Strategy” (p.19). It also announced that “undertakings should address not only the external aspects of CSR, but also the internal aspects”, that is to say, relations with the company’s own employees. This pursued the European Commission’s Green Paper which reported that, “within the company, socially responsible practices primarily involve employees” (p. 9). It can be concluded that European Commission believes that CSR is a system that can be employed to improve the practices of the fair employment practices and also focus on the concerns of human resource management at enterprise level (Deakin & Hobbs, 2007).

In the present study, the European Communities (2001) categorization of two types of external and internal related to any company’s approach to CSR is selected to conceptualize the research model. The internal dimension of CSR includes human resource management, health and safety at work, management of environmental

impacts, and natural resources. The external dimensions involve local communities, business partners, suppliers, consumers, human rights and global environment (Idowu et al., 2014).

In fact, the internal aspect of CSR refers to socially responsible activities inside an organization and the latter extends beyond the organization's boundaries to the local community and includes engaging a large area of external stakeholders. The internal aspect is seen to consist of human resource management, health and safety at work, adaptation to change, and the management of environmental impacts and natural resources. For instance, the human resource management would hold workplace diversity, committed hiring practices career perspective for women, the plans of profit sharing and building up an environment where the individuals are prompted for long-term education.

At the same mode, the management of natural resources and environmental impacts has concentrated on decreasing the resources consumption, polluting emissions and waste products. The external aspect is a large extent and includes shareholders, local communities, business partners, suppliers, customers, human rights and concerns worldwide environmental issues. For instance, CSR gets the organizations to provide the products that consumers like to have in an effective, ethical and environmentally committed behaviour. CSR is appeared to hold an effective human rights aspect that branch out through the supply chain and consequently it can be expected that it reaches to an international level rather than just national (Jones et al., 2006).

2.2.3 Corporate Social Responsibility and Employee Attitudes and Outcomes

In the past few years, a growing body of literature has concentrated on the way individuals hold attitudes towards CSR influences their work outcomes. In spite of the fact that some corporate social performance theoretical models considered employees as a level of analysis (Wood, 1991), the impact of implementing CSR on inner stakeholders particularly staffs draws the attention of just few researchers who work in the area of marketing and management in recent years (Berger et al., 2006; Collier & Esteban, 2007; Peterson, 2004; Rodrigo & Arenas, 2008; Rupp et al., 2006).

A number of researchers have indicated that there is a significant positive relation between corporate citizenship perception and employee commitment (Rego & e Cunha, 2008; Rettab et al., 2009) consistent with the statement of Lee and Bruvold (2003) who showed that CSR results in increasing job satisfaction and organizational commitment. Based on the findings of different studies, attitudes and behaviours of employees are greatly affected and determined by how much their organization treat them equally and fairly (Cropanzano et al., 2001). In other words, employees rely upon their perceptions of fairness in order to determine whether the management is non-biased, trustworthy and will treat them as legal organization's members or not (Rupp et al., 2006).

If employees get the impression that their organization is grateful to them, for example offering those salaries more than the average of industry and improving work-family balance, they are inclined to return the favour (Eisenberger & Stinglhamber, 2011; Settoon et al., 1996) to the organization through positive attitudes, such as emotional friendship and loyalty feeling. They make a forceful community sense, believing that their safety, social and warm friendship needs can be satisfied and they can experience higher psychological welfare's levels (Christopher et al., 2004; Settoon et al., 1996).

Individuals might be induced to broaden greater normative together with emotional commitment to their organizations through these positive emotions. Experiencing a sense of emotional and psychological safety by employees, may be the other results of these positive emotions (Burroughs & Eby, 1998).

In sum up, when employees get the impression that their organization is grateful to them, they are inclined to broaden a sense of responsibility to their organization (Robertson et al., 2007), return a favour through supportive activities, greater loyalty, greater productivity, enthusiasm, affective commitment, better performing of their tasks and contribution to the performance of the organization (Gavin & Mason, 2004; Wright & Cropanzano, 2004).

Similarly, based on the findings of Hewitt Associates (2010) research, CSR perception is one of the top five threats of employee engagement. Organizations should try to keep their present CSR commitment or risk a decrease in employee engagement. It is particularly significant for organizations which have low employee engagement to keep their CSR attempts and achievement. In more than 60 per cent of these organizations, a decline in positive CSR perception can lead to a significant decrease in engagement. Employees with more positive opinions of social responsible activities of their organization are more confident, engaged and more eager to stay with the organization (Kenexa Research Institute, 2007). Therefore, making long-term commitments to corporate citizenship is what some organizations do as a part of their promise to raise engagement of employee. Based on researches, employee engagement is positively related to the voluntary activities aiming at being useful and advantageous to the society. It is important to understand the value of employees in benefiting the organization. Organizations can no longer work alone for the good of shareholders. An

increase in corporate citizenship will raise the engagement level (Glavas & Piderit, 2009; Lin, 2010).

Based on a study by Rupp et al. (2006), individual's perception towards corporate social responsibility evokes behavioural, emotional and attitudinal responses which are advantageous to the company. For example, according to Hickman et al. (2005), when individuals feel that their company provides social causes which they are engaged with, they are more likely to be prompted to enhance their work performance. This view was approved by a qualitative study on employees' participating by Bhattacharya et al. (2008). In this study, it was shown that participants felt that as their employer provides social causes which they are concerned about, they get prompted to work harder and be more satisfied with their work. In spite of the fact that the following articles by Rupp et al. (2006) and Hickman et al. (2005) discovered a positive relation between corporate social responsibility and employees' perception; still, there is a demand for more investigation on factors which build those perceptions.

One trace of the present reviews is related to the way corporate social responsibility influences the attractiveness to potential employees. According to Albinger and Freeman (2000), CSP is positively connected to the individual attractiveness among those who are looking for the position.

A large and growing body of literature has investigated that CSR improves the attractiveness of the company for those looking for jobs (Greening & Turban, 2000; Jones et al., 2013; Rupp et al., 2013b; Turban & Greening, 1997). As a result, the organizations which are socially responsible are more accomplishing in absorbing the huge pool of job seeking applicants. In this regard, Greening and Turban (2000) discuss

that the recognized connection between CSR and attractiveness of the employer is likely to be justified regarding the positive clue that CSR practice delivered to potential individuals on working standards inside a company. The second trace of reviews about CSR and the outcomes on employees concentrate on the way CSR influences different perceptions of the present employees. Employees, on the position of members of their company, are involved in, help to bring about, perceive, assess and react to social responsibility actions of their organizations (Rupp et al., 2006). The prominent factor regarding the employees' responses is their perception towards CSR (Aguinis & Glavas, 2012), that are likely to be imprecise, like the time that the programs related to CSR are not as accepted as the individuals accepted them to be (Glavas & Godwin, 2013).

Rupp et al. (2013b) employed a subjectively based measure of employees' perceptions, especially a measure of perceived corporate citizenship that was originally developed by Maignan and Ferrell (2000). In fact, as noted by Rupp et al. (2013b), the way in which ~~employees~~ employees perceive the CSR of their employer may actually have more direct and stronger implications for employees' subsequent reactions than actual firm behaviours of which employees may or may not be aware" (p. 897).

As Riordan et al. (1997) indicate a positive fame which a firm holds is related to the rise of job satisfaction and dropped the rate of turnover motives among the non-managerial cases. Valentine and Fleischman (2008) discussed that the observed corporate social responsibility is positively connected to the job satisfaction among the business managers' cases.

In some studies related to the area of cultural antecedents of citizenship, various scholars observed that proactive citizenship is related to the high states of individuals'

affective commitment in marketing managers and executives (Maignan, 2001; Maignan et al., 1999). Likewise, more researchers (Brammer et al., 2007; Stites & Michael, 2011; Turker, 2009a) have indicated that the individuals' attitudes about CSR are positively connected to affective organizational commitment. On the other hand, some researchers indicate that CSR attitudes are positively connected to the notion of identification and commitment towards the company (Jones, 2010; Vlachos et al., 2014). Kim et al. (2010) bring only CSR activities concentrated on community and overlooking the activities regarding the internal stakeholders and natural environment.

In addition, the CSR perception has been confirmed to hold a positive impact on in-role work performance and extra role CSR performance (Vlachos et al., 2010). Likewise, findings show that the individuals' attitudes towards CSR have impacts on the organizational attractiveness, commitment, and desire to continue with the company and citizenship behaviours (Rupp et al., 2013b). Study of the CSR psychology emphasizes the significance of micro-level phenomena (Morgeson et al., 2013) and as Rupp et al. (2013b) stressed the need to consider "how employees perceive the CSR of their employer has more direct and stronger implications for employees" (p.896).

As also stated in other remarkable studies in the workplace, Carmeli et al. (2007) discuss that perceived CSR, regarding the firm's concentration of the enhancement and the service and products' quality, improves the connection of employers and employees and the employees and employees' retention which result in promoting to higher states of working performance in an Israeli case. Gavin and Maynard (1975) discovered that a noticeable connection exists between the level in which a company meets its social commitments and the job satisfaction of their workers. A previous study also showed

that individuals perceive higher satisfaction in their job once they feel that their company values ethics (Koh & El'fred, 2004).

Other scholars have investigated the connection of CSR and employees in a theoretical or qualitative study. For example, Blackman et al. (2012) showed an empirical study that argues the role of motives and training in the area of change. It also considers the role of motives present in the mental models as a vital element in the prosperous adoption of influential CSR activities and the role of training activities in providing CSR change. It has been also discussed that influential execution of CSR demands companies to regard both the function of learning and unlearning. In addition, companies should present effective support in order to hinder the enhancement of the incoherence between the employees and organizational disposition to it.

Costas and Karreman (2013) carried out a research on the interplays of CSR, individuals and management authority in companies. In the mentioned research which is conducted as qualitative, CSR functions as a kind of inspirational control which binds the individuals' inspirational identities and moral conscious to the company. The research argues the traces of CSR regarding cynical alienation, ethical labelling and the room for political and criticism actions in corporations.

One of the thorough studies in CSR outcomes has been carried out by Aguinis and Glavas (2012) who examined CSR reviews including 588 journal essays and 102 books and chapter of books. The researchers propose a study in various levels and in an interdisciplinary theoretical methodology which merges and incorporates the review at the levels of organizations, individuals and institutions. The methodology is composed of reactive and proactive predictors of CSR programs and tactics and the results of these

programs and tactics that the researchers categorize as generally influencing external (i.e., external outcomes) and internal (i.e., internal outcomes) stakeholders. The methodology comprised of the variables that describe the fundamental structures (i.e., relationship- and value-based mediator variables) which describe circumstances under which the connections of CSR and its outcomes alter.

Based on a study by Rupp et al. (2006), individuals' attitudes toward CSR generate attitudinal, behavioural and emotional reactions which are advantageous to the company. For example Hickman et al. (2005) proposed that when individuals feel that the company provides societal causes which they (i.e., the employees) are part of, they are more likely to show a tendency to be prompted to enhance their job performance. This perception was confirmed by the individuals participating in a qualitative research by Bhattacharya and Korschun (2008); the attendants noticed that once their company provided the social causes they are concerned about, they experienced a higher motivation to work harder and more content with their work.

The reviews at the individual level of analysis have investigated few predictors of CSR. For instance, Aguilera et al. (2007) employed a conceptual framework which summarizes the way individuals' psychological needs motivate involvement in CSR. Moreover, Tuzzolino and Armandi (1981) suggested that the involvement in CSR is influenced by developmental needs like the self-actualization, affiliation, esteem and psychological safety.

It should also be added that Rupp et al. (2006) proposed a model which has been later developed by (Rupp, 2011) that includes a more updated point of view of the organizational fairness describing the reasons individuals are driven by the incentives

other than self-interest like the ethical and relational ones. Subsequently, related to the mentioned studies, Rupp et al. (2011) employed the theory of self-determination in order to describe that decisional areas inside companies which prompt the individuals' abilities, relatedness and self-determination are able to motivate the involvement in CSR.

On the other hand, individuals' behaviour and perceptions are likely to perform as moderator and mediator in the connections of CSR and outcomes. For example, de Luque et al. (2008) discovered that managers' focus on the values of CSR was related to the followers' attitudes of visionary leadership. This positively impacted employees' extra effort that consequently, positively influenced the performance of organization. Organizational pride (Jones, 2010) and organizational identity (Carmeli et al., 2007) are other mediators of the CSR – outcomes relationship.

Two factors which moderated the mentioned relationship at the level of individual are the impact of supervisors, and their obligation to ethics (Muller & Kolk, 2010) and sense of fairness (Mudrack et al., 1999) suggesting that the relationship between CSR and outcomes are more stronger when the commitment and sensitivity are higher. Moreover, importance of issues for employees (Bansal & Roth, 2000) and individual employee discretion (Bansal, 2003) were discovered to be the moderators of the relationship between CSR and outcomes. In fact, it can be said that the more the values of the mentioned mediating variables, the stronger the CSR-outcomes relationship. Table 2.1 shows some researches about the relationship between CSR and employees' outcomes.

Table 2.1: Empirical research on CSR and Employee Attitudes and Outcomes

Authors	Independent variables	Dependent Variables	Mediators	Moderators	Scope of Study	Findings
Brammer et al. (2014)	CSR	Employee creative effort	Organizational identification	Corporate Ability(CA)	Spain, a sample of 163 professional workers in the telecommunication sector	Findings showed the direct and also indirect effect of CSR on employee creative effort, through organizational identification. In addition CA increases the positive effect of CSR on organizational identification.
Raub and Blunschi (2013)	CSR Awareness	Job satisfaction, emotional exhaustion, helping behaviour, voice behaviour, personal initiative	perceived task significance	-	United Kingdom, a sample of 211 employees-based hotel chain	Results showed that employees' awareness of CSR activities has a positive effect on job satisfaction, engagement in helping and voice behaviour, and personal initiative, and CSR awareness is negatively related to emotional exhaustion. The result also indicated that perceived task significance is a partial or full mediator between these relationships.
Julia Claxton et al. (2014)	CSR	Employee Engagement	-	-	Portugal, a sample of 236 middle managers of several of the major private Companies in different sectors	The results revealed that there are no statistically significant differences in levels of engagement between employees exposed to external and internal CSR practices.

Table 2.1: Empirical Research on CSR and Employee Attitudes and Outcomes (Cont.)

Authors	Independent variables	Dependent Variables	Mediators	Moderators	Scope of Study	Findings
Rayton et al. (2014)	Employees' perceptions of breach of internal and external CSP, perceived external and internal CSP	Affective commitment	-	-	United Kingdom, a sample of 594 employees of a large retail banking services firm	The results indicated the influence of perceived external and internal CSP on AC; the level of external CSP is related to AC, however the relationship between internal CSP and AC is driven by psychological contract breach.
Shen and Benson (2014)	Socially responsible HRM, Perceived organizational support,	Supervisor-rated task performance, Peer-rated extra-role helping behaviour	Organizational identification	Cooperative norms, perceived organizational support	China, a sample of 785 individuals from 35 manufacturing companies	Organization-level of socially responsible HRM has an indirect effect on individual task performance and extra-role helping behaviour by the mediation of individual-level organizational identification. Furthermore, the mediation model is moderated by employee-level perceived organizational support and the relationship between organizational identification and extra-role helping behaviour is moderated by organization-level cooperative norms.
Dhanesh (2014)	employee perceptions of their organizations' CSR practices	organization-employee relationship dimensions of Trust, commitment, satisfaction, and control mutuality.	-	-	India, a sample of 244 employees of two large, publicly listed companies.	Findings showed a significant and positive effect of CSR dimensions and organization-employee relationships.

Table 2.1: Empirical Research on CSR and Employee Attitudes and Outcomes (Cont.)

Authors	Independent variables	Dependent Variables	Mediators	Moderators	Scope of Study	Findings
Ghosh and Gurunathan (2014)	Perceived Corporate Social Responsibility	Intention to quit	Job embeddedness	-	India, a sample of 501 managers in 19 financial service organizations	The result revealed developing CSR to society and customer are effective ways of decreasing employees' intention to quit the organization. It also showed on-the-job embeddedness has a negative effect on turnover intentions and mediates the relationship between CSR and employees' intention to leave.
Farooq et al. (2014a)	Employee perceptions of CSR	Knowledge sharing behaviour	Organizational identification	Employees' collectivist orientation	France, a sample of 426 employees of a subsidiary of French energy group	Results indicated that three of four dimensions of CSR (consumers, employees and community) have a positive effect on organizational identification and knowledge sharing behaviour. It also showed the influence of community-related CSR activities on employees' outcomes is stronger for individualistic employees, while the effect of employee-related CSR activities on employees' organizational identification is stronger for collectivist employees.
Tziner et al. (2011)	Perceived CSR	Job satisfaction	Organizational Justice		A sample of 110 employees	CSR has a positive significant effect on employee job satisfaction and organizational justice and also Organizational justice has a mediation role in CSR-job satisfaction relationship

Table 2.1: Empirical Research on CSR and Employee Attitudes and Outcomes (Cont.)

Authors	Independent variables	Dependent Variables	Mediators	Moderators	Scope of Study	Findings
Skudiene and Auraskeviciene (2012)	Internal CSR (towards employee), external CSR (towards customer, business partners and community)	Employee internal motivation	-	-	Lithuania, a sample of 274 employees from medium and large enterprises engaged in CSR activities.	While both external and internal CSR have a positive effect on employees' internal motivation, internal CSR has a stronger effect.
Rupp et al. (2013a)	employees' perceptions of CSR	Work engagement		employees' self-determination and individualism	Five different countries (Canada, Mainland China, Hong Kong, Singapore, and France), a sample of 673 working adults	The findings revealed that employees with low individualism, the relationship between CSR and job engagement was stronger among those with less CSR-related relative autonomy. On the contrary, among employees with high individualism, this relationship was stronger among those with more CSR-related relative autonomy.
Rego et al. (2010)	Corporate citizenship	AC	-	-	Portugal, a sample of 260 employees in 11 large organizations	Five dimension of corporate citizenship (legal, ethical, towards community and employee) have a significant positive effect on AC

2.2.4 CSR Standards

For firms, normative guidance is provided through various CSR rules and standards, which can be divided into two main categories. The first category deals with the definitions and significance of social responsibility through referring to intergovernmental and governmental standards which cover national and sub national regulations and laws. At the national level, in order to control and manage firms and at the intergovernmental level consisting of an instrument like Organisation for Economic Cooperation and Development (OECD) guidelines for multinational firms. The second category is related to standards that have been established by the International Organisation for Standardization (ISO) such as ISO14000 which are environmental management standard and ISO 9000 which is quality management standard develop and also related to private standards developed by nongovernmental organizations such as Social Accountability 8000 (SA8000) (Warner & Rowley, 2013). Besides, multinational companies (MNCs) have established their own code of conducts regarding their environmental and social activities around the world. Simultaneously, consumers and other non-governmental organizations (NGOs) have been giving promotions to standards and certification programmers' development (Cooke & He, 2010).

2.2.5 Criticism on CSR

Critics in CSR are not a new issue and debate. The effect of CSR on organizational success has been an important subject of academic criticism and debate over the years. Opponents argue that CSR distracts corporation from achieving its fundamental economic role which is maximizing the company's profits. On the other hand, proponents argue that companies benefit in many way by focusing in a longer term view of their business and role in society (Foote et al., 2010).

For instance, Friedman (1970) explains on agency theory in his criticism of CSR that, managers as agents for the owners of the firm, have a responsibility to maximize the profit of corporation rather than spending money to do anything else which is an abuse of the relationship. Conversely, Carroll (1979) argues that the societal and economic interests of the corporation are often twisted. In addition, Phillips and Reichart (2000) discuss that only humans should be considered as organizational stakeholders and criticize efforts to present the natural environment stakeholder status.

Hopkins (2007) identifies seven different statements in criticizing to CSR as follows:

— CSR lacks a universal definition; • CSR is just part of a public relations plan to bamboozle an increasingly sceptical public; • CSR is just another word for corporate philanthropy and the contribution that a business directly makes to the welfare of society) is to be viewed as largely independent of its profitability; • CSR is misleading as it diverts attention from key issues; it is a curse rather than a cure; • CSR ignores development economics and its concerns with capitalism and neo-liberalism and it is just a way to introduce socialism through the back door; • the social responsibility of business begins and ends with increasing profits; CSR is an world-wide unnecessary distraction and • CSR is a sham because companies cannot be left to self-regulate” (p.26).

2.3 CSR in Iran

CSR is a modern concept that has been popularized in the developed countries but has not yet been fully realized in developing world especially in South Asia. Welford (2005) during cultural comparative study of 15 countries found that Asian countries fairly and consistently underperformed compared to the developed countries on CSR agenda. While illustrating the causes of this low level of CSR in developing countries, Visser (2010) described that the organizations in developing countries have distinguished the drivers of CSR which are quite different from the drivers in the developed countries. For instance, the absence of strong governmental control over the social, ethical and environmental performance of companies in developing countries may cause low social

responsibility. For these reasons, it was worthwhile to conduct a study related to CSR and its effects on employees' behaviours in Asia.

The growth of CSR in Iran is related to the national and international market competition (Valmohammadi, 2011). Due to this fact, both service and manufacturing organizations show that as a better corporate identity will boost market share. Creating positive images and impressions increase the reputation of organizations. In practice, many Iranian organizations still rely on the traditional forms of CSR, such as charitable donations and being responsible employers as Omidvar (2009) argues are –activities (that) have been partly driven by Islamic principles and the traditional role of business within the Iranian culture” (p. 12).

Iranian approach to ethics is based on the Zoroastrianism belief that good thoughts, good words, and good deeds are essential to guarantee happiness, so ethical social responsibilities draw managers and stakeholders' attention. In other words, religious beliefs are the source of CSR in Iran rather than the concept of CSR that is common in the western countries (Nejati & Ghasemi, 2012). Iranian companies believe that making a permanent relationship with customers is more important than relationship with suppliers or business partners, because it is more profitable. In other words, CSR practices are implemented in Iran because they are deemed as a source of reputation and profit (Salehi & Azary, 2009; Omidvar 2009). Then, it can be drawn that a main problem of CSR development in Iran is the lack of understanding of the CSR concept among Iranian businessmen. Despite the efforts made to raise awareness about CSR activities such as holding international and national conferences, CSR training courses in government departments, and offering awards and standards related to CSR, it still appears to be a long way to reach a high level of CSR.

2.3.1 Corporate Social Responsibility in Iran

Although CSR in Iran has not been known as its recent concept for none of the players including companies, government and civil society, this concept has been applied in the form of donation and saving loans, charity activities and the patriarchal role of industrial owners, individually and personally and based on the ethical values. Along with the patriarchal role, many of the company owners and businessmen performed their social responsibilities in the form of donation and charity based on their religious and ethical beliefs.

Regarding the point that industrial zone in Iran has been formed since the early years of 1920s, the number of industrial workers was not very high. Unfortunately, in the years after the revolution of 1979 and Iran-Iraq war, investing has been overlooked and there was an unsafe ambience for investing and investors in Iran. This ambience was stronger towards foreign and multi-national organizations which were active in the country in that time. But the concept of corporate social responsibility has recently drawn a huge attention of the private organizations and industry owners, NGOs and academicians.

During the last years, CSR has been presented as sustainable development for the government and international organizations in Iran and they have been trying to promote this concept among the managers of UNDP in the form of millennium declaration since last year. In Iran also, during the last years, the factors like dedicating more freedom to economical space and competitiveness for some industries make the organizations pay attention to CSR to employees, customers and society and consider them in their activities.

Therefore, along with the growth of competitive atmosphere in Iran, the industries managers /owners have paid attention to this concept in their management process. In other words, by means of introducing the environmental and organizational development certificates, this concept has been acknowledged widely in management processes. Fortunately, acquiring such standard certificates leads the organizations to have a higher performance and efficiency as well as making competitive atmosphere for companies. The demands of professionals of industries in Iran to find a foreign partner and competitiveness in the global trade are other reasons for industries' movement towards the new concept of CSR which can be observed in the organizational excellence. Recently, the attention of companies to achieve a National Excellence Award based on European Foundation Quality of Management Excellence (EFQM)¹ has resulted in a self-evaluated CSR program that is one of EFQM standards, although the results of CSR assessment is rarely seen documented on companies' websites or get published.

Iranian organizations' movement to EFQM and quality models was among the most significant factors to lead the Iranian companies towards CSR. Moreover, competitive atmosphere in some areas especially in consuming goods makes the companies use this concept for marketing and promoting their works. While Iran has joined to EFQM organization, Iranian organizations are required to follow certain regulations and establish codified ethics in order to compete in the global trade space. However, the majority of Iranian companies have various ISO, such as ISO (OHSAS18001,

¹ The EFQM Excellence Award is awarded to the European organizations that demonstrate the best performance and role behaviour in one of eight categories, including Leading with Vision, Inspiration & Integrity, Managing Processes, Succeeding through People, Adding Value for Customers, Nurturing Creativity and Innovation, Building Partnerships, Taking Responsibility for a Sustainable Future, and Achieving Balanced Results (EFQM 2012). Based on EFQM, since 2001 National Excellence Award has been designed by Ministry of Industries and Mines in cooperation with the Institute for Productivity and Human Resource Development criteria to increase the chance of Iranian organizations to enter global markets and obtain comparative advantages.

ISO14001) certifications that are related to environmental protection or ISO 9000 certification in quality management.

Thus, Iranian companies are following some CSR programs under other headings. A national survey by the CSR Centre of Iranian companies found that 90% of Iranian companies believe that CSR raises their financial efficiency. On this basis, workplace-related activities are the most popular fields of CSR among Iranian companies: 75% of the companies concentrated on workplace-related activities such as further training, welfare activities, and improving the emotional and physical environment of the workplace. Marketplace activities obtain the second place (40%), followed by activities which are related to community (35%) and environment (20%). Only 15% of the companies focused on stakeholders' activities that are obligatory by legitimate force or expectations of influential and powerful bodies (Omidvar, 2009).

Because of transitional economy and temporary position of Iranian managers, Iranian companies prefer to concentrate on short-term goals to develop a long-term vision. Since attention to the environmental side effects of industrial activities needs long-term planning, it is difficult to accept that Iranian companies have not concerned much about environmental protection. Furthermore, the main part of the social and economic activities are under the supervision of government, so there is a common belief that environmental protection is a responsibility of government rather than the private sector. Volunteerism, charities and donations are practiced in Iran as a means of community dimension of CSR. Consistently, corporations often provide cash to charities. Thus, mostly the philanthropic model is used by corporations which are engaged in addressing issues like employee responsibility and community development (Omidvar, 2009). In

addition to this arbitrary charity, there are compulsory laws that put pressure on companies to pay taxes in support of hygienic or educational projects.

In summary, the concept of CSR in Iran is perceived as a highly new concept and a management process. Many of the organizations are beginner. On the other hand, the dominant economical structure in Iran's economical-political atmosphere makes the organizations to have the perceptions that holding CSR activities leads to have higher expenses as well as dragging them behind in competitive markets. Moreover, due to the mentioned reasons, many of the companies are not following the rules of employees' least salary, costumers' right as well as in some cases public organizations are not following the regulations of investors' rights. So, the government plays an important role in ensuring the companies follow such regulation due to owning vast and diverse tools.

During the last few years, different kinds of activities from the private sectors, government sector, industrial companies and NGOs have been started and the issues related to them like the role of trade of private sectors in achieving the goals of millennium development, internal and external CSR and the role of private sectors in sustainable development and the companies movement to organizational development have been considered:

- The ministry of industry has provided the national prize of organizational excellence and effectiveness in order to lead companies to organizational development and excellence.
- The ministry of labour has designed the National Document for Decent Work to make the organizations to follow the regulations related to their employees.

- The environmental organization has started using a collection of mechanisms, including incentive, preventive and empowerment mechanisms in order to encourage organizations to pay attention to the environmental issues.
- The ministry of commerce codified the customer right bill and also Act of Union law to make sure that the agencies are following the regulations related the customers and consumers right.
- The stock organization has codified the corporate governance regulation in order to support the investors' right against the managers' policies.

In addition, other activities done by the government, organizations and NGOs inside Iran or in the international level have been carried out following this goal.

2.3.2 CSR Researches in the Context of Iran

Considering the studies conducted in the context of Iran, only few academic works can be found that have been carried out in the field of CSR, specifically with respect to the connections of corporate social responsibility and employees' outcomes.

One of these studies is about the influence of four aspects of CSR namely environmental, economic, social and legal on employees' loyalty in Sisakht training and education have been studied by Sajadi Khah et al. (2014). A positive effect between the mentioned aspects and employee loyalty has been observed. As noted by Nejati and Ghasemi (2012) studied employees' attitudes towards CSR in the context of Iran and stated CSR is hardly developed among companies. Similarly, Gholipour et al. (2012) worked on the attitude of business students considering the demands for information related to CSR. It should be mentioned that none of the mentioned researches focused on all of the major groups of users identified through the accounting standards that are

named as academics, stockbrokers, auditors, business manager, bankers and investors. The mentioned groups are in agreement with the corporate reporting environment in Iran and Iranian Accounting Standards Conceptual Framework. Hence, these groups have been selected to be explored in these studies.

Salehi and Azary (2009) adopted the same groups regarding CSR reporting and recognized an expectation gap between the actual and the expected level of CSR information announced in Iran. The researchers tried to explore the actual level along with the perception level of different user groups in Iran considering CSR. A group of 480 people participated in the survey including internal and external auditors, bankers, academicians, accountants and investors. Regarding the mentioned finding, almost in all the comments, an expectation gap between CSR's actual and expected levels among the contributors in the survey was observed. The findings indicate that Iranian corporate sectors tend to CSR, although based on the third parties perspective; the actual level has a huge deviation from the expected level.

Yaftian et al. (2013) study also adopted these groups in their study. Their research has been carried out on 846 participants selected in the identical group to explore the CSR reporting preferences in Iran. The findings of this research work indicated that the annual reports of corporate are the desirable origin of CSR information. Whereas users perceived this information as comprehensive and valid, they see the general level of CSR disclosure inadequate. The findings also displayed that users presented high tendency to the compulsory CSR disclosure, and also for government to be the origin of administration for the instructions and supervision.

Another research in Iranian context following CSR area has been done by Mortazavi et al., (2010) that explored the moderating role of importance of organization's concern about their own CSR activities in the connection between CSR and other stakeholders (CSR to customers, CSR to social and non-social stakeholders, CSR to employees and CSR to government, and organizational commitment. The findings confirmed the significance relationship between the four mentioned CSR practices and organizational commitment.

Similarly, with the aim of exploring CSR, Kahreh et al. (2014) carried out a study for finding out the influence of an essential variable namely gender differences on CSR. In order to obtain this goal, following a comprehensive review of the prior studies and research history, a questionnaire provided. The data collection has been conducted from Iranian Centre of Statistics. It is shown that women's motives and orientation is higher than men, though no remarkable and substantial differences between men and women have been observed in CSR.

Heidarzadeh Hanzaee and Rahpeima (2013) explore scale of CSR in the context of Iran. In this research, 385 employees and managers with work experience of above five years chose as their analysis unit. Lastly, corporate social responsibility was obtained as a construct holding five aspects; commitment to customers and markets, commitment to society, commitment to social programs and natural environment, commitment to employees and commitment to laws and regulations. These five aspects show the accountability of the corporate to various groups.

Another remarkable study regarding corporate social responsibility in Iran has been conducted by Chapardar and Khanlari (2011) on 56 corporations from IMI100 which is

100 Iranian organizations achieving the highest annual sales announced by the Industrial Management Institute (IMI) recognizing the preferred themes of corporate social responsibility. The achieved themes which some may contain many subthemes, were classified to social, economic and environmental groups. Along with the mentioned qualitative results, two indices are constructed for indicating the “importance” of and “contribution” to each theme.

Another study in corporate social responsibility in Iranian organizations, exploring the influences of CSR programs including environment, staff, community and customers has been carried out by Kamyabi et al. (2013). The findings of this research that has been obtained from analyzing the sample of including 200 employees of small and medium enterprises in Iranian (SMEs) in Golestan and Mazandaran (two provinces in Iran) approved the meaningful positive connection between CSR programs and financial performance. The results of this study also indicated that CSR programs to customers and staff hold the strongest influence on the owner/manager of small and medium enterprises to perform their social commitments and two factors of lack of funds and lack of government support have been announced as the main obstacles of promoting of CSR by owner/manager of Iranian small and medium enterprises.

Bayazidi et al. (2011) carried out a significant study which has been conducted in a novel area of CSR outcomes exploring the connection between corporate governance system and CSR accepted firms in Tehran Stock Exchange. The corporate governance mechanisms comprises independent outside directors on the board (OBD). The findings show that among the corporate governance mechanisms, relation between percentage of institutional ownership, OBD, and ownership centralization with CSR is positive and no significant; however, other variables such as free float and auditor type have negative

and no significant relations with CSR. The findings also showed that bigger companies and companies with more liability ratio have less corporate social responsibility; however, companies that have more cash flow from operating have more CSR. About 10% of changes CSR can be explained by corporate governance mechanisms during the study period and this amount increases to 26% by adding control variables to the regression model.

2.3.4 Centre of Promoting CSR in Iranian Organizations

The centre for promoting organizations' CSR in Iran is an NGO, non-profit and a non-political organization, started to work since 2006 in order to promote and teach the concepts of CSR and corporate governance. This centre has been cooperating with all the stakeholders including governmental ministries and organizations, universities, industrial and business firms and international companies. As the first Iranian institute, this centre is a member of United Nations global compact, Islamic Conference Youth Forum and CSR web of Global Partner Network (GPN) 360. Moreover, this centre is currently the vice-chancellor of Iranian Committee for ISO 26000 Standards and also the representative of the CSR-Company, a member of ISO 26000 committee of governance.

This centre for promoting organizations' CSR in Iran has been invited to attend in the committee of G3 (Global reporting organization) by Global Reporting Initiative. This centre, moreover, is the member of ECI (Earth Charter Initiative) committee. Alireza Omidvar, the owner of this centre asserts that the concept of corporate social responsibilities has recently turned to be the dominant paradigm of organizations. This concept has been strongly followed by stakeholders including organizations, civil society, international organizations and scientific centres, but in Iran, mainly is recently

followed by business owners and private parties, NGOs and academicians. Holding the first CSR conference by some of the organizations like chamber of commerce and confederation of industry was a starting point in promoting the concept and the literature of CSR in Iran. He has stated in Iran, they are promoting the 5-dimensional model of CSR including CSR to customers and markets, CSR to community, CSR to environment, CSR to employees and organization leadership. The CSR activities by entrepreneurs and industries have a long history in Iran though, what makes the nowadays understanding of CSR distinct from the past is the attempt to develop the tools and achieve strategic advancement.

In fact, corporate social responsibility formation is dependent on certain circumstances of certain investors in which they are performing their procedures. A questionnaire which has been distributed among 100 organizations in Iran shows that the concept of CSR has not been fully recognized due to its newness, but the perception of industry owners from CSR is more identified in the areas of environment, philanthropic activities, developing new jobs and the attempts to obtain certificates related to consumers right, EFQM, environmental development or financial support for conferences and seminars. In other words, Iranian organizations consider these kinds of activities as their CSR programs.

2.3.5 Background of Selected Organizations in this Research

The organizations studied in this research are among the successful examples for performing CSR holding environmental and workplace atmosphere certificates. They are also selected or nominated for organizational excellence prize by government in recent years. These companies have been taken based on the report and suggestion of Alireza Omidvar who is the manager of CSR centre in Iran. Other reasons which

considered selecting these companies were the readiness of these organizations to cooperate in this research and also their availability in Tehran, according to the explanations given in Chapter 4. A short history of these companies and their activities related to CSR has been provided.

2.3.5.1 Kaveh Bandage, Gauze and Cotton

Kaveh Company is a small company with the number of employees less than 150 which produces health-oriented disposable products with two names of Good (for cotton) and Kaveh (for gas, bandage and string barium band). This company is the most reputable company with produce disposable medical products and health is highly active in standardizing and performing the management standards and products quality and has achieved more than 30 certificates, statues and provincial, national and international acknowledgement. Kaveh company, after examining the processes related to CSR activities has concentrated on human factors of production and quality control and finally on all the employees with respect to its internal and external condition and has identified the employees as the most significant stakeholders of their company. Having a regular and precise program, the company informs its employees about the necessities and details of high-quality production and its effects on the patients' recovery process in monthly sessions and at any time needed. Therefore, the necessary training to inform and enhance the knowledge level of its employees has been provided. In order to encourage the employees to follow the issues raised and find the weaknesses of the programs, the company has made a ground for following the qualification rules and also self-controlling in production as well as performed some activities to prompt the employees' motivation. The following is some instances of such activities.

1. Providing Education for employees' children; such as Holding a ceremony for parents and outstanding children (every September 8th, this is named Fight against Illiteracy Day), annual membership for outstanding students in Centre of Child and Adolescent's Mental Activities and sending book for them ,introducing the outstanding students to in Centre for Child and Adolescent's Mental Activities for participating in Olympiad classes, following the training needs of the students
2. Providing didactic Books (five volumes of relevant books for those employees and their wives that have given birth to a baby)
3. Providing health-oriented services; such as contracts with insurance companies to provide insurance and establishing Employees Welfare Fund to cover their insurance, following personal and environmental health and protection by developing relevant committee and hiring specialists
4. Providing educational and family counselling services by attending classes taken by outstanding professors from Tehran University for educating mothers for their nutrition during pregnancy, combating stress and stressors, learning how to prevent depression and how to fix it, mental health at work, contracting with family counselling services for employees regarding preventing depression, stress and to improve their mental health at work
5. Giving consultations to create a happy and liveable atmosphere in the workplace and at home and also extracurricular activities like field trips and recreational programs for employees' family
6. Generating Committees including (1) research and innovation (2) health and safety, (3) educational and cultural - entertainment, (4) disciplinary and (5) technical committee which are administrated by the staff and the decisions to be announced to the relevant authorities, after approval from management.

7. Implementation of health and safety standards; such as ISO9001, ISO13485 ISO for Medical Equipment, ISO14001 for Environment, OHSAS 18001 for Occupational Health and Safety ISO, ISO 17025: ISO for laboratory
8. Noticeable achievements in the area of quality, including the statue of Leading Company for quality in medical production in 2006, a golden statue of top international innovative and quality initiative in 2002 in France, International Sign of Total Quality Management CC100 (TQM CC100) form Business Initiative Directions (B.I.D) in 2002, National Quality Award of Food and Drug as the first and only manufacturer of disposable medical equipment in 2011

2.3.5.2 Pakshoo

Pakshoo, as chemical and manufacturing company is a leading and innovative company in the detergent industry in Iran, which can be mentioned as one of the largest and most prestigious companies in the private sector in the field of detergents, health and beauty. The followings are the instances of CSR activities carried out by Pakshoo.

In 2007, Pakshoo company spent about 533 million Rials (around 53000 USD) for donations, charity, helping the orphanage, the World Food Program, computer purchasing for people in need and helping to people in need of housing, and has allocated funds to help earthquake victims in Bam. Moreover, this company has helped to construct buildings for schools, hospitals, public bathrooms in underprivileged areas. Providing free detergents for nursing home cares, schools, starting loan funds, providing sport grounds and facilities in different cities, cooperating in constructing seminary in Malayer, and constructing few apartments for qualified people. Supporting Iran's national Team of Volleyball in Asian competitions is another social responsibility activity of this company.

In 2005, Golrang industrial group has announced its cooperation with United Nations Children's Fund (UNICEF); with the agency of Pakshoo. Therefore, Pakshoo Company and Iran's UNICEF has signed a memorandum of cooperation for children in Iran in Esteghlal Hotel in May 14th, 2005. According to this memorandum of Golrang group was supposed to pay a certain amount to UNICEF as the supporter of UNICEF. With signing this memorandum, their cooperation has been officially started by the slogan of "Let's be kind to our kids". Financial support to Polymer and Chemistry annual Seminar in Tehran University in 2009 was another instance of their social responsibility.

In order to fulfil environmental responsibility, Pakshoo Company grounded their way to protect the green environment according to environmental standards and following the criteria for selecting the green industries which are going to be mentioned as:

- Installing online monitoring
- Preparation and implementation of environmental management systems
- Installation of monitoring and control of pollution
- Implementation of recycling system and effluents of production units
- Creating green space and protecting biodiversity
- Reducing energy consumption or increasing energy efficiency

This company has achieved several Quality Certificates and Honours such as:

- Consumers' rights certification in 2005, 2008, 2012 and 2013
- DQS certificate for work excellence from Germany : 2004, 2005
- The certificate of Excellency from Institute of Standards and Industrial Research of Iran (Iran National Quality Award): 1382:1383
- Certification ISO9001: 2000 from, Det Norske Veritas (DNV), Norway, 2003
- Certification ISO 9002: 1994 from, DNV Norway, 2000

- Gold medals for Research and development activities.

2.3.5.3 Kayson

Kayson is a private cooperation of construction and engineering organization giving world-class conduct, management, acquirement and development services to enhance, engineer and fabricate plans for clients both inside and outside of Iran. They have dedicated sizable parts of their assets to deliberately enter alluring markets all around the world: Sudan, Equatorial Guinea and Algeria in Africa; Kazakhstan, Kyrgyzstan and Belarus in the Common Wealth of Independent States; and the Bolivarian Republic of Venezuela. For six years (2000, 2001, 2007, 2008, 2009 and 2010), they have been selected as Iran's ideal exporter of engineering & technical services for six years. Some of the world's biggest plans are being designed and built by them. Consequently, nowadays, a vast rate of their yield is produced abroad. So, Kayson is one of Iran's most global construction and engineering service providers. Their proposed services for their national and international customers cover almost all of the construction market's sectors. Kayson provides world-class services for the complete life-cycle of projects and continually enhances values for clients, partners, society and its shareholders.

Kayson Company has developed its social responsibility due to improving its international projects. For example, the achievements of one of their projects named Venezuela have huge impact on the economy and the lives of people in Venezuela. The following are among the important ones:

- Providing safe and resistant shelter for fifty thousand people in Venezuela in three years.

- Providing training about 6,000 local labours in different jobs and turn them into skilled workers that allowed them to increase their income along with improving their standard of living.
- Employment for around 12 thousand people in Venezuela indirectly, activating around 300 industrial and production units which leads to three percent decrease in overall unemployment in Venezuela.

By improving its social responsibility, including repair and construction of educational, cultural, sports, health, helping the charity centres, repair or construction of bridges and roads, helping municipalities and other local centres, the project has tried to help Venezuela people as far as they can in order to leave a sign of humanitarian activities of Iranians and through this they have attempted to play their own role in promoting Iranian culture and the relations of these two countries. On the other hands, the company has other social responsibility programs like financial support for Mahak: society to support children suffering from Cancer, support for activities related to women and teenagers, holding ceremonies, workshops and seminars to support environment.

2.3.5.4 Saipa

Saipa is the second largest Iranian auto manufacturer. Regarding the important role of investors and stakeholders in an economical agency, Saipa also has paid a huge attention to this matter and attempted to perform its social responsibility activities in the four groups of society, customers, government and investors in the highest level.

For the society group, three dimensions of environment support, reducing the emissions and optimal management of vehicles fuel have been considered. For customers group,

producing goods with high safety and quality, high-quality after-sale services, reasonable price and production diversity have been considered. In government group, the company tries to improve its productions in accordance with 55 Standards and in investors group; they pay attention to lower price and higher interest. Followings are instances of Social responsibility programs:

- Project of constructing building for orphanages of Bam city
- Nik-andishan-e-ramezan charity centre (building schools)
- Niksa (charity centre of Saipa' employees)
- Supporting the scientific-athletic Olympiads of students
- Supporting the association of liver patients
- Supporting holding motocross Asia competitions
- Supporting Fajr film festival in 2011
- Supporting Rona cultural festival
- Supporting two information project related to traffic and driving

In order to improve workplace quality, some practices provided, such as:

- Providing assistance and consultation services (in individual, group, workshop level, etc.) while obligating to protect confidential information
- Planning and developing the recreational and sports activities for staff and their family
- Planning and having health promotion activities at the level of corporate
- Planning and assessing the employees' health monitoring (upon hiring, return to work, upon request and periodically...)
- Insurance coverage and coverage of medical expenses for staff and their family
- Recording Insurance and medical case histories of employees

- Planning and developing the public participation sports (walking, hiking, etc.)
- Planning, developing, equipping and maintaining the health stations and sports spaces in company
- Use of the sports facilities of stadiums
- Athletics sports: Since 1986, Saipa Group began with soccer in the level of a championship and recently is active in the field of football (all lines), chess, car racing, hockey, taekwondo, badminton, wrestling, volleyball, beach volleyball and weightlifting for men and badminton and chess for women.
- Developing employees' empowerment by conducting training programs, such training skills through on the job training, training courses, seminars and short-term and mid-term workshops, inside and outside the company, special and managerial training courses which carry out after annual needs assessment through training courses, seminars and short-term and mid-term workshops, inside and outside the company
- Training centre for applied science and technology education of Saipa group: the centre for applied science and technology education of Saipa group is one of the leaders of higher education based on applied science and technology system that is managed under Applied Science University. The purpose of this centre is to provide facilities for the employees to develop their skills and training the experts force with the training needed to perform their duties in various parts of Saipa group companies, applying and organizing financial and human resources of the organization. Supporting the cultural activities such as accepting trainees from universities and supporting students' projects and theses in the organization

2.4 Employee Engagement and the Theoretical Underpinning

Employee engagement is described as “an individual employee’s cognitive, emotional and behavioural state directed toward desired organizational outcomes” (Shuck & Wollard, 2010, p. 103). Engaged employees have shown consideration and cognitive absorption in their work (Saks, 2006) and also deeply exhibit emotional connection with their workplace (Kahn, 1990; Wagner & Harter, 2006). Employee engagement is considered as an effective origin of competitive advantage and therefore, is discussed to be able to deal with many issues in a company like enhancing the workplace performance and productivity in order to prevalent widespread economic drop (Macey & Schneider, 2008; Macey et al., 2011). Some studies have supported this idea and proposed that companies which hold a better level of employee engagement exhibit positive organizational outcomes which can be seen as a tiny positive point in an otherwise bleak financial forecast (Kular et al., 2008; Shuck & Wollard, 2010).

Kahn in 1990 presented the ideas of personal disengagement and personal engagement for the first time. His introduction was grounded on the formerly discussed ideas like intrinsic motivation; job involvement and organizational commitment that seem to be distant from daily practices of the employees in their responsibilities as employees.

Kahn (1990) gave a definition for personal engagement and personal disengagement as “the behaviours by which people bring in or leave out their personal selves during work role performances” (p. 694). Personal engagement is additionally defined as the involving and revealing of oneself physically, emotionally and psychologically within his work role performance. This helps individuals to get physically engaged, be cognitively attentive and psychologically linked.

Contrary to personal engagement, personal disengagement is described as departing or preserving of oneself in the physical, emotional and psychological level within his work role performance. Based on the ideas of Kahn (1990) who carried out a qualitative research applying grounded theory, meaningfulness, availability and safety are very essential to comprehend the disengagement and engagement in their work. Meaningfulness was characterized as the positive “sense of return on investments of self in role performance” (Kahn, 1990, p.705). Availability was characterized as the “sense of possessing the physical, emotional, and psychological resources necessary” for the achievement of a work (Kahn, 1990, p.705). And safety was characterized as the ability to exhibit one’s self “without fear or negative consequences to self-image, status, or career (Kahn, 1990, p.705).

Employee engagement or employee disengagement has been expanded to the degree as meaningfulness availability and safety can be satisfied (Kahn, 1990). His early researches were highly affected by sociologists and motivational psychologists of the time (Shuck & Wollard, 2010).

The famous theory of (Maslow et al., 1970) which is called hierarchy of needs acted like a link between Kahn’s 1990 early studies and the motivational theories. This theory provides a straightforward theoretical groundwork to understand the significance of fulfilling basic human needs and provides a ground to theorize the idea of employee engagement (Kahn, 1990).

The significance of motivation theory of Maslow in association with employee engagement can be observed in the theory’s construction along with the description of each basic need. As noted by Brad Shuck et al. (2011), in Maslow et al. (1970), needs

are considered to be organized in order of potency. Moreover, if the needs are more fundamental for survival, they emerge in the hierarchy earlier. Next point to consider is the needs are arranged from the lowest to the highest that makes organizing their hierarchy to come into two classifications: growth and survival. To list the needs, they come as physiological, safety, belonging and love, esteem and self-actualization which are under the category of basic needs of human beings.

Physiological needs were defined as the most dominant need for the survival of individuals (Maslow et al., 1970) and are located at the lowest point of the hierarchy. The safety needs are characterized as perceiving protection, acting free from the fear and/having a sense of mastery over one's life. When an individual feels safe, that is the time of being free to get engaged. The belonging and love need are characterized as the growth of the relationships and fondness. The esteem need is defined as the "desire for a stable, firmly based, usually high evaluation of [the self], for self-respect, or self-esteem, and for the esteem of others" (Maslow et al., 1970, p. 45). Self-actualization is the fulfilment of activity which highly satisfies (Maslow et al., 1970). Lastly, the driver to self-actualization coordinates with the idea of employee engagement (Kahn, 1990) by conceptualizing the drive to utmost self-fulfilment, a rooted need for internal psychological satisfaction which every individual of human being desires; employees wish "to become everything one is capable of becoming" (Maslow et al., 1998, p.3). For those individual who get to this level of self-fulfilment, working is an essential aspect of their identity (Kahn, 1990).

The theory of two-factor which was presented by Herzberg (1959) discusses that autonomy self-recognition and meaningful understandings are considered as the

elements which develop an employee's intrinsic desire to get involved in work (Herzberg, 1968; Herzberg, 1959; Latham & Ernst, 2006).

Herzberg (1968) suggested that intrinsic components like the significance of contribution and personal development instead of extrinsic components like organization impression and repayment prompted the individuals to get more involved in their work, and is seen as corresponding to Kahn (1990) of meaningfulness. Moreover, fulfilment of employees' needs was explored as a significant factor to engage them (Kahn, 1990), on the other hand, understandings of individual needs were never completely investigated.

Along with the frameworks of Kahn (1990) and Maslow et al. (1970), later researchers (Macey & Schneider, 2008; Maslach et al., 2001) proposed that employees may be inclined to specific positive attitudes based on their inborn character. For instances, Macey and Schneider (2008) proposed that individuals who have proactive character, high state of conscientiousness and trait positive affect are more possibly engaged in their work. In addition, Shirom (2003, 2007) proved a remarkable relationship between vigour to work and the openness and extroversion components of the big five personality characteristics (i.e. neuroticism, extroversion, openness, agreeableness and conscientiousness). In spite of the fact that many scholars have proposed that personality variables like optimism, self-efficacy (Macey & Schneider, 2008; Saks, 2006), curiosity (Reio Jr & Callahan, 2004), self-esteem and coping style (Storm & Rothmann, 2003; Xanthopoulou et al., 2007) all have an important role in the enhancement of work-related variables, there is no specific study on the engagement and personality attributes, however these relation between the factors are developed enough for exploring.

Another model of engagement is originated from the 'burnout' literature, that defines job engagement as the positive antithesis or opposition of burnout reminding that burnout includes dwindling of individuals' job engagement (Maslach et al., 2001). Based on his idea, engagement is defined through the level of energy, involvement, and efficacy which are in sharp contrast with the three burnout aspects which are exhaustion, cynicism, and inefficacy. The studies on engagement and burnout presented that the main aspect of engagement (dedication and vigour) and burnout (cynicism and exhaustion) are opposites of each other (González-Romá et al., 2006).

The model of Kahn (1990) and Maslach et al. (2001) show that the psychological circumstances are critical for engagement, although these scholars never fully explored the reasons that employees react to such circumstances with different level of engagement. Based on the idea of Saks (2006), social exchange theory is a stronger justification to clarify employee engagement. SET discusses that the obligations are made by a variety of interactions among parties who are in a place of reciprocal.

A fundamental rule of social exchange theory describes that relationships grow through time to trusting, faithfulness and reciprocal dedication as long as both sides accept the exchange rules (Cropanzano & Mitchell, 2005). These rules incline to include reciprocity or repayment rules in a way that one side's activities evoke reactions or responses of the other side. For instance, when employees are provided with financial and socio-emotional sources by their company, they feel committed to react in the same way and compensate the company. This idea is in agreement with Robinson et al. (2004) definition of engagement as a mutual relationship between the employers and the employees.

Saks (2006) argues that the level of engagement is a factor through which employees' repayment to their company can be understood. To put in other words, individuals prefer to engage themselves in different ways in response to the resources they receive from their company. One of the most intelligent ways for employees to act in answer to their company's activities as proposed before by Kahn (1990) is to bring oneself more fully into one's work roles and dedicate higher level of cognitive, emotional, and physical resources. Hence, individuals tend to exchange their engagement for resources and advantage which their company provides for them. In a nutshell, SET holds theoretical foundation to justify why individuals tend to get more or less engaged involved in their work and company.

Regarding the description of engagement by Kahn (1990), individuals sense a commitment to devote themselves more deeply to their work role as compensation to the resources provided by their company. When their company is not successful to provide such resources, there is more probability for the employees to pull back and dissociate from their role. Therefore, the level of psychological, physical and emotional resources that an employee is required to dedicate to his work role might be dependent on the financial and socio-emotional resources which are given to him by his company. Moreover, Schaufeli et al. (2002b) considered engagement as the conceptual against of burnout with different structures and measurement. They consider engagement as "a positive fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (p. 74). Moreover, they declare that engagement cannot be seen as a short-term and particular state, but should be considered as "a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour" (p. 74). Vigour is defined as the high level of energy and flexibility of the mind in the time of working, the desire to dedicate effort at work and

also the stamina even in the time of challenges. Dedication is concerned with the state of being highly involved at work and encountering a feeling of significance, passion, pride, satisfaction and challenge. Absorption is defined as staying highly focused and cheerfully immersed in one's work, as time flies rapidly and the person has challenges to disconnect himself from work.

Schaufeli et al. (2002b) proposed that dedication and vigour are the antithesis of two aspects of the burnout (cynicism and emotional exhaustion, respectively), and absorption is characterized as the third factor of engagement. Likewise, Rothbard (2001) considers absorption as a crucial factor of engagement (the other one is being attentive). Schaufeli and Salanova (2007) discuss that being highly engrossed in a role is similar to what Csikszentmihalyi (1997) called "flow". They proposed that the difference is in the point that although engagement is a constant state of work, flow is more complicated notion which includes transitory experiences which can happen beyond the workplace.

The Utrecht Work Engagement Scale (UWES), which was a self-report questionnaire initially established by Schaufeli et al. (2002b) and then examined by Schaufeli et al. (2006) composed three dimensions of engagement as absorption, dedication and vigour.

Harter et al., (2002; 2003) presented the final trend of research which has regarded engagement in the realm of work role. The scholars of Gallup Consulting, within around 30 years showed thousands of studies on successful employees, managers and productive work groups which have resulted in developing their engagement model (Simpson, 2009). In an agreement with Kahn (1990, 1992) definition of personal engagement, Harter et al. (2002) characterized employee engagement as appearing

when employees emotionally relate to others and cognitively cautious and is considered to be the individual's involvement and satisfaction as well as enthusiasm for work“(p. 269). Harter et al. (2003) proposed a model in which four antecedent factors seem essential for having engagement at workplace namely –(a) clarity of expectations and basic materials and equipment being provided, (b) feelings of contribution to the organization, (c) feeling a sense of belonging to something beyond one-self, and (d) feeling as though there are opportunities to discuss progress and grow”. Employee engagement measurement concentrates on these antecedent components. The instrument, named The Gallup Workplace Audit, consists of 12 items is able to measure the perception of employees on work characteristics (Harter et al., 2002, p. 79).

In recent studies on employee engagement, the one that has been hugely accepted and widely employed is the social exchange theory. Based on Saks (2006) statement, in SET; employee management has been explained with strong reasoning and logic. The central principle of SET is that individuals make decisions and choose on the basis of perceived benefits and costs (Cropanzano & Mitchell, 2005). This claim confirms that people evaluate and assess every social relationship in order to find out the benefits they will gain from such relationships (Blau, 1964; Ethugala, 2011). Saks (2006) believes that a good and proper way through which workers can repay their company is through their degree of engagement. It is the employee's choice whether or not to be involved in the resources they obtain from their company. A reciprocal relation between the support employees get from their organization and their willingness and desire to make the most of their team and individual performance has been shown in this perception. A theoretical foundation has been provided by SET for the justification of the reason why workers decide to stay with their company or to get engaged in their work. Employee engagement consists of psychological and emotional relationships between

organizations and their employees which can be translated into positive or negative behaviours that employees show at their jobs (Andrew & Sofian, 2012).

In the definition of engagement proposed by Kahn (1990), employees feel the urge to be more deeply involved and engaged in their role performances as the repayment for the resources organization give to them. Thus, when these resources are not provided by the company, it is more probable for the employees to disengage themselves from their role performance and withdraw. Therefore, the amount of physical, emotional and cognitive resources people are willing to devote to their working performance might depend on the socio-emotional and economic resources they receive from their companies (Saks, 2006). In sum, a theoretical basis has been provided by the SET which can explain the reason employees become engaged in their organization and work.

2.5 Importance of Employee Engagement

There is a large volume of empirical studies describing the role of employee engagement in increasing productivity, discretionary behaviour and reducing absenteeism (Buckingham & Coffman, 1999; Harter & Schmidt, 2008).

Engaged employees are more willing to increase and broaden their discretionary efforts, and are more creative and productive compared to the unengaged employees (Bakker & Demerouti, 2008). The relationship between employee engagement and organizational outcomes has been supported by the findings of some researches. Based on the evidences found in these studies, employee engagement has a positive effect on some indicators of organizational performance which are as follows safety (Harter et al., 2002); profit (Harter et al., 2002; Markos & Sridevi, 2010; Salanova et al., 2003; Schaufeli et al., 2002b); satisfaction (Harter et al., 2002; Towers, 2003), employee

turnover (Hallberg & Schaufeli, 2006; Harter et al., 2002; Schaufeli & Bakker, 2004); and productivity (Harter et al., 2002; Salanova et al., 2003). The relation between low turnover intentions and employee engagement has been recognized and established in many researches (Koyuncu et al., 2006; Schaufeli & Bakker, 2004). The relationship between organizational results, including the ones that are performance-based, with employee engagement is supported by an increasing amount of evidences (Hallberg et al., 2007; Laschinger & Leiter, 2006; Saks, 2006; Salanova et al., 2005). They were all in agreement that the engagement of employees could be a powerful component in the success and performance of organizations.

Furthermore, the employees who show engagement are more likely stay with the company, which helps and benefits the company by reduced work load disruptions and low turnover costs (Roberts & Davenport, 2002). Engaged employees involve themselves in volunteering and mentoring, try extra hard to support the organization, respond to opportunities, and develop new knowledge (Lockwood, 2007; Schaufeli & Salanova, 2007). Furthermore, engaged employees have the urge to succeed and to face the challenging objectives, they are more committed to the company and are satisfied with their work (Schaufeli & Salanova, 2007). Engaged employees are not only energetic but enthusiastically employ energy in their work, and do not hold back. Moreover, engagement of employees has turned into a crucial business matter for organizations as the entire globe is recovering from human resource (HR) the danger of the latest economic recession. Because of the growing awareness about the fact that employees and people are the most important assets every organization has, companies are now considering HR for the creation and establishment of their strategic programs to improve the commitment and engagement of employees (Ologbo & Sofian, 2013).

In spite of the fact that the idea of employee engagement is greatly reflected in the realm of business community, the scholars tried to be more careful in admitting to consider it as a mixture of previous studies in the area of work attitude (Cappelli & Neumark, 2001; Wolf & Zwick, 2008). Although the attentions have been drawn to this area, a lack of public linkage study of employee engagement can be seen (Albrecht, 2010). Moreover, consulting firms and practitioner are the main sources of these studies which are more based on practice studies rather than academic studies (Saks, 2006). In spite of drawing the interests in the area of employee engagement, the researches on consultancy and industry have shown that there is a drop in the number of engaged employees and a rise in the number of disengaged employees (Welch, 2011).

The study of global workforce which has been carried out by Towers Perrin (2007-2008) revealed that there is only 21% of employees who are engaged with their work and 38% are shown as moderately to fully disengaged. According to the findings obtained from a new research by Gallup Consulting (2010), globally only 11% of employees are engaged in their work, 62% are not engaged and 27% are actively disengaged. In addition, based on the Corporate Communication International survey of US Chief Corporate Communicator Opinion on Practices and Trends, employee engagement is among the top three trends which influence companies (Goodman & Hirsch, 2010). Hence, employee engagement turned to be a top concern for companies around the world.

2.6 Employees' Need Strength and the Theoretical Perspective

The role of management is to apply organizational resources to achieve organizational objectives. Industries are aware of the importance of human resources in the achievement of such objectives (Yankov & Kleiner, 2001). As a result of the nature of

commercial enterprise organisational goals will include increased productivity and efficiency, and it is generally acknowledged that workforce motivation is an influencing factor in these areas. Motivation is considered to be the driving force behind human behaviour (Hollyforde & Whiddett, 2002). From a management perspective this is important as, along with a worker's abilities and skills, motivation is a factor which contributes to productivity (Vroom et al., 1970). Various scholars have suggested that needs are the fundamental determinants of human behaviour (Latham & Pinder, 2005).

There are two distinct categories to the understanding of motivation including content theories and process theories. Process theories are concerned about the processes involved in motivation (Mukherjee, 2009). Content theories which have been referred to as 'need theories' attempt to explain those specific issues, which actually motivate the individual at work. These motivation issues are concerned with identifying people's needs and their relative strengths, and the goals they pursue in order to satisfy these needs (Naoum, 2001). The most well-known and widely used content theories include Maslow (1943) hierarchy of needs, Herzberg (1959) two-factor theory (King & Lawley, 2013).

The "motivation to work" published by Maslow (1943) probably provided the field of organizational behaviour and management with a new way of looking at employees job attitudes or behaviours in understanding how humans are motivated. Probably the best known conceptualisation of human needs in organizations has been proposed by this theory (Kaur, 2013). This theory states that people have five needs; their goal is to satisfy their lower order needs including physiological and security, before they focus on satisfying their higher order needs including affiliation or social needs, esteem, and self-actualization (Latham & Ernst, 2006; Robbins et al., 2013).

The lower-order needs, also called “deficiency needs,” and higher-order needs also called growth needs, include esteem and self-actualization needs (Noltemeyer et al., 2012). Lower order needs are satisfied externally and higher order needs satisfied internally (Robbins et al., 2013). According to his theory, if deficiency needs are not adequately met, an individual will fail to develop into a healthy person- both physically and psychologically. In contrast, growth needs help a person grow and develop to his fullest potential (Mukherjee, 2009). It is important to note, however, that Maslow (1943) did not intend the hierarchy to be inflexible. Certain needs may take on greater importance than others. Similarly, needs do not have to be satisfied in a rigid step-wise fashion. Most individuals will be satisfied to some extent in all basic needs and simultaneously partially dissatisfied. As Maslow (1943) notes, “A more realistic description of the hierarchy would be in terms of decreasing percentages of satisfaction as we go up the hierarchy of prepotency” (p.381).

Physiological needs are the need at the bottom of the triangle and include the lowest order need and most basic. This includes the need to satisfy the fundamental biological drives such as food, air, water and shelter. According to Maslow (1943) organisations must provide employees with a salary that enable them to afford adequate living conditions. The rationale here is that any hungry employee will hardly be able to make much of any contribution to his organisation. Safety needs occupy the second level of needs. Safety needs are activated after physiological needs are met. They refer to the need for a secure working environment free from any threats or harms. Social needs represent the third level of needs. They are activated after safety needs are met. Social needs refer to the need to be affiliated that is (the needed to be loved and accepted by other people). To meet these needs organisations encourage employees’ participation in social events such as picnics, organisations bowling, etc. Esteem needs represent the

fourth level of needs. It includes the need for self-respect and approval of others. Organisations introduce awards banquets to recognise distinguished achievements. Self-actualisation need occupies the last level at the top of the triangle. This refers to the need to become all that one is capable of being to develop ones fullest potential. The rationale here holds to the point that self-actualised employees represent valuable assets to the organisation human resource (Kaur, 2013).

In a motivational point of view, Maslow's theory states that a need can never be fully met, but a need that is almost fulfilled does not longer motivate. According to this theory, this should be known where a person is on the hierarchical pyramid in order to motivate him/her. In next step, it is needed to focus on meeting that person's needs at that level (Robbins et al., 2013). It is important to acknowledge that needs do not exist in a vacuum. Indeed, needs are strongly influenced by the social structure and environment (Buttle, 1989).

Under the heading "Priority of needs", (Davis, 1957) states, "Psychologists recognise that needs have a certain priority. As the more basic needs are satisfied, a person then seeks the higher needs. If his basic needs are not met, they claim priority, and efforts to satisfy the higher needs must be postponed" (p.40).

Another main content theory is Herzberg (1959) Motivator-Hygiene Theory. His theory suggested that motivation is composed of two largely unrelated dimensions: (1) job-related factors which can prevent dissatisfaction but do not generate satisfaction or motivate workers to greater effort (hygiene); and (2) job-related factors that encourage growth and also provide satisfaction and therefore motivation, but if absent cause no satisfaction to be achieved (motivators). While there has been some support for

Herzberg's thesis, most empirical studies refute predictions based on this theory. Needs for salary, recognition and responsibility, for example, have been shown to operate both as motivators and as hygiene factors (Maidani, 1991).

All these theorists and researchers have agreed, however, on some kinds of a hierarchical structure for these needs. In general, they have identified both "lower-order" and "higher-order" needs, and have argued that the strength (or at times, desire, satisfaction, importance) of higher-order needs is, in some way, dependent upon or related to the strength of lower-order needs (Mowen, 1999). Motives or needs are the reasons underlying behaviour, and all the needs that an individual has compete for that behaviour. The need with the greatest strength at a given moment will lead to activity. Satisfied needs decrease in strength and normally do not motivate individuals to seek goals to satisfy them (Fox, 2006).

Maslow (1954) stated though those with low salary and bad working conditions will cherish money and good working conditions, those with high repayment and desired working conditions will cherish their higher-order needs more due to the fact that a fulfilled need probably does not stimulate individuals with high motivation to work harder, an organization will tend to appropriate the activities with the purpose of fulfilling unmet needs to constantly motivate the workers (Kreitner & Kinicki, 2008). This view has drawn a huge attention in the area of social sciences, specifically in describing priority-setting and development (Hagerty, 1999; Sirgy, 1986). This theory of needs hierarchy provides valuable insights into human motivation which have relevance to the workplace. In particular, he goes beyond behavioural psychology, which he viewed as too simplistic and having no earthy use in any complex human situation' (Maslow & Stephens, 2000, p. 7), towards a more multifaceted view of what

motivates behaviour; first it shows that individuals are motivated differently that means what works for one worker may not for the other. Secondly, the hierarchy integrates different types of motivating factors within its framework and third, the hierarchy shows that an individual's motivation is not fixed and it is dynamic. In fact people can progress over time (King & Lawley, 2013). Thus, Maslow et al. (1970) need hierarchy model provides a good understanding of the human behaviour and offers a simple guideline for motivating people in workplace. Although there is little research evidence to support the model, the need hierarchy theory is well appreciated by the practicing manager because of its simple approach and practical orientation (Mukherjee, 2009).

Several psychologists have evaluated needs with applying projective, questionnaire or implicit measures and have employed the variables whether as major effects or in interaction with environmental variables, in order to forecast performance and/or job satisfaction (Gagne, 2014). More specifically, need strength has been considered as an individual difference variable which emerged from development such as (was learned) and was regarded as an initial antecedent of behaviour. Need strength was primarily a mirror of individuals' desire, with the indication that the more they tend to have a general outcome, the harder they work to achieve it- meaning that they would be more motivated for the actions which they think would direct them to the outcome. In the scope of such tradition, need strength was employed to forecast outcomes like manager's performance or individuals' effectiveness for the work, due to the belief that individuals would act accordingly to achieve outcomes which would give satisfaction of their heavily held needs (Gagne, 2014). The implications of Maslow (1954) for organizations decision makers are straightforward. First, providing pay and benefits which ensure that an employee's physiological (e.g., food) and security (e.g., medical insurance) needs are met; Second, hiring people who are compatible with each another.

If these lower needs are satisfied, the theory states that it is more likely that a person will focus on self-esteem through achievement as well as self-actualization that is, finding ways to maximize one's knowledge and skills. Needs are physiological as well as psychological that affect a person's survival as well as sense of well-being (Latham & Ernst, 2006). This research work is based on Maslow (1943; 1954) theory, as argued by Lamond et al. (2005), this theory chosen because of the continued and widespread interest in his work. His work continues to inform a vast range of business problems from customer relations management to motivation. This theory presented has been recognized as a main effective factor in the enhancement management and motivation work (Whittington & Evans, 2005). Although Maslow's concept of needs has not been without its critics (Arkes & Garske, 1982), it has been demonstrably reliable in some studies (Gratton, 1980; Oleson, 2004), and as noted by Buttle (1989),

[...] while it has not been subjected to much empirical validation it has a face validity which provides it with a plausible explanatory power. It has a broad scope, a wide range of cases explained, and it is parsimonious and elegant. Furthermore, Maslow's moral order is an attractive picture of humankind seeking out ever higher states of self-actualization, pursuing beauty and truth (p.202)".

As cited by Latham and Ernst (2006) ; Ronen (2001) collected data in 15 countries. He found that Maslow's taxonomy of needs is essentially correct. Van-Dijk and Kluger (2004) also found support for the hierarchy. Using survey methodology, Acton and Malathum (2000) also documented a relationship between the levels of Maslow (1954). Specifically, they discovered that individuals with higher levels of physical, love/belonging, and self-actualization need and satisfaction made better decisions regarding health-promoting and self-care behaviours.

This theory has been tremendously employed as a foundation for studies in job satisfaction (Roberts et al., 1971), workforce commitment (Stum, 2001), consumerism (Trigg, 2004), quality of life (Gratton, 1980; Sirgy, 1986), quality of work life (Singhapakdi et al., 2015; Sirgy & Wu, 2013) and management theory (Elliot & Williams, 1995; Lamond et al., 2005).

Hackman and Oldham (1976) and also Hackman and Lawler (1971) elaborated on Herzberg's theory regarding important characteristics of jobs, so as to take into account differences among individuals regarding their needs. Two key differences between their job characteristics theory and that of Herzberg's job enrichment theory is that they did not posit two distinctly different factors as sources of satisfaction versus dissatisfaction, and, more importantly, they did not advocate enriching jobs for everyone. Instead, their theory states that job enrichment only motivates employees who have higher order growth needs for autonomy, responsibility, task variety, feedback, and recognition, while the employees who concentrated more on the lower-order needs received less motivation by enriched jobs. Porter (1961, 1963) developed one of the most well-known scales of hierarchy of needs called need satisfaction questionnaire (NSQ). The format of NSQ is made in a way that for every item that designates a specific motivational feature, participants should answer the following questions: (a) how much is there now? (b) How much should there be? And (c) how important is this to me? The replies are mostly highlighted on a Likert seven-point scale from minimum to maximum amounts. The score of need deficiency is measured through subtracting the score of ~~is now~~ from the score of ~~should be~~. Need importance has been measured just according to the score of part(c).

Porter (1962) discussed that the deficiencies in need fulfilment can be taken as a function of five levels of management. As the findings indicated (a) a vertical level of position in management hold a noticeable connection with the level of perceived satisfaction of the three highest order needs which are Esteem, Self-actualization and Autonomy. For such needs, the level of satisfaction went up at each higher level of management, (b) regarding the two types of lower-order needs, Security and Social, there were no systematic changes in satisfaction regarding the management level, (c) among the five categories of needs, Self-actualization and Autonomy were constantly considered the least met needs at the whole levels of management. Likewise, in another study, Porter (1963) applied the same set of need satisfaction questions, but this time he concentrated on the perceived importance of these needs to the individual rather than on the perceived satisfaction or fulfilment. One more time, according to the prior research work, the results were examined as a function of management level.

In agreement with lower and higher order needs categorization, more remarkable scholars have been carried out some researches. For instance, Lefkowitz et al. (1984) investigated the impacts of level of needs (lower vs higher) and need importance as the moderators of the connection between need satisfaction and alienation-involvement. The scholars employed two evaluations. The first one is called salience or need importance that was achieved from ranking of ten kinds of needs and also Porter (1961) scale was employed to evaluate the extent of job-derived need fulfilment. The finding showed that the fulfilment of higher-order need was bound with alienation-involvement points to a tremendously higher degree than was the fulfilment of lower-order need even in case of those for whom the lower-order needs were more important. Need importance was not considered to constrain the relationship of need satisfaction-involvement once the levels of needs are governed.

Noltemeyer et al. (2012) investigated the model of Maslow et al., (1970) through employing the connection of the variables of deficiency needs and growth needs, regression studies were carried out in order to determine the relationship between a set of two deficiency needs like safety and belonging/love needs and also four academic achievement outcome variables. The entire four mentioned regression models were noticeable, showing a positive connection of deficiency and growth needs. The item most remarkably bound with the achievement outcomes was the approach to health and dental care (a safety need).

Koonmee et al. (2010) examined the relationship between the ethics institutionalization, employees' job-related outcomes and also quality of work life (QWL) in the Thai workplace. Their survey findings showed a positive connection between implicit forms of ethics institutionalization and both lower-order and higher-order aspects of quality work life. The findings also showed that the implicit form of ethics institutionalization and two component of quality of work life hold positive influences on the three job-related outcomes: team spirit, job satisfaction and organizational commitment.

Marta et al. (2013) hypothesized that the impact of the institutionalization of ethics on quality of work life is stronger for Thai in compared to United States managers due to the fact that the culture of Thai is collectivistic while the culture of United States is individualistic. The survey data gathered from Thailand from a sample of marketing managers of the companies which are included on the Stock Exchange of Thailand. The data related to the United States included a sample of United States members of the American Marketing Association. The findings showed a partial confirming of the hypothesis. This assumption is highly based on discrepancies in economic enhancement.

Similarly, Singhapakdi et al. (2014) carried out a research to shed more light on gender differences in job satisfaction in the context of Western versus Asian managers. The mentioned study focused on the “gender paradox of the female contented worker” and also held a place which the paradox does not relate to the female managers in Asian countries. The data were gathered from Thailand as the Asian countries’ representative and also United States as the Western nations’ representative. The findings revealed that the paradox of gender is partly doubtful. The findings revealed that gender disparity in job satisfaction can be found in Thailand as well as United States. Moreover, a remarkable gender differences can be found in lower order QWL and also organizational socialization in Thailand though not in United States. It should also be mentioned that in none of these countries, there was no remarkable gender disparity related to higher-order quality of work life. The findings indicated that the gender disparity in job satisfaction in Thailand is driven mainly by significant gender disparity in lower-order QWL and organizational socialization.

Another subsequent research by Singhapakdi et al. (2015) in needs area concentrated on the influence of discrepancy of a company’s CSR orientation and the employees’ CSR orientation on two aspects of individuals’ quality QWL, higher and lower-order need satisfaction. The sample composed of employees of six organizations from various sectors of Thailand. The findings showed that incompatibility between companies and employees’ corporate social responsibility are negatively related to both higher and lower order need satisfaction.

2.7 Organizational Identification

Over the past decade, organizational researchers have increasingly applied social identity theory to the workplace. As a specific form of social identification,

organizational identification (henceforth identification) reflects the specific ways in which individuals define themselves in terms of their membership in a particular organization (Mael & Ashforth, 1995). The focus on identification within organizational contexts has continued to intensify as it is purported to benefit individuals, work groups, and the organization as a whole (Ashforth & Mael, 1989; Riketta, 2005; van Dick, 2004). Haslam et al. (2003) have gone as far to contend that without organizational identification, 'there can be no effective organizational communication, no heedful interrelating, no meaningful planning, and no leadership' (p. 365).

Organizational identification is defined as the level in which an individual identifies with his company both cognitively and emotionally. Organizational identification is observed from initially a cognitive experiencing of membership with the company to a higher affective linkage such as value and goal congruence. When the identity between the employee and the company is stronger, there exists more identification which leads to cognitive and affective features as well as in behaviours like citizenship behaviour (Ashforth et al., 2008).

Based on the study by Martin and Epitropaki (2001), the workers who hold high organizational identification, along with sharing the company's objective and aims, they consider the leader as the manifestation of the same objectives and values as the worker. On the other hand, those who hold low organizational identification, as they discussed, are more likely to follow their own demands instead of the shared benefits. This can be discussed in the framework of social identity theory (Abrams & Hogg, 2001; Hogg, 2001; Tajfel & Turner, 1985; Van Knippenberg & Hogg, 2003). Individuals identify with other group members regarding their shared traits they hold with each other and are described on the ground of that membership (Olkkonen & Lipponen, 2006).

Identification is described as “the perception of oneness with or belongingness to some human aggregate” (Ashforth & Mael, 1989, p. 21). Identification includes the social characteristics of a person’s self-concept (Pratt, 1998) which includes personal identity that contains an individual’s interest and capabilities and a social identity that contains dominant group categorization (Tajfel & Turner, 1985). Individuals tend to categorize themselves and other people in social categorizations like organizational membership and gender. They found themselves as the member of a certain group that result in adoption of unique group values which direct their behaviour (Ellemers et al., 2004).

According to the study of Ashforth et al. (2008), comprehending organizational identification is vital to every company. The notion of identity assists in holding the base of who people are and the reasons they do what they do- as the main point of why individuals work in companies and why they quit intentionally, why they consider their job in the way they do and the reasons of communicating with others in a way they do in their workplace. Identification matters because it is the process by which people come to define themselves, communicate that definition to others, and use that definition to navigate their lives, work-wise or other” (p. 334).

The large number of researches suggests the consequences of employees’ identification with their company (Riketta, 2005; Thakor & Joshi, 2005). There are some studies showing that specific variables are antecedents to organizational identification such as leader behaviour (Homburg et al., 2009; Tangirala & Ramanujam, 2008), organizational justice (Olkkonen & Lipponen, 2006), organizational prestige and support (Dutton et al., 1994), and trust (Edwards & Cable, 2009) which impact the employees’ organizational identification. From the point of view of social identity theory,

employees classify themselves with as the representative of their company to fulfil their need for belonging, prestige and attractiveness (Ashforth & Mael, 1989).

As a matter of fact, individuals are willing to identify with their company which is considered as prestigious due to the fact that working in a prestigious company can improve self-esteem and fulfil their demands for self-enhancement (Dutton et al., 1994). Many researchers have proposed that employees' perception towards attractiveness of their company's image enhances the member identification strongly (Fuller et al., 2006; Tyler & Blader, 2003).

The relationship between employees and their company has been characterized as an exchange relationship (Rousseau, 1995). In spite of the fact that several potential exchange relationships lie in companies, the most important relationship which all the individuals hold at work is the one between employees and companies (Masterson et al., 2000). It has been also discussed that a few of factors in employee–employer relationship are deeper explored and discerned as the foundations of self-categorization and self-definition and not just from the view of exchange and reciprocity (Eisenberger & Stinglhamber, 2011; Van Knippenberg & Sleebos, 2006). Several scholars (Sluss et al., 2008) have declared that not many of the studies on these relationships have taken the role of organizational identification into consideration. It should be mentioned that organizational identification is one of the essential factor of companies' existence (Leary & Baumeister, 2000).

Organizational identification is different from organizational commitment (Gautam et al., 2004; Van Knippenberg & Sleebos, 2006); including an cognitive linkage with the

company and is described as the employee-organization relationship from the self-concept point of view (Ashforth et al., 2008).

The attention on identification in the context of organizations has currently developed hugely since its significance for the companies has been recognized (Kreiner & Ashforth, 2004). Particularly, organizational identification has been considered to have a positive connection with performance and organizational citizenship behaviour and negative connection with turnover (Bhattacharya et al., 1995; Kreiner & Ashforth, 2004; Van Knippenberg, 2000). Further points have also been highlighted that developing a sense of belonging and meaning at work influence employees' perceptions of their work environment and job attitudes (Kreiner & Ashforth, 2004).

Organizational identification hugely affects the attitude of belonging to a company where the individuals are part of (Ashforth & Mael, 1989), and is also has a significant part in the procedure of social exchange. For example, the hypothesis of social identity mediation discussed by Tyler and Blader (2003) reveal that organizational treatment (e.g., procedural justice) tremendously affects employees' identity judgments and contributes in constructing their attitudes, values and supportive behaviours.

2.10 Identification of Research Gaps

Based on the reviews, these points can be mentioned as the remarkable gaps recognized in the literature:

1. The intense enthusiasm in CSR has driven a range of research works that the majority of them highlighted the organizational level and hardly focused on CSR from the point of view of individuals organizational members (like employees as

the major internal stakeholder). As proposed by Aguinis and Glavas (2012), just around 4% of the researches on CSR which appeared in main psychology and management and journals have concentrated on the individual level.

2. The previous studies focus on direct impacts of CSR on employees' related outcomes, and pay little attention to the conditions that can affect the relationship of CSR and employees related outcomes. There seems to be a lack of understanding of the underlying mechanisms linking CSR with outcomes—namely, mediation and moderation effects. In short, this second knowledge gap is related to the need to conduct research that can help us understand the processes and underlying mechanisms through which CSR actions and policies lead to particular employees' outcomes.
3. CSR motives aimed at various stakeholder categorizations. The majority of the researches presented involve just external or internal CSR program of the organization. They neither speculated nor investigated differential impacts of both dimension of CSR on employee engagement. CSR in the place of a multi-dimensional second-order mechanism has rarely been tested theoretically and methodologically regarding employee engagement.
4. Possibly and more significantly, the majority of the present reviews are influenced by the paradigm of need-satisfaction, though no study can be found to investigate the way individuals respond to corporate social responsibility activities based on their deficiency need strength. It should also be mentioned that it has not been found an study that evaluated lower order need strength of the employees as an individual differences in the relationship of both dimension

of CSR and employee engagement. Moreover, no investigation can be found on the relationship of the two major forms of CSR (internal and external) and engagement both directly and indirectly by identification.

5. There are not many academic studies on CSR dimensions and stakeholders' interaction including employee engagement. Learning more about this area could assist organizations interested in increasing their employee engagement through CSR practices. In fact, more qualitative studies are needed to improve the understanding of the underlying mechanisms of CSR. To see how employees judge CSR programs and how they react to its activities. It has now been found any research that employed both quantitative and qualitative methods to explain the relationship between CSR and employees' identification and engagement.
6. There is lack of studies in developing countries in the relationship of CSR and employee engagement and reactions. It is highly significant to acquire more knowledge about this field because due to the low rate of employee engagement in Asia, it can be helpful for the companies which are eager to raise their employee engagement by means of corporate social responsibility activities. There are calls for more researches to explore employees' reactions and perception to external and internal CSR in developing countries.

In summary, the dearth of scientific studies on the way perceived internal and external corporate social responsibility is able to raise the engagement and the underlying structure has made gaps in this area. This can be explained by the fact that there is a demand for research to show the way that corporate social responsibility aspects and engagement are correlated inside a company, the way this structure can be described by

the help of identification and also the other variables that explain employees' attitude towards various aspects of CSR activities.

Moreover, the present research tries to fill the gap which is linked to the way that organizational insiders' make their evaluation about CSR programs and also the way these evaluations affect individuals work perception and behaviours. In the next chapter, the relationship between variables studying in this research considering the theories which explain these relationships will be provided.

University of Malaya

Chapter 3

Conceptual Framework and Hypothesis Development

3.1 Overview

This chapter presents the conceptual framework and the hypothesized relationships emerging from the proposed framework of the study in two sections. The first section explains the theoretical framework and states a brief explanation of those theories which are used in explaining the direct and indirect relationships in the conceptual framework. The second section discusses the development of hypotheses in this research according to the defined theories and previous literature review.

3.2 Conceptual Framework

The conceptual framework for this study is illustrated in Figure 3.2. The relevant independent variables in the framework are perceived external and internal corporate social responsibility. The dependent variable is employee engagement. Some of these variables have interrelations and also direct and indirect relations in the path model as clarified in the conceptual framework. Social identity theory and social exchange theory are two widely-used theoretical frameworks that underpin the relationship between perception of CSR and employees' attitudinal and behavioural reactions (Ashforth & Mael, 1989; Blau, 1964; Cropanzano & Mitchell, 2005; Hogg & Terry, 2000; Molm & Cook, 1995). The framework links perceived internal CSR to employee engagement which is supported by social exchange theory and the norm of reciprocity. Social identity theory is used to explain the relationship between perceived external CSR and employee engagement. Flynn (2005) says that individuals' identification with an organization may be aligned with specific forms of social exchange. While referring to

the social exchange theory of Blau (1964), she suggests that individual levels of organizational identification may influence social exchange, and subsequent processes, triggered by CSR, may affect social exchange dynamics within organizations. In this way, Flynn's model combines theories of social exchange and social identity to explain how employees may develop a sense of obligation and engage in productive or counterproductive work behaviours, rewarding or punishing CSR practices, especially those directed at employees and work conditions. The framework integrates organizational justice theory to examine the moderating role of employees' lower order need strength in the relationship between perceived external CSR and employee engagement as well as perceived internal CSR and employee engagement. Finally, according to SIT organizational identification is also predicted to mediate the relationship between perceived external as well as internal CSR with employee engagement. Following the brief explanation of main theories are presented.

3.2.1 Organizational Justice Theory

Organizational justice is defined as an overall perception of what is fair in the workplace. Employees perceive their organizations as the outcomes and also the ways in which they have received are fair. Organizational justice composed of three aspects which are distributive justice, procedural justice and interactional justice (Robbins et al., 2013). Organizational justice results in practical advantages. Fairly treated employees contribute to higher job performance, more organizational citizenship behaviours, committed, and have less turnover intentions in compare to those employees who are unfairly treated (Cohen-Charash & Spector, 2001; Colquitt et al., 2001).

Distributive justice refers to the perceived fairness of the outcomes which employees receive (Adams, 1965). Procedural justice concerned with the processes and procedures

by which individuals perceive that allocation decisions are fairly made (Folger & Greenberg, 1985). If employees do not feel that organizational policies are fair, these types of policies will not have the expected effect. This issue could happen more if those policies could have negative results (Henle et al., 2009). Interactional justice is related to the employees' perceived fairness of the interpersonal treatment they receive from the organization. In compare to procedural justice, interactional justice comes with less formalized facets of interaction. It is related to the degree honesty, sensitivity and respect which managers show during the interaction with subordinates (Bies & Moag, 1986). The value of all three kinds of organizational justice is in predicting employees' attitudes (Cohen-Charash & Spector, 2001). In this research overall justice almost has been considered to explain employees' behaviour toward CSR activities. Figure 3.1 shows three kinds of justice theory.

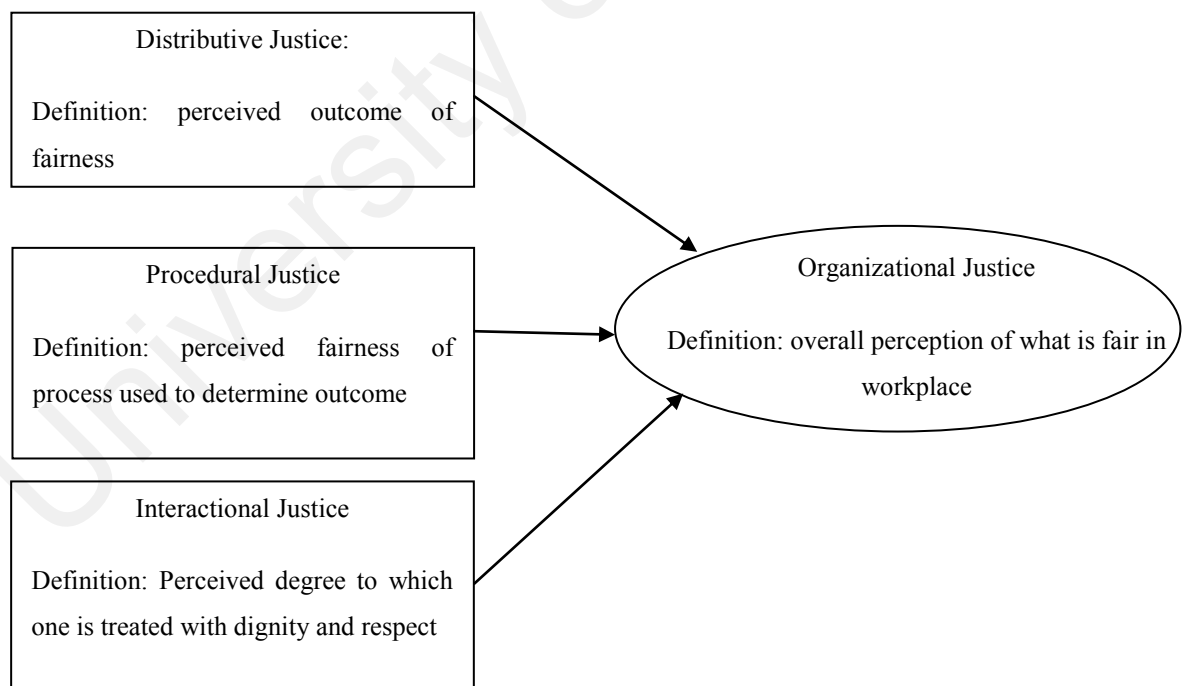


Figure 3.1: Justice Theory

Source: Robbins et al. (2013)

3.2.2 Social Identity Theory

Hogg (2006) stated that –Social Identity Theory is a social psychological analysis of the role of self-conception in group membership, in group processes, and intergroup relations. It embraces a number of interrelated concepts and sub-theories that focus on social-cognitive, motivational, social-interactive, and macro social facets of group life. The approach is explicitly framed by a conviction that collective phenomena cannot be adequately explained in terms of isolated individual processes or interpersonal interaction alone and that social psychology should place large scale social phenomena near the top of its scientific agenda” (p.111).

Two of the main components of SIT are The original SIT (Tajfel & Turner, 1979) and the latter, self-categorization theory (Hogg & Terry, 2014; Turner et al., 1987). Tajfel (1972) presented the concept of social identity to theorize how individuals define themselves in the contexts of intergroup, in what way a structure of social categorizations –creates and defines an individual’s own place in society” (p. 293). He defined social identity as –the individual’s knowledge that he belongs to certain social groups together with some emotional and value significance to him of this group membership” (p. 292). The self-categorization theory is the cognitive aspect of social identity (Turner, 1985; Turner et al., 1987) regarding the reasons and consequences self social categorization and also social categorization of others (Hogg, 2001).

According to the social identity theory, individuals always desire and struggle to obtain positive social identity. SIT helps to understand how people make sense of other people and themselves in the social environment and also it stated that people always tend and struggle to achieve positive social identity (Aberson et al., 2000).

This theory clarifies people obtain a part of their identities from their interactions and memberships between or within groups (Hogg & Terry, 2000). SIT could give an explanation that why being a member of an organization with the same values is important for some people. Individuals tend to classify themselves to particular groups especially those which are perceived positively to identify themselves in target environments and in result, this identification boost their self-esteem (Tajfel & Turner, 1985).

Group identification signifies positive feelings directly related to the values that are characterized in that group. Employees have often considered organizations as an important group membership (e.g., Haslam, 2004) and membership in business organizations is the most important factor of employees' social identity which is named organizational identification (Hogg & Terry, 2000).

SIT worth is that it offers vision into how being a member of groups shape behaviour, attitudes and feelings (Van Knippenberg & Hogg, 2003). A variety of employees behaviours could be explained by SIT such as organization-based self-esteem (Bergami & Bagozzi, 2000), organizational citizenship behaviour (Riketta, 2005), work motivation and performance (Van Knippenberg, 2000) and employee turnover (Mael & Ashforth, 1995).

Employees assess their self-esteem and self-worth according to the social standing or status of their organization (Tyler, 1999). Therefore, they tend to identify with those organizations with high prestige and good external image to enhance their self-worth and satisfy their self-enhancement need (Tajfel & Turner, 1985). On other side, according to SIT literature, individuals evaluate their own standing in the organizations

because it enhances their self-respect, which Fuller et al. (2006) demonstrate as ~~a~~ reflection of an individual's global evaluation of the extent to which they feel that they are a member in good standing or that they believe they are a valued member of the organization".

3.2.3 Social Exchange Theory

Social exchange theory is one of the most effective conceptual paradigms to understand workplace behaviour. Social exchange relationships signifies when employers ~~take~~ care of employees," which in this manner result in beneficial consequences (Cropanzano & Mitchell, 2005). As described by (Ap, 1992), SET is ~~a~~ general sociological theory concerned with understanding the exchange of resources between individuals and groups in an interaction situation" (p.668).

There are two different models of SET resources, including economic and social (Blau, 1964). As cited by Cropanzano and Mitchell (2005), Blau (1964) contributed to SET by his comparison of economic and social exchanges. He stated that ~~the~~ basic and most crucial distinction is that social exchange entails unspecified obligations" (p. 93). He discussed that only social exchange ~~involves~~ favours that create diffuse future obligations and the nature of the return cannot be bargained" (p. 93) and ~~only~~ social exchange tends to engender feelings of personal obligations, gratitude, and trust; purely economic exchange as such does not" (p. 94). He also argued that ~~the~~ benefits involved in social exchange do not have an exact price in terms of a single quantitative medium of exchange" (p. 94), indicating social exchanges create sustainable social patterns. Deckop et al. (2003) also stated that social exchange concerns ~~the~~ nonmonetary aspects of employment, especially those rooted in social exchange concepts" (p.102).

SET is based on the concept of reciprocity, Gouldner (1960) notes two assumptions which govern the principle of reciprocity: “1) people should help those who have helped them, and 2) people should not injure those who have helped them” (p.171). However, the norm of reciprocity is usually seen between individuals, it may also found between individuals and organisations (Rousseau, 1989).

Cropanzano and Mitchell (2005) stated that SET “is among the most influential conceptual paradigms for understanding workplace behaviour”. Blau (1964) has stated that individuals will exchange and contribute their behaviour and attitude to others in order to gain benefit in return. SET emphasizes on social behaviour as the consequence of an exchange process (Blau, 1964). The exchange is related to a reciprocal behaviour (Konovsky & Pugh, 1994). Specially, if employees feel joyful when they are working in the company, they would be interested in supporting their company as a mutual exchange (Azim et al., 2014). When employees understand that moral principles and ethics are introduced to the business in their company beyond the fundamental legal standards, they can be absolutely affected by the company and its association resulting in a positive relationship between ethical responsibility and work engagement (Lin, 2010).

SET implies individuals assess an exchange according to the costs and benefits received as the consequence of that exchange. When a person gain benefits from an exchange probably will perceive that exchange positively; in contrast , an individual will evaluate the exchange negatively if he/she perceives cost from an exchange (McCool & Moisey, 2001). SET is important in various theories, because it is used to describe a variety of employees' work attitudes (Dirks & Ferrin, 2002).

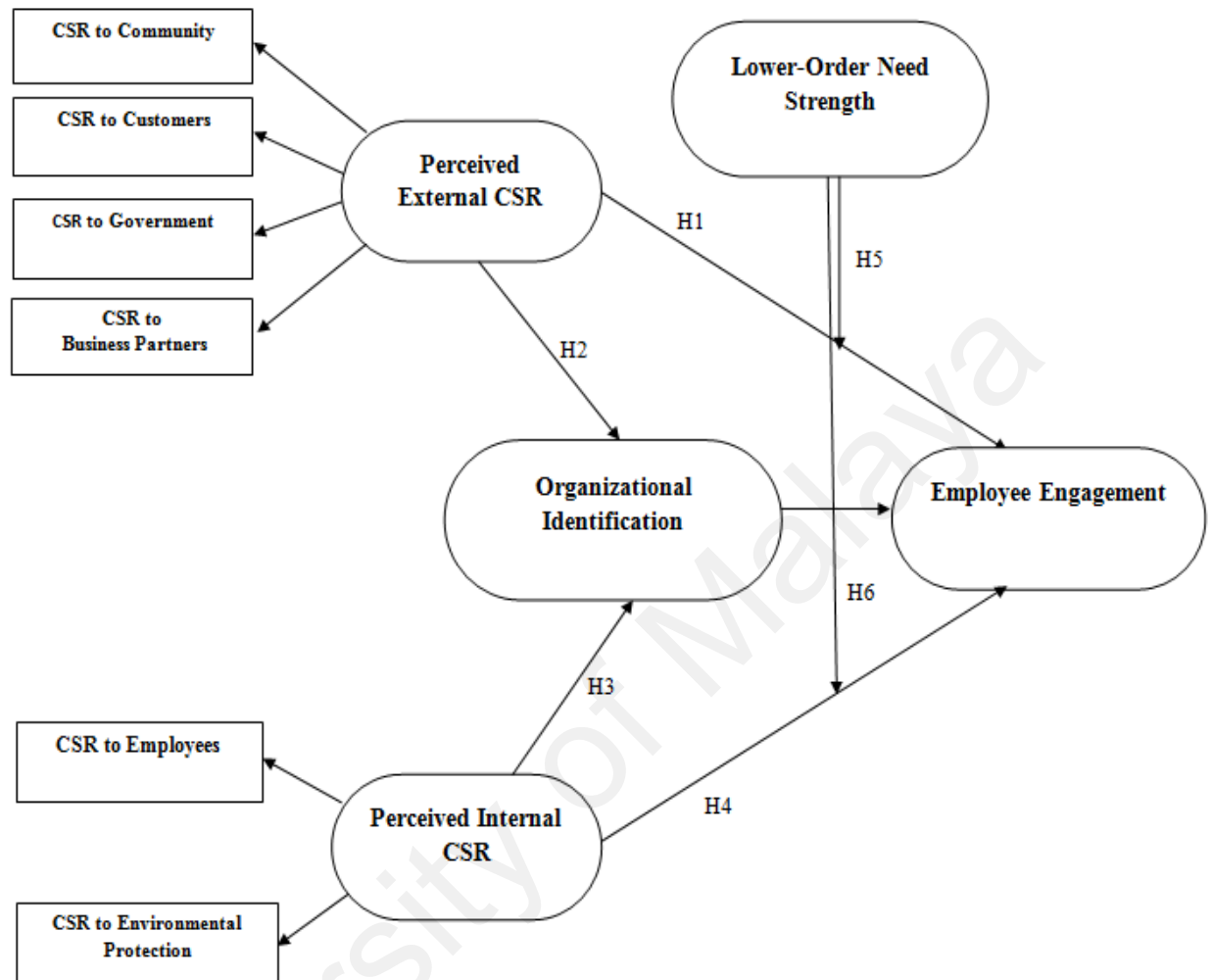


Figure 3.2: Conceptual Framework

3.3 Research Hypotheses

The growing number of academic works which are related to the relationship between firm's corporate social responsibility programs and individuals' attitudes greatly implies that the environmental and social activities of firms have been well acknowledged by employees (Berger et al., 2006; Collier & Esteban, 2007; Kim et al., 2010).

In addition, several studies have revealed that CSR impacts a range of employees' behaviours and attitudes like their commitment (Brammer et al., 2007), organizational identification (Berger et al., 2006), job satisfaction (Valentine & Fleischman, 2008), trust (Hansen et al., 2011; Hillenbrand et al., 2013), and employee intention and reaction (Bhattacharya et al., 2008; Greening & Turban, 2000) and employee engagement (Glavas & Piderit, 2009).

3.3.1 Perceived External CSR and Employee Engagement

A glance at CSR as an environment characteristic helps us to figure out how individuals judge their company's CSR activities. Employees' attitude towards their organizations' social approaches will influence their eagerness to take part, to assist and initiate social reformation drives and also impact their consequent attitudes and manners (Rupp et al., 2006). This relationship specifically is probable to take place if there are perceptions of business engagement in internal commitment (Brammer et al., 2007) and when employees judge their organizations' engagement in external actions (Valentine & Fleischman, 2008). A positive association between employees' mind-set towards their organization engagement in socially committed programs and the degree of employees' satisfaction with their job conditions regarding their satisfaction with special features of their job has been proved (Baltazar, 2011). Likewise, Similarly, Brammer and Millington (2005) explored the positive influence of socially responsible manners on organizational commitment and recommended that external CSR is positively related to organizational commitment.

It is possible to justify the relation between external corporate social responsibility and individuals' positive outcomes by the help of SIT. SIT suggests that individuals tend to categorize themselves into social groups which impact their self-concept (Albinger

&Freeman, 2000; Greening & Turban, 2000; Peterson, 2004). Every person desires their job to satisfy their own demands as well as the demands of their society(Benveniste, 2000) and being a member of a company can be a significant aspect of one's identity as individual tends to react to the accomplishment of their company as the reflection of their own accomplishment (Turker, 2009a).

Prior researches have indicated a positive association of corporate prestige and its engagement in societal matters (Hess et al., 2002) and philanthropy (Brammer & Millington, 2005). Constructing a positive frame of a company by CSR leads the individuals to identify with their organization to improve their own self-concept and to satisfy their social identity need (Ashforth & Mael, 1989; Gavin & Maynard, 1975). As a consequence, SIT proposes that the firms with investment in CSR seem to draw more attention for the employees since they can improve their self-concept by the help of linking to these firms (Albinger & Freeman, 2000; Greening & Turban, 2000; Peterson, 2004).

As individuals find their company getting involved in enhancing the society's welfare through corporate social responsibility and therefore, their company can build a positive reputation, they experience a sense of satisfaction and tend to identify with their company since it improves their self-respect and dignity (Hogg & Terry, 2000). Moreover, previous studies have indicated that employees with high sense of identification with their company are more expected to present a supportive behaviour to their company (Ashforth & Mael, 1989) and to their company's goals (Van Dick et al., 2008).

Therefore, social identity theory rationally justifies the association between external CSR and individuals' positive attitudes. Although, this does not combine the concepts of reciprocity, expectation and mutual obligations that are required to figure out how perceptions improved by identification lead positive employees behaviour in the company. Social exchange theory is the one which contributes to give a deeper analytical comprehension of such relationship.

So, it can be hypothesized that:

H₁: Perceived external corporate social responsibility has a positive effect on employee engagement.

3.3.2 Perceived Internal CSR and Employee Engagement

Internal corporate social responsibility activities point out to those activities that are directly associated with psychological and physical work environment of employees (Peterson, 2004). Moreover, they include environmentally-bound activities which are related to manage of natural resources employed in production (European Commission, 2001). Since more organizations are absorbing and hiring the first-rate personnel; Internal CSR is gaining more significance in the world of commerce. By building a high-quality working environment and enhancing internal business policies, organizations are able to encourage productivity and employees' job satisfaction. It should be mentioned that engaged and satisfied workers are inclined to mention their employers more positively (Bhattacharya et al., 2008).

The previous academic study in the area of motivation indicated that internal CSR programs initiated by the organizations are one of the drivers to motivate employees (Skudiene & Auruskeviciene, 2012). The researches by Heslin and Ochoa (2008) and

Aguilera et al. (2007) have indicated that internal corporate social responsibility can positively influence employees turnover, retention, loyalty, recruitment, satisfaction.

The reviews on organizational behaviour and human resource management have given evidences to show that the bigger the fit between the values and individuals' and employers' goals, the bigger the possibility of work outcomes to provide the company's performance. Regarding the increasing consideration for environmental issues among individual employees, it is acceptable to suppose that environmental management programs are likely to provide a relative fit between company's and employees' values, so helping to enhance the organization status, employee's devotion to the goals of the company and employee's incentives and engagement, as presented by Hoffman and Ingram (1992).

The relationship between internal CSR and employee engagement can be explained by social exchange theory. SET focuses on the social behaviour as the consequence of an exchange process (Blau, 1964). The exchange goes back to a reciprocal behaviour (Konovsky & Pugh, 1994). Specially, if individuals feel satisfied with being a member of a company, it is more probable to support their company as a mutual exchange. Moreover, individuals may get involve in voluntary activities to repay the behaviour which they are given by their company (Organ, 1990).

The norm of reciprocity (Gouldner, 1960) and SET (Blau, 1964) provides the explanation of this relationship. This principle suggests that individuals experience a sense of urgency to repay for the beneficial treatments which they are given by their organization. Moreover, SET indicates that individuals want to conduct their efforts to the origin from which they gain their profit in a reciprocal action.

According to social exchange theory, when the activities of corporate social responsibility satisfy the demands of individuals, they tend to hold a positive behaviour and attitudes towards their company which results in holding more willingness from their side as organizational citizenship behaviour (OCB), engagement and more beneficial manners (Organ & Lingl, 1995).

Saks (2006) discusses that social exchange theory suggests a greater analytical justification for justifying employee engagement in the company. Robinson et al. (2004) characterizes engagement as a mutual relation between individuals and their employer. Employees compensate to their company by the means of the degree of their engagement in work-related activities, meaning that the amount of the cognitive, emotional and physical source which an employee is supposed to dedicate in their work is dependent to the financial and socio-emotional sources which they obtain from their company.

Based on the SET, when a company treats its employees with positive behaviours and the employees feel that the company is committed to them by various activities such as providing training and support their education, human rights, developing health and safety circumstances in work environment, employees will develop higher level of commitment to their company and are enthusiastic to repay with greater cooperative and supportive activities (Al-bdour et al., 2010).

So, it can be hypothesized that:

H₄: Perceived internal corporate social responsibility has a positive effect on employee engagement.

3.3.3 Mediation Effect of Organizational Identification

Dutton et al. (1994) gave a definition for organizational identification as an extent to which an individual characterizes himself by the same features which they characterize their company. Therefore, organizational identification shows a mental connection between employees and their company. This connection diminishes the possibilities of job quitting by the employee (Allen & Meyer, 1996) as well as improves the intra-organization group work and OCB (Dutton et al., 1994). Individuals experience a sense of dignity to be a member of a company when they have identification with their company since their company represents their values (O'Reilly et al., 1991).

The researches indicate that organizational identification strength impact behaviour, satisfaction and effectiveness of the organization (Hall et al., 1970; O'Reilly & Chatman, 1986). In addition, Peterson (2004) believes that because of the point that employees highly identify with the company's values, corporate social performance is anticipated to enhance employees' attraction, retention and motivation.

SIT implies that CSR activities have a positive direct effect on employees' organizational identification. Philanthropic and social activities of a company programs develop its prestige and external image which leads the outsiders to rate it in higher levels (Brammer & Millington, 2005; Fombrun & Shanley, 1990; Fryxell & Wang, 1994). In addition, since CSR activities improve the organization's prestige, individuals experience a sense of identity as a member of their company that improves their honour and self-concept whether to concentrate on societal or non-societal stakeholder or clients. Organizational identification is extracted from the perceived status and external image of the company (Tyler & Blader, 2003).

The more employees recognize themselves as a member of their company, the more their company's concerns are integrated in their self-concept and the more they feel and work close to their company's attitude (Ashforth & Mael, 1989). Therefore, the employees would enhance a powerful sense of belonging, involvement in their manners that are expected by their company and are likely to dedicate more attempts to their company (Baruch & Cohen, 2007).

Based on the ideas of Welford (2005), the internal features of CSR are related to fair treatment of individuals and corporation ethics including (workforce development, non-discrimination, equal opportunities, fair salary, standard working hours, maximum overtime, personnel training, internal training, professional training, etc.). It should be mentioned that some of the internal corporate social responsibility activities including training and education, work life balance, human rights, health and safety, and diversity in the work place have been proved to have relations with employee engagement. In addition, CSR toward employees consists of activities that guarantee the welfare and support of employees and good working conditions which can strengthen the employees' perception of self-respect and status in the company. CSR towards employees is related to employee's organizational identification.

Indeed, individuals' judgment about the extent of respect from the company may impact their identification by improving the perceived status in their company (Tyler & Blader, 2002). The identification leads to many corporate advantages including employees emotional attachment, loyalty and satisfaction (Lichtenstein et al., 2004; Luo & Bhattacharya, 2006) and moreover, it leads the individuals to be concerned about, commit to and psychologically attached to their company (Bhattacharya & Sen, 2003).

It can be concluded that the influence of the perception of corporate social activities on employees' behaviour can be mediated by attitudinal and cognitive state (González-Romá et al., 2006) including organizational identification (Mael & Ashforth, 1992).

In the reviews related to SIT, an individual's judgment on his own standpoint in a company specifies the respect perception, that Tyler and Blader (2002) states as a reflection of an individual's global evaluation of the extent to which they feel that they are a member in good standing" (p.830). Farooq et al. (2014a) confirmed the strong influence of corporate social responsibility activities related to the employees on organizational identification. The authors discussed that employees have interest in external status as well as their own condition and esteem within the company. Corporate social responsibility activities concentrated on the external shareholders can prompt the prestige-related identification although corporate social responsibility activities which are related to the employees probably result in respect-related identification.

Moreover, Riketta (2005) classified various behavioural results which are related to organizational identification in his meta-analysis. For instance, Lee (1971) managed to achieve proof implying that the identified employees showed more productivity; motivation and satisfaction with their job and their turnover rate were lower than non-identified employees. Likewise, O'Reilly and Chatman (1986) realized that organizational identification shows negative association to turnover intentions and positive association to service duration and extra-role behaviours.

So, it can be hypothesized that:

H₂: Organizational identification mediates the relationship between perceived external CSR and employee engagement.

and,

H₃: Organizational identification mediates the relationship between perceived internal CSR and employee engagement.

3.3.4 Moderating Role of Employees' Lower-Order Need Strength

Studies show that employees' attitudes and manners are highly affected by the extent of fairness they regarded their company's activities. Justice perception theory explains that individuals tend to judge their company's justice based on the extent of fairness their company presents in its actions. The study show that the mind-set and manners of the individuals are highly affected by the extent of fairness they regard their company's activities (Cropanzano et al., 2001).

Individuals mostly depend upon justice perceptions to figure out if the managers are trustable, fair and will act towards them as the genuine member of the company. Judgment issues which are usually scrutinized by justice researchers are processes, outcomes and social behaviours from the employees who make the assessment towards their company, concentrating on the ways individuals experience how they are being treated.

To find out how procedural justice influences individuals' work-relevant performance and perceptions is an important issue that has drawn the academic interest worldwide (Colquitt et al., 2001; El Akremi et al., 2010; Li & Cropanzano, 2009; Singhapakdi et al., 2015; Walumbwa et al., 2011).

Contrary to distributive justice that concentrates on the fairness in outcomes/distribution of rights and resources, procedural justice refers to the fairness and clarity of the

procedures of decision making regarding the rewards, promotions, resources distribution and etc. Moreover, procedural justice also different from interactional justice, which relates to the way employees are dealt with dignity, respect, and with satisfactory explanation, generally by their employers (Aryee et al., 2004). In addition, procedural justice is a main justice-related component which prompts the individuals' cooperative actions and develops job-related performance (Brebels et al., 2011; Cohen-Charash & Spector, 2001; Wu & Chaturvedi, 2009).

Procedural justice is also defined as the attitudes of an individual on policies and processes conducted by a company. Individuals' attitude on the company's external corporate social responsibility can be considered as a specific element of wider scope of their justice perception and it should be notified that these attitudes can form the employees' successive perceptions and actions towards their company. Two decades of investigation show a long-term influence of employee justice perceptions on a widespread set of outcomes (Colquitt et al., 2001).

As a matter of fact, the perceived fairness of the working environment has been demonstrated to effect employee wellbeing (e.g., emotion, stress, job satisfaction, health), as well as organizationally-related outcomes such as employees' job performance, commitment, turnover, citizenship behaviour, absenteeism, and counter-productivity.

Moreover; it should be mentioned that in fact, when fairness is perceived, individuals are delighted and diligent, although they retaliate by the way of decreased performance and avenging manners under unfair circumstance (Ambrose et al., 2002). Corporate social activities whether negative or positive give the individuals critical information to

apply in their judgment about the company's justice towards their company (Cropanzano et al., 2003).

Formerly, it was observed that the corporate social responsibility perception evokes psychological, attitudinal and behavioural reactions. One of the significant issues to be considered is to interrogate the possibility of various types of responses.

Studying the third-party fairness responses (that is basically considered as what corporate social responsibility attitudes are other than concentrating on the external environment) shows feeling of anger and revenge as the result of injustice (Rupp et al., 2006). Although, this does not mean that only when the company gets involved in societal irresponsibility, the employees' reactions are evoked. Actually, meta-analytic proof indicates that positive advantages emerging from justice impression including enhanced job satisfaction, job performance, OCB, and organizational commitment (Colquitt et al., 2001).

Therefore, individuals might have negative responses while experiencing an organization unfairness and bias due to the fact that some activities signify disagreement with their value system and risk their psychological needs. They also might respond with misalignment and create cognitive alteration to moderate their initial judgment and portray their company's rivals with a negative image (Rupp et al., 2006).

Corporate social responsibility might line up the incentives between companies and employees through drawing their general justice attitude (Colquitt et al., 2001). Employees pull out indications from the company's CSR commitment regarding if the managers and the company are unbiased and fair-minded on an individual, group, and

global level (Aguilera et al., 2007). Therefore, when the company is carried out CSR actions which their employees appreciate, their incentives will become more aligned.

According to this point, different researches indicate that carrying out corporate social responsibility activities which are linked to employees makes the companies more capable of absorbing a higher-quality personnel, promote individuals' commitment to the firms values and manners, and maintain talented employees (Albinger & Freeman, 2000; Greening & Turban, 2000).

It should also be mentioned that based on this point, it can be discerned that employees respond to the circumstances according to their character, previous experiences, education, expectations, and present needs, preferences and interest (Robinson, 2006). Hence, it is anticipated that individuals may respond according to the strength of their current needs.

By developing basic needs, employees can regard external corporate social responsibility activities unfair and this may lead to a drop in their level of engagement or decrease the positive effect of external CSR on employee engagement. Because they would also assume that the company should dedicate the sources to its own personnel rather than to external stakeholders such as community.

On the other side, in this circumstance, internal corporate social responsibility may have greater influence on individuals' engagement. And this is due to the fact that individual experience internal CSR as activities that are in agreement with their values and present demands.

Therefore, it can be hypothesized that:

H5: Lower-order need strength moderates negatively, the positive relationship between perceived external CSR and employee engagement such that the relationship is weaker than those who have stronger LONS.

H6: Lower-order need strength moderates positively, the positive relationship between perceived internal CSR and employee engagement such that the relationship is stronger than those who have stronger LONS.

In this chapter the theories underlying hypotheses were explained and the connection between variables was explored. In the next chapter, research method and the procedure of sampling will be explained.

Chapter 4

Research Methodology

4.1 Overview

This chapter presents explanations of the methodology which has been applied in this research. The first parts of the present chapter include the discussion of the appropriated research paradigm, methodology of the research and techniques used as well as the process of study conducted to obtain the main objectives. Later, the qualitative and quantitative stages of the research have been debated separately and comprehensively. In the quantitative stage, the way of sampling and the method employed for the aim of data gathering from the targeted sample are debated. And later, the next part discusses the analysis of the obtained data, partial least squares (PLS) and the statistical interpretation employed to evaluate the validity and reliability of the research mode and also the structural model. Following this part is the justification of the steps taken to enhance the research tools and then the statistical analysis carried out and also pilot study and its results presented in this chapter. The discussion of the interview protocol, the process of implementing the qualitative stage of the research based on sampling and data gathering and also data analysis is introduced in the last three parts.

4.2 Research Paradigm

The present study focuses on exploring perceived internal and external corporate social responsibility and employee engagement. Moreover, it concentrates on finding out if organizational identification mediates the relationship between perceived external CSR along with internal CSR and employee engagement. Besides, moderating impact of

employees' lower order needs strength of the connection of perceived external and also internal CSR and employee engagement are examined.

The novel theoretical model employed to explore the relationship between perceived external along with internal CSR and employee engagement integrate the concepts of SIT and SET along with justice theory in order to explain the influences of deficiency needs of employees as a moderator in the mentioned relationship.

In order to achieve this goal, this model adjusts with post-positivist perspective in that new theoretical underpinnings are joined with the current model. The mentioned view displays that in spite of the fact that though there is just one reality, it cannot be totally comprehended and is not essentially absolute. Hence, investigations with the aim of broadening the boundaries of understanding are crucial in the area of social science if an absolute truth is desired (Lincoln et al., 2011). Therefore, the present study is grounded on the paradigm of post-positivism (Lincoln & Guba, 2003; Sobh & Perry, 2006). It should be mentioned that the critical realism and post-positivism are employed as synonyms and hold the same meaning.

The present research employs post-positivism as the accepted term in this thesis considering that post-positivism regards the reality as real, but probabilistically and imperfectly true (Healy & Perry, 2000). Such incomplete comprehension of knowledge strengthens a modified objectivist epistemology while a true reality is never possible to be achieved, for the aim of obtaining further insights, such realities should be estimated (Lincoln et al., 2011).

Moreover, based on the study by Creswell and Clark (2007) in which he proposed six conducts of mix-mode method, a particular philosophical structure is not applicable with all the conducts. For example, in a sequential explanatory conduct which is heavily grounded on quantitative methods, the paradigm can be post-positivist. The following part includes the discussion of the explanatory sequential conduct as a method selected for the present study.

4.3 Research Method, Strategy and Process

Research methodology is used to show the taken steps in order to find answers for the proposed research questions and objectives. Selecting a right methodology is highly crucial since it can direct the handling of your study and influence the quality of the findings (Creswell, 2009).

A mixed-method approach was picked for this research to address the limitations of each individual approach, make the theory stronger and examine the hypothesis and lastly generalizing the findings (Creswell, 2009; Morell & Tan, 2009). Creswell and Clark (2007) gave a definition for a mixed method approach as –A research design with philosophical assumptions as well as methods of inquiry. As a methodology, it involves philosophical assumptions that guide the direction of the collection and analysis of data and the mixture of qualitative and quantitative approaches in many phases in the research process. As a method, it focuses on collecting, analysing, and mixing both quantitative and qualitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative approaches in combination provides a better understanding of research problems than either approach alone. (p. 5)”

The mentioned definition of mixed methods conduct helps to clarify those who carry out research by employing this agenda. Although, the challenges of recognizing possible mixed methods design in one's study should be identified. Creswell (2009) brought up this concern through arguing how qualitative and quantitative research criterion are combined and to recognize six mixed methods approaches.

The mixed-method sequential explanatory design includes two different steps: quantitative followed by qualitative. Sequential explanatory mixed methods researches include the gathering and analysis of the quantitative data which comes before the gathering and analysis of qualitative data. The arrangement is able to contain examining of the hypotheses in a test as the initial step of the study. To have a better insight for the scholars to obtain and also to gather deeper information about the results from the tests, a qualitative step is carried out (Creswell & Clark, 2007).

This approach is selected as a conduct of the present study due to the fact that the burden of this study is more on the quantitative study and then to interpretation of the quantitative results, the qualitative investigation has been carried out. The point that mixed method approaches give the scholars the chance to pragmatically reach the best of both areas is significantly beneficial (Giddings & Maharana, 2006).

The findings are possibly generalized by the quantitative data as supporting individual ideas by the help of qualitative data (Teddlie & Tashakkori, 2003). Mixing the two mentioned approaches in a study is considered as a support for useful visions and improves the research's validity (Welter & Lasch, 2008). From the thesis's conception to the findings of the research, the mixed-methods approach was applied to direct the present research design, data gathering, analysis and the results reporting.

Figure 4.1 shows the research process in this thesis. The initial step in this research process was identifying and defining the research problem. In the second step, research questions and gaps were drawn from reviewing the literature review, relevant theories determined, thereby hypotheses and conceptual framework of this research developed.

The following stage was to establish the most suitable research design to be used in this research. It was needed to determine the appropriate research paradigm as explained in the previously in this chapter. In the measurement section, the process of developing the survey questionnaire was taken careful attention.

In the phase one of this research which is quantitative phase, a pilot study was conducted to determine the reliability and validity of the survey questionnaire. The revised and finalized questionnaire was used to collect data from the sample.

Data were then analysed using SEM. After determining the results of quantitative section, some questions arose to be answered by conducting next step which is qualitative phase. After data collection, themes derived from interpretation and analysing interviewees. In fact, the qualitative phase is used as a supplement to support the findings of quantitative research. The final stage involved the interpretation and combining the results of the two main phases of this study (quantitative and qualitative).

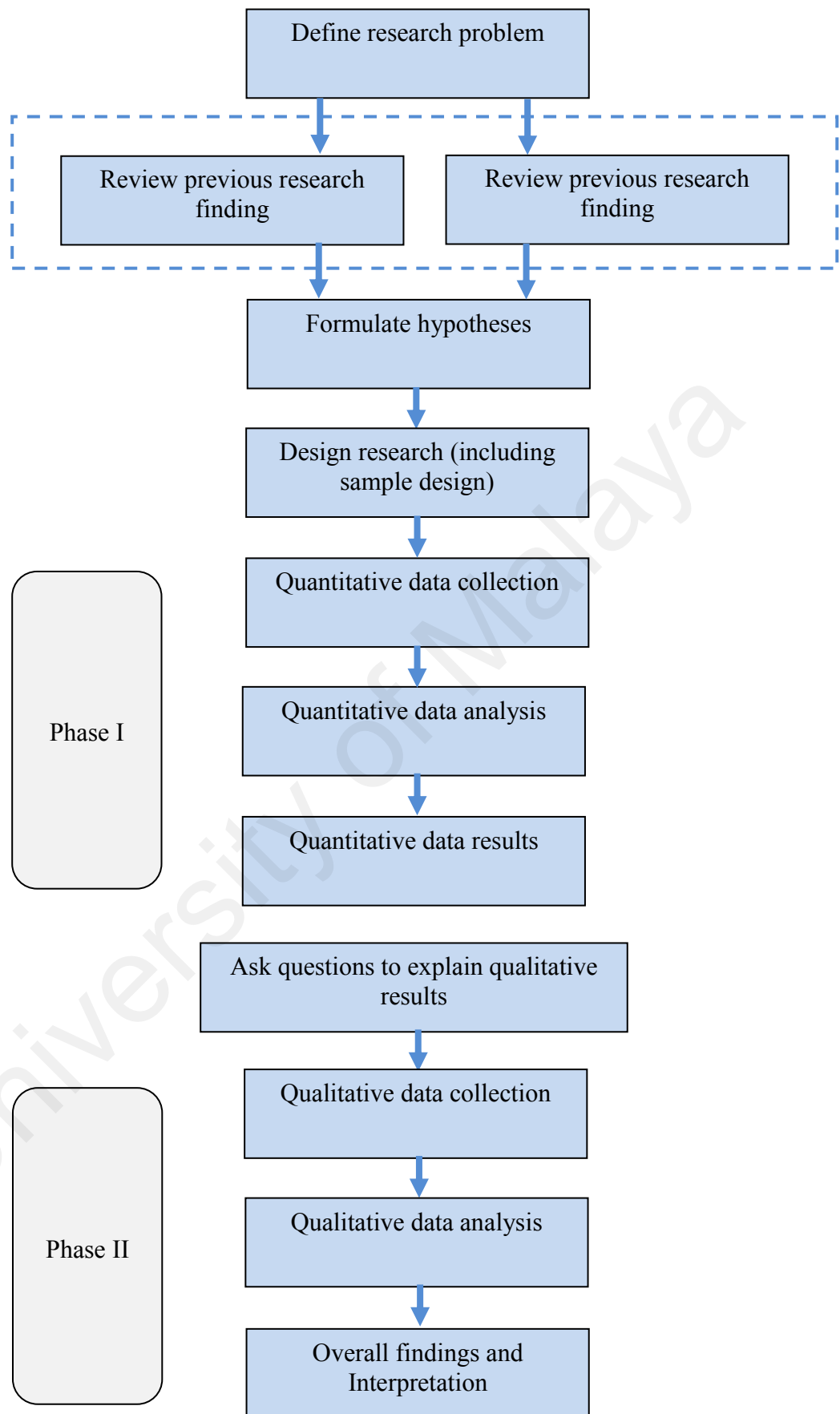


Figure 4.1: Research Process

4.4 Quantitative Research Design

Quantitative research can be used in response to relational questions of variables within the research. “Quantitative researchers seek explanations and predictions that will generalize to other persons and places. The intent is to establish, confirm, or validate relationships and to develop generalizations that contribute to theory” (Leedy & Ormrod, 2001, p. 102).

Quantitative research begins with a problem statement and involves the formation of a hypothesis, a literature review, and a quantitative data analysis. Creswell (2003) states, quantitative research “employ strategies of inquiry such as experimental and surveys, and collect data on predetermined instruments that yield statistical data” (p. 18). A cross-sectional sample survey field study is used in the present study as the data were gathered at one point in time. Field study points out to non-experimental scientific surveys prepared to find out the connections among variables in real social frameworks like communities, companies and organizations.

Using a sample survey field study holds several benefits. Firstly, it enables the scholars to collect a considerable amount of data from a relatively large sample (Kerlinger & Lee, 1973). Secondly, the mentioned approach can expand the representative sampling of population part examined and therefore, aid in enhancing the generalisability of the findings (Scandura & Williams, 2000). Finally, the literature proposed that the data gathered in a sample survey research is usually quite precise due to the fact that the tool is just created to meet the questions of the research (Dess & Robinson, 1984).

4.5 Sampling

The aim of sampling is considered to pick a representative number of participants from a bigger population of interest. Through analysing the sample's features, a scholar will be able to generalize it to present the population (Uma & Bougie, 2003).

4.5.1 Target Population and Unit of Analysis

It is necessary to give a definition of the target population prior to choosing a sample structure (Zikmund, 2003). The target population is generally characterized as a particular batch of people on which the scholar focuses to study (Cavana et al., 2001). The target population of the present research is the entire number of employees of four chosen Iranian organizations located in Tehran that are frontier in carrying out the corporate social responsibilities' programs based on the report of CSR Centre in Iran. As previously mentioned, four organizations have been selected for this research. The CSR centre's website in Iran identified nine organizations in Tehran as the holders of distinct ISO based on CSR criteria along with holding EFQM awards due to their achievement of high points in corporate social responsibilities actions that has been assigned 10% of the standards of the EFQM programs. But only four organizations have been selected in the present study due to the fact that the participants of this study were all employees who were working in companies. Considering high number of employees, this study should concentrate on a few number of organizations to cover different levels of employees' opinions, in addition, this study would have encountered wasting a large amount of money and time if the researcher focuses on all introduced organizations. The justification of selecting employees as a unit of analysis is that the present study focuses on exploring the connections between perceived CSR and employee engagement. Hence, all the employees have a significant part in obtaining desirable findings in the quantitative section of this research.

4.5.2 Justification of Selected Companies

Saipa (automotive industry) was randomly selected amid the five organizations in the automotive industry. Pakshoo (detergent industry) was selected due to being the sole Iranian organization that has carried out CSR activities around the world in collaboration with Unicef. Kaveh Cotton and Bandage (hygiene and medical manufacturing) was taken because it is the only SME (population under 150 employees) that is famous in CSR activities and obtained high points in CSR programs in government's EFQM award. Between Tooga and Keyson, the latter was picked randomly as well as this company has a specific department setting and monitoring CSR programs. The logical reasoning is illustrated in Table 4.1.

Table 4.1: Justification of Selected Companies

Company	Reasons of choosing Target companies
Iran khodro Tam Khodro Pars Khodro Sapko Saipa	1. Saipais chosen randomly
Kaveh Cotton and Bandage	2. Kaveh is chosen because it is the only SME (population under 150 employee) which is successful in CSR programs and achieved high score in CSR activities in EFQM award by government
Kayson (Construction company) Tooga (Turbine producer)	3. Keyson is chosen randomly, in addition it publishes CSR report annually and has a department specifically allocated to CSR programs and also does global CSR operations
Pakshoo (Detergent Industry)	4. Pakshoo is chosen because it is one of the few Iranian companies which has global CSR programs in cooperation with Unicef

4.5.3 Sampling Technique

Survey sampling can be classified in two vast classifications: probability-based sampling, which is also called ‘random sampling’ and non-probability sampling. Convenience sample is another name for non-probability sampling which take place at the time, whether the probability of including every group or respondent cannot be decided or is skipped to each respondent to select to take part in the survey.

Probability sampling with the other names of “chance sampling” or “random sampling” signifies that every element in the universe has the same chance of being included in the sample. The findings of random sampling or probability are considered from the probability point of view, such as the point that we are able to assess the estimate’s errors or the significant of results gained from the random sample, and this shows the advantage of random sampling compared to the deliberate. Random sampling provides the Statistical Regularity law that declares in case of selecting a random choice by the sample; it will hold the same formation and traits as the universe. And such random sampling is regarded as the most superior method of choosing a representative sample (Rajendar, 2008).

In this study, systematic random sampling technique was used. This method, whether used alone or mixed with other techniques, is the most broadly applied technique of sampling (Levy & Lemeshow, 1991). Systematic sampling provides wider distribution of the sample over the frame when compared to the simple random sampling (Rajendar, 2008) which hardly can be seen as applied practically due to not being the most effective technique in research. Generally, simple random sampling needs an outline of the items that when are ready the scholars would use systematic sampling instead (Babbie, 2013).

4.5.4 Sample Size

In researches, the growing demands for creating a representative statistical sample has made it necessary to find an efficient technique to figure out the sample size. To meet this problem, Krejcie and Morgan (1970) proposed a table for figuring out the sample size for a hypothesized population to refer to more conveniently. According to Krejcie and Morgan (1970), for a given population as in Table 4.2, 1076 is the appropriate sample size to represent a cross-section of the given population.

Table 4.2: Appropriate Sample Size (Krejcie & Morgan, 1970)

Company	Population	Sample
1	10000	373
2	4000	351
3	800	260
4	120	92
Total	14920	1076

4.6 Measurement of Constructs

The progress of a well-conducted measure is very important for the procedure of data gathering in all the research fields (Hair et al., 2010a). While we have highly reliable and valid measures; the interpretation of data is easier and more precise (Robson, 2011). The measured constructs in this research are perceived internal and external CSR, lower order need strength and organizational identification.

In order to minimize the development errors, the elements from prior enhanced and examined scales, with perceived reliability and validity are employed in the present research.

In order to fit the context of this research, a number of these elements underwent slight adaption. The next part presents the discussion of constructs measures and demographic elements applied in this research.

4.6.1 Second- Order Reflective Constructs

Several researches in the area of social sciences are growingly modelling higher-order constructs. Partial least squares can be applied to study models at a higher level of construct (Lohmöller, 1989). PLS path modelling mostly selected because of its ability to measure complicated models (Chin, 1998).

In some cases, the constructs which should be examined are quite complex; therefore, there is addressed first-order components by which a single layer of constructs is considered. As Hair et al. (2014) stated, “However, constructs can also be operationalized at higher levels of abstraction, Higher-order models or hierarchical component models most often involve testing second-order constructs that contain two layers of components” (p.39).

Based on the ideas of Bollen (2014), a second-order model is desirable compared to a first-order when it matches with the data since it permits the correlated variation amid the first-order factors and accounts for the corrected errors which are frequent in first-order models.

In this study, according to literature review, external and internal CSR is taken to be a second-order construct of a reflective nature, in which CSR to government, CSR to business partners, CSR to customers, CSR to community indicators are in turn unobservables reflected in primary indicators of external CSR as well as CSR to

employees and CSR to environmental protection in internal CSR does. It is important to clarify that second-order constructs in the literature appear to be those that have first-order constructs as reflective indicators (Gallardo-Vázquez & Sanchez-Hernandez, 2014).

Some researches like El Akremi et al. (2015) presented a stakeholder-based approach of corporate stakeholder responsibility considered as a higher-order construct having six supplementary aspects including natural environment, employee, community-oriented CSR, customer, supplier and shareholder.

In this study, perceived external and internal CSR are measured based on modification of some standard questionnaires which have been done by previous researchers. The following Tables 4.3 and 4.4 show the items which are selected in this study.

Table 4.3: External CSR Items

Second-order constructs	First-order constructs	Items	Source
Perceived External CSR	CSR to community	Our company participates to the activities which aim to protect and improve the quality of the natural environment.	Turker (2009b)
		Our company supports local sport, cultural or other community activities and projects (i.e. investments in roads, schools or hospitals).	Skudiene and Auraskeviciene (2012)
		Our company Donates money to local charities.	
		Our company encourages and supports employees to get involved in charitable projects.	Mijatovic and Stokic (2010), Turker (2009b)
		Our company prohibits child labour, and violation of human rights.	Mishra and Suar (2010)
	CSR to business partners	Our company treats suppliers, regardless of their size and location, fairly and respectfully.	Lindgreen and Swaen (2010)
		Our company provides our investors with full and accurate financial information about the organization.	
		Our company implements complaints procedure for the suppliers.	Skudiene and Auraskeviciene (2012)
		Our company avoids business partners that do not behave according to the law.	

Table 4.3: External CSR Items (Cont.)

Second-order constructs	First-order constructs	Items	Source
Perceived External CSR	CSR to government	Our company always pays its taxes on a regular and continuing basis. Our company complies with the legal regulations completely and promptly.	Turker (2009b)
	CSR to customers	Our company provides full and accurate information about its products and services to its customers. Our company implements a procedure to handle consumers' complaints.	Turker (2009b)

Table 4.4: Internal CSR Items

Second-order constructs	First-order constructs	Items	Source
Perceived Internal CSR	CSR to employees	Our company management primarily concerns with employees' needs and wants.	Turker (2009b)
		Our company implements flexible policies to provide a good work and life balance for its employees.	
		Our company has programs that encourage the diversity of our workforce (in terms of age, gender, and race).	Maignan and Ferrell (2000)
		Our company internal policies prevent discrimination in employees' compensation and promotion.	
		Employees in my firm are paid above minimum wages and based on their performance.	Shen and Jiuhua Zhu (2011)
		Our company has clear and detailed regulations on occupational health and safety.	
		Our company provides training and development opportunities to employees.	

Table 4.4: Internal CSR Items (Cont.)

Second-order constructs	First-order constructs	Items	Source
Perceived Internal CSR	CSR to employees	Our Company involves employees into decisions-making process.	Skudiene et al. (2010)
		Our company has Policies towards prohibiting forced overtime.	Mishra and Suar (2010)
		Our company respects employees' right to freedom of association, collective bargaining and complaint procedure.	
	CSR to environmental protection	Our company implements special programs to minimize its negative impact on the natural environment.	Turker (2009b)
		Our company has Policies for preventing direct and indirect pollution of soil, water, and air.	Skudiene and Auraskeviciene (2012)
		Our company has systems for measuring and assessing environmental Performance.	
		Our company conducts process design for reducing energy and natural resources consumption in operations.	Mishra and Suar (2010)

4.6.2 Organizational Identification

Organizational identification is an extensively used and estimated construct in the organizational behaviour and communication (Ashforth & Mael, 1989). In the present research, organizational identification was evaluated through applying the previous validated scale including six items (Mael & Ashforth, 1992) as presented in Table 4.5.

Table 4.5: Organizational Identification Items (Mael & Ashforth, 1992)

Items
When someone criticizes [organization's name], it feels like a personal insult.
I am very interested in what others think about [organization's name].
When I talk about [organization's name], I usually say <u>we</u> rather than <u>they</u> .
This organization's successes are my successes.
When someone praises this organization, it feels like a personal compliment.
If a story in the media criticized [organization's name], I would feel embarrassed.

4.6.3 Employee Engagement

Employee engagement was assessed by applying shorted version of Utrecht Work Engagement Scale (UWES) that has three aspects: absorption, vigor and dedication (Schaufeli et al., 2006) as shown in Table 4.6. The mentioned nine-element scale has been validated in among various employees such as Finnish (Hakanen et al., 2006), Dutch (Schaufeli & Bakker, 2004), and Spanish employees (Schaufeli et al., 2002a).

Table 4.6: Employee Engagement Items (Schaufeil et al., 2006)

Items
At my work, I feel bursting with energy.
When I get up in the morning, I feel like going to work.
At my job, I feel strong and vigorous.
I am enthusiastic about my job.
My job inspires me.
I am proud of the work that I do.
I feel happy when I am working intensely.
I am immersed in my work.
I get carried away when I am working.

4.6.4 Lower-Order Need Strength

According to the literature review, lower-order needs are comprised of the first two levels of Maslow's pyramid including physiological and safety. Lower order need strength was assessed by seven items which are adapted from two researches; Sirgy et al. (2001) and Furnham et al. (2002); see Table 4.7. Following Porter (1961) questionnaire style, respondents are asked how important they consider factors such as job security and payment to determine lower-order need strength.

Table 4.7: Lower-Order Need Strength Items

Items	Authors
Pay (total income)	Furnham (2002)
Benefits (vacation, sick leave, pensions, insurance)	
Working conditions (clean, comfortable, modern)	
Convenient hours of work	
Physically safe conditions at work	Sirgy (2001)
Job security (i.e., feeling secure knowing that one is not likely to get laid off)	
My job is secure for my life.	

4.7 Translation Process

As previously noted, the present research used validated quantitative measures taken from prior investigation studies. The entire measurements employed in the present research were written in English and have been examined before extensively in the western nations. Due to the fact that the present study was carried out in Iran and the research samples composes of non-English speakers, the questionnaire underwent translation process in order to minimise any predicted variance minimized because due to cultural and language disparities (Kim & Han, 2004).

Brislin et al. (1973) proposed one or more translations approach as follows: bilingual techniques, back-translation, committee approach and pre-test. Back-translation is a process of translation in which the target language is translated back to the source language to validate the translation done in the study instrument. Back-translation is tremendously accepted and suggested by researchers and extensively employed in cross-cultural studies (Brislin et al., 1973; Chapman & Carter, 1979). Based on these ideas, the present study uses back-translation method to enhance the translation equivalence of the questionnaire from source language (English) to target language (Persian) and also to decrease the probability of incorrect positive translation. In the procedure of translation, two bilingual translators competent in Farsi and English have been engaged. The first translator translated the questionnaire from English as the source language to Persian Language as the target language. A second translator who was used as the back translator did not know about the measurements employed in the questionnaire. The version of Persian Language was later converted back to English. When the process ended, the translation of Persian language was further revised by three experts working in one of the manufacturing organizations in Persian in order to label the items, words or phrases which seem whether unfamiliar for them or not extensively employed by

their employees for the peer group. Then, two translators were asked to explore and work on the experts' reviews and choose the most linguistically matched translations. The translators assessed the cultural adaptation of the instrument as well. At the end, a pilot test on the final version of Persian Language of the questionnaires was conducted in order to confirm that questionnaire arrives at an acceptable level of reliability on abstract and measurement equivalence (Sin et al., 1999).

4.8 Pilot Study

A pilot study was carried out in order to recognize the consistency of the questions and an insight of the participants to the questionnaire. Based on the study of Cooper and Schindler (2008); "pilot study has saved countless survey studies from disaster by using the suggestion of the respondents to identify and changing confusing, awkward, or offensive questions and techniques" (p.91).

Random sampling was employed in order to take the sample in the pilot study. Following the proposal by (Lucas et al., 2004), a number of 50 participants were engaged in this pilot study in order to permit conducting of the appropriate statistical evaluation process.

Regarding the participants' suggestions, various defects of the questionnaire have been marked. As an example, they have proposed that allocating more room between each group of questions in the identical section may cause the questionnaire to be more readable. The participants also proposed that the questions which are longer than a page, the scale should be included on each page. In addition, the wordings for certain questions were not understandable, especially for low level workers. So these items were provided with more explanations or examples in final version of the questionnaire.

In addition, outer model was assessed in the pilot study stage to confirm reliability and validity of the questionnaire.

As described by Henseler et al. (2009) and Hair et al. (2014), assessment of reflective measurement models includes internal consistency reliability (composite reliability, CR), individual indicator reliability (squared standardized outer loadings) and average variance extracted (AVE) to evaluate convergent validity.

In addition, discriminant is assessed by Fornell-Larcker criterion and cross-loadings. To examine the reliability of the scales used in pilot study, Cronbach's alpha (CA) coefficients calculated. Nunnally and Bernstein (1994) proposed that the critical Cronbach alpha value of more than 0.70 is moderately reliable.

Table 4.8 below shows alpha Cronbach of constructs varies from 0.766 to 0.943 which are acceptable. It also shows CR for each construct exceeded the value recommended by Hair et al. (2014) of more than 0.70 which is in the range of 0.719 to 0.955 and also AVE exceeded the recommended value more than 0.5.

Existing higher outer loadings on a construct shows that associated indicators hold much in common that is caught by the construct. The features are also entitled as indicator reliability. According to Chin (1998), the strength of outer-loadings meaning at least 0.6 and ideally 0.7, so any items below than 0.60 should be deleted because this value indicates contributing less on the research subject.

EMP4 as one items of CSR to employees (our Company involves employees into decisions-making process) had a factor loading value of 0.384, thus deleted. Measurement model is shown in Table 4.8 and Figure 4.2.

In order to examine discriminant validity, the Fornell-Larcker principal and cross loading tested. Cross-loading Table 4.9 shows the correlation of each item in its own construct is higher in compare to other constructs.

Fornell and Larcker (1981) principal is the next and more moderated method in order to evaluate discriminant validity. This can put the latent variable correlations and the square root of the AVE values in comparison. Every construct's AVE square root should be more than the topmost correlation with other structures.

This can be justified that according to the view in which a construct shares more variance with its associated indicators rather than any other structure (Hair Jr et al., 2014), see Table 4.10. The questionnaire was adjusted and modified prior to the conduct of data collection.

Table 4.8: Measurement Model in Pilot Study

First Order Constructs	Second Order Construct	Item	Loadings	AVE	CR	Alpha
CSR to Business Partners		BP1	0.675	0.585	0.848	0.766
		BP2	0.849			
		BP3	0.852			
		BP4	0.664			
CSR to Community		COM1	0.803	0.752	0.938	0.916
		COM2	0.849			
		COM3	0.873			
		COM4	0.893			
		COM5	0.912			
CSR to Government		GOV1	0.936	0.895	0.944	0.883
		GOV2	0.955			
CSR to Customers		CUS1	0.947	0.894	0.944	0.881
		CUS2	0.945			
	Perceived External CSR	CSR to Business Partners	0.746	0.544	0.822	0.888
		CSR to Community	0.900			
		CSR to Government	0.706			
		CSR to Customers	0.556			
CSR to Employees		EMP1	0.685	0.532	0.911	0.889
		EMP2	0.807			
		EMP3	0.744			
		EMP5	0.664			

Table 4.8: Measurement Model in Pilot Study (Cont.)

First Order Constructs	Second Order Construct	Item	Loadings	AVE	CR	Alpha
CSR to Employees		EMP6	0.694	0.651	0.881	0.820
		EMP7	0.710			
		EMP8	0.785			
		EMP9	0.797			
		EMP10	0.661			
CSR to Environmental Protection		EP1	0.784	0.651	0.881	0.820
		EP2	0.746			
		EP3	0.890			
		EP4	0.800			
Perceived Internal CSR	CSR to Employees	0.848	0.566	0.719	0.841	
	CSR to Environmental Protection	0.643				
Organizational Identification		OI1	0.605	0.566	0.885	0.842
		OI2	0.645			
		OI3	0.812			
		OI4	0.805			
		OI5	0.782			
		OI6	0.834			
Employee Engagement		EE1	0.785	0.560	0.919	0.901
		EE2	0.741			
		EE3	0.726			
		EE4	0.793			
		EE5	0.789			

Table 4.8: Measurement Model in Pilot Study (Cont.)

First Order Constructs	Second Order Construct	Item	Loadings	AVE	CR	Alpha
	Employee Engagement	EE6	0.779			
		EE7	0.737			
		EE8	0.608			
		EE9	0.758			
	Lower Order Need Strength	LONS1	0.799	0.752	0.955	0.943
		LONS2	0.937			
		LONS3	0.937			
		LONS4	0.930			
		LONS5	0.916			
		LONS6	0.818			
		LONS7	0.707			

Note: AVE= Average Variance Extracted, CR= Composite Reliability

Table 4.9: Cross-Loadings of Items in Pilot Study

Indicators	CSR to BP	CSR to COM	CSR to CUS	CSR to GOV	CSR to EP	CSR to EMP	Employee Engagement	Lower- Order Need Strength	Organizational Identification
BP1	0.675	0.238	0.090	0.245	0.029	-0.085	0.013	0.047	0.074
BP2	0.849	0.508	0.254	0.570	0.247	0.257	0.367	-0.261	0.329
BP3	0.852	0.448	0.243	0.424	0.198	0.121	0.304	-0.149	0.185
BP4	0.664	0.246	-0.015	0.465	0.181	0.136	0.055	-0.041	0.184
COM1	0.498	0.803	0.230	0.566	0.244	-0.110	0.331	-0.347	0.342
COM2	0.413	0.849	0.492	0.330	0.445	-0.061	0.563	-0.428	0.430
COM3	0.390	0.873	0.327	0.300	0.208	-0.012	0.410	-0.404	0.331
COM4	0.419	0.893	0.334	0.450	0.238	0.042	0.436	-0.404	0.359
COM5	0.439	0.912	0.381	0.408	0.290	0.105	0.558	-0.414	0.392
CUS1	0.186	0.405	0.947	0.198	0.726	-0.106	0.603	-0.540	0.475
CUS2	0.221	0.366	0.945	0.218	0.670	-0.026	0.601	-0.523	0.462
GOV1	0.527	0.356	0.187	0.936	0.225	0.092	0.216	-0.069	0.334
GOV2	0.554	0.529	0.226	0.955	0.195	0.102	0.186	-0.270	0.357
EP1	0.162	0.347	0.776	0.132	0.784	0.029	0.606	-0.626	0.545
EP2	0.302	0.271	0.341	0.314	0.746	0.241	0.465	-0.278	0.516
EP3	0.176	0.132	0.593	0.170	0.890	0.129	0.531	-0.486	0.563
EP4	0.077	0.348	0.738	0.064	0.800	0.020	0.743	-0.462	0.448
EMP1	0.059	-0.075	0.043	0.045	0.078	0.685	0.037	-0.098	0.131
EMP10	-0.099	-0.167	-0.122	-0.130	0.140	0.661	0.267	-0.016	0.144
EMP2	0.246	0.103	0.021	0.109	0.142	0.807	0.289	-0.213	0.262
EMP3	0.181	-0.009	-0.072	0.049	-0.038	0.744	-0.004	-0.124	0.064
EMP5	0.049	0.129	-0.019	0.132	0.086	0.664	0.265	-0.200	0.419
EMP6	0.150	-0.052	-0.199	0.024	-0.110	0.694	0.035	-0.041	0.105
EMP7	0.187	-0.108	-0.052	0.073	0.177	0.710	0.180	-0.050	0.271

Table 4.9: Cross-Loadings of Items in Pilot Study (Cont.)

Indicators	CSR to BP	CSR to COM	CSR to CUS	CSR to GOV	CSR to EP	CSR to EMP	Employee Engagement	Lower- Order Need Strength	Organizational Identification
EMP8	0.131	0.092	-0.080	0.165	0.163	0.785	0.216	-0.163	0.381
EMP9	0.165	0.004	-0.023	0.160	0.187	0.797	0.201	-0.156	0.398
EE1	0.274	0.390	0.423	0.204	0.423	0.126	0.785	-0.351	0.474
EE2	0.233	0.323	0.346	0.239	0.407	0.229	0.741	-0.229	0.546
EE3	0.336	0.286	0.571	0.310	0.515	-0.040	0.726	-0.355	0.445
EE4	0.165	0.249	0.673	0.084	0.771	0.217	0.793	-0.436	0.597
EE5	-0.005	0.344	0.568	-0.084	0.522	0.094	0.789	-0.406	0.317
EE6	0.059	0.496	0.453	-0.002	0.461	0.189	0.779	-0.431	0.451
EE7	0.212	0.567	0.610	0.182	0.558	0.209	0.737	-0.448	0.526
EE8	0.298	0.446	0.294	0.150	0.340	0.284	0.608	-0.394	0.333
EE9	0.301	0.437	0.624	0.277	0.740	0.235	0.758	-0.412	0.589
LONS1	-0.198	-0.419	-0.460	-0.253	-0.445	-0.161	-0.388	0.799	-0.450
LONS2	-0.247	-0.415	-0.641	-0.209	-0.616	-0.163	-0.546	0.937	-0.528
LONS3	-0.223	-0.398	-0.495	-0.189	-0.441	-0.227	-0.444	0.937	-0.445
LONS4	-0.143	-0.450	-0.570	-0.165	-0.496	-0.134	-0.519	0.930	-0.384
LONS5	-0.129	-0.377	-0.447	-0.114	-0.476	-0.234	-0.466	0.916	-0.462
LONS6	-0.049	-0.536	-0.379	-0.042	-0.380	-0.027	-0.378	0.818	-0.352
LONS7	0.040	-0.204	-0.357	-0.161	-0.543	-0.036	-0.370	0.707	-0.437
OI1	0.182	0.264	0.252	0.155	0.478	0.385	0.481	-0.302	0.605
OI2	-0.023	0.210	0.440	0.192	0.447	0.220	0.457	-0.548	0.645
OI3	0.108	0.339	0.338	0.249	0.375	0.151	0.447	-0.251	0.812
OI4	0.443	0.514	0.336	0.495	0.458	0.444	0.481	-0.386	0.805
OI5	0.159	0.252	0.477	0.217	0.530	0.096	0.573	-0.385	0.782
OI6	0.255	0.298	0.398	0.281	0.596	0.200	0.484	-0.398	0.835

Table 4.10: Discriminant validity of Pilot Study

Constructs	Employee Engagement	Lower-Order Need Strength	Organizational Identification	Perceived External CSR	Perceived Internal CSR
Employee Engagement	0.743				
Lower-Order Need Strength	-0.520	0.867			
Organizational Identification	0.652	-0.504	0.752		
Perceived External CSR	0.579	-0.470	0.509	0.737	
Perceived Internal CSR	0.583	-0.436	0.622	0.293	0.752

Note: Diagonals represent the square root of the AVE while the off-diagonals represent the correlations

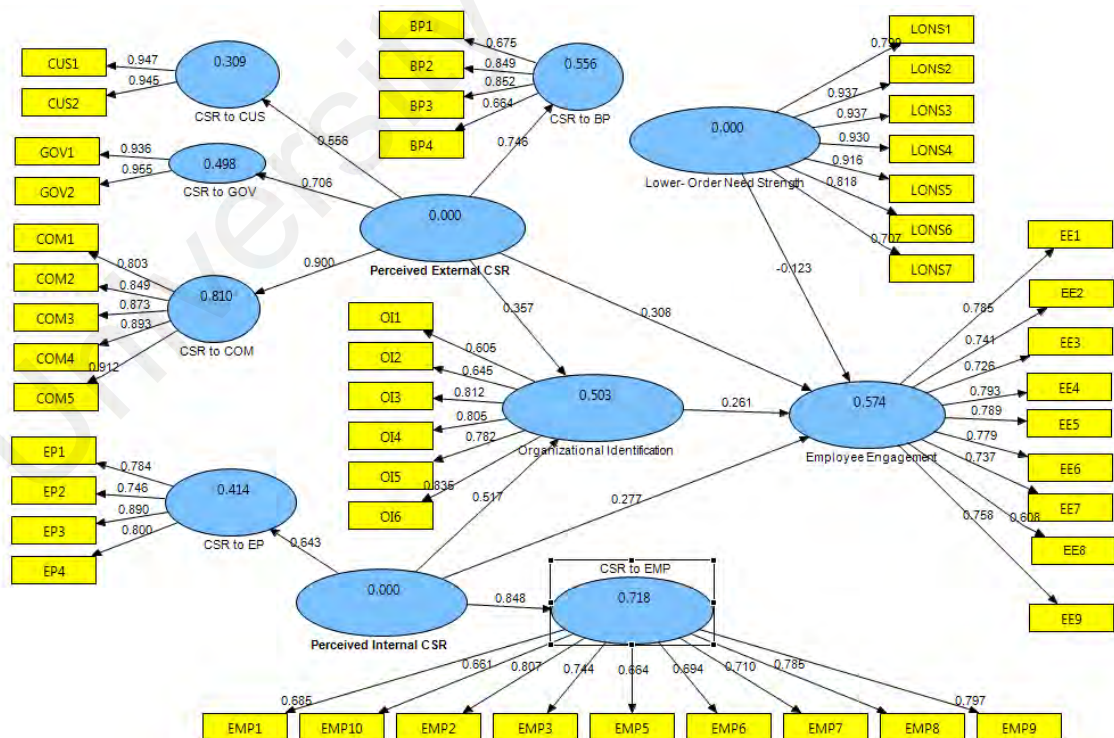


Figure 4.2: Measurement Model of Pilot Study

4.9 Data Collection Procedures

A final modified questionnaire holding 48 items used to collect data collection which can be seen in appendix A. The questionnaire is comprised of six major sections which are background of participants, external CSR, internal CSR, organizational identification, employee engagement which are measured on a five-point Likert scales ranging from Strongly Disagree to Strongly Agree and, employees' lower-order need strength and which is measured on a five-point Likert scale ranging from Very Much to Not at All. Based on Table 4.10, 1380 questionnaires were dispensed to the employees of four chosen organizations. 1080 out of 1380 were taken back, so the same number is considered for the total rate of the responses. Due to the high number of employees, the researcher asked for assistance from a number of friends who worked at those organizations in different departments. The final response rate was 78 percent.

Following gathering the questionnaires, the initial method was to explore the missing data and evaluate if the participants held essential challenges in responding to the questions due to the fact that the failure to involve all the respondents' data in the interpretation may cause bias in the results. The process was carried out measuring the rate of item-missing, defined as the percentage of non-response to a question and the average to the whole parts of the questionnaire.

Missing data occurs if participants leave one or more questions of the survey unanswered. The data scan shows that there is a minor data missing, which is less than 5%. Cohen et al. (2013) declared that up to 10% of missing data, possibly makes no critical issue in the data analysis. For the missing data treatment, previous reviews proposed that Expected Maximisation is a more acceptable way of appropriating treatment rather than using other techniques like mean substitution and as list-wise

deletion (Graham et al., 1997). Although the missing data were minor, the approach, selecting possibly has no remarkable impact on the findings due to the fact that every approach holds its own benefits and shortages (Hair et al., 2010b). So, a missing rate of 5% or less was regarded as negligible. Based on the study by Hair et al. (2014), in the case of missing below 5%, employing a mean value substitute approach is proposed.

The missing data were very low because the researcher and her friends tried their best to have high-quality supervision. For instance, health and safety commission managers and human resource manager that cooperated in data gathering, verified every questionnaire following receiving and prior to confirming if any missing data exists. Hence, if some elements were missing, the employees were requested to fill missing items related to the relevant questionnaire. Hence, the missing data were substituted with the variable mean answers for all the variables.

The approach is considered as the most suitable due to the fact that the mean substitution is the most common and extensively employed approach (Hair et al., 2010b) in order to treat the missing data since it focuses on valid answers which make the mean the most excellent single substitution for missing data that has been conducted in the present study. Response rate is shown in details in Table 4.11.

Table 4.11: Data Distribution

Company	Population	Sample	Distributed	Return	Return%
1	10000	373	480	375	78
2	4000	351	460	353	77
3	800	260	330	261	79
4	120	92	110	91	83
Total	14920	1076	1380	1080	78

4.10 Timeline

In non-experimental fixed designs that compose of retrospective, cross-sectional and longitudinal designs, three kinds of time ranges are extensively employed (Robson, 2011). A cross-sectional design is used in the present research while the whole number of measures were picked at a single point of time or comparatively brief range of time (Zikmund et al., 2007). Cross-sectional designs which are extensively employed and regarded more appropriate compared to a longitudinal design, by which the information were gathered at more than one period in time or short period (Iacobucci & Churchill, 2009). On the other hands, longitudinal designs are not easy to handle and are complicated to carry out and also usually need noticeable budget (Robson, 2011). Considering the fact that budget and time were limited, a cross-sectional design was the most appropriate choice for the present research.

4.11 Data Analysis

Primarily, the present study used the Statistical Package for Social Science (SPSS) version 18.0 to interpret the information in the initial stage. The mentioned software is extensively employed by scholars as a technique of data analysis (Zikmund, 2003). In the present study, the software was employed to calculate the descriptive statistics of the participants along with treating missing data through substituting the mean value. Structural Equation Modelling technique was used in order to evaluate the model. Structural Equation Modelling methodology is believed to be helpful in the social and behavioural sciences in which different kinds of constructs are unobservable (Goodman et al., 2012); furthermore, it currently turned to be a widely used statistical instrument in the area of academic research (Hair et al., 2010b).

SEM provides scholars with the skills of conducting path-analytic modelling with latent variables making it to be characterized as a second generation multivariate methods (Fornell & Larcker, 1981). When SEM is used properly, it provides more benefits compared to the first generation of analysis techniques including factor analysis, principal component analysis, or multiple regression in which it gives the scholars the adaptability to interact between data and theory (Chin, 1998). In addition, it assists scholars to evaluate the uni-dimensionality, validity and reliability of every construct and gives a total test of model fit and separate factor estimate test at the same time (Hair et al., 2010b). Besides, the review shows that SEM is distinguished approach of multivariate data analysis (Hershberger, 2003).

Generally, two major methods exist in Structural Equation Modelling. One is covariance-based methodology which can be seen in software like AMOS, EQS and LISREL and the second one of partial-least squares which can be seen in software like PLS-Graph and SmartPLS. The mentioned methods are dissimilar regarding underlying statistical hypotheses and the essence of fit statistic they make (Gefen et al., 2000). None of them is better than the other. Rather, the most suitable method is required to be chosen according to the objectives of the scholar. PLS approach has been selected in the present study for its benefits compared to the covariance method.

The benefits of such soft-modelling method are theoretical circumstances, measurements circumstances, distributional and practical concern (Falk & Miller, 1992).

PLS is a preliminary approach which is based on the data. The PLS methodology fits the scholars' prediction-oriented objective which does not need common data dispersion

and holds small sample size. Besides, the objective of the PLS is to acquire definite values for latent variables for predictive goals and to make the variance of all dependent variables smaller. PLS develops latent variable component scores by applying the weighted sum of indicators (Chin & Newsted, 1999).

4.12 Measurement and Structural Models Using Partial Least Square

For the present research, the model of the research is evaluated through applying a two-steps procedure. The first step is the evaluation of the measurement model and the second one is the evaluation of the structural model.

Mainly, the objective of the model validation is to decide if both measurement and structural model confirm the quality criteria for studies (Urbach & Ahlemann, 2010). The next subsections explain the methods employed in the present research in order to evaluate both the structural model and measurement for the present research.

4.12.1 Measurement Model

According to the prior research works, the validation of a reflective measurement model can be grounded by examining its internal consistency, reliability of the indicators, convergent and discriminant validity (Lewis et al., 2005).

4.12.1.1 Internal Consistency

A measurement item's internal consistency is assessed through employing CA and CR. Those constructs which have high CA values signify those elements in the constructs that hold the same meaning and range (Cronbach & Thorndike, 1971).

Applying CA gives an estimate for the reliability according to the indicator inter-correlations, although in PLS, composite reliability assessed the internal consistency (Chin, 1998) due to the fact that even if CR and CA calculate the same thing which is internal consistency, CR considers that indicators hold different loadings. CA proposes a serious miscalculation of the internal consistency reliability in which it does not consider tau equivalent amid the measures and considering the whole number of indicators are fairly weighted (Werts et al., 1974).

In spite of the fact that specific reliability coefficient is employed, an internal consistency reliability is regarded acceptable when the value is at least 0.7 in the initial step and values more than 0.8 or 0.9 in more progressive steps of the study, where value below 0.6 show an absence in reliability (Nunnally & Bernstein, 1994). As Churchill Jr (1979) observed, the first measure to be specified is reliability to evaluate the instrument's condition. In general, the LAL which is defined as the lower acceptance limit of Cronbach's alpha is 0.60 to 0.70 (Hair et al. 1998).

4.12.1.2 Indicator Reliability

In evaluating the indicators' reliability, the researcher assesses the degree in which a variable or a series of them is in agreement with what it aims to measure (Urbach & Ahlemann, 2010). The reliability of construct is independent and measured independently from the others. Based on the study by Chin (1998), indicator loadings are required to be signified at least at the 0.05 level and loading should be more than 0.7. This is justified as with the loading value at 0.707, a latent variable (LV) is considered to be able to analyse at least half of its indicator's variance (50%).

The importance of the indicator loading is possible to be measured by applying a re-sampling approach like jack-knifing or bootstrapping (Hair et al., 2014). Based on the research by Henseler et al. (2009), trying to taking the traits of consistency at large into account, the researcher should be cautious while choosing to removing an indicator. In this research, the cut-off point being 0.6 considered to keeping items. It is meaningful to remove an indicator just when the indicators' reliability is not high and removal of that indicator is matched with a substantial raise of CR.

4.12.1.3 Convergent Validity

Convergent validity includes the extent in which individual items reflect a construct converging compared to the items which evaluate various constructs (Urbach & Ahlemann, 2010). Applying PLS, convergent validity is possible to be assessed through the value of AVE. Based on the research carried out by Fornell and Larcker (1981), adequate convergent validity is obtained when the construct's AVE value is at least 0.5.

4.12.1.4 Discriminant Validity

Discriminant validity is employed to recognize a construct's measures from others. Discriminant validity, unlike the convergent validity, examines to see if the items not to accidentally estimate another thing (Urbach & Ahlemann, 2010). In PLS, two measures of discriminant validity are extensively applied namely Fornell and Larcker (1981) criterion and cross loading (Chin, 1998).

Cross-loading is achieved through corresponding each LV's component scores with the rest of the items. In case that every indicator's loading is more for the nominated construct compared to other constructs, it can be concluded that the indicators of different constructs cannot be interchangeable (Chin, 1998).

4.12.2 Structural Model

When the structural model is validated, it can assist the scholar to assess if hypothesized relationships made by the structural model are confirmed by data (Urbach & Ahlemann, 2010). The structural model is aimed to be interpreted after the measurement model has been validated. In PLS, a structural model can be analysed through employing path coefficients and the coefficient of determination (R^2).

The most significant principle of evaluating the PLS structural model is to determine any endogenous LV's coefficient of determination, R^2 , which evaluates the connection between an LV's explained variance to its total variance.

When evaluating the path coefficient value, a scholar can recognize the strength of the connection between two LVs. Chin (1998) suggests that path coefficients should exceed 0.1 - 0.2. A further test of model fit is provided by the R^2 for the latent endogenous variables. Chin (1998) suggests that R^2 of ~ 0.66 indicates substantial model fit, $R^2 \sim 0.35$ moderate and $R^2 \sim 0.17$ weak model fit.

4.13 Demographic Measures

The participant and organizations' characteristics are highly various regarding sample demographics (Morgan & Hunt, 1994) which are presented in this part of the study. Participants' gender, age, educational level and their job position in the firm are pertinent personal information. Table 4.12 shows an outline of the participant.

All the data have been shown in actual figures and percentages to make the analysis easier. The sample composes 1080 participant in total with 82.5% of the participant are male and 17.5% female. Regarding the age, most of them (70%) are more than 33 years

old and just 8.2% holds under diploma and in terms of employment type, 69.4% of the participants are temporary employees.

Table 4.12: Demographic of Respondents (n=1080)

Measure	Value	Percent
Gender	Female	17.5
	Male	82.5
Age	18 to 22	3.2
	23 to 27	9.3
	28 to 32	17.6
	33 to 37	31.5
	38 to 42	24.1
	Above 42	14.4
Education	Under Diploma	8.2
	Diploma	16.7
	Higher diploma	27
	Bachelor	30.1
	Master	16.5
	Doctorate	1.5
Employment type	Temporary	69.4
	Permanent	30.6
Position	Specialist	21.8
	Head of specialist	17.3
	Executive manager	3
	Manager	1.5
	Worker	55.4
	Others	1.1

4.13.1 Control Variables

Following previous researches job position, age, gender, education considered as control variables (Karatepe, 2013; Kim et al., 2009), which affect on employee engagement. The control variables first entered to the model (see: Appendix C) and then removed from the model, because they were not statistically significant and also more importantly, their inclusion does not change the estimates the variables

4.14 Mediating Relationship

The prior investigations all have explored mediation through pursuing the principle for mediation testing proposed by Baron and Kenny (1986) which signifies that the predictor should be considerably linked to the dependent variable as well as to the mediator and on the other hand the mediator variable should be considerably linked to the dependent variable.

Currently, this process have undergone objections and the recent reviews propose to employ the bootstrapping approach of Preacher and Hayes (2008a) that is a non-parametric experiment and does not disrupt the assumption of the normality. As shown in this process, the mediating impact would be verified in case of existing a considerable indirect impact between the nominated variables which are the left and right sides of the mediator variables as well as the confidence interval (CI) does not straddle a 0 in between.

The indirect effect can be seen as significant in case that the t-value obtained from equation 1 is above ± 1.96 . Equation 2 and 3 show the Lower level of (LL), and upper level (UL) of confidence interval, respectively where a_1 is both coefficient from

independent variable to mediating variable and b_1 is path coefficients from mediating variable to dependent variable.

$$T\text{-value} = (a_1 * b_1) / S_{\text{error}} \quad (1)$$

$$LL = (a_1 * b_1) - 1.96 * S_{\text{error}} \quad (2)$$

$$UL = (a_1 * b_1) + 1.96 * S_{\text{error}} \quad (3)$$

4.15 Moderating Relationship

The prerequisites of recursively in standard PLS path models (Lohmöller, 1989) shows exploring the bidirectional effects. In addition to investigation of direct impacts, scholars' attention is more drawn by the moderating impacts which are aroused by the variables whose variation affects the strength or the direction of the connection of an exogenous and an endogenous variable (Baron & Kenny, 1986). The causes of the moderating effects are named "moderators" or "moderator variables" which are whether metric (e. g., consumer psychological constructs like arousal or intelligence) or categorical (e. g., gender or social class) (Henseler & Fassott, 2010).

Moderators are able to alter the connections' direction. In general terms, "a moderator is a qualitative (e.g., sex, race, class) or quantitative (e.g., level of reward) variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable" (Baron & Kenny, 1986, p. 1174). Moderator variables hold a significant pertinence as the complicated connections are usually dependent to contingency. The prior improvements in methodology and the software which are applicable have led to several novel ways in order to evaluate the influence of moderators in the structural models (Cortina et al., 2001).

One method to consider can be to involve an exogenous interaction term in the model. Later, the model would deal with including the major effect along with the moderator variable's major effect on the endogenous variable and moreover an interaction variable's effect (predictor * moderator). The present method holds potentials to be used with no disadvantage provided that both the predictor and moderator construct are displayed as holding reflective indicators (Baron & Kenny, 1986). In order to analyse moderating effects, the direct relations of the exogenous and the moderator variable (effects b and c in Figure 4.3) as well as the relation of the interaction term (effect d in Figure 4.3) with the endogenous variable Y are examined. The hypothesis on the moderating effect is supported if the path coefficient d is significant – regardless of the values of b and c . In case of path c was seen significantly differ from zero; the moderation evidence would be fulfilled” (Henseler & Fassott, 2010, p. 730).

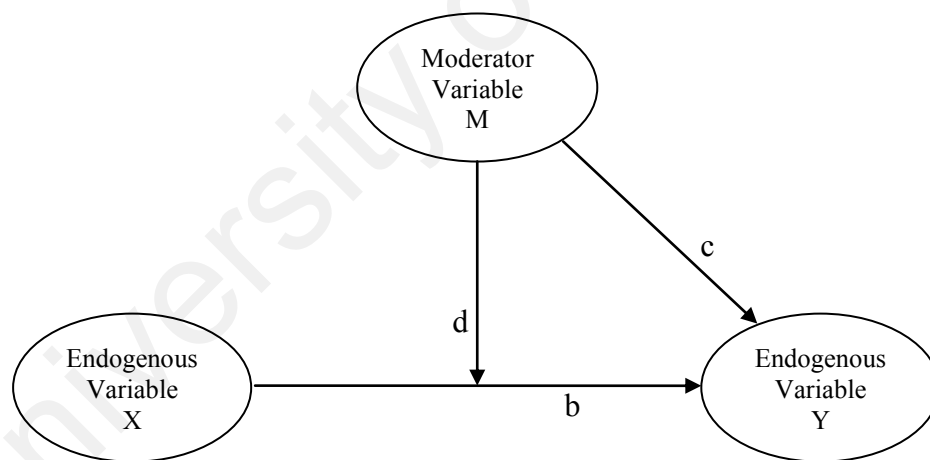


Figure 4.3: A Simple Model with a Moderating Effect (d)

The present method is specifically attractive for the continuous as well as latent moderator variables although it is not supposed to be employed in path modelling with covariance-based techniques (CBSEM). The mentioned models consider that the correlation between latent variables' error terms is as low as zero. These assumptions surely can be manipulated through construction of interaction term. In the opposite side,

Partial Least Square holds no similar limitation, and then the interaction method can be considered as a possible alternative to evaluate moderation in PLS models. As Chin et al. (2003, p. 193) proposed because of the existence of PLS' bias, it is seen as a preferable way in comparison with the conventional Ordinary Least Squares (OLS) regression regarding the identical model: "While problematic if not accounted for within covariance-based modelling software such as LISREL, these correlations may actually help provide a more accurate estimation of the interaction effect when using PLS".

The prior study carried out by Chin et al., (1998; 2003) suggested not to apply multiple group models once the analyses hold continuous moderator variables at their disposal since this may lead to insufficient power to find out the moderator/interaction effect. When the indicators grow in number and this leads to an increase in sample size, the ability to find out the minor model misspecifications grows. The application of partial least square is usually compulsory in such position. Once the whole interaction terms are involved in the model, it turns to a more complicated model that justifies the application of PLS. Stakeholder group's deficiency need strength is presented (i.e. a subsample) in the place of a moderator variable to investigate the potential demands for differentiated corporate social responsibility programs to obtain high perceived internal and external corporate social responsibility and employee engagement in various subgroups.

This section of the study tends to be more exploratory in essence and extends the boundaries of theoretical knowledge to be obtained from the hypothesized relationships among the model constructs in the structure of the model. Considering the points that

the moderator is continuous and moreover using several indicators, PLS path modelling is the most trustable approach in order to measure all the relationships.

4.16 Qualitative Data Collection and Sample

In the qualitative phase of this study, an in-depth interview was applied to investigate the employees' attitudes towards CSR. This method is used for two important reasons. Firstly, depth interviews are able to identify the phraseology from the respondents' attitude (Babbie, 2013). Secondly, in-depth interviews are applicable methodology for a better understanding of 'fuzzy' research issues (Kwortnik Jr, 2003), hence enabling the researcher to create a much further insight to understanding the research area.

The population determined for this research covered all levels of the employees of four selected corporations. Concerning the emphasis of this study on employees' perceptions toward CSR in all the organizational levels as well as making sure that the sample is representative within the identified area, it was necessary that the sample of interviews comprised of a variety of employees from the worker level to management (Blanche et al., 2006) Purposive sampling was chosen as a technique of sampling in qualitative researches, to assure that the sample of qualitative phase of this study was representatives of all levels above (Strydom & Delport, 2002).

According to Babbie and Mouton (2002), purposive sampling is suitable when the researcher's information of the population will empower him/her to guarantee that the sample is most illustrative of the population. Further, it is stated by De Vos et al. (2002) that purposive sampling provides a sample that contains "the most characteristic, representative or typical attributes of the population" (p.207). In terms of numbers, rather than selecting a large number of people or sites, the qualitative researcher

identifies a small number that will provide in-depth information about each person or site. Typically, when cases are reported, a small number is used, such as 4 to 10” (Creswell & Clark, 2007, p. 174). Therefore, as shown in Table 4.13, three persons (of a total 12) were selected from each company on the basis of three main job position category in Iranian companies (manager, specialist and worker), they were members of the committees which hold in EFQM departments or participated in Human resource management meetings to consult about HR practices, employee problems, corporate social responsibility practices. By considering their different level and knowledge about employee expectation and practices conducting in company, their point of view could covered different ideas and could be representatives of the thought of their own group. Hence, it can be reliable that the technique used to develop the sample will guarantee that the aim of the study is maintained.

Table 4.13: Sample of Qualitative Phase

Code Number	Positions	Details
E1,E2,E3,E4	Managers	Human resource manager, CSR department manager, Quality control manager, EFQM department manager
E5,E6,E7,E8	Administrative and executive employees	They are chosen from different departments (HSC, accounting, administration and marketing)
E9,E10, E11, E12	Workers	They are the representatives of workers in the related company

4.17 Interview Protocol Development

An interview protocol (see Appendix B) was designed and applied during the interviewing procedure as a way to initiate and refocus the discussion if required. The content of the interview protocol was grounded in the quantitative results obtained from the first stage of the research. The purpose of the qualitative phase was to investigate and elaborate the statistical test results (Creswell, 2003). So, the objective of this study is to gain insights into the employees' attitudes toward external and internal CSR, and to investigate if external and internal CSR overly promote their motivation to hold their company and their job. In addition why and how CSR activities enhance employee engagement through their organizational identification? And while their deficiency needs are increasing, whether they are still interested in external and internal CSR or not?

In fact, the objective of the interview is to gain insights into the research problem and serve as a preliminary investigation of the phenomenon. Medium-length (often 30–60 minutes) interviews were carried out for each person.

4.18 Qualitative Data Analytic Procedure

The interviews were recorded and transcribed literatim. The qualitative analysis was guided by thematic analysis (Braun & Clarke, 2006) in which participants were requested to clarify their ideas and, consequently, the themes were extracted from their explanations (Jafari et al., 2013). Before the interviews, some of the issues related to company are discussed. The interviews were all administered face-to-face, tape recorded. The length of each interview varied from 20 to 30 minutes.

Manual thematic analysis is used to analyse interview transcripts (Gwinner et al., 1998). Transcription of verbal data was the first step to analyse data; therefore, the data was transcribed into written form in order to conduct a thematic analysis. Although it took time but this phase should be seen as a process of transcription, while it may seem time-consuming, frustrating, and at times boring, can be taken as “a key phase of data analysis within interpretative qualitative methodology” (Bird, 2005: 227).

Generalising initial codes was the next step. This systematic method which is related to organise and gain meaningful parts of data as it relates to research questions is called coding. So, the transcripts reduced and broke down into units of similar characteristics with key phrases highlighted which result in the description of one or two sentences prepared (Gwinner et al., 1998; Kynga's & Vanhanen, 1999).

The goal in selecting key phrases was to identifying recurring thoughts. Data reduction made it possible to form different categories related to the subject. The next step followed in this research was reviewing the themes. In this step, potential themes extracted by sorting the different codes and all the relevant coded extracted within identify themes collating. Phase four involved the refinement of a set of candidate themes which we devised.

In this phase, it became evident that some of the themes were not really themes due to the fact that the data were too diverse or insufficient to support the themes, as some themes overlapped with each other or they broke down to separate themes. In the final step, the themes were defined and named and analysed data within them (Kynga's & Vanhanen, 1999).

The relevant themes from the literature were explored and discussed in final chapter, while thematic analysis was used to determine new themes which have not been previously outlined within the literature. The thematic analysis procedure was flexible as the codes were revised or modified as ideas established as well as the results of the coding procedure along with sample coded interviews transcripts were discussed between the researchers ; improving the validity of the qualitative data (Jafari et al., 2013). For the purpose of reporting and discussing results extracts from individual interviews were used to illustrate key themes.

In this chapter, research method is a survey which will be supported by qualitative phase. The research paradigm employed in this research is post-positivism. PLS method explained as a method of analysing data and systematic random sampling chose as the method of sampling. In the result of pilot study some moderate changes determined in order to prepare final questionnaire. In addition, measurement of constructs and data collection procedure presented. The next chapter presents the findings of quantitative and qualitative analysis.

Chapter 5

Results of Quantitative and Qualitative Phases

5.1 Overview

This chapter provides the empirical results and findings of quantitative phase as well as qualitative phase of this research. The analysis in this chapter is carried out through employing the statistical methods which described in Chapter 4 and presents the commonly admitted PLS reporting style which has been proposed by prior researches (Chin, 2010). In the initial stage, the measurement model including validity and reliability is evaluated and later the structural model and hypothesis testing are presented. In the second part of this Chapter, qualitative analysis and themes which derived from interviews are presented and explained. This chapter draws employees' opinion and perspectives towards CSR programs, to explore the reasons which are in the back of their willing or unwilling to CSR programs. The themes related to each question provided and discussed.

5.2 Measurement Model

Model estimation delivers empirical measures of the relationships between the indicators and the constructs (measurement models), as well as between the constructs (structural model). The empirical measures enable us to compare the theoretically established measurement and structural models with reality, as represented by the sample data. In other words, we can determine how well the theory fits the data". Initially, model assessment focuses on the measurement models. Evaluation of PLS-SEM makes the researchers able to examine the reliability and validity of the construct measures (Hair et al., 2014, p. 96). For this purpose, first measurement model and then

structural model are estimated by PLS analysis as implemented in SmartPLS 2.0 (Hansmann & Ringle, 2004). According to the approach of (Chin, 1998) and in order to find out the significance levels for loadings and path coefficients, the bootstrapping method has been employed.

Reliability is defined as the evaluation of the level of consistency in which a measuring tool measures what notion is going to measure. On the other hand, validity is the evaluation of the level in which an enhanced instrument measures the specific notion which is going to measure (Sekaran & Bougie, 2010).

5.2.1 Reliability

The reliability of reflective measures are assessed through criteria of internal consistency, such as Cronbach's alpha and also composite reliability (Hair et al., 2011). In academic publications, the most commonly used reliability coefficient is Cronbach's alpha, which is a generalized measure of a uni-dimensional, multi-item scale's internal consistency (Cronbach, 1951).

Nunnally and Bernstein (1994) suggested that a CA greater than 0.70 is moderately reliable. According to Table 5.1, all CA varied from 0.710 to 0.944, except CA for CSR to government which was 0.656. Research has suggested that alpha coefficients for scales with few items (six or less) can be much smaller (0.6 or higher) and still be acceptable, so for CSR to government with two items, CA at 0.6 threshold is acceptable (Petrick & Backman, 2002). In addition, as Esposito et al. (2010) cited, a common threshold for sufficient values of Cronbach's alpha is 0.6 (Hair et al., 2010b).

Prior literature has suggested the use of “Composite Reliability” as a replacement (Hair et al., 2012). The composite reliability is, similar to Cronbach’s alpha, a measure of a reflective construct’s reliability, yet it includes the actual factor loading, whereas the alpha uses equal weighting. Indicators showing weak correlations with the measurement model’s remaining indicators have to be eliminated (Hair et al., 2014). Composite reliability values varied from 0.764 to 0.972 that is remarkably satisfactory of the recommended threshold 0.7 (Nunnally & Bernstein, 1994).

5.2.2 Convergent Validity

Convergent validity is defined as the level to which several items to test the identical conceptions are in accordance. Following the suggestion of Hair et al. (2014), factor loadings, and average variance drawn to evaluate the convergent validity were employed. A measurement model is considered to hold an acceptable indicator reliability once every item’s loading is not less than 0.7 and is noticeable at least at the level of 0.5 (Hair et al., 2012).

According to Chin et al. (2003), factor loadings should be at least 0.6 and preferably greater than 0.7. For this reason (low loading), EE2 (0.572) and EE8 (0.582) question-items of employee engagement excluded from the research model following the PLS model estimation, because these values indicates less contribute on the research subject. The whole values of AVEs went more than the cut-off value of 0.5 (Hair et al., 2010b). As can be found from Table 5.1, the finding of the measurement model went over the proposed values which therefore show adequate convergent validity. Figure 5.1 shows measurement model of this research.

Table 5.1: Measurement Model

First Order Constructs	Second Order Construct	Item	Loadings	AVE	CR	Alpha
CSR to Business Partners		BP1	0.691	0.535	0.821	0.710
		BP2	0.763			
		BP3	0.797			
		BP4	0.669			
CSR to Community		COM1	0.690	0.688	0.917	0.884
		COM2	0.810			
		COM3	0.873			
		COM4	0.897			
		COM5	0.864			
CSR to Government		GOV1	0.841	0.743	0.853	0.656
		GOV2	0.883			
CSR to Customers		CUS1	0.973	0.944	0.972	0.941
		CUS2	0.971			
	Perceived External CSR	CSR to Business Partners	0.722	0.550	0.829	0.859
		CSR to Community	0.842			
		CSR to Government	0.664			
		CSR to Customers	0.626			
		EMP1	0.672	0.502	0.901	0.875
		EMP2	0.736			
		EMP3	0.707			
		EMP4	0.634			
		EMP5	0.697			
		EMP6	0.682			

Table 5.1: Measurement Model (Cont.)

First Order Constructs	Second Order Construct	Item	Loadings	AVE	CR	Alpha
CSR to Employees		EMP7	0.781	0.502	0.901	0.875
		EMP8	0.772			
		EMP9	0.684			
CSR to Environmental Protection		EP1	0.772	0.590	0.851	0.767
		EP2	0.699			
		EP3	0.842			
		EP4	0.752			
	Perceived Internal CSR	CSR to Employees	0.887	0.622	0.764	0.844
		CSR to Environmental Protection	0.676			
	Organizational Identification	OI1	0.634	0.535	0.872	0.823
		OI2	0.635			
		OI3	0.785			
		OI4	0.734			
		OI5	0.767			
		OI6	0.813			
	Employee Engagement	EE1	0.715	0.601	0.913	0.888
		EE3	0.789			
		EE4	0.716			
		EE5	0.817			
		EE6	0.840			
		EE7	0.780			
		EE9	0.762			

Table 5.1: Measurement Model (Cont.)

First Order Constructs	Second Order Construct	Item	Loadings	AVE	CR	Alpha
	Lowe-Order Need Strength	LONS1	0.929	0.715	0.946	0.932
		LONS2	0.832			
		LONS3	0.950			
		LONS4	0.820			
		LONS5	0.870			
		LONS6	0.800			
		LONS7	0.692			

Note: AVE= Average Variance Extracted, CR= Composite Reliability

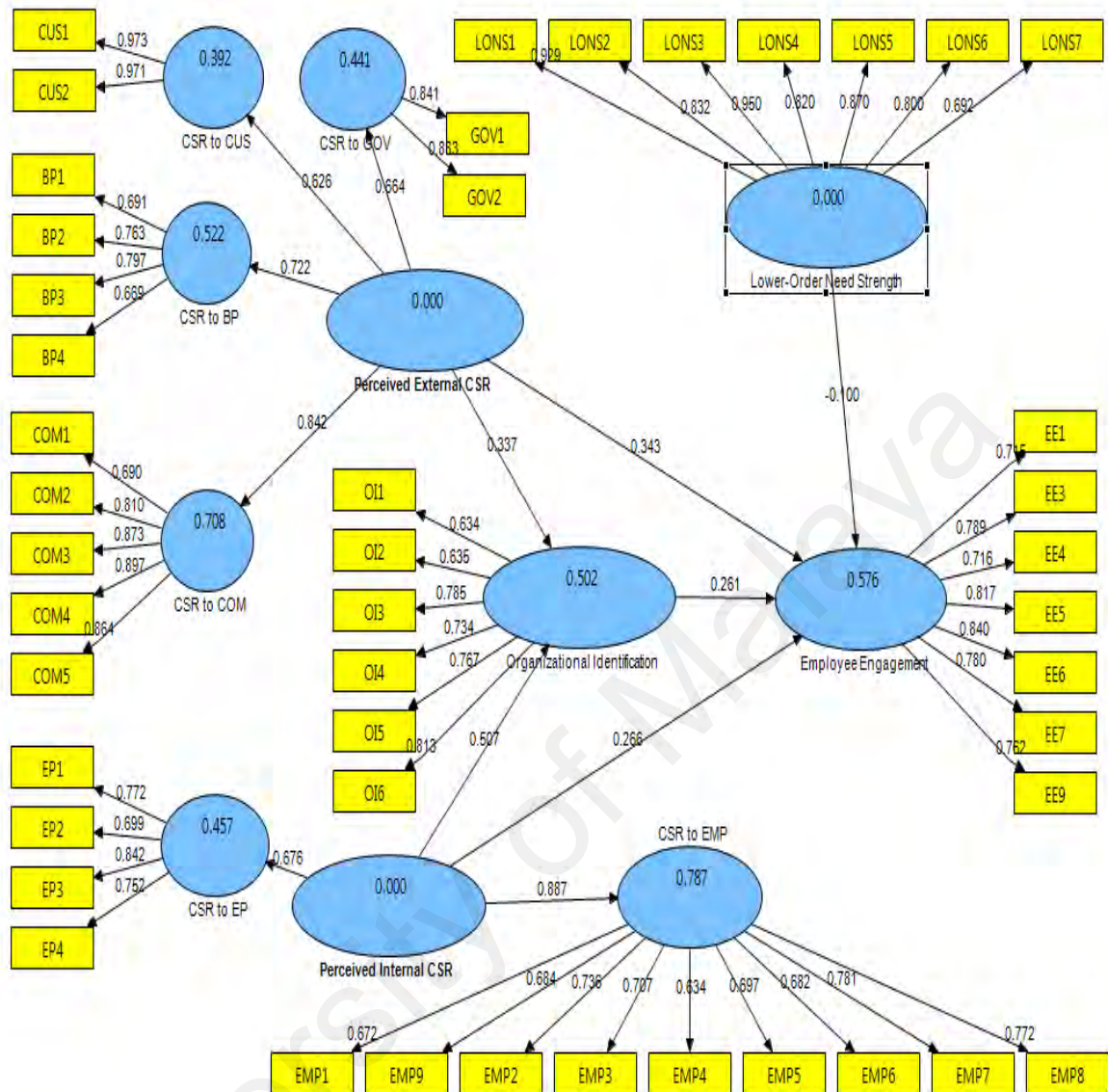


Figure 5.1: Measurement Model

5.2.3 Discriminant Validity

In the present research, the discriminant validity of the measurement model is evaluated through employing two measures 1) the criterion of (Fornell & Larcker, 1981), and 2) cross loading.

As debated in Chapter 4, every measurement model holds discriminant validity first once the AVE's square root goes over the correlations between the measure and all other measures and second when the indicators' loadings are higher against their respective construct than other constructs. Hence, in order to find out the initial evaluation of discriminant validity of the measurement model, each construct's AVE value is made through employing the smart PLS algorithm function. Later, the square roots of AVE are measured manually.

According to the findings, all AVE's square roots went over the off-diagonal items in their analogous column and row. As Table 5.2 shows the bolded items demonstrate the AVE's square roots and those which are not bold demonstrate the inter-correlation value between constructs. AVE's square roots which are bolded on the diagonal are higher than all off-diagonal items.

Therefore, the finding verified that the Fornell and Larker's criterion is fulfilled. The next evaluation of the discriminant validity is to test the indicator's loadings regarding every correlations of the construct. The cross loading's output is created through algorithm function of PLS smart.

Table 5.3 indicates the cross loading's output between indicators and constructs. According to the Table 5.3 the whole measurement elements loaded higher against to the corresponding planned latent variable in comparison with other variables.

Moreover, the Table 5.3 shows that each block's loading is more than other blocks in the identical columns and rows. The loading evidently splits every latent variable as

speculated in the conceptual model. Therefore, the cross loading output proved that the second evaluations of the discriminant validity of the measurement model is fulfilled.

The present research thus comes to the conclusion that the measurement model has demonstrated its discriminate validity. In general, the validity and reliability evaluation carried out on the measurement model indicated acceptable results. The validity and reliability evaluations are verified and this is a sign showing that the measurement model for the present research is acceptable and competent to be employed in order to calculate the factors in the structural model.

Table 5.2: Discriminant Validity of Constructs

Constructs	Employee Engagement	Lower-Order Need Strength	Organizational Identification	Perceived External CSR	Perceived Internal CSR
Employee Engagement	0.775				
Lower-Order Need Strength	-0.382	0.845			
Organizational Identification	0.648	-0.354	0.731		
Perceived External CSR	0.615	-0.309	0.532	0.741	
Perceived Internal CSR	0.595	-0.317	0.637	0.385	0.788

Note: Diagonals represent the square root of the AVE while the off-diagonals represent the correlations

Table 5.3: Cross-Loadings of Items

Indicators	CSR to BP	CSR to COM	CSR to CUS	CSR to EMP	CSR to EP	CSR to GOV	Employee Engagement	Lower-Order Need Strength	Organizational Identification	Perceived External CSR	Perceived Internal CSR
BP1	0.691	0.183	0.298	0.106	0.212	0.236	0.172	-0.161	0.202	0.452	0.178
BP2	0.763	0.424	0.144	0.221	0.181	0.418	0.318	-0.138	0.299	0.600	0.251
BP3	0.797	0.296	0.213	0.181	0.222	0.410	0.279	-0.178	0.255	0.560	0.241
BP4	0.669	0.220	0.257	0.188	0.349	0.374	0.148	-0.070	0.299	0.485	0.308
COM1	0.451	0.690	0.344	0.041	0.296	0.449	0.437	-0.245	0.330	0.710	0.171
COM2	0.367	0.810	0.364	0.003	0.434	0.257	0.450	-0.205	0.421	0.712	0.212
COM3	0.259	0.873	0.196	-0.040	0.207	0.262	0.330	-0.147	0.232	0.657	0.077
COM4	0.303	0.897	0.268	0.035	0.296	0.370	0.386	-0.166	0.291	0.727	0.177
COM5	0.243	0.864	0.230	-0.012	0.235	0.295	0.391	-0.153	0.256	0.665	0.109
CUS1	0.291	0.355	0.973	0.107	0.763	0.276	0.703	-0.321	0.509	0.621	0.449
CUS2	0.296	0.308	0.971	0.137	0.703	0.276	0.616	-0.314	0.479	0.596	0.444
EMP1	0.130	-0.029	0.062	0.672	0.152	0.091	0.178	-0.196	0.196	0.063	0.574
EMP9	0.031	-0.125	0.171	0.684	0.247	-0.039	0.297	-0.149	0.179	-0.016	0.641
EMP2	0.226	0.090	0.028	0.736	0.180	0.066	0.301	-0.108	0.286	0.142	0.651
EMP3	0.187	-0.003	-0.059	0.707	0.005	0.004	0.028	-0.086	0.134	0.041	0.530
EMP4	0.112	0.192	0.045	0.634	0.149	0.168	0.328	-0.141	0.446	0.186	0.568
EMP5	0.120	-0.072	-0.128	0.697	-0.033	0.001	0.116	-0.134	0.147	-0.037	0.506
EMP6	0.239	-0.098	0.136	0.682	0.254	0.065	0.160	-0.070	0.303	0.078	0.641
EMP7	0.215	0.055	0.189	0.781	0.293	0.215	0.290	-0.196	0.435	0.197	0.741
EMP8	0.250	0.028	0.242	0.772	0.303	0.209	0.269	-0.189	0.439	0.208	0.738

Table 5.3: Cross-Loadings of Items (Cont.)

Indicators	CSR to BP	CSR to COM	CSR to CUS	CSR to EMP	CSR to EP	CSR to GOV	Employee Engagement	Lower-Order Need Strength	Organizational Identification	Perceived External CSR	Perceived Internal CSR
EP1	0.253	0.340	0.790	0.234	0.772	0.198	0.650	-0.338	0.488	0.531	0.549
EP2	0.352	0.241	0.367	0.301	0.699	0.354	0.431	-0.265	0.476	0.423	0.550
EP3	0.235	0.165	0.560	0.174	0.842	0.185	0.500	-0.236	0.574	0.364	0.536
EP4	0.119	0.375	0.604	0.051	0.752	0.073	0.664	-0.201	0.462	0.428	0.410
GOV1	0.492	0.223	0.256	0.115	0.264	0.841	0.196	-0.063	0.346	0.529	0.217
GOV2	0.377	0.447	0.236	0.113	0.216	0.883	0.271	-0.227	0.239	0.612	0.186
EE1	0.283	0.380	0.305	0.187	0.380	0.180	0.715	-0.202	0.513	0.420	0.333
EE3	0.335	0.333	0.568	0.165	0.558	0.348	0.789	-0.352	0.472	0.521	0.397
EE4	0.184	0.281	0.594	0.247	0.749	0.133	0.716	-0.238	0.594	0.408	0.554
EE5	0.150	0.296	0.502	0.208	0.474	0.063	0.817	-0.305	0.371	0.364	0.393
EE6	0.188	0.463	0.443	0.313	0.465	0.165	0.840	-0.347	0.454	0.469	0.468
EE7	0.300	0.512	0.508	0.337	0.495	0.246	0.780	-0.335	0.518	0.568	0.498
EE9	0.282	0.334	0.700	0.239	0.733	0.303	0.762	-0.279	0.548	0.535	0.533
LONS1	-0.213	-0.163	-0.398	-0.201	-0.374	-0.189	-0.379	0.929	-0.348	-0.310	-0.331
LONS2	-0.146	-0.175	-0.205	-0.183	-0.233	-0.101	-0.253	0.832	-0.285	-0.220	-0.253
LONS3	-0.196	-0.215	-0.376	-0.205	-0.368	-0.189	-0.392	0.950	-0.327	-0.325	-0.330
LONS4	-0.093	-0.159	-0.153	-0.156	-0.205	-0.048	-0.244	0.820	-0.282	-0.169	-0.218
LONS5	-0.140	-0.275	-0.252	-0.158	-0.269	-0.125	-0.322	0.870	-0.265	-0.291	-0.247
LONS6	-0.031	-0.060	-0.191	-0.129	-0.234	-0.117	-0.256	0.800	-0.227	-0.121	-0.207
LONS7	-0.228	-0.233	-0.262	-0.145	-0.285	-0.205	-0.347	0.692	-0.328	-0.315	-0.242
OI1	0.316	0.301	0.378	0.414	0.515	0.177	0.517	-0.289	0.634	0.409	0.563
OI2	0.111	0.181	0.461	0.315	0.454	0.223	0.508	-0.354	0.635	0.313	0.459
OI3	0.200	0.260	0.391	0.208	0.408	0.231	0.380	-0.174	0.785	0.366	0.363
OI4	0.437	0.375	0.253	0.391	0.400	0.403	0.341	-0.206	0.734	0.498	0.491
OI5	0.205	0.234	0.407	0.182	0.509	0.195	0.570	-0.242	0.767	0.350	0.393
OI6	0.295	0.267	0.316	0.272	0.539	0.237	0.467	-0.253	0.813	0.378	0.470

5.3 Common Method Bias

According to Podsakoff and Organ (1986), common method bias is problematic if a single latent factor would account for the majority of the explained variance. The correlations ranged from 0.3 to 0.6, which did not have any correlations of 0.9 or higher, thus indicating that there is no single factor that influences all constructs (Pavlou, 2007).

Table 5.4: Inter-Construct Correlations

Constructs	Employee Engagement	Lower-Order Need Strength	Organizational Identification	Perceived External CSR	Perceived Internal CSR
Employee Engagement	1.000				
Lower-Order Need Strength	-0.382	1.000			
Organizational Identification	0.648	-0.354	1.000		
Perceived External CSR	0.615	-0.309	0.532	1.000	
Perceived Internal CSR	0.595	-0.317	0.637	0.385	1.000

Numbers below the diagonal represent the correlations between two latent constructs (inter-construct correlations)

5.4 Structural Model and Hypothesis Testing

The structural model has been defined as “the portion of the model that specifies how the latent variables are related to each other” (Arbuckle, 2005, p. 90). It implies the causal relationships among constructs (Sang et al., 2010), including estimation of the path coefficients and R^2 value, which establish the predictive power of the model. Both path and R^2 coefficients show the level of excellence of data confirming the conceptual model (Chin, 1998; Sang et al., 2010).

In order to test the predictive power of the measurement model, R^2 signifies the load of variance justified by the exogenous variables (Barclay et al., 1995). As both basic design and detailed design of model include higher-order constructs, a two-stage approach is followed to evaluate the structural model documented by (Hair et al., 2014).

In first stage, the repeated indicator approach is used to obtain the latent variable scores for the lower-order constructs, which in second stage, serve as observable variables in the higher-order measurement model. In this respect, a PLS algorithm was run in SmartPLS software. The latent variable scores were then saved in an excel file and then used in the second-stage as the indicator for higher-order constructs.

Applying a bootstrapping method along with a re-sampling of 3000, path coefficient and t-statistics were measured for the hypothesized relationships. The relationships with the T-value are considered as significant (one-tail relationships) with $p < 0.1$ for the values between 1.28 and 1.645, with $p < 0.05$ for the values between 1.645 and 2.33, and with $p < 0.01$ for the values above 2.33.

As can be seen in Figure 5.2, all of the variables which are perceived external CSR perceived internal CSR as well as organizational identification together explained 53.2% of the variance in employee engagement. Perceived Internal and External corporate social responsibility explains 43.7% of the variance in Organizational Identification.

To evaluate whether each of two predictor variables in the developed causal relationship model has the substantive impact on employee engagement, the change in R^2 value is calculated when a specified predictor variable was omitted from the model. This

measure as referred to f^2 (effect size). In fact, effect size estimates the strength or magnitude relationship among the latent variables (Wong, 2013).

It is shown in Table 5.5. By referring to Cohen (1988), the effect sizes show medium effect of PECSR and small effect of PICSR on employee engagement. So, PECSR has a greater effect on employee engagement in compare to PICSR.

After bootstrapping, the significant of path coefficients examined. The results of direct relationships are reported in Table 5.5. Furthermore, Figure 5.3 indicates the hypothesis testing results in SEM. Based on the results H_1 and H_4 supported.

PECSR has a positive significant effect on employee engagement ($\beta = .361$; $t = 13.157$; $p < 0.01$) and also PICSR has a positive significant effect on employee engagement ($\beta = .213$; $t = 8.708$; $p < 0.01$).

PECSR has a greater effect on employee engagement, according to the greater path coefficient ($\beta = .361$) and also with the medium effect size ($f^2 = 0.192$), in compare to PICSR ($\beta = .213$) with a small effect size on employee engagement ($f^2 = 0.072$).

Table 5.5: Hypotheses Results

Hypothesis	Relationship	Path coefficient	Std. Error	T-Value	Results	f^2	Strength
H ₁	Perceived External Corporate Social Responsibility → Employee Engagement	0.361	0.027	13.157**	Supported	0.192	Medium
H ₄	Perceived Internal Corporate Social Responsibility → Employee Engagement	0.213	0.024	8.708**	Supported	0.072	Small

Note: *p < 0.05, t-value greater than 1.645, **p < 0.01, t-value greater than 2.33,

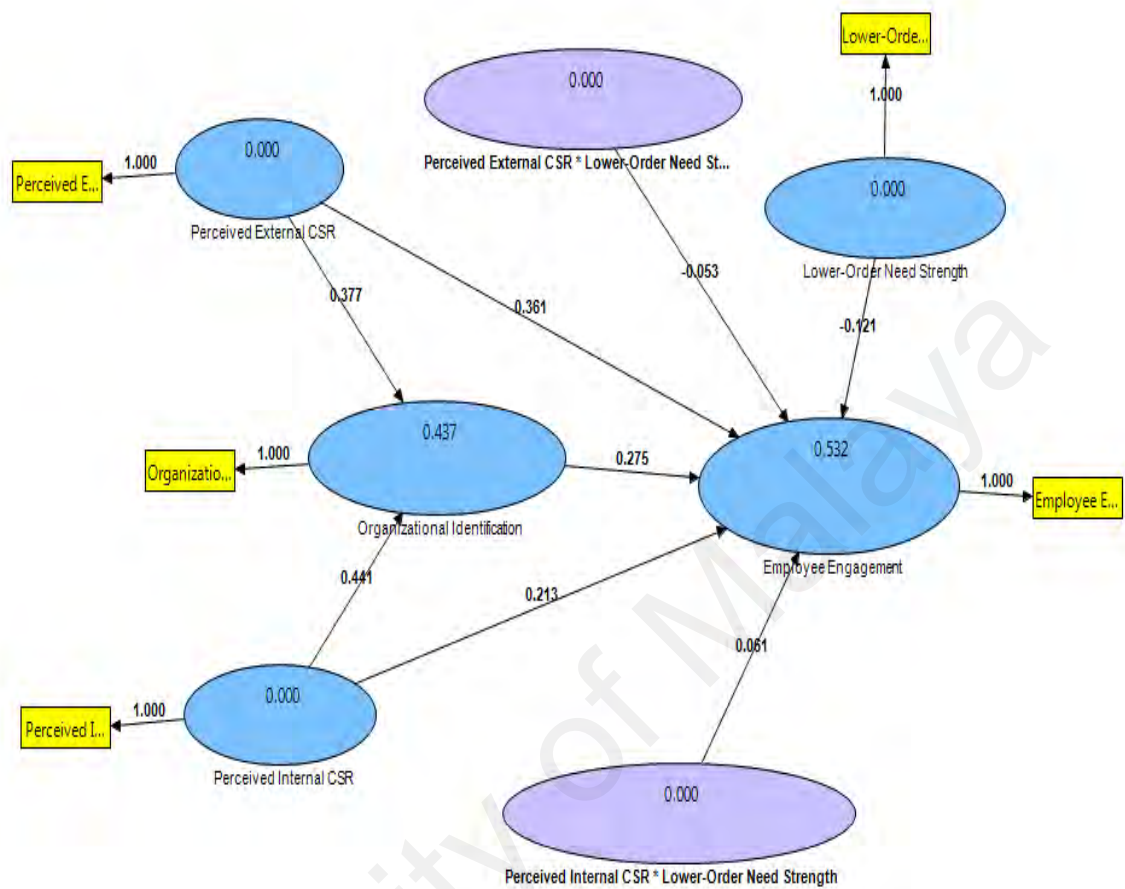


Figure 5.2: Structural Model

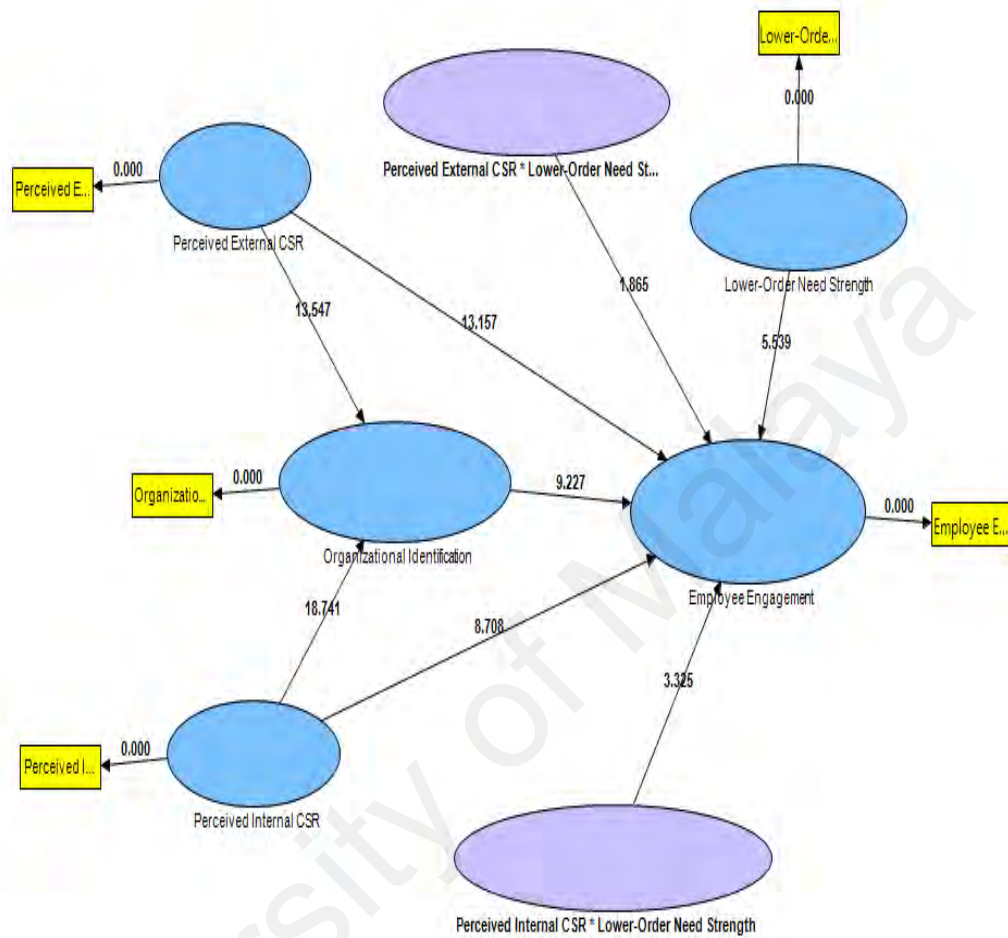


Figure 5.3: Hypotheses Results

5.4.1 Mediating Analysis

Mediation or indirect effect is regarded to arise when the causal effect of an independent variable (IV) on a dependent variable (DV) is transferred by a mediator variable (MV) as shown in Figure 5.4. More to the point, a variable is called a mediator to the extent that it accounts for the relation between the predictor and the criterion” (Baron &

Kenny, 1986, p. 1176). Based on literature, there are two essential conditions in establishing mediation: 1) showing that IV is related to MV and 2) showing that MV is related to the DV.

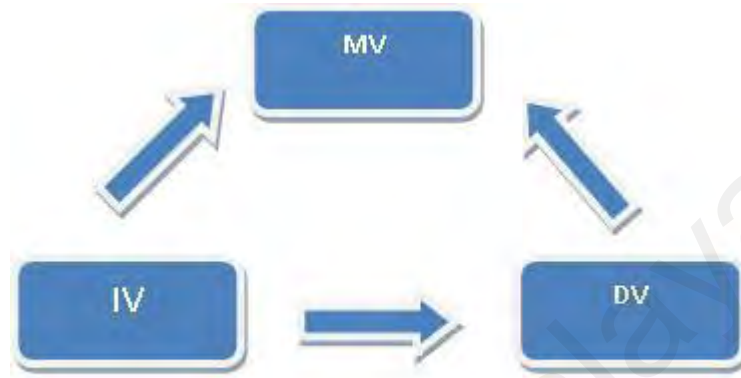


Figure 5.4: Illustration of a Mediation Design

Baron and Kenny (1986) stated that IV and DV should have a significant relationship to enable for mediation effects, this method has been criticized for low power and is no longer applicable. Literature suggests that mediation effect can also be established in the absence of significant direct relationship between IV and DV (Shrout & Bolger, 2002). According to Chapter four, Preacher and Hayes (2004) bootstrapping method used to examine the mediation effect as a stronger method. –Because it provides most powerful and reasonable method of obtaining confidence limits for specific indirect effects under most conditions” (Preacher & Hayes, 2004, p. 886).

The bootstrapping investigation indicates that the indirect effect $\beta = 0.104$ (0.377×0.275) is significant with a t-value of 7.340. Moreover, according to Preacher and Hayes (2008b), the indirect effect 0.104, 95% Boot CI: [LL = 0.076, UL = 0.131]

does not straddle a 0 in between showing the existence of a mediation. Therefore, it can be concluded that the mediation effect is statistically significant.

In the same method, bootstrapping investigation indicates that the indirect effect $\beta = 0.121$ (0.441×0.275) is significant with a t-value of 8.576. Besides, as proposed by Preacher and Hayes (2008), the indirect effect 0.121, 95% Boot CI: [LL = 0.004, UL = 0.149] does not straddle a 0 in between showing the existence of a mediation which has been statistically significant. Therefore, the results show, organizational identification mediates the relationships between PECSR and also PICSR with employee engagement.

Both PECSR and PICSR have a positive effect with a medium effect size on employee engagement, although PICSR has a greater path coefficient ($\beta = 0.441$) on organizational identification in compare to PICSR ($\beta = 0.377$).

Table 5.6: Summary of Mediation Analysis

Hypothesis	Relationship	Path Coefficient	Standard Error	T-Value	LL	UL	Results	f^2	Strength
H ₂	PECSR → Organizational Identification → Employee Engagement	0.104	0.014	7.340**	0.076	0.131	Supported	0.229	Medium
H ₃	PICSR → Organizational Identification → Employee Engagement	0.121	0.014	8.576**	0.094	0.149	Supported	0.314	Medium

Note: *p < 0.05, t-value greater than 1.645, **p < 0.01, t-value greater than 2.33

5.4.2 Moderating Analysis

A moderator variable is a variable that affects the relationship between two variables, so according to the level or value of the moderator, the nature of the impact of the IV on DV varies. Figure 5.5 shows the interaction of the moderator variable with the predictor or IV variable in a way as to have an impact on the level of the DV. In this research, employees' lower-order need strength is hypothesized (hypotheses 5 and 6) as a moderator variable.

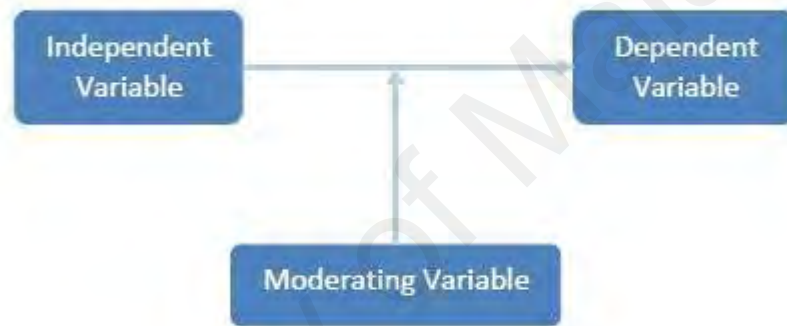


Figure 5.5: Illustration of the Moderator Variable

Chin et al. (1996, 2003) would advice against the use of multiple group models when researchers have continuous moderator variables at their disposal as it could result in inadequate power to detect the moderator/interaction effect.

As Dawson (2014) proposed the moderator hypothesis needs to be directional all the time or otherwise the researcher is speculating with no actual supporting ground. Hypothesis five (H_5), T-value (1.865) is higher than above 1.645 ($p < 0.05$) that is met as well as hypothesis six (H_6) T-value (3.325) is above 2.58 ($p < 0.01$) is met.

H₅ predicts that the greater employees' lower-order need strength, the weaker the positive relationship between PECSR and employee engagement.

Figure 5.2 and also Figure 5.3 shows that the interaction term of PECSR and employees' lower-order need strength has a significantly negative impact on employee engagement ($\beta = -0.053$, $p < 0.05$), lending support to H₅.

To facilitate interpretation of the significant interactions, these relationships are plotted in Figure 5.6, indicating high and low levels of employees' lower-order need strength by values one standard deviation above and below the mean. In high level of LONs (compared with a low level), high external CSR was associated with a lower level of employee engagement. The slope is decreased for people who have stronger LON compared to those who have weaker LONS which shows that LONS moderates the relationship between PECSR and employee engagement such that individuals with stronger lower-order needs had lower engagement.

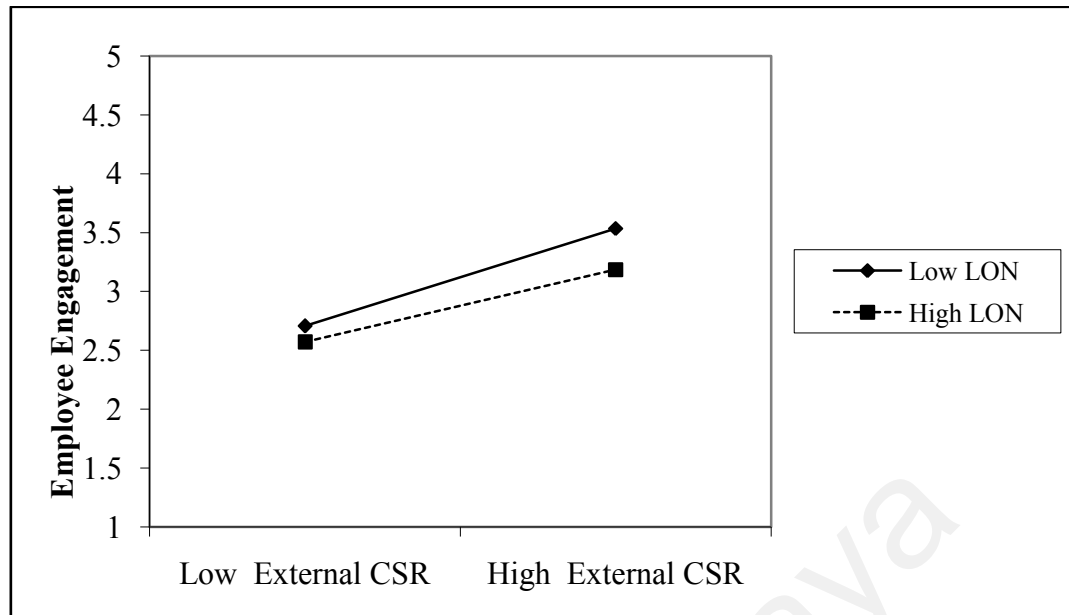


Figure 5.6: Interaction Effects of PECSR and Employees' LONS on Employee Engagement

H₆ predicts that the greater employees' lower-order need strength, the stronger the positive relationship between PICSR and employee engagement. Figure 5.2 and also Figure 5.3 shows that the interaction term of PICSR and employees' lower-order need strength has a significantly positive impact on employee engagement ($\beta = 0.061$, $p < 0.1$), lending support to H₆. To facilitate interpretation of the significant interactions, these relationships are plotted in Figure 5.7, indicating high and low levels of employees' lower-order need strength by values one standard deviation above and below the mean. In contrary to hypothesis five, lower-order need strength moderates positively the positive relationship between external CSR and employee engagement.

It has been shown in Figure 5.7 that in high level of LONs (compared with a low level); high internal CSR was associated with a higher level of employee engagement. The slope is increased for people who have stronger LON in compare to those have weaker LONS shows that LONS moderates the relationship between internal CSR and employee engagement such that individuals with high lower- order needs had higher engagement.

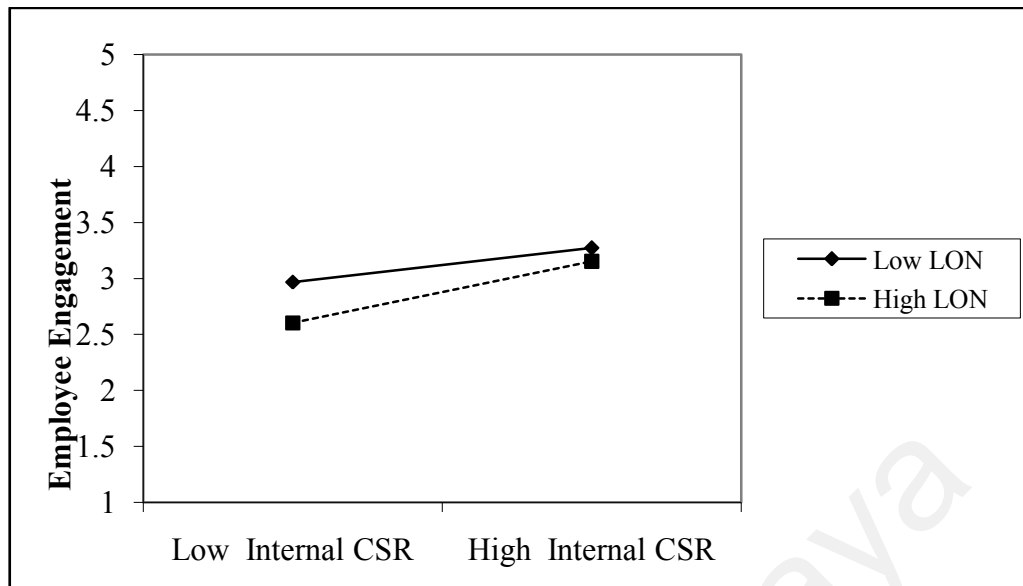


Figure 5.7: Interaction Effects of PICS and Employees' LONS on Employee Engagement

5.5 Findings and Discussion of Qualitative Phase

The previous section provided the quantitative findings of this study. This section presents qualitative analyses and findings concerning proposed hypotheses and objectives.

A number of themes are identified by focusing on research questions about employees' reactions and responses towards external and internal CSR and the reasons of effecting external and internal CSR on employees' positive behaviour like engagement as well as the role of employees' organizational identification and lower order need strength on these relationships. These themes are presented and supported with verbatim quotations presented in the following tables. Then more explanations and illustrative quotes are provided. In the next chapter (discussion), the results of the quantitative phase and

themes extracted from qualitative phase are debated and combined based on previous theories and researches.

According to Table 5.7, in discussing the first question - Does external CSR (activities which are related to outside of companies e.g., customers, community, business partners) have a positive effect on employees' positive behaviours, specially the level of employee engagement in the workplace? How? Why?- seven main themes (religious belief, feedback of social activities comes back to the employees as individual members of society, atmosphere and culture of company, Iranian collectivistic social structure, identification, generalisability, job security), are drawn which indicate the reasons of the positive attitudes of employees towards external CSR.

Most of participants believed that external CSR has a positive effect on their enthusiasm to work in the company and to their jobs. Religious beliefs are one the employees' incentives to be more eager towards their organization's social activities. From the point of view of the religion, helping other people is considered as humanitarian value and makes individual feel more content.

E2 stated,

–Cyrus The Great has said those hands which help other people are more sacred than those lips which just pray, I believe that helping others and being ethical toward other people are the first necessity of humanity”

Moreover, employees consider themselves as a part of the society and feel that the improvement of the society will lead to their own well-being as a member of that society. It also should be mentioned that internal culture and atmosphere of an organization is another factor which makes employees to hold a positive attitude

towards the external activities of their company. In fact, when a company takes part in the society's improvement, treats its external stakeholders like customers ethically and also performs its legal duties like tax, it creates a good feeling in its employees to work there.

For instance, E6 declares that,

“I used to work for a company which did not meet its legal duties and was not honest with its customers in terms of giving them real information about the company. After a while, I couldn't help having a very bad feeling about myself, let alone about my job”.

Similarly, E4 affirms that,

“We spend most of our active hours in the company. So, our company is like our second family. If you have a family who behave ethically, the work-related and non work-related motivations will increase”.

About the culture factor, E1 noted,

“As a manager, I have seen that when the atmosphere of the company is based on intimacy and ethics is the basic values of the company, employees show more attention to external activities and even participate on them”.

Generalization is another reason for the employees to be inclined to the external CSR activities of their company. They believe that when a company treats its partners and customers ethically, it can be concluded that it acts with the same manner with its own employees and in formulating its internal policies. E5 stated,

—I think when a company has an appropriate manner toward external players, somehow it does the same with internal players, and in most of situation internal partners are potential customers”

Identification is another theme obtained based on the interviews. According to some of the employee's statements, due to Iran's economic and social crisis, it has been intensified that when something bad happens to someone, immediately they imagine what if that would happen to us? And feel identified with the person.

As E9 declared,

—In Azerbaijan's earthquake's case, our company cut off 10% of our salary for one month to help people in Azerbaijan. No one showed objection because there was this feeling among the employees that this may happen to us in Tehran which is a high-risk earthquake city”.

According to Hofstede (2007) famous research, Iranian social structure is collectivist. Collective societies expect each person to contribute to a larger unit to which they belong for example family and society with loyalties belonging to the unit above all other things. The existence of relation between the groups and the tendency to be identified in a group and promoting the inter-group activities are among the values of Iranian society which improve the motivations for social activities. As a consequence this arouses a good feeling in employees towards their organization and their work as well. About the second and fourth questions regarding the effect of internal CSR on the employees' attitude towards their organization and their job as well as the role of organizational identification, the themes have been obtained from the interviews which are very close and similar.

E5 stated,

—I consider the company as my family, so I like to coordinate to develop it by doing better my job or by supporting the good decisions.”

E3 said,

“In my idea a company is a group such a family that requires us (I mean the employees of a company) for its development. Company external activities indirectly increase company's benefits, so it motivates me to be a part of this development.”

One interesting theme that has been derived from interviews is job security. According to the recent economic problems in Iran, employees believe that when a company make satisfy its external stakeholders, in fact the company is going to guarantee its survival. While the company achieving quality awards from government shows it is far away from being bankrupt. Therefore, in this situation employees do not scare to miss their job.

As E12 noted,

“A company near to our company has not paid the salaries of its employees for four months! I prefer to work in a company that I am sure about its survival in bad economic situation. So, when I see my company has a strong and stable place in community, I feel more engaged to work in this kind of company”.

Employees believe that CSR allows managers to create partnerships inside and outside the company that are precious from a strategic point of view. It protects and legitimates company and in results the company will be more stable in changeable situation.

E8 stated that,

“Having strong external CSR shows that a company has a good relationship with government, Iranian managers are smart. They do not look at on charities just because of helping others. While being famous as a company which holds external CSR, they can open new relationships with the administrative in hierarchy of government. So it shows that at least I am sure I will not lose my job because of force adjustments... hmm, I feel in return I feel more engaged to my work”.

Table 5.7: Themes Analysis of Employee Reactions to External CSR

Themes	Examples of illustrative quotes
Religious belief	<p>E10: “I think if you do good deeds, the universe will react toward you positively”.</p> <p>E5: “I believe in reflecting the behaviour and actions, so, when I cooperate with a socially responsible company, I have a role to share something positive which in result, the feedback of my intention will be desirable”.</p> <p>E7: “In our religion, helping others is valuable”.</p> <p>E9: “I prefer to work in a company which cares about society, because humanity and kindness are important things since long time ago in all the religions”.</p> <p>E12: “If I do a good thing, god will return more than that to me!”</p>
Feedback of social activities comes back to employees as individuals of society	<p>E3: “Because I believe if society improves, it will have a positive impact on us as society members in the long-run”.</p> <p>E10: “I think these activities increase the improvement of society, so, since I live in the same society, finally the good consequences of these kinds of activities go back to me”.</p> <p>E11: “Helping society is vital as it helps to support our welfare, so our children and our next generations to live in a better society”.</p>
Atmosphere and culture of company of company	<p>E6: “When I see other employees are interested in doing charities and participating as a volunteer in these kinds of programs, I feel that I should follow them”.</p> <p>E8: “In our company helping to improve society is a valuable act; I think it has affected my viewpoint”.</p>

Table 5.7: Themes Analysis of Employee Reactions to CSR (Cont.)

Themes	Examples of illustrative quotes
Collectivistic social structure	<p>E1: –Our people face a lot of crisis and socio-economic problems and I think it has made an emotional connection among us to protect each other against bad situations that even sometimes government does not care about”.</p> <p>E6: –Feeling pain leads to understand others pain better and decreases selfish behaviours. Together, we give meaning to our lives”.</p> <p>E2: –Our country and people suffer from bad consequences of sanction, so in this kind of situation, we (people who live in this country) should care about each other”</p> <p>E4: –The money that company allocates to outside of company could be allocated to me, but when I know this money is not enough if is distributed to be given to the employees, but surprisingly when gathered and given to one person, it may solve a person’s problem. The person and I belong to the group named society”.</p> <p>E8: –We are a big family in our company; we should coordinate in accomplishing the goals of the company which are consistent with the spiritual goals of us”.</p>
Identification	<p>E1: –I quickly identify myself in a disaster that happens to others and I think it may happen to my family”.</p> <p>E4: –I do not want to increase my welfare as it may lead to decreasing other people’s welfare because maybe I will be in the same situation in future”.</p>
Generalisability	<p>E12: –When my company treats ethically external stakeholders such as customers ethically, it shows that it would treat me in the same way too”</p> <p>E8: –When a company is a good citizenship in nature, it defiantly behaves appropriately with its own individuals”.</p>

Table 5.7: Themes Analysis of Employee Reactions to CSR (Cont.)

Themes	Examples of illustrative quotes
Job Security	<p>E7: My My two major basic needs at work are salary and job security. Nowadays, based on economic crisis, you know that some private companies are not able to pay their employees' wages on time or to extend their contract. I think having external communication with government and business partners guarantee that at least the company is more stable in compare to other companies."</p> <p>E9: I think sometimes, external practices are more important than internal practices!! If my company is not able to continue its business because of customers' and investors' dissatisfaction, defiantly it could not be successful in internal practices. In this situation there is no even a job for me there!"</p>

Concerning the second main question - Does internal (CSR- employee related and environmental concerns) have a positive effect on employees' positive behaviours, specially the level of employee engagement in the workplace? How? Why? -two main concepts (need satisfaction and feeling of meaning) emerged in relation to the second main question which is shown in Table 5.8.

The interesting part is that all of interviewees agreed with activities related to environmental protection which is considered as an internal process such as saving energy, reducing wastes and conducting systems to prevent water and air pollution that are the result of manufacturing process.

On the same note E2 affirms:

“I think all the organizations should be pushed for energy efficiency whether they have a CSR or not. In my belief, we should look at it as a must not as an optional practice in the form of CSR”.

Similarly E5 stated:

“Purification of manufacturing process due to preventing environmental pollution is the organizations' duty which should not be considered as a debate that whether stakeholders agrees with it or not”.

According to the interviewees, the emphasis of an organization on executing the internal CSR is a sign of being considered as important by the employees and evokes an identification feeling. Because they feel that they are part of the organization and not separated from it. Therefore, the internal CSR which are mostly related to the human resources has a key role in improving the employees' motivations and engagement. As a matter of fact they believe that the human resources activities satisfy their needs and this

leads to a sense of appreciation which will be repaid by high commitment and devotion to their work.

As E12 declares that,

—One of the activities which my company focuses on is the family-work balance activities. Providing transportation for the employees and paying subsidy amount to early education for their kids signify that the organization cares about its employees' needs. When a company cares about me and my needs, consequently, this improves my commitment for working in that company. This may seem like a deal but for me compensation and repayment to a good behaviour is an inner mechanism evoked by inner intention. When I see that my company supports me, I feel more committed to my job”.

As E7 stated, —Most of the time internal activities concerns our issues and needs, although sometimes they remain at policy stage”.

Employees consider their standing in the organization. While the company gives worth to employees by setting beneficial and ethical policies towards them, they will have more enthusiasm to their job.

E9 said, —When you like your family, you care about them. When the managers pay attention to my needs and wants, I feel that I have value and meaning.”

E1 stated,

—One of the employees here has a child who is mentally handicapped. Every day the guy did not have concentration when he comes to work. After the managers understood his problem, they asked the guy to bring his child at work and they give him a simple job in packing products sections. After that the person always considers the company as his family and has more emotional commitment to his work”.

Table 5.8: Themes Analysis of Employee Reactions to Internal CSR

Themes	Examples of illustrative quotes
Need satisfaction	<p>E5: Conducting the practices that directly related to me as an employee leads to satisfying my different needs, which in response to this good behaviour of my company, I will be interested in increasing work engagement and organizational commitment”.</p> <p>E2: I feel safe when the company has programs to satisfy my needs or even caring about the issues that may affect the relationship between my job and matters related to my family”.</p> <p>E8: how could I not to care about my job tasks when I see the company cares about my requirements”.</p>
Sense of meaningfulness	<p>E10: My company follows some practices that are in line with employees affairs; as a result, I feel that I am important for my company”.</p> <p>E11: Before establishing policies or making decisions related to employees, managers ask us to present our opinion or even they consider rewards to best decisions, so I feel, I am counted as an important member of this company”.</p>

Three main themes which have drawn up from the responses to the third main question - Does external CSR affect your identification and in consequence your attitudes and job engagement? How? Why? – are the good image and external prestige of company alignment of employees' and company' values and also meaningful work (see Table 5.9).

The influential factors which make the external CSR have positive impact on employee engagement through organization identification have been obtained. The positive image represented by the organization as an ethical organization or as an organization which cares about the well-being of society makes the employees feel identified with the company as a member which influences their work-related motivations.

This point has been confirmed by the ideas of E5:

–When I and my wife go to a gathering and someone asks me about my company, they show a reaction, full of appreciation by hearing the name of my company which gives me a good feeling. I feel I belong to a good place. However, people used to ask me if I have any plan to change my workplace when I worked in my ex-company and this always gave me a very undesirable feeling”.

The agreement of the employees' and organization's values is another factor obtained related to the second research question. When employees feel that their organization's values are in agreement with their own values and interests they feel more identified with their company and this evokes positive attitude in them.

As E4 said that,

—When I see the values of my company are similar to mine, I feel that I am part of a group which not only has any conflict with me and with my thought but I can also enhance my values by working in such company and this makes working for them very desirable for me”.

Moreover, some of the employees discussed that by working in a company which cares about the society’s well-being and improvement, they feel that their performance can help the society’s improvement and feel that their work is significant.

E8 stated,

—We live in a big group which is named society, when I feel my working in this company contributes to society; I feel that I am happier in my job”.

Table 5.9: Themes Analysis of the Role of Identification between External CSR and Employee Engagement

Themes	Examples of illustrative quotes
The good image and external prestige of company	<p>E7: Iprefer to work in a company that I hear good things about it in the society compared to a company that I feel ashamed when others talk about it, because it gives me a better feeling”.</p> <p>E11: working in a company with social activities gives me a sense of pride because I am a member of that company and it increases my enthusiasm to work in that company”.</p> <p>E6: Ilike to work in such a socially responsible company because in that way I belong to a high-prestige company and it affects my attitudes to work there”.</p> <p>E10: Iapplied to this company, because it holds a good image in society. I always have been impressed by the managers‘ and owners‘ commitment to the code of conduct and the quality of products”.</p>
Alignment of employee and company values ,goals	<p>E9: Compatibility of my values and beliefs with the values of my company increases my self-concept and makes me more eager to my job”.</p> <p>E12: Iprefer to work in a company which its policy and goals are acceptable to me”.</p> <p>E3: When I see company values are not in conflict with my values, it gives me a feel of identification and makes me perceive my work more interesting”.</p>
Sense of Meaningfulness at work	<p>E2: It gives me a feel of significance about my job, when I see the outcomes of my company lead to well-being of the community”.</p> <p>E9: When my company has a role in improving the society, I see myself as one of the participants of this action. I belong to the company as a group, so I think these activities give a kind of meaning to workplace”.</p>

As indicated in Table 5.10, feeling of meaning emerged as an important factor in responses to the fourth question, Does internal CSR affect your identification and in consequence your attitudes and job engagement? How? Why?

Employee explained how they felt connected to their role when they see the company pay attention to their ideas and needs. E8 notified that,

—I care about my own standing in company. While my requests and needs are considered by managers, my self-concept will be increased and I feel that I belong to this company”.

E2 said that,

—Last year the manager was looking for a way to find a better way to decreases the wastes in production process. I suggest an idea and he applied it. It worked! This event increases my self-worth. Because I saw how my ideas are concerned in this company”.

Table 5.10: Themes Analysis of Identification Role between Internal CSR and Employee Engagement

Themes	Examples of illustrative quotes
Sense of meaningfulness	E11: —feel that company sees me! Because it cares about my conditions and it makes me feel that I am a member of this small community which its name is company”.
	E6: —The more I feel that I am important for company, the more positive attitudes I have to my job, because in this situation I consider myself as a part of the company”.
	E9: —When the company considers me, my needs, my condition and well-being and it does not just focus on outside of the company and its own profit, definitely it will increase my motivation toward my job”.

According to Table 5.11, three main themes including social activities are duty of governments and public organizations in advance, benefits of company belongs to those

who work in the company in advance, fairness of company are derived from fifth main question- Do external CSR (e.g. donations and development of community) affect your work-related attitudes when the strength of your lower level needs is high? How? Why? Does it affect on your level of engagement to your job? - an interview with employees.

The two last questions as the main questions of this research have explored the influence of employees' deficiency need strength on the relationship between external and internal CSR and employees' job engagement. These relationships can be discussed through the employees' perception towards the organization's justice and fairness. In their point of view, CSR activities can be successful if the company can draw the interest of the employees. Otherwise, without putting the employees' conditions and needs in priority, there are possibilities of evoking hidden objection among the employees.

In other words, generally, employees described that in this situation they are not eager in external activities anymore, because they feel it is not fair when the employees inside the company have a lot of problems, the company waste the money by allocating to outside players. But it should be mentioned, it depends on the situation. Company should ask employees opinion and gain their agreement and put first employees' issues and needs.

It is notified by E11:

—Without the agreement and satisfaction of employees as internal stakeholders, it is not beneficial to focus on CSR to externals; as those who basically implement CSR to externals are employees”.

Likewise, E12 declares that:

—My opinion is very different from those who believe that in case of company's growth, the profit should be allocated to the society in all conditions. It does not seem proper for the companies to help in society's enhancement while the employees need more help. Employees' issues should be a top priority. If I feel that I am not considered in company policies I feel burnout in my job”.

As E4 noted:

—I am proud to work in a company that has a good image in society but I think company should consider some in priority compared to social development, such as acceptance and satisfaction of employees towards external CSR practices, because the first duty of each company is to fulfil its own duties best and address employees' different needs”.

Companies are only able to recognize the corporate social activities which have meaning to their employees through drawing their agreement, identifying their preferences and needs and getting them to be involved in company's CSR programs. Considering the procedural justice, individuals' opinions signify that to consider corporate social responsibility activities as a motivational component on the employee engagement, such activities should be enhanced and applied through employing fair procedures; otherwise it decreases their enthusiasm to their work.

As obtained from the E3:

—In fact, these are the employees who give meaning to organizations. The organizational activities especially the external CSR will be successful just if they are meaningful to me as an employee. This meaningfulness happens when the social activities are interesting for me and I get emotionally connected to them. When my lower order needs are so high and unmet which I cannot afford my kid's kindergarten and my company just cares about the charity donation to orphanages, this does not seem fair to me. Cause I feel I was not treated fairly”.

Similarly, it can be captured in E5 statement:

—The main resource of a company is their employees. The company may have a general fairness towards its employees like providing good conditions at work but when there are so much pressure due to the drop of country currency and economic crisis related to the oil price and sanctions, I don't feel it is logical and reasonable that my company allocates the resources to the social activities permanently and every month. I don't feel it as a fair process except in an emergency case. If my company still wants to continue to distributing its money to out I would not attach to my job in such a company”.

Some of the employees consider the well-being line as a relative concept and express if company satisfy employees' needs in an acceptable level, then distributing resources to outside would not be a problem.

E1 describes that,

—Individuals always have various needs and it is very rare that their needs be fully fulfilled. So, it is not fair to expect the company to cover all the needs of employees and then start the external CSR activities. I think fulfilling the lower order needs should be in a way that I have no worry to afford my life expenses and not as much as creating a luxurious life. "

E8 discusses that,

—Welfare is a relative concept and means different for different people. Some people are greedy and the organization cannot just act based on their expression that their lower order needs are not fulfilled. But if a company provides just the minimum level of well-being which has been determined by government, allocating the resources to external activities just creates aggression, revenge and turnover for the employees. It is clear that in this case, I won't be interested in such activities even if I agree with their intention”.

Employees evaluate their company by the level of justice in which they are treated by comparing what their company provides them with what their company provides the external stakeholders with. This view brings more support for the idea that the perceived alignment of the external and internal activities is specifically beneficial to form the employees' perception towards of corporate social responsiveness and its impact on the employee engagement.

E10 said that,

—It is necessary that corporations be aware of employees' values and set CSR programs in line with employees' values and priority. For instance, imagine my payment cut off by companies because of helping other people outside of company despite of the fact that I still have problems in affording my life expenses, so how should I feel in this situation? Could I feel that my company is fair towards me? Of course not! How could I like my job in this company in this situation!”

With regard to growing the lower order needs of employees, they perceive the external CSR activities and allocating the company's resources to the external communities unfair to them and the feeling like hostility and aggression will be evoked in them. Because they feel that the company is not fair to them due to the fact that since providing social well-being is the government's and social institutions' main responsibility and it is not in the priority of organizations special private ones. Finally, it should be mentioned that in such condition internal CSR activities improve the employee engagement and commitment to job since the employees consider such activities fair to them.

But it should be mentioned that most of them have stated that while employees' deficiency needs are strong, implementing those external CSR initiatives which are

related to charity and philanthropic activities (community responsibility) are not considered as a fair action. But those activities which are related to external stakeholders are still important in some point of view; because if companies do not have a good manner with stakeholders, it threaten their survival especially in a developing country such as Iran which companies face a lot of financial problems. They stated if companies' survival compromised, in fact, their job security is threatened.

University of Malaya

Table 5.11: Themes Analysis of LONS between External CSR and Employee Engagement

Themes	Examples of illustrative quotes
Social activities are duty of governments and public organizations in advance	<p>E9: Firstly, this is the duty of charity organizations to invest in society's well-being. Then, this can be a desirable alternative for the companies to participate regarding the internal conditions of their company. When the employees are not in a good condition, concerning about the external conditions of the company evokes an aggression in me and causes a drop in my work's motivation".</p> <p>E6: Organizations should consider their employees' conditions as their first concern since the existence of the companies are bound with their employees. In fact, the activities related to the society's well-being are the main responsibility of the government. Organizations must have their employees' contentment before participating in such activities".</p> <p>E4: In my view, if every organization does its own business in the area of its specialization, we would see the improvement in society. The responsibility of every organization is to enhance its own condition and employees' condition as well as its area of specialization. Social activities are not the main responsibility of non-governmental organizations".</p> <p>E3: In my opinion, the CSR activities done by the organizations can be very advantageous for the society, but honestly, I don't see them as the organizations' responsibility to focus on the needs of society and such activities".</p> <p>E12: We should keep in mind that the government should concentrate to enhance the society, then the companies can work on their own economic place in society".</p>
Benefits of company belongs to those who work in the company in advance	<p>E10: As a member of this organization, I expect my organization to satisfy my needs first, since I am beneficial for my company due to my job".</p>

Table 5.11: Themes Analysis of LONS between External CSR and Employee Engagement

Themes	Examples of illustrative quotes
Benefits of company belongs to those who work in the company in advance	<p>E9: We are the main component of our organization. First of all, the benefits obtained from the organization's activities should be allocated to the employees and then to the outsiders".</p> <p>E7: When my well-being and general conditions do not come into the consideration of my company, I feel I am losing my interest to work in a company which does not allocate benefits to its employees".</p>
Fairness of company	<p>E2: The employees are the society's members. If a company does not pay attention to the condition of its employees and does not consider them as its first concern, how can it be useful and beneficial to the society? When the company is not fair to me, I would not have a high motivation to work in that company".</p> <p>E5: I think when I still have problem to afford my cost of living and instead of providing me, my company is concerned with outsiders and how can I be motivated to work in this company, in this case I consider the company's activities unfair".</p> <p>E1: As a member of the company, when I am still suffering from the machine noises in the factory and my company is taking part in social activities, and is concerned with outside companies making profit, in return I will repay it with low-motivated work in this company".</p> <p>E8: If a company participates in social activities, should investigate it employees' opinion and decides with regard to their conditions, otherwise it can be perceived that they are trying to make an unreal external picture of themselves. If a company is not fair to its own employees even in case of holding a good outside picture of itself, their intention is hypocritical".</p>

Table 5.12 shows the specified themes which extracted from the last main question:

Do internal CSR activities affect your work-related attitudes when the strength of your lower level needs is high? How? Why?

Employees believe that although sometimes internal practices, just remain as policy statements, existing and applying these kinds of policies overly affect their engagement to their work and organization. Because setting policies and practices related to employees' requirements and work-life balance by company make employees feel self-worth and meaningful.

E4 stated that,

—I feel that the company consider us as its partners! It cares us such as a family; it presents three kind of food for launch, fruits... It holds different sport programs. These kinds of activities make me feel that I am important for the company as a member. When I see that the company behave in a fair way to me by concerning my needs and want, defiantly, I will be glad to work in this kind of company”.

E8 said that,

—I have a child that is good at education. My company holds some programs and prise the employees' children who are talented in education. When I see the company tries to balance my work-life issues, I feel that I have meaning for the company. So, in this situation I have more energy at my work”.

E6 notified that,

—My basic needs are food, shelter, health and safety. The result of environmental concerns leads to my health, because I breathe the weather that the company tries to protect it!.”

It should be mentioned that when employees feel that the company conducts a fair procedure towards them, they will reciprocate these positive manners with positive behaviours. Internal CSR directly covers some employees' basic needs. When employees LONs are strong, employees' attraction to internal CSR increases and consider these kinds of activities as a justice process which they response it by having more energy in their job.

E7 notified that,

—You know, I think sometimes the employee related policies are not practical. They just stay as some statements. But in some cases when I seen the company considers my basic needs and spend money on employees issues, I feel I should response this fair actions by doing better my job emotionally and mentally”.

Employees signified that while their LONs are increased, they would perceive internal CSR more favourably and positively. In this situation, employees come to judge their workplace as fair or unfair. Therefore, employees respond to fair treatment by positive work behaviour.

E12 noted that,

—My organization considers its employees needs in advance. I mean, it focuses on employees' welfare at first, then to society. When my organization treat workforce fairly by allocating money on employees' well-being, rather than to allocate it to community, this fair behaviour affects our engagement to our works”.

Table 5.12: Themes Analysis of LONS between Internal CSR and Employee Engagement

Themes	Examples of illustrative quotes
Sense of meaningfulness	E11: –The internal activities of the company are done directly to enhance my condition and satisfy my low order needs. The stronger my lower order needs which are satisfied by the internal activities of my company, the more I feel I‘m important and this makes my attitude towards my company improve”.
	E10: –The application of employee-related activities increases the sense of importance that makes more attached to my work, and so they make me put more efforts to my job”
	E2: –My company motivates us by giving opportunity to talk and express our minds and new ideas which if they are good, they will apply by company. When the company considers me as a part of it, I will be more eager to do my job effectively”
Fairness of company and justice	E5: –When, due to the society’s condition, the employees’ deficiency needs are intensified, the organization allocated the benefits to its employees rather than external activities which I consider it as a fair action. In return, I hold a positive attitude toward the company and consequently, I will be more motivated to work for this company”
	E3: –Doing everything good should be responded with a valuable behaviour. If I see my company put importance to me by concerning my needs and wants and always behave fair, I willingly response it by high performance in my job”
	E9: –To be honest, I sometimes see what I have earned and then based on the situation; I will compensate it in turn. Internal activities mean the company cares me, sees me and satisfy my needs. In return to this justice system, I am interested to do my job better. It is a hidden psychological contract which is mutual between employees and organizations!!”

This chapter presented the findings of quantitative research. All of six hypotheses are supported. The qualitative phase is conducted to support quantitative result. Several themes extracted to justify the results of analysing data and also to make them more tangible by using employees' ideas and experiences. In the next chapter, conclusion of study will be presented. Findings will be more explained according to theories and previous researches. The link between quantitative and qualitative part of study will also be explored.

University of Malaya

Chapter 6

Conclusion, Discussions and Implications

6.1 Overview

This first part of this chapter discusses the findings of the quantitative phase and the qualitative phase of this study which present in Chapter 5. The second part of the chapter provides an overall conclusion of the study findings, followed by contributions and implications. Chapter ends by providing limitations of the study and also recommendations for further study in this area.

The main purpose of this study was to examine employees' perception of external and internal CSR in selected Iranian best companies in CSR which located in Tehran. The study focused on how employees will react to implementing different kinds of CSR in an organization when factors such as, external CSR, internal CSR, organizational identification, employees' lower order needs are simultaneously on a collision course for supremacy in terms of employee behaviour in the form of employee engagement.

The goal of this study was to examine whether perceived external and internal CSR directly influence employee engagement or indirectly through organizational identification and also specifically, if different forms of CSR impact differently on employee engagement. Another main purpose of this study was to explore if the relationship between external and also internal CSR with employee engagement are different among employees by higher level of LONs and lower level of LONs. The research integrated perspectives of social exchange theory, social identity theory and justice theory to organisation-employee workplace relationships. To achieve the objectives of this thesis, mixed-method (sequential explanatory design) used.

6.2 Conclusion

The results presented in chapter 5 provide evidence to support all six of the hypotheses in terms of the regression analysis of the data. The questionnaire (48 items) used for the survey was based on the framework of the study which was pilot tested. In all 47 questions (after pilot study) were asked to measure constructs. In order to measure perceived external CSR, it is considered as a second order construct including CSR to business partners (4-items), CSR to government (2-items), CSR to customers (2-items), CSR to community (4-items). The same for perceived internal CSR which measured by two first orders including CSR to employees (9-items, one item deleted after pilot study), CSR to environmental protection (4-items). Items for measuring external and internal CSR adopted from previous studies. Organizational identification measured by six items (Ashforth & Mael, 1989), employee engagement by shorten version (9-items) of UWES (Schaufeli et al., 2006) and employees lower order needs measurement adapted from previous studies which measured by 7 items. Results from SEM analysis indicated perception of external and internal CSR have positive direct and either indirect effect through organizational identification on employee engagement. It implies that external CSR may act as a determinant of maintaining a motivated and enthusiastic workforce. Contributing money to philanthropy is not a one-way approach; it also pays off in terms of more dedicated employees. The results confirmed that internal CSR including environmental and human resource policies are able to enhance job engagement and make employees eager to their work.

After analysing the quantitative phase of this research, a qualitative phase conducted to cover other objective of the study and to answer the question that why and how external and internal CSR can affect employees' attitudes which lead to employee engagement. Some main themes pulled out from the interviews of 12 employees which reported in

Chapter 5. For instance, sense of meaningfulness at work, external prestige, identification, generalisability, collectivist culture were the themes underpinning of employees' attraction to external CSR which in consequence affected on their work attitude. The reasons that supported the effect of internal CSR on employees' job-related attitudes were sense of meaningfulness and need satisfaction.

CSR has become a prominent area of study in organizational and consumer research, and has taken on greater importance as organizations engage in socially responsible initiatives beyond those required by law (McWilliams & Siegel, 2001). Although the importance of CSR seems to have increased, research related to the impact of such initiatives on employees' attitudes and behaviours is still limited. Through the current study, the researcher attempted to further the understanding of how CSR, specifically employees' perceptions of CSR, impact employee attitudes and behaviours.

The results provided insightful information that future research studies can utilize to advance the knowledge of this topic. For instance, the results provided evidence suggesting that when employees perceive that their organization engages in CSR (i.e., to help society), their organizational identification is positively impacted. In addition, this study provided evidence suggesting that organizational identification is positively related to employee engagement. The relationship between external CSR and employee engagement is weaker for employees who have stronger LON in compare to those have weaker LONs. In contrast, the relationship between internal CSR and employee engagement is stronger for employees which have stronger LON in compare to those have weaker LONs.

6.3 Discussion of Findings

The study tested six hypotheses in quantitative phase, and all were supported. The proceeding section briefly delineates the result of each hypothesis in the context of findings of both quantitative and qualitative phases of study.

H₁: Perceived external CSR has a direct positive effect on employee engagement

The overall results of this research highlight a momentous direct effect of role of perceived external CSR on employee engagement. This provides supporting evidences for the idea that PECSR increases employee engagement. Specifically, these findings bolster the conception that social assets, when seen favourably, influences employee's experience inside the working environment (Sluss et al., 2008).

Furthermore, these findings are grossly consistent with previous studies, indicating that a company's CSR behaviours significantly affect its employees (Glavas & Piderit, 2009; Peterson, 2004). The study also confirms the findings of researchers who highlighted existence of a positive behaviour of employees working in companies, engaged in socially responsible efforts (Albinger & Freeman, 2000; Waddock & Graves, 1997).

In addition, the result of the first hypothesis reinforces positive effect of external CSR on employees' positive outcomes such as organizational commitment (Brammer et al., 2007), employee internal motivation (Skudiene & Auraskeviciene, 2012).

As expected, this result proved the role of SIT in explaining the relevant relationship. Consequently, when employees perceive their organization as a socially responsible participant of the society, their sense of belongingness to the organization augments, and in result their self-concept increase (Brammer & Millington, 2005; Smith et al.,

2001). This illustrates that employees with high sense of identification with their company are more expected to present a supportive behaviour to their company (Ashforth & Mael, 1989) and its goals (Simon, 1997; Van Dick et al., 2008).

The findings of the interview in the qualitative phase of this study, relevant to first question, supported the empirical study of May et al. (2004). He found that meaningfulness along with safety and availability was significant antecedents of employee engagement. Performance of CSR by the organization provides a higher sense of meaningfulness in the job. Employees feel that they are not working for the organization for their own bread and butter but they are also part of an organization that serves the community. Themes derived from interviewees' explanation reveal that employees consider their job meaningful when they work in a socially responsible organization. Interviewees opine that in socially responsible organizations, employees feel that the result of their work improves the wellness of society which gives them a pleasure and increase their attachment to work.

In addition, feedback of social activities is another theme which presented as a reason to construe employees' eagerness to external CSR programs. Employees believe that feedback of social activities which they support comes back to them as individuals of society. They also think that when they support doing good, they will in return be rewarded by the divine being or the universe. Likewise, the interviewees mentioned religious belief is a vital factor captivating employees' attractiveness to socially responsible organizations. Number of studies have also mentioned religiosity as vital determinants of ethical attitude (Pace, 2013; Wong, 2008). To Lin (2010), employees apprehensions about their company's moral principles and ethics; those are beyond the

fundamental legal standards; strengthens their bond between ethical responsibility and work engagement.

This study also concludes similar results. Employees' explanations in interview construes that they prefer to work in an ethical organization. Generalizing the fact, they explain that a company that behaves ethically towards its external stakeholders is highly expected to treat fairly and ethically to its internal stakeholders.

These findings further support the idea that PECSR could provide employees' self-focused justice evaluations because the manner outsiders are dealt with by the organization presents an indication of how it will behave insiders too (Rupp, 2011).

Social culture values are another theme which has been pulled out from the interviewees related to first hypothesis. Iran, as Hofstede (2007) stated, has a collectivist social values. The interview results highlight that employees supported external activities because they have higher sense of empathy toward the society and other humans. They consider themselves as a member of society group, so they care about what is happening in this group and are interested to help to improve it. Maignan (2001) also identified a similar phenomenon with regard to social issues. He pointed out that individuals with more collectivistic values were mostly concerned about business conforming to social norms, not about its economic performance. Collectivistic values seem to be conforming to issues concerning both environmental and social justice. Given importance to values relevant to "pro-green" viewpoints largely focused on collectivistic value scope, while values related to "non-green" attitudes specialized in individualistic value areas (Puohiniemi, 1995).

Morling et al. (2002) propose that the collectivism culture of East Asia induces people to conform to social relations. In a nutshell, organizational culture and atmosphere, a collectivist feature in Iranian context, is a factor that affects employees positively from CSR policies and encourage them to join to support such kinds of activities.

Employees referred to religious belief as a factor which makes them supporting company's philanthropic activities. Iranians often volunteer to help others spiritually or financially, depending on their financial power. These activities are widely seen in social network. There is a famous proverb which says "What goes around comes around" in Iranian cultural values. They believe that the result of doing good affairs comes back to them by universe or God.

In addition, when bad things happen to people, Iranians tend to identify themselves with them and put themselves in their shoes. This factor increases their feeling of empathy and increases the desire to help others.

One of the interesting items which derived from the interviews regarding the first hypothesis is job security. According to the result in chapter five, as the standardized path coefficients confirm, external CSR has a greater effect on employee engagement than internal CSR which is inconsistent with previous studies that indicated internal CSR has a greater effect on employee positive behaviour such as job satisfaction (De Roeck et al., 2014).

Internal CSR directly addresses employees' needs and well-being (Cornelius et al., 2008), so, it is expected that it should have a greater effect on employee engagement. But it should be mentioned that in developing countries based on the high

unemployment rate, job security is a vital factor in employees' point of views. In developing countries such as Iran, companies' survival is not stable because of unstable economic issues. Iran ranks 130th among 189 countries world-wide, and 13th among 15 nations in the Middle East and North Africa in terms of ease of conducting trade and business (World Bank, 2014).

Employees believe that external CSR activities guarantee the business survival in changeable circumstances because satisfaction of customers, business partners and investors are important factors for keeping the business advancement. They think that the relationship between companies and the government will get stronger, if companies participate in community and philanthropic activities. In result, it indirectly affects the company's survival. In Iran, the government reduces the tax for companies which participate in developing the community. In addition, employees are more assured about the survival of those companies which do philanthropic activities globally. In other terms, regarding the issue that nowadays a lot of Iranian companies are downsizing because of financial problems, employees believe that doing external CSR leads to more job security for them.

As discussed above, there are different factors and theories which cause positive responses of employees to external CSR that consequently affect their job engagement.

H₄: Perceived Internal CSR has a direct positive effect on employee engagement

Result supports that CSR have a positive significant influence on employee engagement. The finding is linked to the theoretical emphasis (SET). When an organisation contributes resources (internal policies and activities) for CSR in a befitted,

employees perceive it favourably and reciprocate with positive cognitions, emotions, and behaviours (Cropanzano & Mitchell, 2005).

This result is also consistent with the statement of Shanock and Eisenberger (2006). According to them employees assess the quality of social relationships through the extent to which their organisation cares about their well-being and values their efforts.

In addition, the approval of this hypothesis corroborates the findings of some previous scholastic work in this field. This work proved the positive effect of internal CSR on employees' positive behavior such as commitment (Peterson, 2004), job performance and employee commitment (Aguilera et al., 2007; Valentine & Fleischman, 2008), employee engagement (Albdour & Altarawneh, 2012), internal employee motivation (Skudiene & Auruskeviciene, 2012), as well as Shen and Benson (2014) verified that HR practices are positively linked to employee task performance.

Interestingly, in the interview, employees opined attention to environmental protection as an internal process of the companies. It supports the findings of Puohiniemi (1995) and also Schultz and Zelezny (1999). These researchers found that individuals with a more collectivistic background are more likely to define themselves as part of nature, and thus reflect a greater degree of environmental concern.

As discussed in interview part, employees perceive internal practices as a source of their need satisfaction. Because these activities are seen as HR practices which are in line with employees' well-being. Employees consider environmental protection practices as a source of meeting their health needs. The important thing is that concerning employees' needs and wants by companies in internal CSR provides an employees'

sense of meaningfulness of the organization. This is because organization support, gives an employees' sense of value. Consequently, they are more attracted to their job in the organization as a reciprocation to procedure.

H₂: Organizational Identification has a mediating effect on the relationship between perceived external CSR and employee engagement

H₃: Organizational Identification has a mediating effect on the relationship between perceived internal CSR and employee engagement

H₂ and H₃ posit that PECSR and PICSR respectively, have an indirect effect on employee engagement, mediated by Organizational Identification. The confirmation of these two hypotheses can be explained by SIT as explained in Chapter 3 of this thesis. The positive effect of external and internal CSR on employee engagement through mediating effect of organizational identification can be explained by social identity theory.

As explained in the literature, CSR actions focused on external stakeholders may encourage prestige-based identification, but CSR actions directed at employees are likely lead to respect-based identification (Farooq et al., 2014b).

So, finding further supports the idea of CSR actions leading toward respect-based identification. As CSR toward employees includes actions that ensure the well-being and support of employees and good working conditions, it may reinforce employees' perception of their respect and status within the organization (Farooq et al., 2014b). In fact, as stated in interview, employees' identification that their employers are internally responsible, gives them a feeling of meaningfulness. Such feelings in turn encourage

them to carry out the tasks assigned to them in a more passionate way. Similarly, it also positively influences their engagement toward their jobs.

As stated by Julia Claxton et al. (2014), according to (Tajfel & Turner, 1985) there is an individual need to classify oneself and others into social groups, thus deriving part of their identity from the group(s) to which they belong. Within this context belonging to a group, and sharing common goals, can help to explain employees' behaviours, perceptions and feelings. Thus CSR as a common goal might enhance engagement.

Ashforth and Mael (1989) had earlier suggested the way the CSR initiatives develop employees' identification with the organizations, through making reference to their social identity theory. Social identity theory suggests that individuals tend to reinforce their self-esteem and bolster their self-image by identifying with groups and organizations recognized for their social engagement and responsibility.

Although at the knowledge of the author, there is hardly any research to investigate the mediating effect of organizational identification between PECSR as well as PICS and employee engagement, the present findings seem to be consistent with other research which found the positive effect between socially responsible activities and employees' positive outcomes through identification or directly on identification. For instance, Kim et al. (2010), empirically find that CSR is likely to influence employee-company identification, which in turn influences organizational commitment. Additional studies show that employee behaviour, satisfaction and effectiveness of the organization are affected by the strength of organizational identification (Hall et al., 1970; Lee, 1971; O'Reilly & Chatman, 1986). Moreover, Peterson (2004) claimed that corporate social performance might be expected to contribute positively to the attraction, retention and

motivation of employees due to their strongly identifying with positive organizational values (Peterson, 2004). According to He and Brown (2013), identification causes employees to form perceptions about their work environment and in turn influences the way in which employees behave within that environment. As such, employees associate their positive or negative perceptions of their work environments with their sense of belonging and attachment to their organisation (Miller et al., 2000). Furthermore, identification influences employees' awareness of their group membership as well as the value and pride they associate with that membership (He & Brown, 2013; Tajfel, 1978).

Of the two CSR dimensions, internal CSR had a greater path coefficient towards organizational identification compared with external CSR. This result also accords with our earlier observations, which showed that in Farooq et al. (2014b) of the four CSR dimensions, CSR toward employees represents the strongest predictor of organizational identification. These findings validate our proposition that CSR actions focused on employees send signals to employees that their organization is caring, respects them, and values them. These results are consistent with research into high performance work systems which emphasizes the use of human resource management practices to motivate the employees and create a workforce that is a source of competitive advantage (Dutton et al., 1994).

In qualitative phase, external prestige and image of company was one of the reasons which cause employee attraction to external CSR. It is encouraging to compare this figure with that found by Bartels et al. (2007) who found that corporate reputation and employee's perceptions of external prestige are essential factors in building their organizational engagement. This mechanism can be explained by the findings of

interview which indicated external social activities are connected to employees' perceived external prestige which make employees feel that they have a meaningful job. In result, the more they feel having a meaningful work, the more they are engaged. This finding is consistent with the idea that the organization's external CSR inserts the meaningfulness at the job, which is an antecedent of employee engagement (May et al., 2004). Employees feel that they are working for the betterment of humankind, not just for economic gain. Consequently, it boosts their engagement towards their job as well as toward their organization. In addition, aligning between organization and employees' values lead to enhance their self-concept and in consequence increase their identification in a way they feel the organization consider their interest, beliefs which result in employee engagement to their work.

It supports the idea that "through self-categorization, individuals join social groups of reference that are congruent with their own attributes and values, which satisfies their psychological needs for belonging and meaningful existence" (De Roeck et al., 2014, p. 95). As indicated by interviews, when companies provide HR practices to employees as internal CSR, their identification will increase because they feel more self-worth and meaning which result in more enthusiasm to work in such organization.

H₅: Lower-order need strength moderates negatively, the positive relationship between perceived external CSR and employee engagement such that the relationship is weaker than those have stronger LONS.

H₆: Lower-order need strength moderates positively, the positive relationship between perceived internal CSR and employee engagement such that the relationship is stronger those have stronger LONS.

Hypothesis 5 states that employees' lower-order need strength negatively moderates the effect of perceived external CSR on employee engagement. That is, the positive effect of PECSR on employee engagement is lower when employees' LONS is high than when it is low. The results supported hypothesis 5.

In contrast, hypothesis 6 states that employees' lower-order need strength positively moderates the effect of perceived internal CSR on employee engagement. That is, the effect of PICS increases on engagement with the employees' stronger LONS. The results supported hypothesis 6. Employees having stronger LONS respond more strongly to internal CSR actions, as the moderation plots in chapter 5.

These findings suggest that employees' responses to different CSR actions vary with their lower-order or in other words deficiency need strength. These interesting findings imply that employees with stronger LONS are more concerned about the internal CSR, whereas employees with weaker LONS focus on external CSR. As explained in chapter 3, these findings can be interpreted by justice mechanism.

As argued by Gond et al. (2010), employees return every treatment in the organization whether it is a fair or unfair treatment. Research demonstrates that employee attitudes and behaviours are heavily influenced by how fair they consider their organization's actions to be (Cropanzano et al., 2001). Indeed, people are very sensitive to matters of justice and injustice in the workplace and are inclined to express their feelings in significant ways. Employees may react negatively when perceiving a corporate injustice because the action implies a misalignment with their values and threatens their deficiency needs. While employees' LONS increase, employees consider CSR activities to third parties outside of the company unfair and show their dissatisfaction with

decreasing their engagement to their job. In interview, employees stated that the company should first consider the employees' situation and needs then invest on community development. Because developing the society is the duty of government and NGOs and then the private sector.

As stated by Rupp et al. (2006) research on third-party justice reactions (which is essentially what CSR perceptions are, except focused on the external environment) finds both anger and revenge as consequences of injustice which is consistent with the results of hypotheses 5 and 6 in this thesis.

The present findings seem to be consistent with other researchers which found justice-based thoughts impact on employees' attitudes due to the fact that the perceptions of fairness bring useful information about the quality of employee-organization relationship (Lipponen et al., 2004).

In interview (Chapter 5), it has been found that employees judge CSR to community unfavourable and threatening, in the situation that their deficiency needs strength is high, in turn, may lead to their negative attitudes to the organization and job. In fact, it is the fairness of the company's treatment that is important to employees rather than the activities themselves. Because while they see that company make fair decisions and support employees with internal CSR, it gives them a sense of meaning at organization and in consequence they have more energy in their work. In fact, as explained, employees value justice because it is stating of the extent to which they are worthy and valued by the organization, which affect their attitudes and behaviours at work (Rupp, 2011).

As explained by Rupp et al. (2006), consequences of injustice are employees' negative behavior such as anger and revenge. But this does not mean that employees only react when organizations involve in SR. In fact, meta-analytic evidence indicates positive outcomes resulting from justice perception. The findings of this study support this idea. Employee react negatively toward external CSR when they perceive it as an unfair treatment which threaten their well-being, especially in the situation that their lower order needs are important to them.

6.4 Contributions

The contributions of this thesis are divided to contributions to the body of knowledge, and theory, to methodology and to context which are explained below:

6.4.1 Contribution to the Body of Knowledge and Theory

This study enhances the understanding of the CSR-employee engagement link by exploring mediation and moderation processes. A new mechanism of social exchange, identity and justice theory provided which rarely has been discussed in this stream of research. By introducing and integrating social exchange, identity and justice mechanism, a new avenue for CSR-employee research has opened.

As mentioned in the literature review, to assess employees' perceptions of a company's social performance, researchers should not only examine the institutional and the organizational context of CSR processes, but also should investigate the role that individual differences can play in shaping employees' judgments of CSR. Researchers used two concepts-higher and lower order needs- as individual differences. In this research, for the first time, the role of LONS as individual differences considered in the relationship between external, internal CSR and employee engagement to discover if

these relationship change among people with stronger LON and weaker LON. This mechanism explained by justice theory. As researchers predicted that employees' responses to organization social activities are affected by justice judgments, this research opened a new realm that how this theory can explain the decreasing relationship between CSR and employee engagement in employees holding different strength of needs.

As for the contribution, this study makes to the CSR, employee engagement and identity-based motivation literatures, this research originally proposed, and the results support, an identity-based motivation for employee engagement. Identity-based motivation has received increased attention in employee behaviour research (Ashforth et al., 2008; He & Brown, 2013). However, prior research has not yet formally theorized or tested the identity-based motivation of employee engagement. This research incorporates organizational identification to explain effects different aspects of CSR (external and internal) on employee engagement. This study contributes to the knowledge by advancing the understanding of employee perspectives regarding CSR activities. The current study indicates that employee's perception of CSR activities in organizations is crucial for enhancing both engagement and identification. It provides further empirical evidence and validates the social exchange theory (Blau, 1964) in the employer-employee relationship, by investigating the relationship between internal CSR and employee engagement.

Thus, this study extends knowledge regarding the impact of CSR particularly external and internal CSR on employee attitude and behaviour. Although the ideas and findings presented here merit further research, the current study represents an initial effort to

provide researchers and practitioners with more information pertaining to CSR and its potential positive impact on employees' perceptions, attitudes, and behaviours.

In addition, at a theoretical level, our study extends earlier research on the individual-level impact of CSR by showing that employees' perceptions of different dimensions of CSR directly and indirectly are positively related to job engagement.

By applying qualitative method, the present study explored the relationship between employees' perceptions of CSR and employee engagement more deeply. This phase specified that how and why employees react to different types of CSR in details. In addition, it clarified when they challenge with their strength of their lower order needs, how their reactions would be to different type of social activities. According to the context of study, several factors explored. In other terms, the validity of model research proved and presented broader understanding of the mechanism of the effect of CSR on employees in a developing country such as Iran.

6.4.2 Methodological Contributions

Most of researchers in the area of CSR and employee engagement used quantitative method and rarely qualitative method. In this research, mix-method method chose because the integration of both quantitative and qualitative methods could provide further insight on the issue of CSR perception among employees. There are two uses for this approach. The quantitative data allows testing to confirm hypothesized relationships whilst the qualitative phase of research helps to provide in-depth data to supplement the interpretation of the quantitative results (Ridenour & Newman 2008). Hence, the mixed-method approach is predicted to strengthen the research design, resulting in more valid and reliable findings.

Conducting qualitative studies to explore and support the findings of this research could also add understanding to the findings. Through interviews or focus groups, participants may feel more at ease to share personal experiences that could broaden the understanding of how and why in particular corporate social responsibility practices and which ones more than others can best inspire engagement at work. This may shed greater understanding and knowledge.

In this research, employees from different industries were chosen as the target sampling. So the results could be generalized more in compare to researches which focused on just one kind of industry. These findings further support the idea that PECSR could provide employees' self-focused justice evaluations because the manner outsiders are dealt with by the organization presents an indication of how it will behave insiders too (Rupp, 2011).

The present research aims to explain the notion of external and internal CSR defined as second order construct, consisting of CSR to various stakeholders with the help of empirical data. The previous studies mostly analysed CSR through its four aspects including legal, philanthropic, ethical and economic (Maignan & Ferrell, 2001).

Moreover, the study has also contributed to methodology by developing and validating some of the new reliable and valid construct measures in such academic practices. LONS was measured by a scale adapted from different studies which validated by CFA and can be used for further researchers.

6.4.3 Contextual Contributions

As mentioned in literature review, most of researches about CSR and employees have been done in western countries. In addition, according to low rate of engagement in Asian countries, conducting this research in Iran as a developing country could be added to CSR and employees literature and be beneficial for the knowledge of managers in this area. In addition, this study validates an instrument of CSR in Middle East that initially emerged from a Western context.

6.5 Managerial Implications

From the managerial perspective, this study offers a number of managerial implications for managers and policymakers. For managers who are interested in engaging their employees at work, the use of CSR practices may be a way to secure their goal. Scholars called about more researches about CSR practices and their relationship to employee engagement.

The results imply that CSR practices can indeed support employee engagement at work. Good organizational management helps employees engage more at work by caring for employees' needs and concerns. Establishing human rights practices can help increase employee engagement as well (Glavas & Piderit, 2009). Also, labour practices (Albdour & Altarawneh, 2012) caring for the environment (Grayson, 2011); fair operating practices, such as providing good training to employees (McClean & Collins, 2011); and caring for consumer issues and the community (Veleva et al., 2012) are also factors that influence employee engagement at work.

The results would be useful for internal marketing. As employees' attitudes and behaviours constitute intangible resources that are valuable, rare, difficult to imitate, and

lacking in perfect substitutes, CSR leads to intangible resources for the firms. Perceived external CSR, internal CSR and identification significantly affect work- and job-related variable such as engagement which considered as a motivational factor and leads to less turnover intentions, which are important for competitive advantages. The results thus illustrate that the benefits of corporate contributions to communities are not restricted to external reputation and external stakeholder management but also may be reflected in the positive behaviours of internal stakeholders.

The results show that employees' perception towards external and internal CSR have direct and indirect effects on employee engagement. In addition, it increases employee identification in company. Here the practices reinforcing the organizational identification should be followed by the practitioners. In case of absence of bond between employee and employer, the development of identity based identification is affected and then achievement of desired positive results gets vague.

Another implication is that individuals who have stronger LONs perceive they are less fairly treated in terms of distributive justice tend to be more sensitive to their company's external CSR efforts. This finding suggests that managers should be aware of individual differences, especially employees' basic need strength, when they are setting CSR practices. Because if most of employees in the company have stronger deficiency need, implementing external CSR to community may lead to decreasing employee engagement which enhance organizational cost. Supervisors should be encouraged to measure the need strength centrality of their subordinates in order to feed important employee individual difference information to management.

The current study reveals that employees' perception of CSR activities is important for their sense of emotional and cognitive attachment to the company. Hence, positive perceptions of CSR can trigger engagement, which results in high motivation. As explored in interview, companies need to discuss with their employees the extent and details of their CSR efforts in a clear and consistent manner (Bhattacharya et al., 2008). In this way, CSR programs can reach multiple goals, besides increasing its external prestige and image, it can satisfy employees by both types of CSR, while it consider employees' need strength.

The findings also suggest that different types of CSR actions influence employees' attitudes differently. Some are more effective than others, and this understanding may help managers formulate an effective and efficient CSR strategy. The findings further suggest that different types of CSR not only influence employees differently but also induce different types of mechanisms.

Studying whether internal CSR or external CSR exerts greater influence on employee identification and engagement has beneficial implications for managers. Such a study can help management to focus on what type of CSR initiatives they need to implement if they want to increase the engagement levels of their employees. This study can help management to focus on what type of CSR initiatives they need to implement if they want to increase the engagement levels of their employees. It may be that perceived external CSR activities directly might have greater influence on the engagement levels of employees than internal CSR because there is a possibility that internal CSR could be interpreted by the employees as a human resource initiative rather than a CSR activity.

In addition, as it explained in discussion section, employees believe that a company which treat appropriate with their external stakeholders and holds certificates by governments can be considered as a profitable and stable company due to unstable economic situation in Iran. In their idea working in this kind of companies guarantee their job security. In addition, many Iranian managers still do not accept the need to implement CSR activities, because they consider it as a waste of money. This research implies not only conducting CSR programs decrease the organizational cost because of increasing employee engagement, it leads to positive employees' behaviours and identification and in result, managers become more aware of the importance of including funds in their CSR budgets for strategic activities.

Managers could achieve a comprehensive insight to employees' attitudes towards CSR programs and also their expectation from company which is based on the items which are pulled out from interview with employees.

6.6 Limitations

Undoubtedly, the findings of this study are useful for both practical and theoretical purposes. However, there are some limitations which should be clarified to inform the reader which is discussed in follow:

- The data have been collected from single country, Iran. This facilitated data collection and controlling diversity, but also limited the generalisability of the findings.
- Another limitation of this study is that the data was cross-sectional, that is, the data collection occurred at one point in time (Johnson & Christensen, 2004). The

information gathered in a cross-sectional study is only representative of the sample at a single point in time; as a result, it is not possible for the researcher to discern employees' more stable feelings, opinions, and/or perceptions from those that can be considered temporary (Veleva et al., 2012).

- An additional limitation of the current study is the possibility of self-reporting bias. Although employees did not have to include information that could identify them, it is likely that they still believed that, "there is at least a remote possibility that their employer could gain access to their responses. (p. 247)" (Donaldson & Grant-Vallone, 2002), even more so because one person from their own organization was responsible for giving, receiving and checking the questionnaire. However, self-reports are considered appropriate when measuring perceptions and attitudes because the truth resides in the participants' minds and it cannot be accessed by a third objective source (Glick et al., 1986).
- Another limitation relates to the face-to-face interviews. No independent observation in the field to verify the data collection procedures, reporting, synthesis, analysis, and interpretation of material garnered from the interviews. Face-to-face interviews are open and sensitive to the influences of the present researcher's personal values and worldviews (Johnson & Onwuegbuzie, 2004).

6.7 Recommendations for Future Studies

Future research should explore the possible influences of unmeasured variables identified as potentially influential in the relationship between external, internal CSR and employee engagement observed in this study in qualitative phase. Although one of the strength points of this study was using qualitative study to explore more reasons

which support the relationship between the mentioned relationships, still qualitative studies are needed to look deeper into this issue.

Future studies could investigate if these relationships (i.e., external CSR and employee engagement) are moderated by higher order need strength (HONS) which is another main category of employees' need and explore how the mentioned relationships would change among employees in different level of higher-order needs.

Another interesting direction for future studies is concerning other mediator variables. As mentioned in Chapter 2, organizational justice theory has recently been advanced as a proper framework for explaining the relationship between CSR and job attitudes (Aguilera et al., 2007; Rupp, 2011; Rupp et al., 2006) and has been empirically tested by (Tziner et al., 2011). It would be interesting to explore the mediating role of justice in the model of this thesis that assumes the multidimensional nature of CSR concept and employee engagement by interfering organizational identification.

Future research should also attempt to replicate this study by applying a different scale to measure the underlying constructs. For instance, UWES scale used to measure employee engagement in this thesis. Although the validity of the UWES is not in dispute, this scale puts the emphasis on work rather than on the organisation.

As Saks (2006) suggests, work and organisation engagement might be different and should be measured as such. Therefore, future researches could consider Saks (2006) employee engagement model.

Research into the individual levels of impact of CSR is a fruitful area of research that is still at an embryonic phase, and this allows researchers to explore many interesting research questions. These are but a few suggestions for future research. We hope that these suggestions serve as an ‘appetizer’ for other colleagues interested in deepening current understandings on how CSR influences employees’ attitudes and behaviours at the workplace.

Finally, external and internal CSR in this research considered as a second order construct. Future research could examine the effect of each first order constructs directly on employee engagement to classify their effect on engagement in order to gain deeper understanding of the predictors of employee engagement.

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