

**The Contribution of Corporate Social Responsibility to
Organisational Commitment**

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The Contribution of Corporate Social Responsibility to Organisational Commitment

Abstract

This study investigates the relationship between organisational commitment and employee perceptions of CSR within a model which draws on social identity theory. Specifically, we examine the impact of three aspects of socially responsible behaviour on organisational commitment: employee perceptions of corporate social responsibility in the community, procedural justice in the organisation and the provision of employee training. The relationship between organisational commitment and each aspect of CSR is investigated within a model which distinguishes between genders and includes a set of control variables which are drawn from the commitment literature (Meyer et al, 2002). The analysis is based on a sample of 4,712 employees drawn from a financial services company. The results emphasise the importance of gender variation and suggest both that external CSR is positively related to organisational commitment and that the contribution of CSR to organisational commitment is at least as great as job satisfaction.

The Contribution of Corporate Social Responsibility to Organisational Commitment

Introduction

Organisational commitment forms the basis of an extensive literature which has focussed both on the antecedents of commitment and its consequences for work behaviour (e.g. labour turnover, job performance and employee health). Meta-analytic studies of the literature suggest that organisational commitment is driven by work experience rather than the recruitment or selection of employees, and highlight the importance of perceived organisational support in this process (Meyer et al, 2002). In this paper we focus on the relationship between organisational commitment and Corporate Social Responsibility (CSR) within a model which draws on social identity theory and distinguishes between the importance of CSR for male and female employees. During the past decade firms have come under increasing pressure to pursue socially responsive behaviour from a variety of stakeholder groups including shareholders, employees, investors, consumers, and managers (Kapstein, 2001; Berman, Wicks, Kotha, and Jones, 1999; Donaldson and Preston, 1995). The demand for corporate social responsiveness has been accentuated in the UK through the activities of pressure groups such as the PerCent Club and Business in the Community and the increasingly widespread attention given to the subject in the national media¹.

As the threats and opportunities associated with corporate social and environmental responsibilities become better understood, companies have sought to generate strategic capital from the acceptance of these responsibilities. In light of this, significant strands of

¹ For example, The Guardian, a British national daily newspaper, began publishing its 'giving list', an examination of patterns of corporate philanthropy among the UK's leading companies, in November 2001 with

research have investigated whether there are financial payoffs to increased social responsiveness (Griffin and Mahon, 1997; Waddock and Graves, 1994; McWilliams and Siegel, 2001; Orlitzky, Schmidt, and Rynes, 2003), the influence of perceptions concerning corporate social responsiveness on customers (Romm, 1994; Solomon and Hanson, 1985; McGuire, Sundgren and Schneeweis, 1988; Smith, 1994; Jones, 1997), and the attractiveness of social performance to investors (Graves and Waddock, 1994; Coffey and Fryxell, 1991; Johnson and Greening, 1999).

Within this body of research considerable attention has been paid to the importance of employees in corporate social responsiveness (Turban and Greening, 1996; Greening and Turban, 2000; Albinger and Freeman, 2000; Backhaus, Stone and Heiner, 2002; Peterson, 2004; Moskowitz, 1972). These studies provide evidence of payoffs to improved social responsibility, including the observation that more socially responsible corporations are more attractive to potential employees and that they may therefore benefit from larger applicant pools (Turban and Greening, 1996; Greening and Turban, 2000), and a more committed workforce because “employees will be proud to identify with work organisations that have favourable reputation” (Peterson, 2004, p, 299). Indeed, a recent survey found that 58% of UK employees believed that the social and environmental responsibilities of the organisation they worked for are very important (Dawkins, 2004), with other evidence highlighting that corporate social and environmental values may play a particularly significant role in the recruitment of new graduates (Scott, 2004).

In this paper we investigate the relationship between organisational commitment and employee perceptions of CSR within a model which draws on social identity theory and

the stated aim of ‘naming and shaming’ British corporations into accepting increased social responsibility (The

distinguishes between aspects of CSR which are primarily concerned with the external image and reputation of the organisation (what we call “external CSR”) and aspects of CSR which are related to the internal operation of the organisation (what we term “internal” CSR). Specifically, we examine the impact of three aspects of socially responsible behaviour on organisational commitment: employee perceptions of external CSR and in particular corporate social responsibility in the community, procedural justice in the organisation and the provision of employee training. According to social identity theory corporate social performance may be expected to contribute positively to the attraction, retention and motivation of employees because they are likely to identify strongly with positive organisational values (Peterson, 2004). Earlier work has emphasised the strong relationships which exist between organisational commitment, labour retention and a range of work attitudes including: productivity and absenteeism (Meyer et al, 2002). Resource based theory suggests that sustained competitive advantage is based on the attraction, accumulation, and retention of resources which are difficult to substitute and hard to imitate (Hart, 1995; Prahalad and Hamel, 1990). Organisational knowledge is both intangible and embedded in the organisations human resources; it encompasses the technical knowledge, know-how, and managerial skills which underpin the managerial process and the diffusion of knowledge within the organisation (Lawson, 2001; Nonaka and Takeuchi, 1995; Stewart, 1997). The retention of workers may therefore be seen as central to the maintenance of firm specific advantages (Scarbrough, 1999; Lado and Wilson, 1994; Pfeffer, 1994; Wright, Ferris, Hiller and Kroll, 1995).

The paper makes two contributions to the literature. First, this is the first study of organisational commitment to consider the relationship between organisational commitment

and employee perceptions of external CSR. In so doing it adds to our understanding of the determinants of organisational commitment and to our knowledge of the impact of external corporate social responsibility on internal stakeholders. Although earlier work has explored the relationship between CSR and external stakeholder management (e.g. Johnson and Greening, 1999; Griffin and Mahon, 1997; Brammer and Millington, 2003) few studies have investigated the impact of external CSR strategies on internal stakeholders and in particular work attitudes (Peterson, 2004).

Second, we evaluate the contribution of external CSR to organisational commitment in the context of a model which also includes two aspects of internal CSR (training and procedural justice) which reflect both corporate investments in the labour force and the ethical stance of the organisation. Our approach to the relationship between CSR and organisational commitment is therefore both disaggregated and multidimensional and can be contrasted with earlier work which focuses either on aspects of CSR (e.g. Sweeney and McFarlin, 1997; Tata, 2000) or generic constructs which fail to distinguish between policy choices (e.g. Peterson, 2004). This disaggregated approach enables us to investigate the relative returns, in terms of organisational commitment, to different forms of socially responsible behaviour, from which we might reasonably infer payoffs in terms of retention and recruitment and thereby establish a mechanism by which CSR can deliver strategic benefits.

The analysis is carried out in five sections. The relationship between CSR and organisational commitment is discussed in the next section within a model which draws on social identity theory, and a set of hypotheses is introduced. The sample, data and variable specification are then discussed in section 4. The results of the analysis are presented in section 5 and the implications are then discussed in the conclusion.

Conceptual background and hypotheses development

Allen and Meyer (1990) distinguish between three forms of organisational commitment: affective commitment which denotes ‘an emotional attachment to, identification with, and involvement in the organisation’ (p. 21), continuance commitment which denotes ‘the perceived costs associated with leaving the organisation’ and normative commitment ‘which reflects a perceived obligation to remain in the organisation’. Recent meta-analytic studies show that each of these forms of commitment is associated with labour turnover and intentions to leave the organisation but suggest that a stronger relationship exists between affective commitment and a range of desirable employee outcomes which include: attendance, job performance, stress, health, work-nonwork conflict (Meyer et al 2002). Since the implications of affective commitment encompass both job behaviour and a set of underlying outcomes which are relevant to the individual well being of employees we focus on affective commitment and explore the relationship between affective commitment and corporate social responsibility within a model that draws on social identity theory.

Social identity theory proposes that individuals view themselves as members of social categories (Turner 1985; Tajfel and Turner 1986; Hogg and Abrams 1988; Ashforth and Mael 1989). Within social identity theory, an individual’s view of themselves, their “self-concept”, is influenced by their membership of social organizations, including the organization for which an individual works (Ashforth and Mael, 1989; Dutton, Dukerich, and Harquail, 1994). Individuals attempt to establish or enhance their positive self-concept through the comparison of the characteristics of themselves and the groups they belong to with other individuals and groups (Turner 1985; Tajfel and Turner 1986; Ashforth and Mael 1989). Favourable comparisons lead to an enhanced self-concept, unfavourable ones to reduced self esteem. Perceptions of an organization’s identity, the beliefs held by a member

of an organization concerning the “distinctive, central, and enduring attributes of the organization” (Dutton et al., 1994, p.233-4), may influence the strength of identification of an individual with an organization. Social identity theory therefore hypothesizes that individuals are happiest when they associate themselves with organisations that have positive reputations, because it is association with those organizations that will enhance their self-concept (Tajfel and Turner, 1985; Maignan and Ferrell, 2001).

More recently, it has been suggested that employee perceptions of a firm’s ethics, values, and social responsiveness play a significant role in shaping employees perceptions of the attractiveness of particular organizations (Greening and Turban, 2000). Recent evidence suggests that employees and the public in general appear to attach significant and growing importance to the values of corporations and inter alia socially responsible behaviour by these organisations (Brammer and Millington, 2003). In addition, individuals “choose activities congruent with salient aspects of their identities, and they support the institutions embodying those identities” (Ashforth and Mael, 1989, p.25).

Within social identity theory, employees may be expected to identify with socially responsible behaviour by companies resulting in an increase in organisational commitment. In this paper we distinguish between three aspects of CSR: external CSR, procedural justice and training and explore the implications of each aspect for organisational commitment. Since social identity theory suggests that an individuals self identity and values are associated with gender (Tajfel and Turner, 1985) the relationship between organisational commitment and each aspect of CSR is investigated within a model which distinguishes between gender and includes a set of control variables which are drawn from the literature (Meyer et al, 2002).

External corporate social responsibility

External CSR encompasses philanthropy and community contributions but also reflects the way in which the firm interacts with the physical environment and its ethical stance towards consumers and other external stakeholders (Carroll, 1979). Since CSR is concerned with those actions which exceed the legal minimum corporate contributions in this field are largely discretionary (Carroll, 1979). Employees may be expected to base their opinions of external CSR on internal and external information sources including the media and their personal experience within the company (Maignan and Ferrell, 2001; Gilly and Wolfenbarger, 1998). Recent corporate experience in the oil and pharmaceuticals industries has emphasized the negative consequences for corporate reputation that may flow from inappropriate behaviour towards the environment (Fanning, 1990) or consumers (Peterson, 2004). At the same time recent studies have shown positive relationships between corporate reputation and philanthropy (Authors, 2005) and corporate involvement in social causes and reputation (Hess, Rogovsky and Dunfree 2002). Since social identity theory suggests that employees will be proud to identify with organisations that have a positive external reputation (Ashforth and Mael, 1989; Dutton, Dukerich and Harquail, 1994; Maignan and Ferrell, 2001; Gavin and Maynard, 1975) a positive relationship is expected between organisational commitment and external corporate social responsibility.

Hypothesis 1: Perceptions of External CSR and employee commitment are positively related.

Procedural Justice.

Procedural justice is concerned ‘with fairness in the means by which organisations and their representatives make allocation decisions (Tepper and Taylor, 2003, p.97). Within the

typology developed by Carroll (1979) procedural justice can be placed within the domain of ethical citizenship (Maignan and Ferrell, 2001). It is concerned with the processes through which firms evaluate employee performance and ensure the fair treatment of employees of different gender and race and as such is intimately concerned with socially responsible behaviour in organisations. The theoretical link between organisational commitment and measures of organisational justice is an outgrowth of both social exchange theory and the existence of the reciprocity norm (Peterson, 2004). Put simply, beneficial actions directed at employees create a reason for employees to reciprocate with their attitudes and their behaviours. At the same time a positive relationship may be expected between procedural justice and affective commitment because employees may be expected to identify with ethical organisations. The existing literature provides compelling empirical support for these arguments; a strong relationship has been found between the ethical climate of organisations and job satisfaction (Koh and Boo, 2001; Viswesvaran, Deshpande and Joseph, 1998) and studies of the relationship between organisational commitment and procedural justice suggest that they are positively and significantly related (Meyer et al, 2002; Cohen-Charash and Spector, 2001). We therefore hypothesise:

Hypothesis 2: Perceptions of procedural justice and organisational commitment are positively related.

Training

Training may benefit the individual and/or the organisation; it may be specific to the requirements of the organisation or may encompass transferable skills that can be used by the individual in different organisational settings. Since training benefits the individual as well as the organisation, and is subject to free rider effects by other organisations (Hoque, 2003;

Finegold and Wagner, 2002), corporate participation in training may be seen as both an investment and as a socially responsible activity. A positive relationship may be expected between training and affective commitment in response to both the investment benefits which flow to the individual and because employees are expected to identify with organisations which pursue socially responsible actions. Earlier studies provide general support for a positive relationship between affective commitment and corporate investment in training (Meyer et al, 2002; Lee and Bruvold, 2003) and we therefore hypothesize:

Hypothesis 3: Perceptions of training and employee commitment are positively related.

Gender and CSR-Commitment relationships

Since the congruence between individual and organizational values lies at the heart of enhancing an individual's self-concept (Ashforth and Mael, 1989) and, through this, their commitment to an organization, systematic variations in individual values may play a central role in influencing the nature of CSR-commitment relationships. In particular, earlier studies suggest that attitudes and values may be subject to significant gender differences (Papamarcos and Sama, 1998; Greening and Turban, 2000). While men are seen to place greater emphasis on instrumental or economic concerns women are more likely to be concerned with discretionary behaviour within the organisation (Ibrahim and Angelidis, 1994; Smith et al 2001). This is supported by recent evidence which suggests that the relationship between organisational commitment and discretionary measures of corporate social orientation is stronger for women than for men (Peterson, 2004) and that corporate charitable behaviour, which is usually considered to be discretionary (Carroll, 1979), is viewed more favourably by women than men (Roberts, 1993). Since the benefits of external CSR to employees are largely indirect and can only flow from association with what are

perceived as beneficial and discretionary corporate activities we expect women to exhibit stronger preferences than men for external CSR.

Earlier evidence suggests that women are subject to significant discrimination in organisations which is reflected in both their representation in senior management and board positions (Singh et al., 2001) and in pay inequities within the organisation (Sweeney and McFarlin, 1993). Because women may face gender discrimination in the workplace it has been suggested that they will place particular value on ethical treatment within the workplace (Smith et al 2001) and therefore the rules and policies encompassed within procedural justice (Powell and Mainiero, 1992). This contention is supported by earlier studies which suggest that women place greater emphasis on procedural justice than men (Sweeney and McFarlin, 1997; Tata, 2000; Ramamoorthy and Flood, 2004).

Earlier studies have often shown that males participate more in organizational training than women, perhaps because on average women work fewer hours than men (Altonji and Spletzer, 1991). To the extent that training is perceived as being less important by women than men, social identity theory would predict that it would have a lower salience to women in their evaluations of the organization they work for. Furthermore, to the extent that training has a lower salience to women than men, we would expect it to have a reduced impact on organizational commitment. In light of this discussion of gender differences, we hypothesise:

Hypothesis 4: The relationship between external CSR and employee commitment will be stronger for women than men.

Hypothesis 5: The relationship between procedural justice and employee commitment will be stronger for women than men.

Hypothesis 6: The relationship between training and employee commitment will be stronger for men than women.

Control variables

We controlled for a range of variables which have been identified as significant determinants of affective commitment. Job satisfaction is the degree to which people like their jobs (Spector, p. vii). Both the theoretical and empirical work suggests that higher levels of satisfaction are associated with higher levels of commitment (e.g., Meyer et al, 2002; Currivan, 1999; Bateman and Strasser, 1984; Curry et al, 1986). Strong evidence has also been found of a positive relationship between leadership and organisational commitment (Bono and Judge, 2003; Lowe et al, 1996; Walumbwa and Lawler, 2003). Earlier studies also suggest that the age of the respondent, length of employment in the organisation (organisational tenure) and the seniority of the respondent will be positively related to affirmative commitment (Meyer et al, 2002).

Methodology

The data used in this study are derived from an employee attitude survey for a large retail banking services firm in the United Kingdom. The company provides a broad range of retail financial products and services to over 10 million customers including mortgages, savings, current accounts, life assurance, personal loans and household insurance. It has a network of just under 700 branches which covers all of the United Kingdom and employs around 16,000 people, over 7,500 of whom work in the branch network.

The survey was administered to all employees of the organisation and was carried out in the 2002 fiscal year. The survey was distributed by company mail, and employees were encouraged to complete them during work time. The surveys were collected by post-paid envelopes that were pre-addressed to an independent research company who processed the survey responses. 11,408 responses were received; missing data reduced the data available for analysis to 10,023 observations across the company. This represents a usable response rate of sixty two percent. In order to restrict the analysis to a relatively homogenous group of employees the sample in this study is drawn from the 4712 usable responses obtained from those employees who work in the retail branch network. Each branch offers a broad range of standardized products and services including mortgages, loans, savings and insurance. A typical branch employs around 11 people, including a mix of full and part-time employees.

Table 1 presents descriptive statistics for the variables used in this study. The sample used for the regression analysis is representative of the population of the company's employees in retail banking. Women comprise 83 percent of the sample, though this proportion declines dramatically as we move away from the flexible, part-time jobs available at the lower end of the firm job hierarchy. We see that 93 percent of respondents are white, and that 68 percent are employed on a full time basis. Approximately 69 percent have been with the company for at least five years; though there is clear evidence that turnover is greater at the lower levels of the job hierarchy.

TABLE 1 ABOUT HERE

Variables used in the analysis

The variables employed in this study are constructed entirely from the employee attitude survey. Some are simple demographic controls, while others are constructs built from groups of attitudinal questions. This section begins with a description of the dependent variable, and then describes the independent variables

Dependent variable

The measurement of organisational commitment forms the basis of an extensive literature (e.g. Kacmar et al, 1999; Balfour and Wechsler, 1996; Mowday et al, 1979). In this study we measure organisational commitment using a three item scale which draws on the questions developed by Balfour and Wechsler (1996). In each case the questions are placed in the context of the surveyed company and assessed either in the context of a five point Likert scale (1= “disagree” and 5= “agree”). Typical questions include: “I am proud to say I work for *the company*”; “I would recommend a job at *the company* to friends”. The construct has a Cronbach’s alpha of 0.85. This implies a high degree of internal consistency in the responses to the individual questions. We used confirmatory factor analysis to examine the proposed construct, and the construct loads onto a single factor explaining 78% of the variance. Consistent with the approach suggested in Hair et al (1998, p. 119-120), we use normalized summated scores for our constructs instead of factor scores, in order to facilitate interpretation, generalizability and transferability.

Independent variables

Since commitment reflects employee perceptions, regardless of their accuracy (Peterson, 2004; Mahon 2002, Whetten and Mackey, 2002), each of the measures of CSR is based on employee perceptions of social performance rather than the objective measurement of CSR policy or commitment. Following Tepper and Taylor (2003) we estimated procedural justice

using a six item scale which draws on earlier work by Moorman (1991). Respondents used a five point Likert scale (1= “disagree,” to 5= “agree”) to indicate their level of agreement with a set of statements which were framed within the context of the survey company. Typical statements included: “The decisions management makes about employees are usually fair” and “I believe *the company* offers equality of opportunity to all employees.” The proposed construct is unidimensional and displays a Cronbach’s alpha of 0.87. Employee perceptions of external corporate social responsibility were measured using a single item construct (External CSR). Employees were asked to respond on a five point Likert scale (1=“disagree” to 5=“agree”) to the statement “*The company* is a socially responsible member of the community. Employee perceptions of training and development were investigated using a three item construct (Training). Respondents were asked to express a level of agreement with these three statements on a Likert scale (1= “disagree” to 5= “agree”). Typical questions included: “There are sufficient opportunities to develop and improve my skills in my current job.” The proposed construct is unidimensional and displays an alpha of 0.81.

Control variables

Job satisfaction is measured using a nine facet scale (pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work, communication) adapted from the Job Satisfaction Survey (JSS), as detailed by Spector (1997). Our measure contains twenty-eight questions and typical questions include; “how satisfied are you with your current opportunities”, “how satisfied are you with your basic pay”. In each case respondents were asked to respond on a five point Likert scale. The construct has good internal reliability with a Cronbach's alpha of 0.93. Leadership is measured using a seven item construct. Typical questions included; “senior management is doing a good job at leading the business forward.”, “*The company* is well led.” Respondents

expressed their agreement with these statements on a five point Likert scale, and confirmatory factor analysis reveals that these questions load onto a single factor with an alpha of 0.91. Gender is coded as a dummy variable which takes the value of one for women (Women), and is otherwise equal to zero. We also use dummy variable which is equal to one for all respondents from ethnic minorities (Ethnic Minority). A further dummy variable is created which is equal to one for all respondents who are not full time employees (Part Time). There are ten different job levels represented in the survey, and we used dummy variables to isolate three ranges of this hierarchy. We use these variables to control for the different levels of commitment associated with different levels of the firm hierarchy. Our approach is similar to the one taken by Gibson and Barron (2003), but our approach is slightly more general, as it does not impose any linear restrictions on the way different hierarchical level influence commitment. Age and tenure are described by sets of dummy variables (Age, Tenure).

Results

This section reports the results of estimating the model described in section 4 above. Descriptive statistics are provided in Table 2. The correlation coefficients between the independent variables are generally low and the variance inflation factors do not exceed four suggesting that multicollinearity is unlikely to prove a significant problem.

TABLE 2 ABOUT HERE.

All of the hypothesised correlations are significantly different from zero and have the anticipated sign. The significance levels are not surprising, given the sample size at our

disposal.² The high degree of power available in our statistical tests also means that we should focus at least as much on coefficient magnitudes instead of simply examining significance levels. Table 2 demonstrates a strong bivariate correlation between organisational commitment and procedural justice (0.69), and a weaker relationship between commitment and employee perceptions of external CSR (0.49). The other correlations in Table 2 are consistent with earlier studies of organisational commitment and provide support for the model within which the relationship between employee perceptions of CSR and organisational commitment is estimated.

The results of estimating the econometric model outlined above are reported in Table 3. A common set of explanatory variables was included in each model so that the impact of gender on the relationship between aspects of CSR and organisational commitment could be explored. Since significance levels are likely to be relatively high in models with large sample sizes the standardized coefficients are presented so that both the significance of the explanatory variables and their contribution to the explanatory power of the model can be explored. Heteroscedastic consistent estimates of the standard errors were generated using the procedure developed by White (1980). The aggregate results are considered in model 1, which also includes a control for gender; separate estimates for men and women are presented in models 2 and 3.

TABLE 3 ABOUT HERE.

The overall explanatory power of the models is satisfactory within the context of a cross section study; R^2 is greater than 0.60 in each model and the F statistic is highly significant in

² DeGroot (1984, p. 450).

each case. Taken together, the results suggest that CSR contributes significantly to organisational commitment and provide substantial support for the hypothesized relationships. We now discuss each model in turn.

Results for the full sample

The aggregate results (model 1) provide substantial support for a significant relationship between CSR and organisational commitment. All three measures of CSR are significant ($p < 0.01$) and the results provide substantial support for the hypothesised relationships. As anticipated a positive and significant relationship ($p < 0.01$) was found between employee perceptions of external CSR (EXTERNALCSR) and organisational commitment providing support for hypothesis 1. Two measures of internal CSR were defined; TRAINING which provides a measure of employee perceptions of training opportunities and PROCEDURAL which provides a measure of procedural justice in the organisation. PROCEDURAL is positively and significantly related to organisational commitment ($p < 0.01$) providing support for hypothesis 2 and TRAINING is positively and significantly related to organisational commitment providing support for hypothesis 3. Although all three aspects of perceived CSR are positively related to organisational commitment the strength of this relationship differs significantly between types of CSR. Procedural justice has the highest standardised coefficient and the difference between procedural justice and the coefficients for TRAINING and EXTERNALCSR is highly significant ($p < 0.01$). These results emphasise the importance of fairness and equity within organisations; indeed only job satisfaction (JOBSATISFACTION) contributes more to organisational commitment than procedural justice and this difference is not significant ($p < 0.10$). Within the set of CSR variables EXTERNALCSR has the second highest standardised coefficient and the difference between EXTERNALCSR and TRAINING is highly significant ($p < 0.01$). Although External CSR is

both discretionary and has at best an indirect benefit to employees through social identity theory while TRAINING has both a direct benefit to employees through corporate investment in the employees human capital and an indirect benefit through employee identification with a socially responsible organisation external CSR is seen to have a significantly larger impact on organisational commitment. This emphasizes the importance of external CSR and the contribution of social identity to organisational commitment.

The results for the control variables are consistent with earlier studies. Organisational commitment levels increase with age and there is no evidence that tenure with the firm is an important determinant of commitment, except for very junior members of the company (length of service less than 1 year). Part time employees are no more or less committed to the organisation than their full time counterparts. Men and women display equivalent levels of commitment. The effect of membership of a racial minority is significant and negative. Job satisfaction and level within the organisation are positively related to organisational commitment.

Results by gender

The results presented in models 2 and 3 suggest that the relationship between CSR and organisational commitment is subject to significant gender variation. The results emphasize differences in the relative importance of procedural justice and training between men and women and provide some support for hypotheses 5 and 6 respectively. With respect to women (model 3) the differences between each form of CSR are significant ($p < 0.01$) and as expected (Hypothesis 5) women are seen to place greater emphasis on procedural justice than training as a determinant of organisational commitment. Although the differences between

each form of CSR are not significant when the sample is restricted to men (model 2) training has the highest coefficient providing tentative support for Hypothesis 6 and the difference between the coefficients on training in models 2 and 3 is significant ($p < 0.01$) supporting the contention that the relationship between training and employee commitment will be stronger for men than women. With respect to EXTERNALCSR the results provide some support for hypothesis 4. In the context of women the relationship between EXTERNALCSR and organisational commitment is significantly stronger than that between TRAINING and organisational commitment while EXTERNALCSR has a weaker relationship with organisational commitment than TRAINING or PROCEDURAL JUSTICE in model 2 where the sample is restricted to men. It is important to note however that the difference between the standardized coefficients for EXTERNALCSR in models 2 and 3 is small and insignificant ($p < 0.10$).

Discussion and conclusion

The growing imperative for business organisations to pursue socially responsible strategies (Kapstein, 2001) has raised questions about the impact of such strategies on the behaviour of external and internal stakeholders. This paper investigates the impact of corporate social responsibility on organisational commitment. The relationship between employee perceptions of corporate social responsibility and organisational commitment is investigated within a model which discriminates by gender and draws on social identity theory.

The empirical results suggest that employee perceptions of corporate social responsibility have a major impact on organisational commitment. Such results are particularly important in the light of the observed relationships between organisational commitment, labour retention labour health, and staff performance (Meyer et al, 2002). Taken together the contribution of

CSR to organisational commitment is at least as great as job satisfaction. The results also suggest that external CSR is positively related to organisational commitment. This is an interesting result because external CSR is both discretionary and provides at best an indirect benefit to employees; supporting a conceptual framework which emphasises the contribution of social identity theory. In addition to its role in external stakeholder management, external CSR appears therefore to offer indirect benefits to internal stakeholders through organisational commitment. Consistent with the earlier literature, procedural justice and training provision are both seen to contribute positively to organisational commitment (Meyer et al, 2002). These results are subject to significant gender variations which appear to reflect female preferences for discretionary behaviour and fair working practices. Thus women may show stronger preferences for external CSR and procedural justice while men have stronger preferences for training provision.

The results have significant implications for the implementation of CSR strategies within companies. First the positive relationship between each aspect of employee perception of CSR and organisational commitment emphasises the payoff in terms of organisational commitment which may flow from corporate investments in CSR. The standardised coefficients emphasise the contribution of each aspect and imply that the contribution of procedural justice is as large as that flowing from job satisfaction. Second, the relationship between external CSR and commitment suggests that the benefits of corporate community contributions are not restricted to external reputation and external stakeholder management but may also be reflected in the behaviour of internal stakeholders. This emphasises the importance that firms should attach to the communication of CSR policies and in particular external CSR policies such as corporate community policies to employees. Third, the results suggest that the effects of CSR on corporate commitment vary with the type of policy and the

individuals' gender. Gender variation in the relationship between each aspect of CSR and organisational commitment suggests that organisations with large female labour forces should pay particular attention to procedural justice and external CSR while firms with large male workforces should focus on the provision of training. The gender distinction is of particular importance in a context where women form an increasing proportion of both the labour force and senior management positions.

The study is subject to two possible limitations. First, both employee perceptions of CSR and organisational commitment are obtained from a single source. The results are therefore, at least potentially, subject to common methods bias. However, since our analysis focuses on the impact of different forms of CSR on organisational commitment, rather than the aggregate relationship between CSR and organisational commitment, the impact of common methods bias on our results is likely to be small. In any case social identity theory assumes that it is employee perceptions of CSR which are relevant (Peterson, 2004) and it is these measures which this study uses. Second, the use of data drawn from a company sponsored questionnaire of its own employees may result in biased estimates. However the impact of the source on the results is likely to be limited. The data was collected by an external agency and our primary concern is with variations between types of CSR and gender rather than aggregate relationships where biases are most likely to occur. In any case the use of this source permits access to a large data base and therefore avoids the statistical problems associated with the omission of relevant variables.

Finally we offer two suggestions for future research. First, our study focuses on broad measures of socially responsible activity in the organisation. Future research could introduce disaggregated measures of training and procedural justice which seek to separate individual

financial and non-financial benefits clarifying the relationship between social identity theory and internal CSR. Second, the results show a clear relationship between employee perceptions of external CSR and organisational commitment; future research could usefully investigate the relationship between employee participation in external CSR through payroll giving schemes or corporate volunteering and organisational commitment. Third, the results are based on the analysis of detailed attitudinal data from a single multi-site firm; future research could extend the investigation to different industrial and cultural settings to assess the generality of our findings.

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Table 1: Descriptive statistics for the full sample of 4,712 observations. Variance inflation factors reported from the full sample regression (Model 1 in Table 3).

	Mean	Std. Deviation	VIF
Organisational commitment	4.33	0.75	
Procedural justice	2.90	0.76	3.25
External CSR	4.43	0.71	1.38
Training	2.94	0.90	2.56
Job satisfaction	2.96	0.59	3.80
Leadership	3.20	0.66	2.45
Women	0.82	0.38	1.23
Ethnic minority	0.06	0.25	1.05
Part time	0.31	0.46	1.36
Low-level customer facing staff	0.67	0.47	
High-level customer facing staff	0.27	0.45	1.45
Non-customer facing staff	0.06	0.23	1.25
Aged less than 24 years	0.13	0.34	1.81
Aged 24-29 years	0.19	0.39	1.39
Aged 30-40 years	0.40	0.49	
Aged 41-50 years	0.20	0.40	1.21
Aged 51 or more years	0.08	0.28	1.13
Tenure less than 1 year	0.08	0.27	1.85
Tenure of 1-2 years	0.07	0.26	1.76
Tenure of 2-3 years	0.08	0.27	
Tenure of 3-4 years	0.08	0.27	1.86
Tenure of 5 or more years	0.69	0.46	3.60

Table 2: Correlation coefficients

		(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)	
1	Organisational commitment	1.000																			
2	Procedural justice	0.693	***	1.000																	
3	External CSR	0.489	***	0.449	***	1.000															
4	Training	0.606	***	0.652	***	0.334	***	1.000													
5	Job satisfaction	0.689	***	0.776	***	0.426	***	0.771	***	1.000											
6	Leadership	0.670	***	0.730	***	0.498	***	0.566	***	0.671	***	1.000									
7	Women	-0.044	***	-0.054	***	-0.003		-0.046	***	-0.033	**	-0.008		1.000							
8	Ethnic minority	-0.087	***	-0.095	***	-0.059	***	-0.040	***	-0.083	***	-0.067	***	-0.025	*	1.000					
9	Part time	-0.053	***	-0.056	***	-0.006		-0.095	***	-0.041	***	-0.044	***	0.282	***	-0.038	***	1.000			
10	Low-level customer facing staff	-0.214	***	-0.168	***	-0.111	***	-0.168	***	-0.143	***	-0.145	***	0.337	***	0.059	***	0.338	***	1.000	
11	High-level customer facing staff	0.177	***	0.132	***	0.090	***	0.146	***	0.115	***	0.120	***	-0.222	***	-0.044	***	-0.284	***	-0.874	***
12	Non-customer facing staff	0.094	***	0.087	***	0.052	***	0.059	***	0.070	***	0.065	***	-0.256	***	-0.034	**	-0.141	***	-0.350	***
13	Aged less than 24 years	-0.023		0.028	*	-0.058	***	0.016		-0.002		0.012		-0.058	***	0.054	***	-0.164	***	0.190	***
14	Aged 24-29 years	-0.037	**	-0.013		-0.030	**	0.000		-0.018		-0.027	*	-0.069	***	0.063	***	-0.190	***	-0.016	
15	Aged 30-40 years	0.033	**	0.010		0.030	**	-0.014		0.017		0.020		0.069	***	-0.008		0.190	***	-0.120	***
16	Aged 41-50 years	0.014		-0.019		0.028	*	-0.003		-0.006		-0.006		0.020		-0.056	***	0.057	***	-0.030	**
17	Aged 51 or more years	0.001		-0.006		0.020		0.010		0.008		-0.003		0.018		-0.060	***	0.048	***	0.046	***
18	Tenure less than 1 year	0.059	***	0.083	***	0.000		0.077	***	0.061	***	0.066	***	-0.052	***	0.107	***	-0.093	***	0.168	***
19	Tenure of 1-2 years	-0.038	***	-0.004		-0.042	***	-0.004		-0.014		-0.012		-0.003		0.076	***	-0.086	***	0.155	***
20	Tenure of 2-3 years	-0.023		-0.001		-0.031	**	-0.004		-0.026	*	-0.020		-0.002		0.049	***	-0.094	***	0.114	***
21	Tenure of 3-4 years	-0.049	***	-0.047	***	-0.008		-0.047	***	-0.054	***	-0.052	***	-0.018		0.039	***	-0.062	***	0.016	
22	Tenure of 5 or more years	0.030	**	-0.017		0.046	***	-0.012		0.020		0.012		0.044	***	-0.156	***	0.193	***	-0.260	***

*** = Correlation is significant at the 0.01 level

** = Correlation is significant at the 0.05 level

* = Correlation is significant at the 0.10 level

Table 2 (continued)

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
1 Organisational commitment											
2 Procedural justice											
3 External CSR											
4 Training											
5 Job satisfaction											
6 Leadership											
7 Women											
8 Ethnic minority											
9 Part time											
10 Low-level customer facing staff											
11 High-level customer facing staff	1.000										
12 Non-customer facing staff	-0.150 ***	1.000									
13 Aged less than 24 years	-0.158 ***	-0.082 ***	1.000								
14 Aged 24-29 years	0.027 *	-0.021	-0.186 ***	1.000							
15 Aged 30-40 years	0.107 ***	0.039 ***	-0.319 ***	-0.392 ***	1.000						
16 Aged 41-50 years	0.015	0.033 **	-0.193 ***	-0.237 ***	-0.406 ***	1.000					
17 Aged 51 or more years	-0.055 ***	0.013	-0.117 ***	-0.144 ***	-0.247 ***	-0.149 ***	1.000				
18 Tenure less than 1 year	-0.144 ***	-0.064 ***	0.329 ***	0.012	-0.145 ***	-0.073 ***	-0.058 ***	1.000			
19 Tenure of 1-2 years	-0.134 ***	-0.057 ***	0.286 ***	0.056 ***	-0.144 ***	-0.083 ***	-0.053 ***	-0.080 ***	1.000		
20 Tenure of 2-3 years	-0.091 ***	-0.056 ***	0.183 ***	0.109 ***	-0.108 ***	-0.077 ***	-0.075 ***	-0.086 ***	-0.082 ***	1.000	
21 Tenure of 3-4 years	-0.011	-0.012	0.124 ***	0.143 ***	-0.101 ***	-0.065 ***	-0.081 ***	-0.086 ***	-0.082 ***	-0.088 ***	1.000
22 Tenure of 5 or more years	0.218 ***	0.109 ***	-0.529 ***	-0.187 ***	0.287 ***	0.172 ***	0.155 ***	-0.430 ***	-0.413 ***	-0.443 ***	-0.443 ***

*** = Correlation is significant at the 0.01 level

** = Correlation is significant at the 0.05 level

* = Correlation is significant at the 0.10 level

Table 3: Presents standardized coefficients from ordinary least squares regressions. T-statistics in parentheses. Dependent variable in all models is organisational commitment.

	(1) Full sample		(2) Men		(3) Women	
Sample size	4712		826		3886	
R-squared	0.613		0.639		0.609	
<i>Variables related to hypotheses</i>						
Procedural justice	0.2055 *** (12.397)		0.1583 *** (3.863)		0.2140 *** (11.812)	
External CSR	0.1429 *** (13.221)		0.1379 *** (5.346)		0.1429 *** (11.999)	
Training	0.1174 *** (7.967)		0.1955 *** (5.693)		0.1018 *** (6.231)	
<i>Control variables</i>						
Constant	0.0000 *** (19.432)		0.0000 *** (8.466)		0.0000 *** (18.525)	
Job satisfaction	0.2121 *** (11.828)		0.1713 *** (4.053)		0.2198 *** (11.081)	
Leadership	0.2246 *** (15.586)		0.2264 *** (6.370)		0.2265 *** (14.351)	
Women	0.0070 (0.684)					
Ethnic minority	-0.0176 * (1.864)		-0.0485 ** (2.187)		-0.0082 (0.788)	
Part Time	0.0140 (1.303)		0.0462 ** (2.069)		0.0107 (0.924)	
High-level customer facing staff	0.0838 *** (7.551)		0.1328 *** (3.918)		0.0745 *** (6.490)	
Non-customer facing staff	0.0487 *** (4.732)		0.1252 *** (3.940)		0.0249 ** (2.367)	
Aged less than 24 years	-0.0225 * (1.818)		-0.0025 (0.074)		-0.0273 ** (2.047)	
Aged 24-29 years	-0.0227 ** (2.094)		-0.0043 (0.160)		-0.0254 ** (2.137)	
Aged 41-50 years	0.0066 (0.649)		0.0423 * (1.745)		-0.0020 (0.183)	
Aged 51 or more years	-0.0021 (0.216)		-0.0325 (1.419)		0.0028 (0.257)	
Tenure less than 1 year	0.0190 (1.523)		0.0958 *** (3.030)		0.0013 (0.097)	
Tenure of 1-2 years	-0.0103 (0.840)		-0.0001 (0.004)		-0.0126 (0.929)	
Tenure of 3-4 years	-0.0103 (0.823)		0.0089 (0.292)		-0.0149 (1.075)	
Tenure of 5 or more years	-0.0256 (1.465)		0.0424 (0.959)		-0.0423 ** (2.216)	

* = significant at 0.10 level

** = significant at 0.05 level

*** = significant at 0.01 level

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