Corporate Social Responsibility from Employees' Perspective

Çalışanların Bakış Açısından Kurumsal Sosyal Sorumluluk

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Abstract: Corporate social responsibility (CSR) has been an important area of study for both academic and business world for the last decades. The phrase social responsibility associate with philanthropy. However, it is not the only responsibility of a corporation. The responsibilities of a corporation can be grouped under economic, legal, ethical and philanthropic responsibilities. The philanthropic responsibilities target the welfare of the general public and environment. CSR activities provide benefits for the environment and the general public. Along with that the corporations also benefit from these activities as they create customer and employee satisfaction and commitment. CSR activities can be seen both as an external and an internal marketing tool. The internal customers of a firm, the employees are of prime importance for firms. They are important stakeholders within the organization service- profit chain model. Employees are one of the crucial stakeholders of a firm as they affect and are affected by the actions of firms. One of the end results that firms aim to attain through CSR programs is employee commitment. Commitment is long term relationships between firms and their employees. Literature divides commitment into three dimensions as affective, continuous, and normative. Generally affective commitment dimension is used to examine the relation between CSR performance and commitment. In this study the relationship among firms' beliefs in CSR, higher order quality of work life, perceived external prestige and commitment are analyzed. The 5-point Likert scale survey was conducted to 300 employees working in different firms in Istanbul. After eliminating missing data, analyses were conducted with 262 surveys. Structural equation model was utilized to analyze the data.

Structured Abstract: Corporate social responsibility concept has been widely discussed and accepted all around the world especially after the millennium. It became a general practice for global firms to release their CSR reports annually. As more and more individuals demand it and more and more firms internalize the concept, the norms, outcomes and evaluation of CSR have been analyzed in both business and academic world.

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Although the concept is well known and accepted there is not a single globally accepted definition. In time the needs, perspectives and requirements of business world change so does the CSR approach. Many scholars tried to classify the different CSR approaches. These approaches can be summarized as shareholder, stakeholder and societal approaches. According to stakeholder approach, firms need to consider all entities that affect and are affected by the firms' actions in their decisions.

In this study, by following the stakeholder approach, one of the most vital stakeholders of a company, the employees are examined. Along with the benefits provided to the environment and the general public by the CSR activities, also the corporations benefit from these activities as they create customer and employee satisfaction and commitment. CSR activities can be seen as both an external and internal marketing tool. One of the end results that firms aim to attain through CSR programs is employee commitment. Commitment is long term relationships between firms and their employees. Literature divides commitment into three dimensions as affective, continuous, and normative. Generally affective commitment dimension is used to examine the relation between CSR performance and commitment. In this study the relationship among firms' beliefs in CSR, higher order quality of work life, perceived external prestige and commitment are analyzed. Previous researches indicates a positive relationship between perceptions of CSR and organizational commitment (Kim et al., 2010; Singhapakdi et al.2015; Santhosh and Baral, 2015; Hseih and Chan,2012; Bramer et al., 2007; Petersen, 2004). In all those studies and models CSR and commitment relations are based on "Social Identification Theory". Social identity theory can be used to explain why it is important for people to work for organizations which share similar values as themselves. "Social identification, therefore, is the perception of oneness with or belongingness to some human aggregate" (Ash forth & Mael, 1989, p. 21). Social identity theory has been used for explaining many different employee behaviors such as organizational commitment (Riketta, Van Dick, & Rousseau, 2006). Dutton et al. (1994) stated that when perceived external image is positive, which is "a member's beliefs about outsiders' perceptions of the organization" then it relates to social identification. As long as a firm's external image is similar to an individual's self-concept then it is attractive to that individual. Individuals assume that strangers view the organization where they are working in line with how they view those individuals. Therefore, the organization's perceived external image provides a consistent and coherent image of the individual.

In order to investigate the relationship among firm's CSR, organizational commitment, perceived external prestige and high order work life quality the hypotheses are formed as: H1: Firms CSR positively relates to organizational commitment. H2: Perceived external prestige mediates the relationship between Firm CSR and organizational commitment. H3: Relationships between variables vary across high HOWLQ and low HOWLQ employees. For testing the research model, survey method was used. Employing the convenience sampling method in order to determine the participants 262 employees were reached. A multigroup structural equation modeling was used to test study hypotheses (Bowen & Guo, 2011). For assessing the model fit, the thresholds suggested by Hu and Bentler (1999) were considered. First, the measurement model was tested to ensure the construct validity and reliability of the variables. Then for the hypotheses testing two models, one universal and one multigroup, were tested. The universal model (without groups) had an acceptable fit with the data ($\chi^2=123.071$, $df=51$, $CFI=.966$, $TLI=.956$, $RMSEA=.073$, $SRMR=.039$). We also tested whether a full mediation model or a partial mediation model have superior fit, however, the partial mediation model fit better to the data ($\Delta\chi^2=14.777$, $p<.001$). So, further analyses were done with partial mediation model in which the direct effect of firm's CSR also exists in the model. The analyses showed that there is a significant relationship between firm's CSR and employees' organizational commitment, supporting Hypothesis 1. Firm's CSR was found to significantly affect both perceived external prestige and organizational commitment positively. Also, perceived external prestige had positive affect on organizational commitment. The indirect effect through perceived external prestige was also significant, supporting partially Hypothesis 2. A partial mediation was found in low HOWLQ group model, whereas, a full mediation exists in high HOWLQ group model. The results for high HOWLQ group were different than no-group model. Thus, Hypothesis 3 was supported. Most of the previous CSR research concentrate on the consumers and investors and are conducted in developed countries. This study focusing on Turkish employees provides another viewpoint from a developing country perspective.

Keywords: Corporate social responsibility (CSR), Organizational commitment, Quality of work life, perceived external prestige

Öz: Kurumsal Sosyal Sorumluluk (KSS) kavramı son yıllarda hem akademide hem de iş dünyasında önemli bir çalışma alanı haline gelmiştir. Sosyal sorumluluk denilince akla ilk hayırseverlik gelse de firmaların sorumluluk alanı bununla sınırlı değildir. Firma sorumluluk alanlarını ekonomik, hukuki, etik ve hayırseverlik olarak sınıflandırmak mümkündür. Hayırseverlik sınıfında yer alan sorumluluklarla çevrenin ve toplumun genel refahı hedeflenir. Genel olarak toplum ve çevre yararına olan tüm bu aktivitelerden aynı zamanda firmalar da müşteri ve çalışan memnuniyeti ve bağlılığı yaratmak suretiyle fayda sağlamış olurlar. Bu açıdan bakıldığında KSS aktiviteleri hem içsel hem de dışsal pazarlama aracı olarak görülebilir. Firmaların içsel müşterisi olan çalışanlar, firma için birincil öneme sahiptir. Çalışanlar, hizmet- kar zinciri modelinde firma için çok önemli bir paydaştır. Çalışanlar firmanın aktivitelerini hem etkileyip hem de ondan etkilenirler. Firmaların KSS programları aracılığıyla elde etmek istedikleri hedeflerden biri de çalışan bağlılığıdır. Bağlılık firma ile çalışanlar arasındaki uzun dönemli ilişkidir. Yazın bağlılığı; duygusal, devamlı ve normative bağlılık olarak üçe ayırmaktadır. Genellikle kurumsal sosyal sorumluluk ile bağlılık ilişkisinin incelendiği çalışmalarda, duygusal bağlılık boyutu kullanılmaktadır. Bu çalışmada, firmanın kurumsal sosyal sorumluluk inancı, dışsal prestij algısı, yüksek iş yaşam kalitesi ve bağlılık arasındaki ilişki incelenmiştir. 5'li Likert ölçeğinin kullanıldığı anketlerle İstanbul'da farklı firmalarda çalışan 300 kişiye ulaşılmıştır. Eksik anketler çıkarıldığında 262 anket ile analizlere devam edilmiştir. Verinin analizinde Yapısal Eşitlik Modeli kullanılmıştır.

Anahtar Kelimeler: Kurumsal sosyal sorumluluk (KSS), Çalışanlar, Örgütsel bağlılık, Yüksek iş yaşam kalitesi, Dışsal prestij algısı

1. Introduction

Corporate social responsibility has been an area of interest for academic and business world since 1950s. However, there is still no consensus over a common definition of Corporate Social Responsibility (CSR) (McWilliams & Siegel, 2001). In 1953 Bowen stated that CSR is the liabilities of businessmen to follow policies, make decisions, and conduct business which are in line with desirable objectives and values of the society (Bowen, 1953). An opposite thought such as there is one and only one social responsibility of business which is to maximize the profitability while obeying the legal rules and regulations was suggested by Friedman in 1962. Carroll suggested that the social responsibility of a business comprises of the economic, legal, ethical and philanthropic expectations of the society about the business (Carroll, 1979).

The needs, requirements of business life along with the general publics' way of evaluating phenomena have been changing over the years. Consequently, the corporate responsibility concept also evolves as seen in Figure 1.

Figure 1: Evolution of CSR

Source: (Kakabadse, Rozuel, & Lee-Davies, 2005)

From 1950s to 1980s and 2000s there is a shift from a shareholder dominant view to a more societal approach. The CSR concept changes with time and it also changes from culture to culture. The shareholder-focused model is not as prevailing in Asia as in the USA (Emiliani, 2001). The CSR notion and standards can vary from generation to generation and from culture to culture (Daugherty, 2001).

The general perspective of many scholars can be summarized in three approaches as shareholder, stakeholder and societal approach (Van Marrewijk, 2003). The shareholder approach can be summarized in one sentence as “the social responsibility of business is to increase its profits” (Friedman, 1962). According to this view, the main responsibility of a company is the profit maximization and the socially responsible activities should not be a concern for the companies as they are only the duty of the governments. The stakeholder approach sees that the companies are not only responsible to the shareholders but also to a multiplicity of stakeholders who affect and are affected by the actions of the company. Societal approach has a broader view and states that companies are responsible to the whole society. The operation of companies should be aimed to satisfy the needs of society.

In this study, a stakeholder approach is followed. The stakeholder theory states that an organization's success depends on the relationships with key groups like customers, employees, suppliers, communities, financiers, and others who effect the attainment of the purpose of the organization. The main idea is to keep the support of all of these groups, balance the contending interests and maximize the stakeholder interests in the long run (Freeman & Phillips, 2002). CSR focus on the context of responsibilities businesses shall fulfill while the stakeholder theory focus on the question of to whom businesses are and shall be accountable to. CSR and stakeholder concept are clearly interrelated (Kakabadse, Rozuel, & Lee-Davies, 2005).

There is not a consensus about whom to include in the stakeholder groups (Mitchell, Agle, & Wood, 1997) however at a minimum customers, employees, suppliers, financiers, and local communities, are included. Among these groups, employees are very important as they impact the formation and outcomes of the corporate social responsibility activities (Aguilera, Rupp, Williams, & Ganapathi, 2007). Employees are one of the most important CSR domains (Öberseder, Schlegelmilch, & Gruber, 2011). However most of the CSR research concentrate on the consumers and investors (Lichtenstein, Drumwright, & Braig, 2004); (Larson, Flaherty, Zablah, Brown, & Wiener, 2008). Another common point of the majority of CSR research is that they are conducted in developed countries (Aguinis & Glavas, 2012). This study focusing on Turkish employees, would provide another viewpoint from a developing country perspective.

Berry (1981) defined internal marketing as “Viewing employees as internal customers, viewing jobs as internal products and then endeavouring to offer products that satisfy the needs and wants of these internal customers while addressing the objectives of the organisation.” (Berry, 1981). Some scholars see CSR akin to internal marketing as CSR satisfy some needs and wants of employees like acting responsibly or altruistically (Singhapakdi, Lee, Sirgy, & Senasu, 2015). Satisfying the needs of the internal customer, employees, would yield positive outcomes for the company such as high commitment.

2. Perceived External Image (PEP)

Perceived external image is “a member’s beliefs about outsiders’ perceptions of the organization” (Dutton, Dukerich and Harquail, 1994, p. 248). It is the employees’ mirrored assessment of the firm’s prestige (Brown et al. 2006). Employees are concerned about firm’s prestige as the outsiders’ appreciation of the firm’s image affects the employees’ pride. Employees care about firms’ CSR practices as these actions forms the basis of outsiders’ judgements the firm’s and the employees’ prestige (Dutton and Dukerich 1991).

CSR initiatives can be an effective tool for strengthening firm's prestige and attracts qualified applicants (Backhaus et al. 2002; Morsing 2006). The positive evaluations of the firm CSR by outsiders augment employees' organizational pride (Morsing 2006).

Dutton et al. (1994) stated that when perceived external image is positive, then it relates to social identification. As long as a firm's external image is similar to an individual's self-concept then it is attractive to that individual. Individuals assume that strangers view the organization where they are working in line with how they view those individuals. Therefore the organization's perceived external image provides a consistent and coherent image of the individual (Dutton, Dukerich, & Harquail, 1994); (Fuller, Marler, Hester, Frey, & Relyea, 2006).

Social identity theory can be used to explain why it is important for people to work for organizations which share similar values as themselves. "Social identification, therefore, is the perception of oneness with or belongingness to some human aggregate" (Ashforth & Mael, 1989, p. 21). Social identity theory has been used for explaining many different employee behaviors (Riketta, Van Dick, & Rousseau, 2006).

3. Organizational Commitment

The positive attitudes of the employees towards their organizations are very important for the success and efficiency of the organization. Organizational commitment is a concept that focuses on the relationships between employees and organizations, which expresses the psychological attachment of the employee to their workplace. Commitment is defined as the emotional commitment to the aims and values of the organization, being a party, the role of the person in relation to the goals and values, and the sacrifice towards the organization (Kaplan, 2010). In the meta-analytic reviews of researches, it is seen that employees with high organizational commitment are more likely stay than to leave, increase efficiency and be good organizational citizens (Meyer and Maltin, 2010).

Allen and Meyer (1991; p.67) explained commitment as "psychological situation that creates an emotional relationship between employees and their organizations, whether employees will continue to work as a member of the organization at a certain cost and, finally, whether employees have loyalty towards the organization". Besides, organizational commitment refers to the degree of identification and integration that an individual feel towards a particular organization. However, Porter and his colleagues (1974, 604), defined organizational commitment from only affective side as "relative strength of an individual's identification with, and involvement in, a particular organization". Many scholars suggested that organizational commitment reflects the relationship between an employee and the organization and has implications for his or her decision to continue membership in the organization (Hsieh and Chan, 2012). Although many different tools have been developed to measure employee commitment, the most commonly used in the literature is multidimensional model which is developed by Meyer and Allen (1990). This model classify commitment into three components: affective commitment, continuance commitment, and normative commitment.

Affective organizational commitment means "the employee's emotional attachment to, identification with, and involvement in the organization" (Meyer & Allen, 1991). It is defined as the desire of employees to stay emotionally in the enterprise. With this commitment, employees see themselves as part of the organization and have high intention to stay with the organization not because they need it because they want to. Continuance commitment defines as the costs of individuals in case of leave from the organization. Normative commitment arises when employees feel obliged to stay in the organization (Meyer & Allen, 1991). In this study affective commitment is taken consideration to investigate the relation between CSR and employees' commitment. Recent studies have shown that all types of commitment are related to employee turnover and intention to leave the organization, but affective commitment has strong relation with positive behavioral

outcomes such as, attendance, high job performance, low stress and turnover (Grant, Dutton & Rosso, 2008).

Previous researches indicate a positive relationship between perceptions of CSR and organizational commitment (Kim et al., 2010; Singhapakdi et al. 2015; Santhosh and Baral, 2015; Hseih and Chan, 2012; Bramer et al., 2007; Petersen, 2004). Social Identification Theory is the basis of CSR and commitment models on previous studies. Identification occurs in the “think-feel-do model” that influences the behavior intentions of employees and groups inside the organization. As employees perceive the company positively, they will increase and show positive behaviors. Identification also “generate employees to come psychologically attached to, care about, and commit to their organization” (Hseih and Chan, 2012). By social identity theory, employees can be proud of with socially responsible behavior of their organizations, which affects to increase the affective commitment. Kim and colleagues (2010) found that firm's CSR firstly affects employee-company identification then it influences employees' affective commitment to their company. Santhosh and Baral (2015) pointed out that organizations can influence employees' attitudes and behavior through their corporate social responsibility (CSR) activities. Besides Hseih and Chan (2012) conducted a research on Taiwan Securities Exchange firms which are implementing corporate social responsibility in Taiwan. Research findings expose that positive employee perception of the organization's CSR effort has a positive effect on organizational commitment. Petersen (2004) suggested that CSR contributes positively to the commitment and retention of workers because they share similar positive values with organizations values that CSR promotes.

4. Quality of Work Life (QWL)

Quality of work life is one of the most important priorities that organizations must consider saving employees in vulnerable environment. QWL concept evaluation started in late 1960s which focuses on human side of work that was trying to explain the quality of the relationship between the worker and the working environment (Kanten and Sadullah, 2012). According to Greenberg and Baron (1997) quality of work life “is one of the elements contributing to an organization's progress providing the three factors of motivation and satisfaction, taking of responsibility and commitment to one's job”. From the employee perspective quality of work life is more than job satisfaction, life domains such as satisfaction of home&family life, leisure life, social life and financial life. In this context quality of work life is defined as “employee satisfaction with a variety of needs through resources, activities, and outcomes stemming from participation in the workplace” (Sirgy, et al., 2001, p. 242).

Quality of work life is related with the association for work environment and employees' personal needs (Hackman and Oldhams, 1980). Working environments where the needs of the employees are met, will increase their loyalty to the work by making them happy. There are many researches that proved the significant impact of quality work life on employee behavioral outcomes, such as organizational identification, job satisfaction, lower levels of turnover, job involvement, job effort, job performance, intention to stay, organizational commitment (Sirgy, et al., 2001).

The basis of the quality of work life approach is based on two theories; the need satisfaction and spill over approaches. Hierarchy of needs theories for QWL is evolved by Maslow (1954), McClelland (1961), Herzberg (1966), and Alderfer (1972). The basic idea in need satisfaction theories for QWL is employees have basic needs that must be fulfilled through work environment. Maslow's need hierarchy has seven levels that must be satisfied by step by step: (1) health and safety needs, (2) economic and family needs, (3) social needs, (4) esteem needs, (5) actualization needs, (6) knowledge needs, and (7) esthetic needs. Sirgy and colleagues (2001) divided these seven need dimensions into two categories as lower-order and higher-order need in their study. In our study we also divide quality of work life as lower-order QWL and higher-order QWL. Health/safety needs and economic/family needs are defined as lower-order QWL and social, esteem, self-actualization,

knowledge, and esthetic needs are defined as higher-order QWL (Marta et al., 2013). Besides there are many studies that proved significant relationships between increased quality of work life and high employee commitment (Jaskyte, 2003; Cropanzano & Folger, 1989)

5. Methodology

The main aim of this study is to analyze the relationship among firms' corporate social responsibility, employee's organization commitment, perceived external prestige and high order work life quality. For this purpose, research hypotheses are identified as:

H1: Firms CSR positively relates to organizational commitment.

H2: Perceived external prestige mediates the relationship between firm CSR and organizational commitment.

H3: Relationships between variables vary across high HOWLQ and low HOWLQ employees.

Figure 2: Research Model

5.1. Participants and Data Collection

In order to test research model, we collected data by using survey method. In the cover page, the aim and scope of the study as well as the confidentiality of participants' information were stated clearly. After the questionnaire questions, participants also denoted their gender, age, education level. Employing the convenience sampling method in order to determine the participants we reached 262 employees. Of the participants, 52% were female and all had university or above degree. The mean age was 31.44 (S.D.=5.68).

5.2. Measures

5.2.1. Firm's Belief in CSR

In order to measure the employee perception about firm's belief in CSR, the six item "Firms' beliefs in CSR" scale was adapted from (Singhapakdi, Lee, Sirgy, & Senasu, 2015). The items were "Top management believes that socially responsible behavior, not just legal compliance, is paramount to the success of the organization", "In my organization there is a sense of responsibility among employees for maintaining a socially responsible reputation", "In my organization, there are

no rewards for socially responsible decisions”, “Top management believes that our organization should help to improve the quality of life and the general welfare of society”, “I work for a socially responsible organization that services the greater community”, “My organization gives time, money, and other resources to socially responsible causes”. For the answers, 5-point Likert scale ranging from 1= Totally Disagree to 5= Totally Agree was utilized.

5.2.2. Perceived Organizational Status

For measuring Perceived External Prestige, the three items PEP scale were adapted from Kim, Lee, Lee, & Kim (2010). The items used were “My Company I considered as one of the best in the society”, “People in my community think highly of my company”, “It is considered prestigious in the community to be a member of my company”. For the answers, 5-point Likert scale ranging from 1= Totally Disagree to 5= Totally Agree was utilized.

5.2.3. High Order Work Life Quality

To measure High Order Work Life Quality eight item HOWLQ scale was adapted from Singhapakdi, Lee, Sirgy & Senasu (2015). The items were “I feel appreciated at work”, “People at work and/or within my profession respect me as a professional and an expert in my field of work”, “I feel that my job allows me to realize my full potential”, “I feel that I am realizing my potential as an expert in my line of work”, “I feel that I'm always learning new things that help do my job better”, “This job allows me to sharpen my professional skills”, “There is a lot of creativity involved in my job”, “My job helps me develop my creativity outside of work”. For the answers, 5-point Likert scale ranging from 1= Totally Disagree to 5= Totally Agree was utilized.

5.2.3. Organizational Commitment

For measuring Organizational Commitment, the 4 item scales were adapted from Kim, Lee, Lee, & Kim ,(2010). The items used were “I am very committed to my company.”, “I intend to stay in my company indefinitely.”, “I intend to allocate more resources to the relationship with my company in the future.”, “My company deserves my maximum effort to be maintained.”. For the answers 5-point Likert scale ranging from 1= Totally Disagree to 5= Totally Agree was utilized.

5.3. Analyses

A multigroup structural equation modeling was used to test study hypotheses (Bowen & Guo, 2011). For assessing the model fit, the thresholds suggested by Hu and Bentler (1999) were considered. First, the measurement model was tested to ensure the construct validity and reliability of the variables.

Construct validity was tested through testing convergent and discriminant validity together via conducting a confirmatory factor analysis (CFA) (Fornell & Larcker, 1981). CFA results (model fit and factor loadings) were used to support convergent validity, and then average variance extracted (AVE) for each latent construct were computed as suggested by Hair et al. (2012).

Discriminant validity was supported when the square root of AVE's exceed the correlations with other variables. Second, a two-group structural model was specified based on the measurement model. Standardized scores for HQLWO were computed and a dummy variable (0=Low WLO, 1=High WLO) was created in order to determine the HQLWO and LQWLO groups. Those higher than the mean were selected as HQWLO, and those lower than the mean were selected as LQWLO. The indirect effects were examined by using 2000 samples and 95% confidence interval bias-corrected bootstrapping method, suggested by Preacher and Hayes (2004).

6. Findings

6.1. Validation and Reliability

The CFA with all variables in which all items were loaded to their theoretically respective latent factors, resulted a good fit ($\chi^2=339.060$, $df=161$, $CFI=.953$, $TLI=.944$, $RMSEA=.065$, $SRMR=.046$). Factor loadings varied between .61 and .93. Only three error terms were correlated as the software indicates that they add significant fit to the model. While correlating them the Byrne's (2013) procedure was followed, and they were under the same latent construct and had similar meanings. After that, all AVE's computed and they exceeded .50.

A comparison of the square root of AVE's with correlations showed that a good support for discriminant validity also exists. The composite reliabilities of the latent variables were above .70, indicating that they are both valid and reliable to use for hypotheses testing. The results of CFA as well as AVE's and composite reliabilities are shown in Table 1. The correlations among variables and the square root of the AVE's are shown in Table 2.

Table 1: Results of CFA, AVE's and Composite Reliabilities

Factors	Indicators	λ	AVE	Composite Reliability
Firm CSR	s2_1	0.695	.56	.86
	s4_1	0.805		
	s1_1	0.681		
	s5_1	0.838		
	s6_1	0.709		
Perceived External Prestige	s28_1	0.821	.73	.89
	s27_1	0.861		
	s29_1	0.881		
	s33_1	0.848		
Organizational Commitment	s32_1	0.929	.73	.91
	s31_1	0.823		
	s34_1	0.818		
	s25_1	0.639		
Hqwlo	s24_1	0.860	.58	.92
	s26_1	0.618		
	s23_1	0.829		
	s22_1	0.834		
	s21_1	0.833		
	s20_1	0.698		
	s19_1	0.733		

Table 2. The correlations among variables and the square root of the AVE's

Variables	Mean	SD	1	2	3	4
1. Firm's CSR	3.75	.78	.748			
2. Perc. Exter. Prestige	4.09	.81	.719	.855		
3. Org. Commitment	3.65	.92	.635	.656	.855	
4. HQ WLO	3.44	.80	.577	.588	.728	.761

All correlations are significant at $p < .001$ level.

al bold values are the square root of the AVE.

6.2. Hypotheses Testing

Two models, one universal and one multigroup, were tested. The universal model (without groups) had an acceptable fit with the data ($\chi^2=123.071$, $df=51$, $CFI=.966$, $TLI=.956$, $RMSEA=.073$, $SRMR=.039$). We also tested whether a full mediation model or a partial mediation model have superior fit, however, the partial mediation model fit better to the data ($\Delta\chi^2=14.777$, $p<.001$). So, further analyses were done with partial mediation model in which the direct effect of firm's CSR also exists in the model.

The multigroup model had also a worse but still good fit ($\chi^2=205.764$, $df=54$, $CFI=.935$, $TLI=.915$, $RMSEA=.062$, $SRMR=.061$). We conducted an invariance test to see if structural paths differ or are invariant among groups and found that groups are not invariant when structural covariances are constrained ($\Delta\chi^2=10.217$, $p<.05$). So, we had an initial support for multigroup model testing.

The first hypothesis states a significant relationship between firm's CSR and employees' organizational commitment. As shown in the Table 2, there is a significant correlation between the two ($r=.635$, $p<.001$), supporting Hypothesis 1.

The second hypothesis states a mediation model which implies that firm's CSR has an indirect effect on organizational commitment through perceived organizational status. In the universal model, firm's CSR was found to significantly affect both perceived external prestige ($\beta=.72$, $SE=.081$, $p<.001$) and organizational commitment ($\beta=.34$, $SE=.115$, $p<.001$) positively. Also, perceived external prestige had positive affect on organizational commitment ($\beta=.41$, $SE=.108$, $p<.001$). The indirect effect through perceived external prestige was also significant ($\gamma=.29$, $SE=.071$, $95\%BC\ CI=.17$ to $.45$), supporting Hypothesis 2 partially.

The third hypothesis states that the mediation model varies among High vs. Low HOWLQ groups. The multigroup model showed an acceptable fit to the data ($\chi^2=205.764$, $df=102$; $CFI=.935$; $TLI=.915$, $RMSEA=.062$ $SRMR=.067$). In the high HOWLQ group, the total variance explained were 33% for organizational commitment and 41% for perceived external prestige. In the low HQWLO group, the total variance explained were 34% for organizational commitment and 43% for perceived external prestige. In the low HOWLQ group, firm's CSR was found to significantly affect both organizational prestige ($\beta=.66$, $SE=.145$, $p<.001$) and organizational commitment ($\beta=.34$, $SE=.168$, $p<.05$) positively. Also, perceived external prestige had positive affect on organizational commitment ($\beta=.29$, $SE=.137$, $p<.05$). The indirect effect through perceived external prestige was also significant ($\gamma=.19$, $SE=.104$, $p<.05$, $95\%BC\ CI=.01$ to $.41$). The results were like the no-group model. However, in the high HQWLO group, firm's CSR was found to significantly affect perceived external prestige ($\beta=.64$, $SE=.146$, $p<.001$), but not organizational commitment ($\beta=.08$, $SE=.170$, $p=.47$). Besides, perceived external prestige had positive affect on organizational commitment

($\beta=.51$, $SE=.149$, $p<.001$). The indirect effect through perceived external prestige was also significant ($\gamma=.33$, $SE=.102$, $p<.001$, 95%BC CI=.18 to .61). A partial mediation was found in low HOWLQ group model, whereas, a full mediation exists in high HOWLQ group model. The results for high HOWLQ group were different than no-group model. Thus, Hypothesis 3 was supported. The Table 4 shows both direct and indirect effects for both groups.

Table 3: Structural Direct and Indirect Effects

Paths	Low HWLO				High HWLO			
	β	SE_{β}	γ	SE_{γ}	β	SE_{β}	γ	SE_{γ}
F.CSR→PEP	.66***	.145			.64***	.146		
F.CSR→O.C.	.35*	.168			.08	.170		
PEP.→O.C.	.29*	.137			.51***	.149		
F.CSR→PEP.→O.C.			.19*	.104			.33***	.102

F.CSR:Firm's CSR, O.S.:Organizational Status, O.C.:Organizational Commitment

N=263. *** $p<.001$ * $p<.05$

7. Conclusion

Corporate social responsibility affects many stakeholders of a firm and the whole society at large. Apart from the philanthropic view, firms pursue CSR activities in order to achieve positive outcomes. Employees as one of the most important stakeholder of firms expect firms to act socially responsible and their perception about the firm, intentions and behavior changes accordingly. In this study, it was found out that there is a significant relationship between the firm's belief in CSR and employee commitment. Firm's CSR was found to significantly affect both perceived external prestige and organizational commitment positively. Perceived external prestige had positive affect on organizational commitment. The indirect effect through perceived external prestige was also significant. In short, it can be said that firm's belief in CSR positively affects organizational commitment. Employees' perception of external prestige mediates the relationship between firm CSR and organizational commitment. For employees who have higher high quality of work life scores, PEP fully mediates firm CSR and organizational commitment. For employee commitment firm's belief in CSR is an important determinant along with perceived external prestige of organization.

One may conclude that along with considering the other aspects of CSR activities firms should focus also on high quality work life aspect. Firms should try to fulfill social, esteem, self actualization, knowledge, and aesthetic needs through providing professional activities and career development, recognition for competence and expertise. As a managerial implication, firms should focus on the perceived external prestige of the company which is important for potential and current employees. Therefore, firms should also work on communication of the CSR activities to both the internal and external stakeholders in order to improve the external prestige.

Most of the previous CSR research concentrate on the consumers and investors and are conducted in developed countries. This study, by focusing on Turkish employees, provides another viewpoint from a developing country perspective. A limitation of this study is that it was conducted only in Istanbul. For further studies, the research can be conducted in other cities and in different cultures which would enable cultural analysis of this concept.

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