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**THE IMPACT OF INTERNAL CORPORATE SOCIAL
RESPONSIBILITY ON EMPLOYEE BEHAVIOR: EVIDENCE FROM
LEADING BANKS IN PAKISTAN**

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DEBRECEN

2019

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EMPLOYEE BEHAVIOR: EVIDENCE FROM LEADING BANKS IN PAKISTAN**

The aim of this dissertation is to obtain a doctoral (PhD) degree
in the scientific field of “Management and Business Administration”

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LIST OF ABBREVIATIONS

CSR = Corporate Social Responsibility
SET = Social Exchange Theory
SIT = Social Identity Theory
ICSR = Internal Corporate Social Responsibility
OI = Organizational Identification
LMX = Leader-Member Exchange
CUL = Culture
WE = Work Engagement
KSB = Knowledge Sharing Behavior
OCB = Organizational Citizenship Behavior
ST = Stress
POO = Perceived Organizational Obstruction
OC = Organizational Cynicism
SEM = Structural Equation Modeling
HBL= Habib Bank Limited
ABL= Allied Bank Limited
MCB= Muslim Commercial Bank
UBL= United Bank Limited
NBP= National Bank of Pakistan
SECP= Securities and Exchange Commission of Pakistan
SBP = State Bank of Pakistan
GBG = Green Banking Guidelines
PCP =Pakistan Center of Philanthropy
CPEC= China-Pakistan Economic Corridor
HPWSPs = High-Performance Work Systems
PKR = Pakistani Rupee

CONTENTS

| | |
|--|----|
| INTRODUCTION..... | 4 |
| 1. TOPICS AND OBJECTIVES | 7 |
| 1.1 Aims of the Research..... | 7 |
| 1.2. Research Objectives | 7 |
| 1.3 Research Questions | 8 |
| 1.4 Structure of the Dissertation..... | 8 |
| 1.5 Research Approach | 10 |
| 1.6 Hypotheses of the Study..... | 11 |
| 2 . TECHNICAL LITERATURE REVIEW | 13 |
| 2.1 History of Corporate Social Responsibility | 13 |
| 2.2 Corporate Social Responsibility Definitions..... | 16 |
| 2.3 Determinants of Corporate Social Responsibility | 17 |
| 2.4 Approaches to Corporate Social Responsibility..... | 17 |
| 2.5 Corporate Social Responsibility Reporting..... | 19 |
| 2.6 Dimensions of Corporate Social Responsibility | 20 |
| 2.6.1 External Corporate Social Responsibility..... | 22 |
| 2.6.2 Internal Corporate Social Responsibility..... | 23 |
| 2.7 The Link between Human Resource Management and Internal Corporate Social Responsibility..... | 24 |
| 2.8 Underpinning Theories..... | 27 |
| 2.9 Internal Corporate Social Responsibility and Employee-Related Outcomes..... | 31 |
| 2.10 Operational Definitions of Employee Behaviors | 32 |
| 2.11 Link between Internal Corporate Social Responsibility and Employee Behavior..... | 35 |
| 2.12 Development of Explanatory Mechanism..... | 39 |
| 2.13 Role of Organizational Identification as a Mediator in the Relationship between Internal Corporate Social Responsibility and Employee Attitudes..... | 39 |
| 2.14 Corporate Social Responsibility and Role of Culture | 41 |
| 2.15 Role of Collectivism as a Moderator in the Relationship between Internal Corporate Social Responsibility and Organizational Identification | 44 |
| 2.16 Organizational Identification as Mediator between Internal Corporate Social Responsibility and Work-Related Behavior..... | 46 |
| 2.17 Moderating Role of Leadership in the Relationship between Organizational Identification and Work-Related Attitudes | 50 |
| 2.18 Proposed Theoretical Model of the Dissertation..... | 56 |
| 2.19 Study Background..... | 58 |
| 2.19.1 Corporate Social Responsibility Context in Pakistan..... | 59 |
| 2.19.2 Corporate Social Responsibility and Banking Industry | 60 |
| 2.19.3 Pakistani Banking Industry..... | 60 |
| 2.19.4 Corporate Social Responsibility and Banking Sector in Pakistan..... | 61 |
| 2.19.5 Legal Framework for CSR in Pakistan..... | 61 |
| 3 . MATERIAL AND METHODS | 62 |
| 3.1 Elements of Research In Relation to the Current Dissertation..... | 62 |
| 3.2 Research Approach Applied..... | 66 |
| 3.4 Research Methodology of the Study | 67 |
| 3.5 Population and Sample | 67 |
| 3.5.1 Introduction of Top Five Banks of Pakistan..... | 68 |
| 3.6 Qualitative Research Approach..... | 69 |
| 3.6.1 Document Analysis- Method..... | 69 |
| 3.6.2 Interview | 69 |

| | |
|--|-----|
| 3.7 Quantitative Research Approach-Survey | 72 |
| 4 . RESEARCH FINDINGS AND THEIR EVALUATION..... | 79 |
| 4.1 Qualitative Results | 79 |
| 4.2 Document Analysis-Internal CSR of Top Five Banks | 79 |
| 4.2.1 Allied Bank Limited (ABL) | 79 |
| 4.2.2 Muslim Commercial Bank Limited (MCB) | 83 |
| 4.2.3 Habib Bank Limited (HBL)..... | 86 |
| 4.2.4 United Bank Limited (UBL)..... | 87 |
| 4.2.4 National Bank of Pakistan (NBP)..... | 87 |
| 4.3 Reaerch Findings And Evulations-Document Analysis | 87 |
| 4.4 Results of Interviews | 88 |
| 4.4.1 Concept of Corporate Social Responsibility | 89 |
| 4.4.2 Key Socially Responsible Initiatives | 90 |
| 4.4.3 CSR and Culture | 91 |
| 4.4.5 Employees as Key Stakeholders..... | 93 |
| 4.4.6 Internal Corporate Social Responsibility..... | 94 |
| 4.4.7 Internal CSR and Employee Behavior..... | 97 |
| 4.4.8 Internal CSR and Organizational Identification | 98 |
| 4.2.9 Internal CSR, Leadership and Work Behavior..... | 99 |
| 4.4.10 Suggestions to Enhance the Well-Being of Employees and Related Outcomes . | 101 |
| 4.5 Research Findings and Evaluations – Interviews..... | 102 |
| 4.5 Results of the Quantitative Study..... | 104 |
| 4. 5.1 Demographic Analysis | 104 |
| 4.5.2 Confirmatory Factor Analysis | 105 |
| 4.5.4 Reliability Analysis | 106 |
| 4.5.5 One-Way Multivariate Analysis Of Variance | 106 |
| 4.5.6 Mean, Standard Deviation and Correlation Analysis | 109 |
| 4.5.7 Path Analysis | 111 |
| 4.5.8 Mediation Analysis..... | 113 |
| 4.5.9 Multiple Moderated Regression Analysis (MMR)..... | 115 |
| 4.6 Research Findings and Evaluations of Quantitative Study | 122 |
| 5. CONCLUSIONS AND RECOMMENDATIONS | 125 |
| 5.1 Conclusions | 125 |
| 5.2 Recommendations | 129 |
| 5.3 Limitations and Directions for Future Research | 131 |
| 6. MAIN CONCLUSIONS AND NOVEL FINDINGS OF THE DISSERTATION | 132 |
| SUMMARY | 134 |
| REFERENCES | 136 |
| LIST OF PUBLICATIONS | 150 |
| LIST OF TABLES | 152 |
| LIST OF FIGURES | 153 |
| ANNEXURE..... | 155 |
| QUESTIONNAIRE..... | 155 |
| INTERVIEW QUESTIONS | 166 |
| Demographics List of Interview Respondents..... | 168 |
| Dedications and Acknowledgements | 169 |
| DECLARATION | 170 |

INTRODUCTION

Increasingly the stakeholders inside and outside the management community are raising concerns about corporate issues such as workforce diversity, employee treatment, and environmental protection. These issues are often grouped and labeled as sustainability or Corporate Social Responsibility (CSR). CSR can be defined as the treatment of all stakeholders of the organization in the ethical and socially responsible way. The stakeholders are both outside and inside the organization. When the organization acts in a socially responsible way, as a consequence it improves the human development of all its stakeholders (HOPKINS, 1998).

The academic debate on CSR is not new; it exists in the management literature for almost more than 45 years (WOOD, 2010). In this regard, businesses are accepted to make an effort to create a good working environment for employees where the diversity can be handled, devise environmentally friendly policies, encourages the fair distribution of money in societies and follow ethical practices (JENKINS, 2006).

CSR research is mainly done at the macro-institutional level and has mostly studied the link between CSR and corporate financial and competitive performance. The macro-level studies on CSR have mainly concentrated on the external component of CSR and on the interest of external stakeholders by addressing issues such as environmental sustainability, corporate philanthropy, and community development. Recently the researchers have started to point out that past studies on CSR have often overlooked work-related outcomes of CSR for the employees who are also legitimate stakeholders of the company. E.g. GLAVAS (2016) argued that organizations over the period of time have become very mechanistic and CSR presents the great opportunity for the organizational psychologists to present the humanistic view of the organizations and future CSR studies should emphasize on the incumbent employees. The conceptual framework of future studies should include multiple moderator and mediator variables from the multiple disciplines. Future research on CSR should provide the micro level analysis by developing and testing the models of CSR that can investigate that how, when and why CSR can affect the employee work behaviors and attitudes (KIM ET AL., 2017, KIM ET AL., 2010, GLAVAS, 2016). This dissertation will address this gap by offering micro-level analysis on CSR by developing and testing the explanatory mechanism by using mediation and moderation to explain that how and when CSR affect employee attitudes and behaviors.

The second gap that this study is intended to address is the lack of academic attention directed towards the internal dimension of the CSR and its relationship with employee behaviors. Moreover, there is a high need to further research and extend the debate on the effect of internal CSR on both positive and negative employee's attitudes and this dissertation is intended to bridge this gap by incorporating both positive and negative work behaviors in the study. Previous researchers have addressed the link between employees and CSR by mainly exploring the role of employee involvement in organizational CSR initiatives such as employee voluntarism and how it influences their attitudes. The internal CSR as a management tool to influence employee attitudes is mainly ignored. Although some theoretical and empirical evidence exists in the literature on the internal CSR and its effect on employee attitudes. These studies have by and large focused on the positive attitudinal and behavioral outcomes for employees such as organizational commitment and organizational citizenship behavior (OCB) (MORY-WIRTZ-GÖTTEL, 2016). The link between internal CSR and negative attitudes and behaviors such as organizational cynicism and stress are yet to be explored.

The third gap this dissertation is anticipated to cover is the lack of scientific inquiry on internal CSR in the under developing economies of the eastern world in the context of national culture by providing the empirical evidence. Being dominantly a western concept CSR is quite differently perceived and practiced in the eastern world because CSR is a concept that varies across socioeconomic and cultural context. The emerging economies like China have just started to realize the advantages of implementing CSR (HOFMAN-NEWMAN, 2014) but still, CSR in such economies are not considered to be an internally embedded process manifested in the core policies and strategies of the organization (MIJATOVIC-STOKIC, 2009). Moreover, the studies in the past have explored the link between CSR and national culture are based on the theoretical viewpoints or circumstantial evidence in form of case studies but the limited empirical evidence is available in this regard (RINGOV-ZOLLO, 2007).

Lastly, this study will extend the debate on CSR by drawing the focus on the dyadic link between the employee and the immediate supervisor. Past evidence on the CSR and its potential role in the social exchanges that take place in the organization has mainly concentrated on the social exchanges between employees and organization. But the question of how the social exchange between leader and follower can affect the CSR implementation and employee perception of CSR is not adequately answered. This gap will be filled by

integrating CSR with LMX to answer the question that when the leader's behavior might or might not cause the reciprocated behaviors of the followers (JONES CHRISTENSEN ET AL., 2014).

This dissertation is based on the argument that employees are the most important stakeholders of the organization and socially responsible policies towards employees can have great influence on their behavior that will eventually contribute to the organizational effectiveness. This study uses the mediation and moderation mechanism to develop the conceptual framework that offers the better understanding of how and why internal CSR affect the human behavior by exploring the role of national culture, organizational identification and leadership. Moreover, it provides empirical evidence of the real-life experiences of employees about internal CSR which is lacking in the existing literature. Theoretically, this work contributes to several fields of literature but more specifically it adds to the field of HRM, organizational behavior, and management by providing the micro level analysis that will primarily reflect the link between internal CSR and employee attitude and behavior.

Most of the research evidence in the existing literature are from the developed economies such as the United States and United Kingdom (CHAMBERS-CHAPPLE-SULLIVAN, 2003) but limited evidence is available regarding the CSR circumstances prevailing in the developing eastern economies (MATTEN-MOON 2004; VISSER 2007). There is still a lot to dig in depth in the context of developing eastern countries of the world like Pakistan (EDMONDSON-CARROLL, 1999; BURTON-FARH-HEGARTY, 2000).

Pakistan is emerging and developing an economy where the organizations in the recent years are facing enormous pressure from different stakeholders to introduce and implement CSR initiatives e.g. according to the guidelines of SECP the CSR disclosure is now mandatory on the official websites of public listed companies. None the less CSR in Pakistan is still understood as philanthropy, public relations practice or a marketing tool that is completely external to the organization. So it can be argued that the concept of CSR in Pakistan is still in its infancy. There is a need to create corporate awareness about CSR issues that are beyond philanthropy such as internal CSR and its related impact on employees. This dissertation will contribute to this cause by answering the question that; will there be any positive influence on employees if companies engage in CSR.

Finally, this study contributes to the stream of research that argues that CSR is a culturally specific concept and the expectations regarding how businesses should behave vary across

societies. This argument is of high strategic value and should be supported by empirical evidence which is one of the intended purposes of the study. In order to make decisions. Same standardized approach can't be applied in all cultural settings, but it might require high investments to understand and adapt actions and decisions that are suitable for particular local context (RINGOV-ZOLLO, 2007). This study can be useful in understanding the specific cultural context and facilitate strategic decision making, especially of multinationals who can tailor their policies according to the local needs of a specific cultural context.

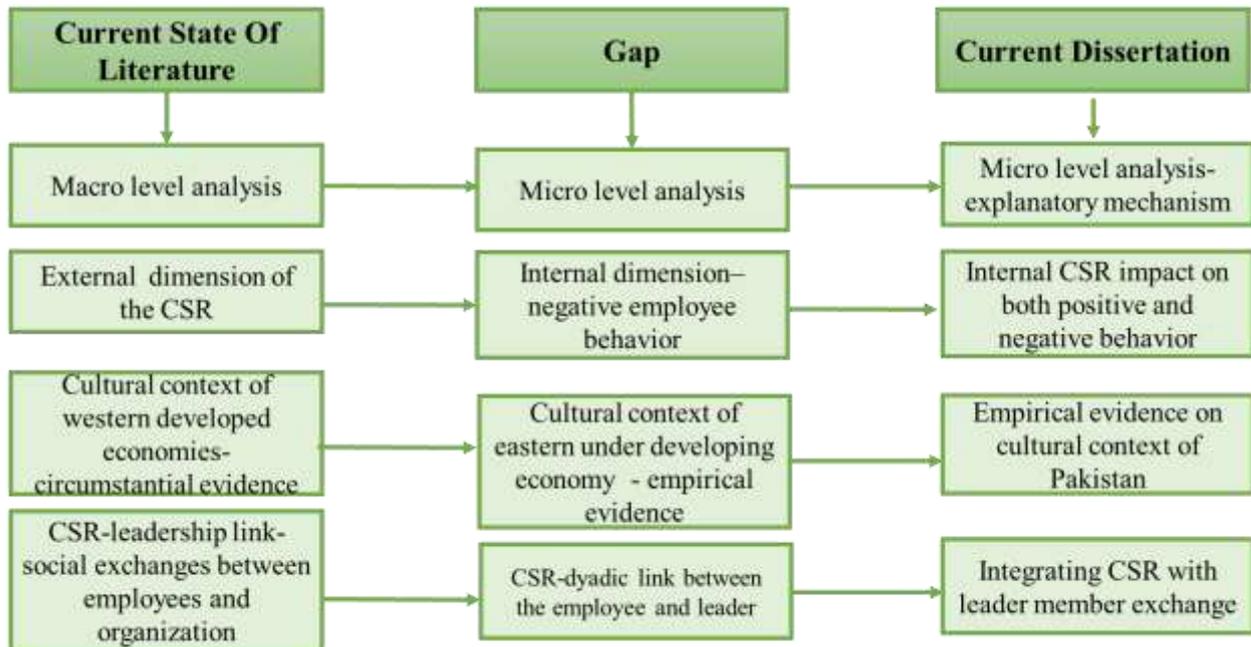


Figure: Gap Analysis
Source: Author's own construction (2019)

1. TOPICS AND OBJECTIVES

1.1 Aims of the Research

This dissertation is intended to highlight the interaction between CSR initiatives directed towards employees and its impact on the work attitudes and behaviors. My main focus drives from the gaps that exist in the literature regarding the development of explanatory mechanism using multiple mediators and moderators for a better explanation of how and when internal CSR impact employee behavior.

1.2. Research Objectives

The current study is intended to serve the following objectives:

1. The primary objective of this study is to examine the impact of internal CSR on positive and negative employee behavior
2. To examine the role of national culture, in the relationship between internal CSR and employee behavior
3. To examine the role of organizational identity in the relationship between internal CSR and employee behavior
4. To examine the role of leadership in the relationship between internal CSR and employee behavior
5. Achieve the aforementioned objectives by proposing and empirically testing the deductive theoretical model that can explain how and when the internal CSR affect the employee behavior

1.3 Research Questions

The research objectives of the study are translated into the following research questions that will further guide the empirical work and findings of the current dissertation:

1. How the internal CSR affects the positive and negative employee behavior?
2. What is the role of national culture in the relationship between internal CSR and employee behavior?
3. How the organizational identity of the employee affects the relationship between internal CSR and employee behaviors?
4. How leadership influences the link between internal CSR and employee behavior?
5. What is the possible mechanism that can explain the process through which internal CSR influence the employee behavior?
6. How and to what extent the examined organizations highlight and report the internal CSR in their public CSR disclosures?

1.4 Structure of the Dissertation

This dissertation is composed of six chapters namely topics and objectives, technical literature review, material and methods, research findings and their evaluations, conclusions and recommendations and finally main conclusions and novel findings.

Chapter 1 explains the topics and objectives of the dissertation. The main objective of the study is to examine the relationship between internal corporate social responsibility and employee positive and negative attitudinal and behavioral outcomes. Moreover the explanatory mechanism is proposed and empirically tested to explore that how and when internal CSR influence employee behavior. To serve this objective the study incorporates the moderating role of culture, leadership and mediating role of social identity in the explanatory mechanism.

Chapter 2 provides the overview of the technical literature review and exhibit comprehensive knowledge by operationally defining the variables and providing supporting arguments for the links that exist between the variables to achieve the study focus. The aim of this chapter was to propose the deductive theoretical model by delineating the diverse theoretical positions for generation of hypotheses.

Chapter 3 explains the material and methods implied to meet the objectives of the dissertation the study adapted the mixed methodology approach to answer the intended research questions. Quantitative data for the study was collected through the self - administered questionnaires whereas the qualitative data was collected through the document analysis and in-depth interviews. The sample of the quantitative study consisted of 530 employees working in the top five banks in Pakistan and for the qualitative study 25 employees were interviewed, from the various banks in Pakistan. Document analysis was used to answer the question related to public disclosers of the internal CSR policies of the banks. Thematic content analysis was used to analyze the interview responses. To achieve the main objectives of the study the quantitative study results were analyzed by employing Structural equation modeling (SEM). SEM was used to test the link between internal corporate social responsibility and employee attitudes and behavior. Path analysis was used to test the mediation. Process method written by Hayes was used to test the moderation hypothesis.

Chapter 4 shows the research findings and their evaluations. Qualitative study results show that out of five leading banks 3 banks didn't disclosed their internal CSR policies. The interview results generally supported the links identified in the theoretical model and supported the empirical testing of the model. Results revealed that internal CSR significantly influence the employee behavioral outcomes. The internal CSR was positively and significantly linked with work engagement, knowledge sharing behavior, organizational citizenship behavior similarly internal CSR was significantly and negatively linked with stress and organizational cynicism. However there existed insignificant negative relationship

between internal CSR and perceived organizational obstruction. Further the results showed that organizational identification mediated the relationship between internal CSR and employee attitudinal and behavioral outcomes.

Study found significant support for moderating variables collectivism and leader-member exchange. Although all the hypothesis related to the moderating role of LMX were not supported. The interaction effect of internal CSR and collectivism was found significant. Similarly the interaction effect between organizational identification and LMX was also significant for work engagement, knowledge sharing behavior, organizational citizenship behavior and organizational cynicism.

Chapter 5 describe the conclusion of the study. Based on the conclusions of the study at the end the implications along with limitations and future research directions are suggested.

Chapter 6 presents the novel findings of the research and conclude the dissertation. The novel finding of the research is that the interaction effect of organizational identification and LMX was found to be insignificant for stress and perceived organizational obstruction.

At the end of the dissertation, references, annexures of questionnaire and interview questions, list of figures, tables, and author's publications are attached.

1.5 Research Approach

The objectives of the research is achieved by developing a deductive model through the synthesis of the analytical review of the literature and later the empirical evidence is provided on the proposed model by testing it on the sample of employees from the leading banks in Pakistan.

In the current dissertation, mixed method research design is implied. Mixed method research involves the collection, analysis, and interpretation of quantitative and qualitative research in the single study. The underlying assumption for using a mixed method approach in this study is that combination of qualitative and quantitative approaches can provide a better understanding of the research problem under investigation that either of the approaches alone can't explain comprehensively (CRESWELL-CLARK, 2007).

The qualitative study implied document analysis and in-depth interview. The main purpose of employing qualitative study was done to ground the testing of the model well. The derived model measured the relationship between the variables that were empirically tested using structural equation modeling, mediation and moderation analysis.

1.6 Hypotheses of the Study

For a long time the substantial research on CSR remained mostly conceptual in nature. Later the research focused on providing empirical evidence on the outcomes of CSR such as corporate financial performance and corporate social performance (WALSH-WEBER-MARGOLIS, 2003). Currently, the research on CSR has been shifted to new agendas for the improved understanding of the concept and its implications (GLAVAS, 2016). It is time to move forward the CSR research from the macro level to the micro level and also develop and test the complex models of CSR that go beyond financial, social and environmental outcomes of CSR. Therefore, academics have begun to highlight the need to investigate the internal aspect of CSR that is specifically related to a micro-level analysis involving the important stakeholder i.e. employees. It is of heightened importance to address questions such as how and when internal CSR affect human behavior in the organization because employees are the key stakeholders. They are concerned about, contribute and respond to the organization's CSR policies, especially those that are directly linked to them (GLAVAS, 2016). Their evaluations about those CSR initiatives are subsequently connected with the fulfillment of their psychological needs that in return influence their work attitudes and behaviors. *This study is intended to address this need by examining the hypotheses*

H1: Internal CSR will be positively related to work engagement, knowledge sharing behavior (KSB) and Organizational Citizenship Behavior (OCB) and 2)

H2: Internal CSR will be negatively related to stress, Perceived Organizational Obstructionism (POO) and organizational cynicism.

Research on CSR has traditionally focused on the organizations in developed economies such as the United States of America, United Kingdom, and Australia. But in recent times, researchers are more interested in knowing how CSR is perceived and practiced in the developing economies that are rapidly growing and moving towards capitalistic orientation. The existing research on CSR in developing economies has largely ignored the contextual factors such as societal, political, legal and cultural (TILT, 2016). These factors can have a significant influence on the explanation and application of CSR and its related theories. These emerging economies have unique legal, political, and cultural context. These economies are going through the process of industrialization, but often have weak political and legal infrastructure. As a result, there are negative social and environmental effects such as pollution, child labor, low salary, unequal career opportunities, and occupational health and

safety concerns. So the contextual consideration such as the inclusion of cultural context in the examination of CSR is extremely important in order to avoid faulty understandings that are based on evidence from research in the developed western world (TILT, 2016). The inclusion of cultural context in the CSR studies in emerging economies can enhance understanding of the determinants and consequences of these initiatives. Therefore this study will examine the role of national cultural dimension of collectivism in the relationship between internal CSR and employee behavior by testing the hypothesis that *collectivism*

H3: *Collectivism will moderate the relationship between internal CSR and organizational identification.*

The positive social identity enhances employee's engagement in various work-related outcomes because social identity is a strong motivator that engages employees in cooperative behaviors and at the same time disengage them from negative behaviors. When employees strongly identify with the organization they are more inclined to make efforts that can overall benefit the organization (CARMELI ET AL., 2011). Positive social identity is found to be related to affective commitment, organizational citizenship behavior and knowledge sharing (FU ET AL., 2014, CARMELI ET AL., 2011). Similarly, RIKETTA (2005) reported in the meta-analysis of OI that numerous studies have found OI to be associated with various work-related outcomes such as job satisfaction, absenteeism, turnover, and in-role and extra-role behavior. Therefore this research will further examine the role of Organizational identification in the relationship between internal CSR and employee behavior by testing the hypothesis that *organizational*

H4: *Organizational identification will mediate the relationship between internal CSR and work engagement, knowledge sharing behavior OCB, stress, POO and organizational cynicism.*

Leadership is a fundamental concept in the study of human behavior in the organizations. Its importance is highlighted historically by the fact that, leaders were credited for the organizational success by designing and implementing competitive strategies (JONES CHRISTENSEN ET AL., 2014). Leadership literature can be used to further extend the debate by developing the explanatory mechanisms in the domain of CSR, especially at the individual level. The leader's impact in the context of internal CSR and work-related outcomes is having relevance because the discussion on the desirable work attitudes and behaviors revolve around two types of exchanges. One; the exchange between the employees and the organization and the other is the exchange between the employees and their leader.

The former is termed as perceived organizational support and later is termed as a leader-member exchange (LMX) (AGARWAL, 2014). For this purpose, the leader-member exchange theory can be a useful moderator that can offer an explanation that when the link between internal CSR and employee attitudes and behaviors will be stronger or weaker. Lastly, the current study will examine the moderating role of leadership in the relationship between internal CSR and employee behavior by testing the hypothesis that *leader*

H5: Leader member exchange will moderate the relationship between organizational identification and work engagement, knowledge sharing behavior, OCB, stress, POO, and organizational cynicism.

2 . TECHNICAL LITERATURE REVIEW

2.1 History of Corporate Social Responsibility

Peter Drucker wrote one of the most influential books in the management literature *Concept of the Corporation* (1946). The book was based on a study of General Motors. DRUCKER (1993) later explained that how the General motor was the first one among the large American companies to recognize the responsibility of its actions towards society. It had policies inside and outside introduced, e.g. inside it had a zero accident policy and supervisors had a responsibility to implement this policy and for outside they modified the time schedule to reduce the traffic jams (SMITH, 2009).

The modern history of Corporate Social Responsibility can be dated back to 1953 when Howard R. Bowen wrote a famous book titled “*Social Responsibilities of the Businessman*” was published. In this book he raised the concerns regarding the businesses operating in the United States of America, he argued that these businesses are power hubs; their decisions and actions affect the general public in many ways. He asked a question that till date is to be precisely answered that what can be the responsibilities of the businessmen towards the society. BOWEN (1953) defined CSR as the responsibility of the business to follow those policies, make decisions and actions that are anticipated by the society in relation to its values and objectives. When Bowen wrote the book at that time there were not many businesswomen, so they were not part of formal literature. But the situation is different since then and now there is a significant representation of women in the business. Initially, the academia played the crucial role in the development of the CSR concept. In this regard the scholars like Keith Davis, Joseph McGuire, Adolph Berle, William Frederick, and Clarence

Walton, Archi have made valuable contributions in defining the concept of CSR. But since then the concept of CSR has evolved in many ways, especially after the moments that raised the concerns to protect consumers, environment, the general public, women, and minorities in the 1960's(CARROLL, 2016).

As mentioned above the concept of CSR has evolved over the period of time in many ways. In this regard, several authors have contributed to defining CSR. MOURA-LEITE-PADGETT (2011), examined the chronological conceptual evolution of CSR from the 1950s to 2000s. According to them, in the 1950s the focus of CSR research was a society with a slight debate on how it can be linked with the business benefits. As mentioned above Bowen's ethical argument started the modern debate on CSR in the 1950s. In the famous book "The Practice of Management" written by Peter Drucker in, Drucker incorporated social responsibility as one of the eight core functions that business should focus.

The 1960s was mainly dominated by the debate on actually defining what CSR is, actually what it means and why is it so important for the business and society with very little focus on the link between CSR and its outcomes such as corporate financial performance. Moreover, companies perceived that it is the responsibility of the company to fulfill the expectations that are communicated by its stakeholders. For example, MCGUIRE (1963) defined CSR as the responsibilities of the corporation towards a society that is beyond just its economic and social responsibilities. In 1962 the capitalistic view on CSR was presented by Milton Friedman. He argued that the only responsibility of the business is to do business; CSR undermines its very own existence when it negates the basic capitalistic principle of profit maximization (MOURA-LEITE -PADGETT, 2011).

In 1970's CSR research was mainly focused on the issues such as corporate philanthropy, stockholder, employee and customer relations. During this era businesses and society were affected by legislation that was intended to protect the rights of employees and consumers. During the 1970s, many researchers followed the enlightened self-interest model and were of the view that businesses should engage in CSR without hurting its basic functions. SETHI (1975) defined CSR as getting the corporate behavior to the point where it becomes compatible with the existing norms, values, and anticipations of the society regarding the performance. During the 1970's CARROLL (1979) presented the four-dimensional model of CSR. This model is still one of the influential models in the field of CSR research.

The era of 1980's focused on defining CSR and related concepts such as corporate social performance, social responsiveness, business ethics, and corporate citizenship. During this time the business and corporate interest came closer. The dominant research during the time was of Thomas M. Jones's (1980). JONES'S (1980) defined CSR as the concept that the businesses have a responsibility towards the fundamental groups in the society beyond the shareholders and its more than what is defined by the legislation, union contract, demonstrating that there are stakes other than just ownership. He emphasized on the implementation of CSR rather than just conceptualization of CSR. Moreover, he argued that the CSR process should be fair and instead of outcomes stakeholders should have participation in decision making. During 1980's the book "Strategic Management: A Stakeholder Approach" written by FREEMAN (1984) was a valuable contribution to the field of CSR. He presented the stakeholder theory and according to this framework, the core concern is the corporate performance that is influenced by not only shareholders but by other stakeholders such as employees, consumers, the general public, and government (MOURA-LEITE -PADGETT, 2011).

1990's up till now CSR has established itself as universally acceptable phenomena. Due to its growing importance businesses, governments, non-government organizations, employees and communities all support CSR. The most comprehensive work in the 1990's was done by WOOD'S (1991). She presented the model of CSR that was more inclusive than the earlier models. She presented three principles of CSR, social legitimacy (institutional level), public responsibility (organization level), and managerial discretion (individual level). Moreover, she introduced the concept of social responsiveness and highlighted three types; environmental assessment, stakeholder management, and issues management. She initiated a new debate in the CSR literature on outcomes of corporate behavior. MACLAGAN (1998) defined CSR as a process in which the management is responsible for recognizing and obliging the interest of all stakeholders that are affected by the actions of the business.

CSR in the 2000s became more of strategic importance to the companies. BARNETT (2007) defined CSR as a voluntary distribution of business resources to improve community welfare that will in return improve the relationship of the business with its key interest groups. In the 2000s the social and environmental sustainability became necessary for the institutional legitimacy consequently the debate in the 2000's on CSR was linked to corporate financial performance. In the 2000's the focus of CSR research shifted from ethics to performance, from macro to organizational level analysis (MOURA-LEITE -PADGETT, 2011).

2.2 Corporate Social Responsibility Definitions

There are numerous definitions of CSR exist in the literature. Different authors have defined CSR differently as discussed above the chronological evolution of the CSR and its definitions. In this section, the definitions of CSR are discussed below since 1950's used in the literature and most relevant to the objectives of the current study.

HEALD (1957), defined CSR as an essential responsibility of the management towards the society that is beyond the objective of profit maximization but extends to humanity and beneficial societal policies.

WALTON (1967) defined CSR as the concept whereby the top management has to give importance to the relationship between the organization and the society such that this relationship has to be given importance during the pursuit of goals by the organization and its related stakeholders.

CARROLL (1979), defined CSR in a pyramid having four dimensions. In this model of CSR Carroll identified four responsibilities of the business, namely economic, legal, ethical and philanthropic. Bottom of the pyramid is the economic responsibility of the business that is to earn a profit by making and selling products and services. After the economic responsibilities come the legal responsibility of the business which to do the business, according to within the legal parameters. Ethical responsibilities of the business are those that are mandatory or enforced by law but are deemed ethical by the society. Philanthropic responsibilities lie at the top of the pyramid in which the company engages in discretionary activities (CARROLL, 1991).



Figure 2-1: Model of Corporate Social Responsibility
Source: CARROLL (1991)

All the four responsibilities address employees and they are almost affected by all four. For example, economic responsibility influences the employees, mostly because if the company is not doing financially good employees will be affected the most after the shareholders. Now a day legal and ethical responsibilities affect the employees since employees quiet frequently raise litigation and ethical issues. Lastly, the philanthropic issues are more recently found to be linked with employee motivation and engagement (CARROLL, 2016).

PINNEY (2001) defined CSR or corporate citizenship as a set of management initiatives that are intended to minimize the negative influence of an organization's processes on the society while maximizing its positive influence.

Another definition is by KILCULLAN-KOOISTRA (1999) they defined CSR as the degree to which moral responsibilities can be attributed to the organization beyond mere legal compliance.

LEA (2002) defined CSR as going beyond the legal compliance to manage the impact of business and non-business organization to minimize its impact on the society and the environment. It especially deals with the interaction of the organization with its shareholders such as employees, customers, suppliers and the community in which they function and also deal to protect the environment.

JACKSON-HAWKER (2001) defined CSR as how companies treat their employees, their stakeholders, and the environment.

2.3 Determinants of Corporate Social Responsibility

There are various factors that determine the organization's engagement in the CSR. These can be classified into three levels 1) firm-level determinants which include the past financial performance and organizational size 2) industry-level determinants such as intensity of competition in the industry and 3) national level determinants which include the legal framework of the country and its societal culture (PENG-DASHDELEG-CHIH, 2014).

2.4 Approaches to Corporate Social Responsibility

There are three main approaches found in the literature to study CSR. These approaches are competitive with each other and offer a different perspective. Ethical responsibility is a pure altruistic approach which is based on the voluntary contribution of the organization towards

the society and stakeholders. The prominent aspect of this approach is corporate philanthropy which may involve monetary and non-monetary contributions. Corporate philanthropy is the discretionary allocation of shareholder's wealth to the social causes. Another aspect of the ethical approach is self-restraint which is based on moral decisions to avoid taking advantage of those market opportunities that are left unregulated by laws. Moreover, this approach emphasizes the liberal public relation policy to protect and enhance the interest of all stakeholders (WINDSOR, 2006).

The second approach to CSR is based on the economic responsibility theory. This theory emphasizes on creating wealth with very minimum emphasizes on the public policy and customary business ethics. According to this approach, organizations should not take any discretionary actions. The roots of this theory can be found in the famous book *The Wealth of Nations* written by SMITH (1776). According to Smith, there is a concept of the invisible hand, which states that the individual's decisions that benefit them will actually benefit the economy as a whole. In such circumstances, government interference and altruistic corporate behavior might produce negative results even unintentionally. Similarly, FRIEDMAN (1996) view of corporate social responsibility that the organization's only responsibility is profit maximization for as long as it stays in the parameters identified by the law also supports the economic theory of CSR (WINDSOR, 2006).

A third approach to CSR is based on the corporate citizenship theory. Contrary to the theories discussed above that completely ignore the economic perspective during the discussion of the responsibility of the business. An instrumental citizenship interpretation takes a strategic approach to corporate philanthropy by linking it to the company's bottom line. It can be used to improve the corporate reputation and exploit the market opportunities but at the same time keeping it at management's discretion (WINDSOR, 2006).

PORTER-KRAMER (2002) explained the link between corporate philanthropy and the competitive advantage of the company. They argued that if companies handle corporate philanthropy strategically it can improve its competitive position. When the corporate donations are randomly made just for the sake of improving its goodwill and reputation, it will merely contribute to the long terms of the company. Corporate philanthropy has to be well-planned and social and economic objectives of the company have to be aligned. Although the economic and social objectives of the company are diverse if the common ground can be found, it can contribute to the long-term objectives of the company. In this

regard, companies can identify those social causes that are linked to the company's business. This will create a synergy which will improve both the economic and social performance of the company (COCHRAN, 2007).

GODFERY (2005) used the term philanthropic moral reputational capital, which is referred to it as moral capital: perception based construct defined as the evaluation of the companies' philanthropic activities by stakeholders. He argued that corporate philanthropy can lead to positive moral capital, but its development is influenced by the community perception of philanthropic activities. In order for the company to create positive moral capital, philanthropic activities should be consistent with the community value system and should be perceived as genuine not merely an impression management tactic to seek favors.

2.5 Corporate Social Responsibility Reporting

In simple words, CSR reporting can be defined as a process through which organizations communicate with their stakeholders about social and environmental issues. The Public information model can be used to explain CSR reporting according to which in the organization should communicate to the general public that what it has done to be socially responsible and also need to report on any drifts that caused irresponsible behavior. CSR reports can be mandatory, solicit or voluntary. Mandatory disclosures can be worthwhile as these are regulated by the state and ensures the minimum availability of information to protect the interest of all stakeholders. Solicit reports are the most uncommon form of CSR reports. The fundamental feature of solicit reports is the request for information from the specific stakeholder group. Voluntary reporting is the most popular form of reporting as it provides the opportunity for the organization to present its image in a desirable way to the stakeholders. Over the period of time, public pressures are increasing to develop policies for CSR reporting and this is an important driving factor for the regulators all across the world to introduce the guidelines, accreditations, and standards for the CSR reporting. These attempts are to persuade the companies to companies to be socially responsible (GOLOB-BARTLETT, 2007).

CSR strategies enhance and strengthen the relationship of an organization with its stakeholders. In order to manage these relationships, it is important for the organizations to communicate with the stakeholders about their CSR activities (HOU-REBER, 2011). CSR reporting is linked with developing trust and benevolence among the key stakeholders. It improves the stakeholder's understanding of organization's socially responsible initiatives by

enhancing the corporate image and reputation in the mind of the stakeholders, especially the employees with whom the organization has a relationship based on positive exchanges.

In the past, the economic, legal, ethical and philanthropic dimensions of CSR are commonly reported by the companies but the reporting representation varies across companies. E.g. ELLERUP-NIELSEN-THOMSEN (2007) reported wide dissimilarities in the content of CSR reporting in terms of priorities given to different stakeholders and levels of contextual information and ambitions. Moreover, they argued that the companies have diverse interest based on their affiliations with the different institutions such as government, and NGOs. In this regard, HOU-REBER (2011), in the study of ten US media conglomerate, suggested the logical representation categorization for the CSR reporting as the environment, diversity, community, and employee relations.

2.6 Dimensions of Corporate Social Responsibility

According to UDDIN-HASSAN-TARIQUE, (2008), the major objective of CSR is to make businesses sustainable in three aspects i.e. economic, social and environmental. The businesses have to economically sustainable because it is tied to the interest of all stakeholders. The sustained business operations in a profitable manner ensure the continuity of payments and taxes, which has long-term repercussions for the interest of all the stakeholders. The social aspect is related to the impact of business on the interest of stakeholders, including employees, customers, and communities. Deliberations of the business policies and practices affect the well-being of these stakeholders. Whereas the third aspect relates to environmental sustainability by reducing the negative impact of companies' actions on the environment by proper waste management, efficient use of resources and recycling.

AGUILERA ET AL. (2007), EUROPEAN COMMISSION (2001), BRAMMER ET AL. (2007), LIGETI-ORAVECZ (2009) and SMITH (2007) developed the internal and external dimensions of the CSR. In the literature, different names of these dimensions can be found such as internal and external social roles (LIGETI-ORAVECZ, 2009), actions within and outside the firm (AGUILERA ET AL., 2007) and internal and external dimensions (EUROPEAN COMMISSION, 2001).

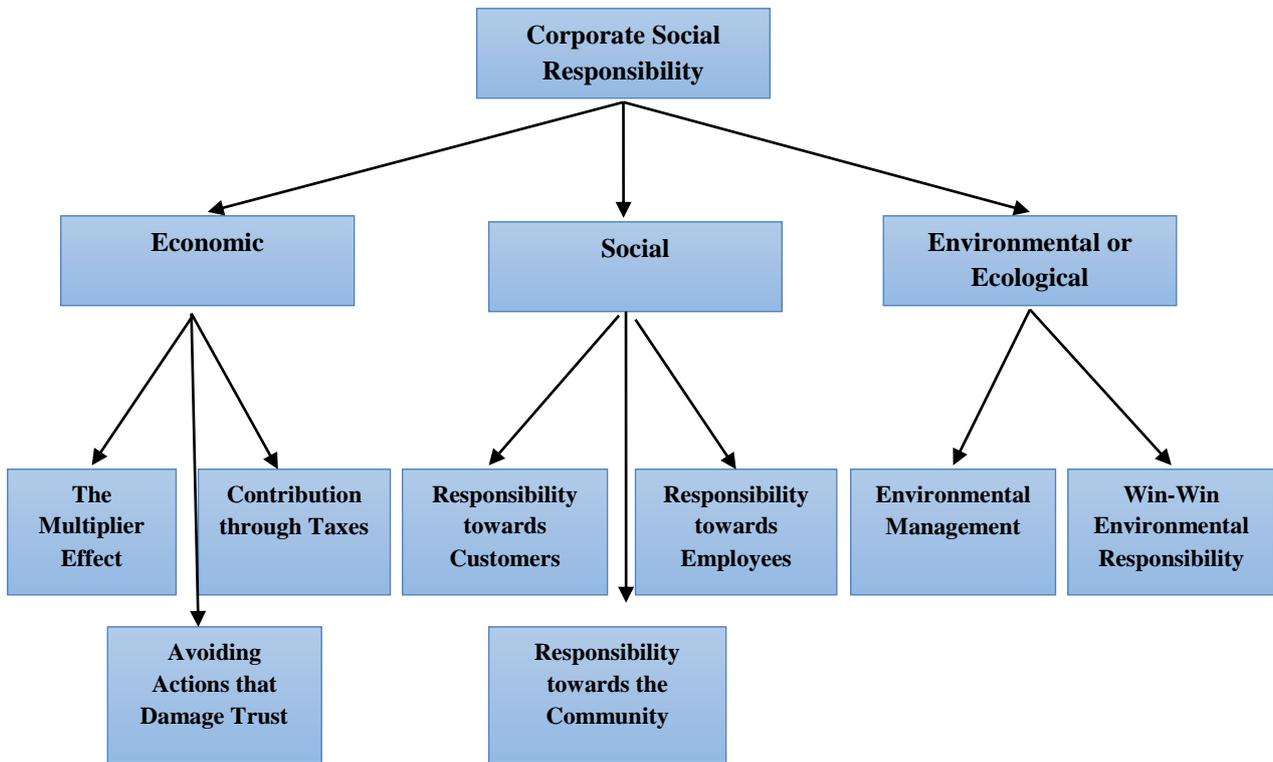


Figure 2-2: Aspects of Corporate Social Responsibility

Source: UDDIN ET AL., (2008)

According to AGUILERA ET AL. (2007) CSR initiatives include the actions within and outside the organization. Within the organization, CSR actions can be related to labor and environment such that modification of production processes to make businesses environmentally sustainable and altering labor relationships inside the organization and across the organization’s value chain. Outside the organization, CSR actions are related to local community investments through various philanthropic programs.

EUROPEAN COMMISSION, (2001) precisely defined the internal and external dimension of Corporate social responsibility. Internal CSR comprises of issues and actions related to employees and the environment. From the employee perspective internal CSR incorporate three main issues 1) Human resource management, 2) workplace health and 3) safety adaption of change. The measures included in HRM are training and development, non-discriminatory recruitment practices, work-life balance, diversity management, and equal pay.

Health and safety at work are related to introducing preventive schemes to ensure a higher level of occupational health and safety. Moreover, due to the increasing trend of outsourcing these schemes are extended to the organization’s contractors to meet certain health and safety criteria by getting some certifications for approval. The major issue addressed in adapting to change is restructuring in a socially responsible way such that the interest of all stakeholders

is taken care of through open consultation and information. The component of internal CSR related to environment deals with the management of environmental impacts and natural resources (EUROPEAN COMMISSION, 2001).

The organization has a wide range of CSR initiatives that are directed towards its external stakeholders such as communities, suppliers, customers, lenders, partners and Non-Governmental Organizations (NGOs), the environment and these actions can be grouped under the external dimension of CSR. Companies interact with local communities by providing employment, a clean environment, supporting charities associated with various social causes and building social capital. Moreover, the organizations can develop codes of conduct that cover the areas such as human rights, environment, and working conditions of the suppliers and contractors involved their supply chain (EUROPEAN COMMISSION, 2001).

2.6.1 External Corporate Social Responsibility

As mentioned above, external CSR comprises of the activities related to external stakeholders such as customers, community, and other business allies. In this case being responsible to the customer means providing customers with quality products and services. It requires managing the relationship with customers beyond selling quality products and services such as resolving complaints and welcoming suggestions. Being socially responsible for business allies requires businesses to persuade them to follow the standards that ensure the quality of goods and services. Another significant issue associated with external business allies is to enforce the labor laws, especially in the developing economies and engage in fair trade transactions.

An external CSR major component that is highly emphasized by the businesses and academicians is social responsibility towards the community. Businesses engage in philanthropic initiatives to support different social causes such as health, education, sports, and culture. Companies donate financial and non-financial resources to various community-related products and in doing so companies not only create value for communities but also for the firm. Since a company's social performance help improve its corporate reputation (SKUDIENE-AURUSKEVICIENE, 2012).

2.6.2 Internal Corporate Social Responsibility

This dissertation primarily focuses on the internal dimension of CSR; so it is important to mention the operational definition of internal CSR used in this research. In this dissertation, Internal Corporate Social Responsibility (ICSR) refers to the socially responsible behavior of the organization towards its employees. Socially responsible behavior can be manifested through various CSR activities that are aimed at endorsing employee stability, a positive working environment, skills development, diversity, work-life balance, empowerment and tangible employee involvement (MOREY ET AL., 2016).

MOREY ET AL. (2016) used the framework of SET and listed factors of internal CSR namely 1) employment stability, 2) working environment, 3) skills development, 4) workforce diversity, 5) work-life balance, 6) tangible employee involvement and 7) empowerment. According to SET in the process of social exchange people continuously exchange resources in order to find give and take balance. MOREY ET AL. (2016), used the characterization of such resources based on the work of FOA-FOA (1980). These resources are content and consequence of the process. FOA-FOA (1980) listed six resources named as 1) Love: is the affection and warmth shown to the employee by the organization, 2) Services: the activities of the organization that affect the body and belongingness of the individual, 3) Goods: are any physical items and resources, 4) Money: is any currency, coin or any financial resource having any exchange value, 5) Information: is the guidance, directions, and clarifications and 6) Status: is the sense of pride and respect.

MORY ET AL. (2016), used these six resources to drive the seven factors of internal CSR mentioned above. Employment stability is linked to a resource of love and it shows the extent to which the company provides secure and stable employment to its employees. Skills development reflects the extent to which the company helps the employees enhance their skills. Work-life balance is connected to the resource of services and it shows the extent to which the company facilitates the employee to balance their professional and personal life so the demand from both doesn't interfere with each other. Workforce diversity is also connected with the resource of services and it shows the extent to which company promotes gender equality and also how it prevents discrimination against minorities and other marginalized groups, working environment is linked with resource of goods and it shows the concern of the organization about the physical and psychological well-being of the employees by providing them safe and healthy working environment. The resource of money is linked to

tangible employee involvement and it shows the pure tangible and financial involvement of employees whereby the company shares the portion of profit and capital with employees. And finally empowerment is linked to the resources for information and it is connected with the freedom of the employee to make decisions regarding goal settings and ways to approach them.

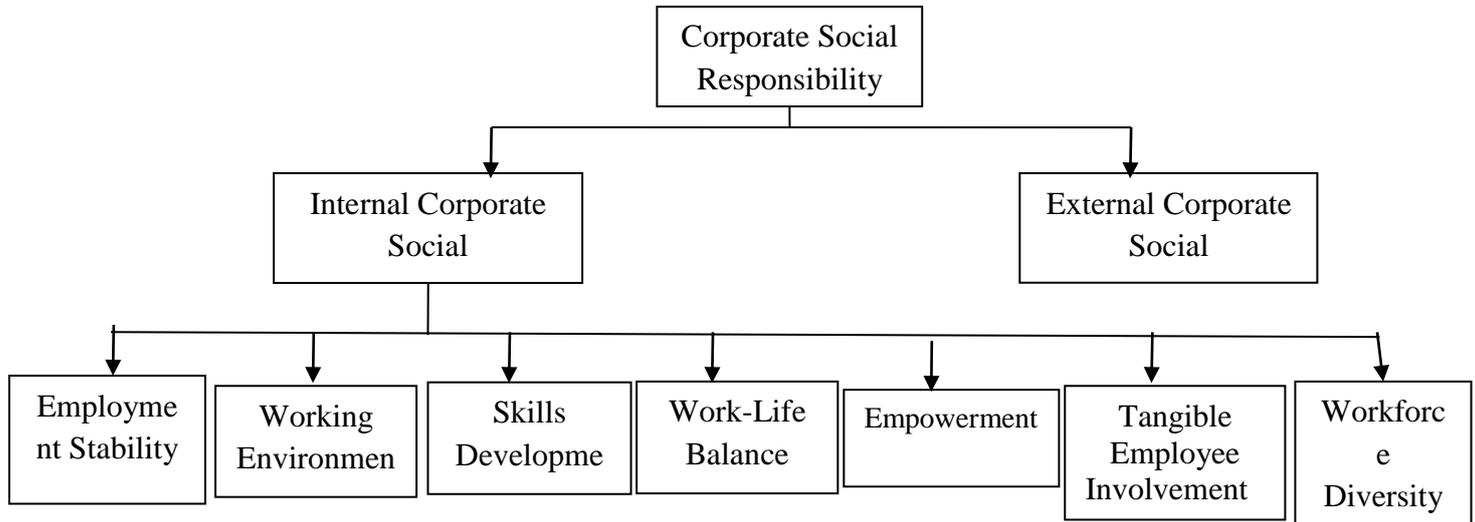


Figure 2-3: Internal Corporate Social Responsibility

Source: (MORY ET AL., 2016)

2.7 The Link between Human Resource Management and Internal Corporate Social Responsibility

Interesting fact about CSR is that it is concerned with the rights and interest of all the stakeholders, including both external (shareholders, customers and government etc.) and internal (employees). In recent years, there are numerous terms introduced to address the rights and needs of employees such as family-friendly HRM, HRM ethics, work-life balance, and flexible employment. But more recently the term Socially Responsible Human Resource Management (SR-HRM) has gotten attention from researchers (SHEN-ZHU, 2011). These labor relations researchers emphasize on the implementation of labor laws, but HRM, when linked with CSR, is actually going above the legal requirements regarding employee rights and needs.

There are three main components of SR-HRM: 1) legal compliance HRM, it requires companies to follow the legal standards set by law and international labor organization such as equal opportunities, health and safety, and child labor etc., 2) employee oriented HRM

addresses the needs of the employees beyond the minimum legal requirements such as personal and career development, justice, and feedback etc., 3) CSR facilitation HRM which enable the organization' HRM to facilitate its CSR initiatives so it can take care of both internal and external stakeholders (SHEN-ZHU, 2011).

CHANG-OH-MESSERSMITH (2013) linked High-Performance Work System Practices (HPWSPs) with CSR. They argued that HPWSPs can improve the link between the relationship between corporate social performance (CSP) and corporate financial performance (CFP) by aligning the employee behavior with the strategic goals of the organization. For example, the employment security generates the perception of norms of reciprocity that develop a strong relational contract of an employee with the organization. Employees having strong norms of reciprocity tend to engage more in open-ended exchanges with the organization in which they have less concern for immediate self-interest. They further argued that such employees are better at internalizing the organizational values and delegate more time and effort towards the implementation of CSP initiatives which further enhance CFP.

The prerequisite for a good relationship with external stakeholders is the healthy employment relations with the employees. The HR department can help organization achieving this prerequisite by fulfilling the responsibilities that it has towards its employees. So it can be said that Human Resource (HR) department has a very strong link with the implementation of CSR. The success of CSR initiatives is tied with the effective execution of HR policies and practices, such as selection and recruitment, training and development, compensation management. The perceptions of the employees about these HR practices affect their perception of trust and more importantly, their perception of how the organization treats them. E.g. the selection method should be unbiased, the performance management system should not be just about accountability, but should provide the employee's opportunity to learn and compensation systems should be designed ethically. In this way, HR can contribute to the formulation of effective CSR policies in general and more specifically towards internal CSR initiatives (COLLIER-ESTEBAN, 2007).

The link between internal CSR and HRM can be explained in a way that CSR can be used as a tool to attract, retain and motivate the employees. Here it can be argued that internal CSR for efficient HRM is representation of unitarist philosophies of HRM where CSR becomes a handy method for the alignment of employee interest, values and goals with that of employer;

or specifically a type of “high commitment” or “soft” HRM. Internal CSR can be a source of psychological contract between the employee and the organization. Here it is interesting to mention that since the internal CSR is related primarily with the employees and the employment practices (HRM practices) whereas the external CSR is concerned with the costumers and the community at large. The employee’s behavior such as their commitment with the organization is more strongly affected by the internal CSR as compare to the external CSR.

Over the period of time the employment relationship of employee and employer have become unstable due to the increasing practices of out sourcing and temporary employment contracts. In such circumstances the internal CSR can be source of psychological contract and be thought as replacing the old formal contract format that use to had traditional fixed employment obligations between the employee and employer. Here also it is worth mentioning that internal CSR can serve as an informal soft legislation. The internal CSR can be used a way to achieve the standards for socially responsible.

It is difficult to differentiate between internal CSR and HRM narrowly. In fact both these concepts are complex and interactive in nature. PREUSS ET AL. (2009), argued the capability of both HR and labor unions to outline the company policy, identify two significant aspects: that diverse regional locations may involve diverse features of CSR being formed by diverse groups of players; and that different stakeholders such as employee legislative bodies and trade unions can play an essential part in CSR-HRM.

There are numerous studies that offer some insights about the overlapping that exist between the CSR and HRM. These studies can be used to further explain the conceptual overlap between internal CSR and HRM. Instead of considering them as one concept, there can be some common themes be identified that can show the areas of mutual integration and overlapping for both the constructs. PREUSS ET AL. (2009) and MARTÍNEZ LUCIO AND STUART (2011) identify the key area of integration between internal CSR and HRM i.e. is the stakeholders. In this case the integration not only include the organization and employees but also include labor unions, government and community.

2.8 Underpinning Theories

In the current dissertation three theories namely; stakeholder’s theory, Social Identity Theory (SIT) and Social Exchange Theory (SET) are applied to structure the theoretical foundation of the current dissertation.

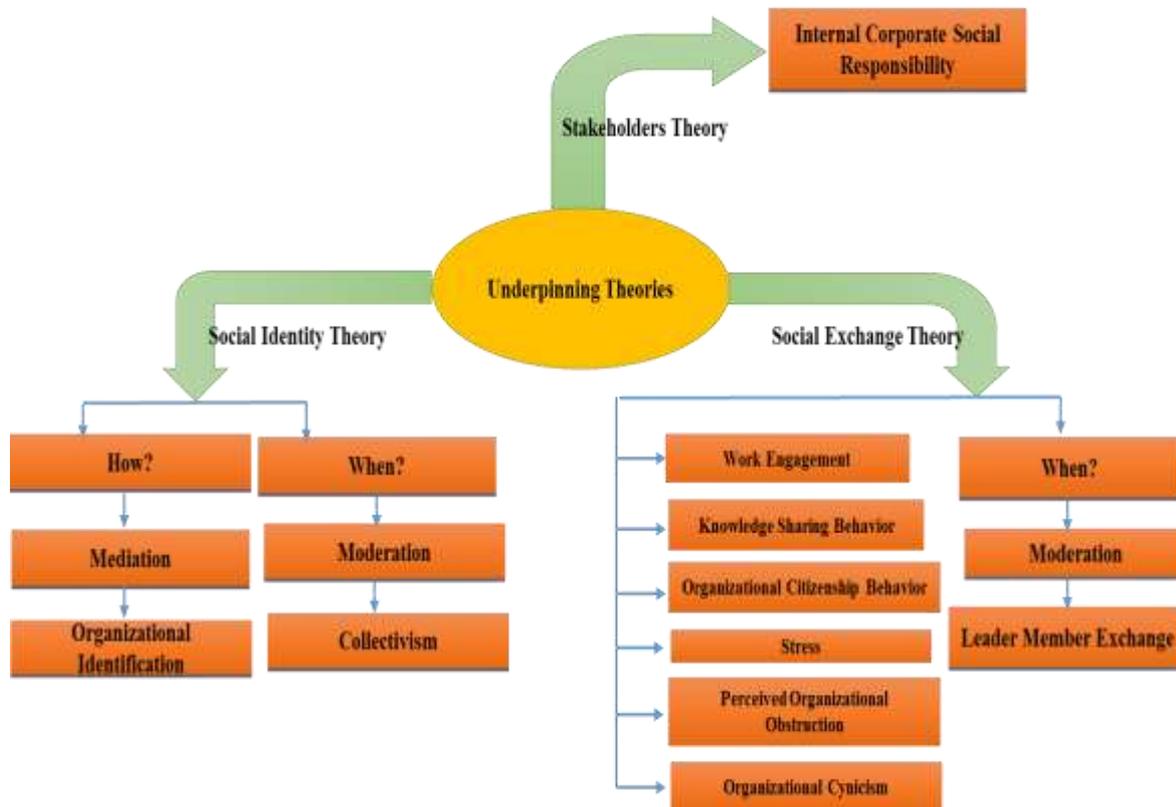


Figure 2-4: Illustrative Framework for Underpinning Theories

Source: Author’s own construction (2019)

In the current dissertation stakeholders theory is mainly used to clarify the understanding that how internal corporate social responsibility will affect the employees who are the most important non-shareholding stakeholders of the organization. The social exchange theory is among the most powerful conceptual paradigm used in the analysis of workplace behaviors. in this dissertation the social exchange theory is used to create the link between internal CSR, leadership and employee behavior. Social identity theory is used to create the link between internal CSR, organizational identity and employee behavior. SIT can offer powerful socio psychological explanation for the use of organizational identification as a mediation mechanism in the proposed theoretical framework. Further SIT is related to the group behavior that is congruent with the Hofstede national culture dimension of collectivism,

therefore SIT model can be used to examine the role of collectivism as a moderator in the relationship between internal CSR and organizational identification.

Below these theories and their relevance to the research objectives and the respective hypothesis of this current dissertation are discussed in detail.

Stakeholder Theory: Stakeholder theory (FREEMAN, 1984) is one of the most influential theory in management literature and has been used for over 30 years to explain the relationship between various management variables. Stakeholder theory states that the purpose of the organization is to create value for all its stakeholders not just only for its shareholders. Here it is important to define the term stakeholders. Stakeholders are defined as individuals or groups that can affect the business in the past, present or future because they have interests or rights in the business or its actions. These interests and rights can be individual, collective or by law and are claimed because of the transactions with or activities taken by the business. Stakeholders can be grouped into two main categories; primary and secondary. Primary stakeholders include stakeholders, employees, and customers, whereas the secondary stakeholders are the government and general public (CLARKSON, 1995).

CLARKSON (1995) and DONALDSON-PRESTON (1995) used stakeholder theory to examine the organizational CSR and argued that business needs to satisfy its stakeholders, not society. Stakeholder theory when applied to CSR, argues that business must satisfy the needs of these stakeholder groups that support it; otherwise, these groups will withdraw their support. Since the term stockholder is differentiated from the stakeholders and this has helped the businesses to limit and define the responsibilities of the business. It requires the businesses to engage in the activities that are considered significant by its all stakeholders. As mentioned before that there are numerous stakeholders of the business such as customers, community, government, suppliers, lenders, and employees. Out of these; the employees are the most important stakeholder as they can affect the business in a number of ways (KIM ET AL., 2017). A good relationship with employees can increase organizational effectiveness because if the employees will be satisfied with the organization they will contribute more efficiently towards the organizational goals (SASIDHARAN DHANESH, 2012).

Stakeholder perspective can be used further applied to create a link between internal CSR and employee attitudes. Using the stakeholder theory, CSR can be linked with employees in two ways: 1) employee participation in the CSR activities can help the firm achieve its socially desired objectives and 2) socially responsible HRM can help firm attract, recruit and retain best talent that can be a source of competitive advantage. The use of socially responsible

HRM can help firm not only fulfill its mandatory requirements of social responsibility such as legal compliance with labor policies and equal employment opportunities legislation but also allow the firm to accomplish its moral obligations through improved job quality, personal wellbeing and work-life balance (COOKE-HE, 2010).

Social Exchange Theory: Social Exchange Theory (SET) can be employed to understand and explore the impact of internal CSR on employee positive and negative attitudes. SET proposes that human interactions are regulated by the subjective cost and benefit analysis and is based on the comparison of alternatives (HOMANS 1958, BLAU 1964). SET is related to two forms of exchanges within the organizations: economic and social. Economic exchange is explicit usually defined by detailed contracts with specified terms and conditions and usually associated with monetary benefits. Whereas social exchanges are often implicit and based on the non-monetary features of the work. These social exchanges between the employees and organization are mostly symbolic and grounded by intangible resources and the exchange process is regulated by the norms of reciprocity. There is considerable research evidence in the support of reciprocity norms. It is argued that employees reciprocate the benefits received from the organization such as sincere concern shown by the organization about their well-being and fulfillment of implicit promises. The norms of reciprocity are based on the dispositional orientation of employees according to which employees should help those who helped them (JONES, 2010).

The models of social exchange have been applied to various aspects of the job such as turnover intentions, organizational citizenship behavior, trust in management, psychological contract. SET is an influential motivational framework for explaining the especially employee engagement in discretionary behaviors; as these behaviors are neither obligatory nor recognized by any organizational formal reward systems. For such behaviors, social exchange is analogous and can be referred to the common interactions that are continuously evolving with no time limit, and are based on social benefits (SLACK-CORLETT- MORRIS, 2015). However, social exchanges always don't result in positive benefits. If the expectations from the social exchanges are violated, it will affect the employee attitudes negatively e.g., JOHNSON-O'LEARY-KELLY (2003) reported a breach of the psychological contract and organizational cynicism as a component of employee's unmet social expectations that can have negative consequences for the employer.

Social Identity Theory: Although CSR has been the focus of extensive research studies still these studies lack to identify the possible mechanisms through which CSR can affect various employee attitudes. One possible explanation found in the literature is based on social identity theory (SIT) proposed by TAJFEL-TURNER (1979). According to SIT; social identity is the perception of people of who they are on the basis of their group membership. This group membership can be an important source of their self-pride and self-esteem. There are three facets of SIT: 1). Categorization: is assigning people into distinct categories 2) Social identification: is adopting the identity of the group that the individual has identified for his/her belongingness 3) Social comparison: is comparing the group of belongingness to the other groups. Group membership gives people a sense of belongingness. As a result, they strive towards improving the image of that group which they belong to.

SIT further states there is a clear distinction between in-group and out-group. Members of in-group differentiate themselves from the out-group and in this process of differentiation, they try to attribute negative traits to out-group so to improve their in-group status. People while comparing their group of belongingness, try to positively differentiate their groups in order to improve their perception of social identity and this group distinctiveness eventually results in strengthening their self-esteem (TAJFEL, 1978). CSR can help develop positive differentiation since it is socially desirable and can positively enhance organizational reputation. Thus this positive image of the organization increases the willingness of the individual to identify with the organization (FU-YE-LAW, 2014). It can help employees satisfy their need for belongingness and membership as their self-image is reinforced by identifying with the group (organization).

In another study TURBAN-GREENING (1997), applied SIT to create the link between CSR and employees. They argued that employees give considerable importance to socially responsible initiatives of the organization that sometimes individuals are ready to work for the socially responsible organizations on even low salaries (SKUDIENE-AURUSKEVICIENE, 2012). Because they perceive that organizational values are aligned with their values of social awareness. So CSR help organizations fill any social, ethical and commercial gaps that the employee is experiencing (BERGER ET AL., 2006).

2.9 Internal Corporate Social Responsibility and Employee-Related Outcomes

SET and SIT shows that CSR can affect various employee attitudes and behaviors. Studies have shown that perceptions of CSR have found to be positively related with job satisfaction, organizational commitment, creative work effort, organizational citizenship behavior, employee retention and improved relationship between employees and management (VALENTINE-FLEISCHMAN, 2008; TURKER, 2009, JONES, 2010; CARMELI-GILAT-WALDMAN, 2007). Studies that have included CSR dimension related with employees have found to be associated it with organizational identification, knowledge sharing behavior and affective organizational commitment (FAROOQ ET AL., 2013; FAROOQ-FAROOQ-JASIMUDDIN, 2014).

Previous studies have mainly focused on positive employee related outcomes but largely neglected the negative behaviors. For the current study, I have chosen three positive employee outcomes, namely, work engagement, knowledge sharing behavior and organizational citizenship behavior and three negative employee behaviors stress perceived organizational obstructionism and employee behaviors have become prominent part of global research agenda and have been found to be linked with the organizational effectiveness.

E.g. work engagement is extremely important for the organization due to the fact that the highly engaged employees are more productive they generate their own positive feedback. They are more energized and have high self-concept. They feel appreciated, enthusiastic and recognized and they don't get tired even after putting a lot of hard work (SCHAUFELI ET AL., 2002). The importance of knowledge sharing can't be overlooked especially for the growing organizations. Knowledge sharing facilitates decision making capabilities, innovation, problem solving and simulate change in the organizations. Therefore if the organizations have to stay competitive they have to foster knowledge sharing in the organization. The collective knowledge of the organization is enormous but if remained unshared has no value. Similarly, OCB increases the employee's productivity by engaging in extra role behaviors whereby people coordinate within or across the groups, increase the organization's capability to attract and retain employees and help organization adapt with the environmental changes more effectively (PODSAKOFF ET AL., 2000).

Stress at workplace is extremely important and can't be ignored by the employers in many countries in fact it is the legal responsibility of the employer to take initiatives that remove stressors and make working environment safe for the employees. Stress can be costly for the

organizations as it results in to mental and physical illness of the employees. It doesn't affect only employee at the individual level but it results into problematic working environment Stress is associated it poor self-esteem and loss of concentration which have negative consequences for the employees in the form of customer complaints, increased employee absenteeism and turnover. Perceived organizational obstruction is another important workplace construct because the negative perception of the employee about the organization will lead them to distant themselves form the organization. Because the employees start believing that their values and organizational values are not congruent. It results in low self-esteem and disidentification of employees (GIBNEY ET.AL, 2009). Organizational cynicism is strong negative emotional reaction on the employees towards the organization and it leads to psychological and physical withdrawal behaviors looking busy, cyber loafing, missing meetings, and absenteeism. It overall increases the dissatisfaction of the employees with the organization that eventually results into decreasing organizational effectiveness (NAFEI-KAIFI, 2013).

In the following section of the literature review, the operational definition of these variables and their link with internal corporate social responsibility is discussed.

2.10 Operational Definitions of Employee Behaviors

Work engagement is the affirmative, satisfying mental state related to work. It is not an explicit mental state for a short time, but in fact, it is for long-term and generic affective-mental state that is not particularly directed towards any situation, things or individuals. It has three dimensions vigor, dedication, and absorption. Vigor is mental resilience with great energy on work and readiness to devote efforts at work and showing perseverance in difficult times. Devotion is the involvement of the individual in the work with the sense of accomplishment, passion, motivation, pride, and defiance. Absorption is the involvement of the individual in the work to the extent that time passes sharply and that he/she finds it difficult to disassociate him/herself from work (SCHAUFELI-BAKKER-SALANOVA, 2006).

Knowledge sharing behavior occurs when members of the organizations share organizational information, ideas, plans and know-how (BARTOL-SRIVASTAVA, 2002). Knowledge sharing is about facilitating and cooperating with each other by sharing business news and knowledge in order to resolve issues and execute business strategies or procedures.

Knowledge sharing can take place through textual communication or face to face interactions particularly through interactions with other subject matter experts, or by recording and gather information for others (CUMMINGS, 2004; PULAKOS ET AL., 2003). Though knowledge sharing is a term that is most widely used some academic investigators have the tendency of using this concept as “information sharing” that is stated as sharing of information in the experimental studies in which the contestants are provided with the list, handbooks, or plans (WANG-NOE, 2010). Moreover, the concept of knowledge sharing is different from knowledge transfer and exchange. As the transfer of knowledge includes not only knowledge sharing by knowledge source but also include means of knowledge acquisition and knowledge presentation by the receiver. SZULANSKI-CAPPETTA-JENSEN (2004) explained that knowledge transfer is a process of knowledge exchange is not connected with individuals but it is concerned with organizations, departments, and units. CABRERA-COLLINS-SALGADO (2006) has defined the term knowledge exchange that is associated with both sharing of knowledge and also knowledge seeking (WANG-NOE, 2010).

Organizational citizenship behavior is defined as the discretionary actions of an employee not clearly tied with any reward system but it increases overall organizational effectiveness (ORGAN, 1988). ORGAN (1988) further explained five types of citizenship behaviors: 1) Altruism defined as discretionary behavior of employee aimed at helping other employees on organizational related task or difficulty, 2) Conscientiousness consist of behaviors that are beyond the minimum job requirements from the organization 3) sportsmanship refers to the employee’s tolerance for less than ideal organizational conditions without complaining and exploding problems out of proportion, 4) Courtesy is defined as a discretionary behavior that is aimed at preventing work-related problems from occurrence with others and 5) Civic virtue is behavior that is aimed at showing interest and participating in the organizational life.

Stress is defined as subjective feelings of the individuals about the demands of the work that is beyond the coping capabilities of the individual. In these circumstances, individuals feel that they don’t have control over the work demands of their working environment. They develop the feeling of helplessness as if they can’t get rid of their troubles at work and moreover they bring these worries back home. Such a situation ends up in a feeling of uncertainties and individual can’t select the best course of action so they feel vulnerable in the environment that has affected their lives. Apprehensions at the workplace, lost control and feeling of vulnerability are the potential stressors at work (EDWARDS, 1992).

Perceived Organizational Obstruction (POO) can be explained as the assumption of the employees that organization blocks, obstructs or delays the fulfillment of employees' goals and is harmful to the personal well-being of employees. POO considers the organization as the cause of mistreatment. Most of the studies that deal with employee-employer relationship use social exchange theory. POO also has its basis in the literature that is based on the realm of SET (STINGLHAMBER-CREMER-MERCKEN, 2006). The organizations and employees are exchanging partners: organizations offer monetary and non-monetary rewards to the employees in exchange for their hard work and honesty (EISENBERGER ET AL., 1986). Employees who have a positive relationship with their respective organizations show affirmative approach, they are expected to engage in positive informal activities such as OCB which are not mandatory but exceed their specified job description, but in case if management treats the employees negatively then it is very unlikely that the employees will go beyond minimum job requirements. In fact, the question arises that either the negative relationships reflect the same issues as that of a positive relationship. Here it can be argued that when the employees assume that they are not supported by their respective organizations they respond in different ways accordingly as per the different circumstances (GIBNEY ET AL., 2009).

Organizational cynicism is defined as a negative approach of the employee towards his/her organization and it consists of three different aspects: (1) a belief that relates to the absence of honesty in the organization; (2) negative emotions towards organization; and (3) inclination to offensive and critical behavior directed towards organization that are based on the belief and emotion. Therefore, organizational cynics assume that the procedures of their organizations lack principles of equality, morality, and authenticity. Moreover, they might assume that in such organizations these principles of morality are often compromised for pragmatism and immoral actions and it is the acceptable norm. They also assume that the organization makes choices for future direction primarily on the basis of self-interest and people in these organizations are also considered as unpredictable and untrustworthy (GOLDNER-RITTI-FERENCE,1977). Also, cynics attribute organizational actions to hidden motives and more likely to expect dishonesty instead of truthfulness. They merely accept the stated official position as the approved basis for organizational decisions.

Organizational cynicism takes different forms, e.g. the cynics make specific comments about the organization's integrity and genuineness. Sometimes in order to express their negative attitude towards the organization, cynics use jokes and make sarcastic humorous comments.

Further, they interpret organizational events in cynical ways, e.g. if employee perceive that organization engage in environmentally friendly initiatives just for the sake of publicity and they have the tendency to express pessimism about the future of the organization, e.g. they say that the organization will stop investing in the quality improvement initiatives because it can't bear the cost. Similarly, cynics make non-verbal expressions to express negativity about the organization, e.g. they mock and jeer. The organizational cynics have specific beliefs about the organization but also experiences a number of emotions that are directed towards the organization such as anger and disrespect. Thinking about their organization make them feel stressed, disgusted and even shameful. So it can be said that cynics experience sets of negative emotions. But it's interesting to mention along with negative emotions they also sometimes enjoy the feeling of being better than their organization. This feeling is based on their own evaluations and wishful thinking (NAUS ET AL., 2007).

2.11 Link between Internal Corporate Social Responsibility and Employee Behavior

Internal Corporate Social Responsibility and Work Engagement: LIN (2010) studied the relationship between work engagement and corporate citizenship. The study found a direct link between work-engagement with all four dimensions (economic, legal, ethical and discretionary) of corporate citizenship. LIN (2010) argued that when the organization will show economic citizenship it will be perceived positively by the employee. When an organization is performing social responsibility economically in a good way it can make employees more involved in their work because the employees will perceive that the organization can provide them basic work and life quality. Legal citizenship will affect the work engagement in a way that if the organization is not doing business in the legal framework and engages in illegal behaviors, it will result have negative effects for the employee in the form of stress, anxiety, and insecurity; consequently, they will disengage themselves from the work. Oppositely the work engagement will be increased if the organization is a law-abiding citizen.

Similarly, ethical citizenship and work engagement are positively linked with each other. Ethical citizenship implies that the organization is going above the legal requirements for doing business in an ethical and moral way. This is a motivating factor for employees and they will be more stimulated towards their organization and their jobs resulting in a greater work engagement. Discretionary citizenship and work engagement are also found to be positively linked with work engagement. As work engagement is also the discretionary effort

of the employee to enhance the organizational effectiveness. Employees are very concerned about socially responsible initiatives of the organization that are discretionary e.g. corporate philanthropy and community involvement. These discretionary initiatives are energy boosting and self-satisfying for employees leading to great engagement at work (LIN, 2010).

Internal CSR can be linked with work engagement in a way that how organizations treat their employees. Research shows that an organization's reputation as the socially responsible employer has become significantly important for the CSR ratings. It has emerged that out of the all features of CSR including philanthropy, environment and community development; fair and responsible treatment of employees is the most important. If employees are minus from the CSR then it is just marketing. So if CSR has to be effective, the organization has to value and treat its employees well (MIRVIS, 2011).

Internal Corporate Social Responsibility and Knowledge Sharing Behavior: CSR is not only meant to elicit the positive and desirable responses from the stakeholders, but it is the way to develop and reinforce a strong bond between the organization and the stakeholders. Members belonging to ethical organizations tend to develop a strong bond with their organization and go beyond their self-interest to meet the organizational goals. E.g. the ethical CSR is related to benevolence which is to do well with others and trying to be a good corporate citizen by meeting the expectations of all stakeholders. TUAN (2014) argued that the members of ethical organizations tend to have an organization-based self-esteem, defined as the individual's understanding of self-worth; the extent to which they consider themselves as competent and important members of the organization. Taking this perspective of self-worth it can be said that the employees that work for ethical organizations will be more likely to share their knowable because they will consider it as an inspirational act to elevate the organizational interest and way to be perceived as important members of the organization.

Theory of Reasoned Action (TRA) can be used to explain the link between corporate social responsibility and knowledge sharing (FISHBEIN-AJZEN, 1975; AJZEN-FISHBEIN, 1980). TRA has three components, namely 1) behavioral intention, 2) attitude towards a behavior and 3) subjective norms. According to the TRA, the behavioral intention depends on the attitude towards the behavior and subjective norms. The employees will have strong intention to share the knowledge if they perceive that it is rewarding and the organizational norms support knowledge sharing. TUAN (2014) argued in his study of clinicians in health-care organizations that members who belong to the hospitals engaged in ethical CSR will be

having stronger intentions to share knowledge because they will find it beneficial. They will find knowledge sharing as a means of developing social networks, meeting stakeholder's interest and eventually contributing towards corporate sustainability.

Since CSR comprises actions directed towards both internal and external stakeholders, employees respond differently to different types of CSR initiatives. FAROOQ ET AL., (2014) in their study of Pakistani sample found that the CSR was positively related to the knowledge sharing. Moreover, their study highlighted that in the individuals having collectivist orientation give more value to the CSR actions that are directed towards employees. So this argument can be used to develop the hypothesis that internal CSR will be positively related to knowledge sharing.

Internal Corporate Social Responsibility and Organizational Citizenship Behavior:

NEWMAN ET AL., (2016) used social exchange theory and social identity perspectives to explain the link between SR-HRM and organizational citizenship behavior through the process of organizational identification. According to the social identity perspective, the employee identifies more strongly with the organizations that have a good reputation to satisfy stakeholder interest. The employees integrate their self-interest with the organizational values and engage in extra-role behavior such as OCB that help the organization to achieve its goals related to the fulfillment of external stakeholder interest that further enhance employee's self-interest.

Internal Corporate Social Responsibility and Stress: Stress is a process consisting of two-phase appraisal one is primary and the other is a secondary appraisal. The primary appraisal is the assessment of the individual regarding the stressor whether it poses any threat to self or not. The second phase is related to the coping ability of the individual if the stressor is perceived as a threat. So it can be said that stress turns out to be a problem in the long run if the threat is perceived to self and the person can't cope with it due to inadequate resources (HASLAM ET AL., 2005).

Previous research shows that social support can minimize the negative effects of stress (ASPINWALL-TAYLOR, 1997). Social support can reduce these negative effects by providing four types of support 1) Emotional support by providing a sense of acceptance and self-worth 2) Social companionship by providing social association and interaction with others 3) Instrumental support by providing monetary support, a tangible help, and physical

resources 4) informational support by providing information that can help cope with the specific stressor (HOUSE, 1981).

Internal Corporate Social Responsibility and Perceived Organizational Obstruction: GOULDNER (1960), offers a theoretical foundation to further analyze negative employee and employer relationship. According to norms of reciprocity in positive exchange, people exchange help for help similarly in negative exchange people exchange harm for harm. Therefore, concepts such as breach of the psychological contract, organizational politics, and organizational frustration are dysfunctional aspects of the negative employee-employer relationship. However, these concepts do not reflect the organization as the cause of the negative behavior. According to BLAU'S (1964) view of social exchange theory, it can be stated that people will harm those who have harmed them. Likewise, HERSHCOVIS ET AL., (2007) stated clearly that workers indulge themselves in undesirable behaviors as a reaction to the mistreatment that has received and will direct these undesirable behaviors towards the source of mistreatment. When employees assume that the conduct of the organization is undesirable they respond by engaging in behaviors that can be harmful for the organization (VARDI-WEITZ, 2003).

Internal Corporate Social Responsibility and Organizational Cynicism: Previous research on organizational cynicism highlights that are several factors linked with an employee-employer relationship that can cause organizational cynicism such as long working hours, unstable employment due to fear of downsizing, ineffective leadership and management practices. Beside these factors organizational cynicism found to be related with the breach of psychological contract and the breach can occur in three categories 1) the environment of business that is if found to be unethical, there is a gap between policies and practices, absence of corporate social responsibility initiatives and unfair compensation system 2) organizational characteristics such as lack of proper communication, employee involvement, and poor change management policy 3) issues associated with the job such as role conflict, role ambiguity and work burden (ANDERSSON, 1996, CARTWRIGHT- HOLMES, 2006).

Employees want to work for the organizations that are socially responsible not only in terms of policies in words but also should be committed to the implementation of those policies. If corporate integrity is just a value mentioned in the mission statement without a clear code of ethics without a real application will result in a cynical workforce (CARTWRIGHT-HOLMES, 2006). Similarly, ANDERSSON (1996) proposed that the absence of CSR policies will predict organizational cynicism. Organizations are expected to behave as a good

corporate citizen by taking care of the community, minority rights, and the environment. But when an organization fails to do so and is unable to balance the interest of all its stakeholders and meet their expectations it creates the feeling of injustice and employee perceives that the organization is not socially responsible which lead to the employee cynicism. By applying this perspective, it is proposed here that employees are the key stakeholder in the organization and if they will perceive that the organization is socially responsible towards them and take into account their interest it will reduce the presence of organizational cynicism.

2.12 Development of Explanatory Mechanism

This section of the literature is intended to develop the explanatory mechanism to answer the questions that how and when the internal CSR will affect employee behavior. The area of research on CSR is matured, it is not in the initial phase of just exploring the effects of CSR on various dependent variables (GLAVAS, 2016). Therefore, attention has to be diverted towards explaining the mechanisms underlying the relationship between CSR and employee-related outcomes. The questions such as how and when the effect operates develop a better understanding of the phenomena or mechanism under examination. For this purpose, the mediator and moderator variables will be incorporated into the model. In this study, mediation will answer the question of how internal CSR will influence employee related outcomes through the inclusion of the third variable that is a mediator. On the other hand, moderator variable will be used to answer the question when internal CSR will be related to outcome variables (HAYES, 2012).

2.13 Role of Organizational Identification as a Mediator in the Relationship between Internal Corporate Social Responsibility and Employee Attitudes

In this part of the literature review, the definition and the mediating role of organizational identification in the theoretical framework of this research is discussed in detail. The mediating role of organizational identification can be described through SIT (TAJFEL-TURNER, 1979) in the link between internal CSR and employee attitudes and behaviors.

Organizational Identification (OI): Several authors have defined organizational identification with diverse meanings. HALL-SCHNEIDER-NYGREN, (1970), defined OI as a cognitive concept. It is when the values of the individual correspond with the values of the organization, or it is the feeling of togetherness or belongingness to the organization

(ASHFORTH-MAEL, 1989, RIKETTA, 2005). OREILLY-CHATMAN (1986), defined OI in connection with emotions and is the desirability of the individual to retain a self-defining bond with the identified object. Social identity perspective takes into account both cognitive and emotional sides of OI and defines it as that portion of self-concept that stems from an individual's membership of some social group along with emotional connection with that membership (TAJFEL, 1978). PATCHEN (1970) defined OI a set of separate but related phenomena, it is solidarity expressed for the organization or behavioral support for the organization or perception of shared qualities with the colleagues. Although these definitions may vary from each other in some sense all these definitions imply that individual relates his/her organizational membership to his/her self-concept and this link between self-concept and organization is actually organizational identification.

Internal Corporate Social Responsibility and Organizational Identification: Individuals have various self-definition needs and OI can help fulfill those needs. When the individual identifies with the organization he/she is more likely to relate to its perspective and engage him/herself in the positive work attitudes that eventually benefit the organization (FU-YE-LAW, 2014). In case of CSR, employees are more likely to identify with those CSR initiatives that are aligned with their personal values. CSR policies as compared to other corporate policies show the character of the company which is not only significant and long lasting but actually distinctive. Moreover, the companies that engage in CSR are more likely to have a better public image which develops the sense of pride in their employees (GLAVAS-GODWIN, 2013). Thus it can be argued that CSR enhances organizational attractiveness by fulfilling the employee's need of working for socially responsible companies. The employees of such companies have improved self-esteem, which increases the employee organizational identification (OI)(KIM-SONG-LEE, 2016).

Since internal CSR is more specifically related to the actions that are directed towards employees. FAROOQ ET AL., (2014) argued that internal CSR can be a strong predictor of the organizational identification because it comprises of actions that are positively perceived by the employees and assure them that organization care, respect and value them. They further supported their argument by the research on High-Performance Work Systems (HPWS), that employees are the source of competitive advantage for the organization and they can be motivated through use HRM practices and these practices improve the labor quality and develop a workforce that increases the organizational effectiveness.

Here it is argued here that there exists a strong link between HRM and internal CSR as both deals with the employees. HRM practices such as pay for performance, training and development and empowerment are found to be strongly associated with the organizational identification and these practices are a lot of similarities with the CSR actions directed towards employees (FAROOQ ET AL., 2014). The literature on social identity suggests that employees evaluate their internal status in the organization to determine whether they are valued and good members of the organization. These evaluations affect their perceptions of respect. FAROOQ ET AL., (2014) further argued that the CSR actions directed towards employees send signals to employees that organization is caring and respectful and conscious about their wellbeing which will positively contribute to the employee's organizational identification.

2.14 Corporate Social Responsibility and Role of Culture

Culture can be defined as norms that are shared among a group of people and that when taken together form a way of living. So it can be assumed that it is the characteristic of a large number of people having the same backgrounds in terms of education and life experiences (PEDRINI-BRAMANTI-CANNATELLI, 2016). HOFSTEDE (1980) model of national cultural dimensions is the most widely used framework to study the cross-cultural differences. Initially, Hofstede proposed a model comprising four national cultural dimensions 1). Individualism-collectivism, 2) uncertainty avoidance, 3) power distance (strength of social hierarchy) and 4) masculinity-femininity. Later he added two more dimensions to overcome the shortcomings of original paradigm as 5) long-term versus short-term orientation and, 6) indulgence versus self-restraint.

Individualism vs. Collectivism (IDV): Collectivist cultures are those where since birth people are assimilated in the groups and individualist cultures are those in which the social ties between the people are loose. Based on their membership of the group (in-group and out-group) individualists focus on self-containment, equity, social justice, and personal achievement, whereas a collectivist focus on interdependence, group goals, equality norms and collective harmony (CHO-YOON, 2009).

Uncertainty Avoidance: it refers to the society's endurance for ambivalence. The degree to which members of the society accept or reject any unanticipated and unpredicted event or that is far from the status quo. The societies that score high on uncertainty avoidance rely on strict

code of conduct and guidelines. Such societies show that there is only one truth and every member knows what it is. On the other hand lower degree of uncertainty avoidance shows that members have acceptance for different opinions and ideas. Such societies are more flexible in terms of imposing laws and guidelines. Unpredictability is acceptable and environment is freer (HOFSTEDE, 1980).

Power Distance: is the degree to which the less powerful members or institutions of the society accept the unequal distribution of power. According to this dimension the perception of unequal distribution of power is perceived from the less powerful members of the society. The high degree of power distance refers to the clear establishment and execution of hierarchy of power in the society without any ambiguity. Whereas the low power distance signal that the members of the society raise question on the distribution of power (HOFSTEDE, 1980).

Masculinity vs. Femininity (MAS): masculinity is defined as society's preference for accomplishment, bravery, aggressiveness and substantial payments for success. Whereas the femininity refers to the inclination for collaboration, humility, compassionate for the fragile and value of life. Women in both type of the societies portray different roles. In the feminine cultures women tend to be more diffident and kind opinions correspondingly with men. The masculine cultures treat women in to some extent in self-confident and competitive, but particularly not as much of the way men are treated. Or in simple words the man and woman are treated in differing ways (HOFSTEDE, 1980).

Long-Term Orientation vs. Short-Term Orientation (LTO): it refers to the connection of the past with the future events. The lower degree of this dimension shows that society values the traditions and persistence is honored. Whereas the higher degree of this dimension show that the societies are flexible in terms of adaptive problem solving and accept it as a necessity. In this regard the countries with long term orientation continue to develop and the poor countries having short term orientation suffer with little or no economic development (HOFSTEDE, 1991).

Indulgence vs. Restraint (IND): this is a dimension that refers to the degree of happiness, members enjoy the simple joys. Indulgence refers to the society's acceptance of fulfillment of natural desires of humans that are related to the joys of life and having fun. Whereas the restraint is the opposite where the fulfillment of human desires are regulated through the strict social norms. Simply the indulged society allow the control of one' own life and feelings

whereas in the restrained societies the life and feelings are affected by other factors (HOFSTEDE, 1991).

National culture affects the way societies anticipate the businesses to perform and moreover, it also affects the way people respond to different organizational policies. The research that highlights the importance of integrating the role of national culture in studying human behavior in the workplace and CSR argues that strategic decisions should be tailored according to the particular local context rather than following standardized homogenized approach for all cultural settings (RINGOV-ZOLLO, 2007).

There is considerable evidence available in the literature which supports the argument that national culture affects CSR (SVENSSON-WOOD-CALLAGHAN, 2010; HABISCH ET AL., 2005). E.g. SVENSSON-WOOD-CALLAGHAN (2010) studied three countries, Sweden, Australia, and Canada and found the considerable difference in the ethical behavior of the companies across the three countries that were studied. They attributed these differences to the national culture of the countries that were studied. Similarly, HABISCH ET AL. (2005) in their study of 23 countries argued that the current and future development of CSR development varied across these countries. They attributed these variations to differences in the national culture of these countries. They concluded that the national culture significantly affected the mindset of societies and businesses which ultimately affected the strategic decisions and CSR orientations of the businesses in these countries.

In another study, THANETSUNTHORN (2015) studied 3055 companies operating in 28 countries of Europe and East Asia. The study concluded that the CSR performance of the companies largely depended on the HOFSTEDE (1980) cultural dimensions both in positive and negative manner. European countries performed better on all CSR aspects as compared to the East Asian countries and the difference in CSR performance in both regions was the consequence of the national culture. Moreover, they also found that countries with high power distance and having a masculine culture show less concern for the CSR facets related to employees, society, and the environment. WALDMAN-SIEGEL-JAVIDAN (2006) using the national cultural dimensions of collectivism and power distance also found that the CSR values demonstrated in the managerial decisions making is tied to the national culture. Their study found that managers from collectivist and low power distance culture have a tendency to show more concern for the issues related to shareholders, community, and other stakeholders.

Power distance is a one of the national culture dimension that is highly researched in different disciplines and is quite relevant to the values that the organization peruses. The high power distance societies are socially hierarchical in social, economic and political way; the people who are in high power positions exert authority, they anticipate to obtain obedience. Consequently these societies are more vulnerable to power manipulation, lack equal opportunities for minorities including women and further don't offer opportunities for professional and personal development in the organizations (CARL ET AL., 2004).

In the context of CSR it can be argued that in high power distance societies the managers are not concerned about giving value to CSR in decision making. In the high power distance society the managers give more importance to their own vested interest as compare to that of shareholders. Whereas in the low power distance societies the institutional pressures persuade the managers to act in the best interest of shareholders. In high power distance societies the managers are less interested in maintaining long term relationship with stakeholders and they are least likely to value community welfare. In the high power distance society the managers are more likely to use power for their own vested interest (CARL ET AL., 2004).

Masculine cultures are competitive and focus more on the materialistic success. The organizations in masculine cultures tend to be more likely to engage in unethical behavior and perceive less ethical problems as compare to their counterpart feminine cultures. Managers in such masculine culture are more likely to engage in irresponsible behavior and the stakeholders in masculine cultures are more likely to punish the managers as compare to the feminine cultures. Stakeholders in masculine cultures are more likely to safeguard their self-interest as compare to the feminine cultures and they are more aggressive and assertive in their approach (WILLIAMS - ZINKIN, 2008).

2.15 Role of Collectivism as a Moderator in the Relationship between Internal Corporate Social Responsibility and Organizational Identification

Out of all cultural dimensions, collectivism is the most researched dimension. For this study, collectivism is a suitable dimension as it is intended to provide developing economy perspective and collectivism as a cultural dimension can be employed to classify the individuals in developing and developed economies (TRIANDIS ET AL., 1988). Moreover, collectivism is relevant to the theoretical model in a way that organizational identification explains the individual behavior in the group and collectivism also deals with the group

behavior (FAROOQ ET.AL., 2014). So below the moderating role of collectivism in the connection between internal CSR and OI is discussed in detail.

In a collectivist society, people place more importance on the welfare of others as compare to the individualist societies where the focus is on the individual self-interest. The members of collectivist culture perceive themselves as part of the extended family or organization. As a result that they believe that the other members of the group should take care of them and in return they grant them their loyalty(HOFMAN-NEWMAN, 2014).

Both CSR perceptions and practices and social identification vary across culture and can take different forms. Social identification is a process when people associate themselves with social groups, and this group membership together with emotional attachment and values form a significant part of their self-concept. Thus these social groups comprised of people who share the same social identifications and they consider themselves belong to the same social category (BAO-ZHANG-CHEN, 2015). This self-concept as part of in-groups is a most important aspect of collectivist culture. It focuses on group integrity, collective goals, and strong emotional sentiments. Whereas in individualist cultures self-concept is considered different from in-groups as a separate entity and personal goals are considered more important even though if these individual goals are the cause of the problem for the in-group. Overall individualists are less concerned and less emotionally attached with in-groups (TRIANDIS ET AL., 1988). Eastern collectivist cultures the individuals seek acceptance and are in search of peaceful interdependence. Relationship constitutes the significant part of self-definition in the collectivist cultures (ABRAMS-ANDO-HINKLE, 1998).

The most vital characteristic of collectivist culture is that individuals may be persuaded to subordinate their individual objectives over collective goals, which are typically representative of some in-group (for example family, society, organization). Individual in in-groups tend to have more stable relationships in collectivist cultures and they are ready to make any compromises to the difficult demands of the in-group. But contrary to the collectivist culture, individualists tend .to drop the existing in-groups memberships and form new if they perceive demands to be inappropriate and difficult. Consequently, the demands of the in-groups in individualist cultures are highly specific to some time and place whereas contributions required in collectivist cultures are diffused. It can be argued that in individualist cultures, individuals perceive themselves autonomously distinctive from other members either as an individual or groups. But in the collectivistic culture individual's

distinctiveness is based on the in-group and out-group membership (BAO ET AL., 2015). So it can be argued that in the collectivist cultures the individuals will have a high probability to identify with their social groups include their organization (FAROOQ ET AL., 2014).

2.16 Organizational Identification as Mediator between Internal Corporate Social Responsibility and Work-Related Behavior

For this study organizational identification is chosen as a mediator for the reason that it is of strategic importance for the organizations. This notion is supported by substantial evidence in the previous research on organizational identification. The employees who strongly identify with the organization are more willing to engage in positive behaviors and disengage in negative behaviors. These employees conform to the norms and values of the group as they act and think according to the standards which they have made part of their self-concept (CALLEA-URBINI-CHIRUMBOLO, 2016). In line with this argument it is of strategic importance to identify the antecedents that can increase the organizational identification of employees. Therefore in this research it is proposed that internal CSR will positively relate to organizational identification in return the organizational identification will positively or negatively relate to the work-related attitudes and behaviors studied in this dissertation.

The concept of Organizational identification has its roots in SIT. HASLAM ET AL., (2005) explained that individuals use social identity to gain support from the members of in-groups. When the individuals support others in in-group they accept to get the support reciprocally. When the individual perceives him/ herself a member of a specific group and if the social identity is significant then it serves as a major stimulus for their social interactions and actions. Based on their dominant social identities individual judge, influence and cooperate in the social context. Moreover, individuals perceive the world the way in-group members perceive the world. So it can be said that the in-group members persuade individuals in a way that they are more inclined to believe and collaborate with in-group members than the out-group members (TURNER ET AL., 1994; HASLAM, 2004; HASLAM-ELLEMERS, 2005).

The link between organizational identification and work-related attitudes and behaviors are discussed below in detail.

Organizational Identification and Work Engagement: The literature that supports the potential link between organizational identification and work engagement argues that the employees having strong organizational identification are tend to be more motivated to

engage in cooperative behaviors that are beyond their job description. They engage in such behaviors due to the direct and indirect influence of their group identity. Employees who strongly identify with their organizations are actively involved in the tasks and goals of the organization and are more motivated to work hard towards the accomplishment of those goals. They internalize the organizational goals due to the strong psychological bonding with the organization. So the organizational identification influences the work attitudes of employees such as it strengthens the work engagement (KARANIKA ET AL., 2015).

As work engagement consists of three dimensions of vigor, dedication, and absorption in one's work. This model of work engagement is linked with organizational identification in a way that when the employee will have a strong psychological bond with the organization and will internalize the organizational goals they will be more energetic and mentally resilient about their work (vigor), will be more devoted and determined about their work (dedication) and finally they will be more involved in their work (absorption) (KARANIKA ET.AL, 2015).

Organizational Identification and Knowledge Sharing: Organizational identification will mediate the relationship between internal CSR and knowledge sharing. This can be explained by taking into account the in-group identification and social exchange theory perspective. The members of the in-group will be willing to share knowledge with the other members of the group to improve the overall group status which ultimately benefits them. Because in-group identification is the strength with which the individuals relate themselves with other members of the groups in connection to values and emotions. When the employees have strong organizational identification they are more likely to share their knowledge (FAROOQ ET AL, 2014).

The strength of identification can affect the knowledge sharing between employees especially in the collectivist cultures. In individualist cultures, individuals use the principle of equity in their social relationships. While sharing knowledge individualists do cost and benefit analysis and will share knowledge only when this exchange is beneficial regardless of their perception of group identification. In comparison, the collectivist applies the principle of equity only to the out-group members, they believe that their destiny is bound to the group so they invest in groups to support their social identities (BAO ET AL., 2015). So it is proposed here that internal CSR encourage employees to share knowledge via organizational identification

because employees are more willing to share their knowledge for the shared benefit due to their perception of in-group oneness and belongingness (FAROOQ ET AL., 2014).

Organizational Identification and Organizational Citizenship Behavior: CSR helps the organization in building the positive, socially desirable image and improve its public standing. So CSR serves the purpose of positive differentiation for in-groups and increases the willingness of the employee to identify with the organization. In return organizational identification strengthens the employee motivation and job performance because OI develop the feeling of oneness with the employer and employee is more willing to put effort to accomplish the employer's goal because they perceive it as their own goals. This common social identity increases the employee's willingness to engage in OCB (FU ET AL., 2014).

VAN DICK ET AL., (2006) argued that in-role performance is influenced by many factors that are beyond the control of the employee so OI is more expected to positively influence the performance of extra-role behaviors. When the employees strongly identify with the organization their self-concept is defined by the organizational identity which in turn means that the members of the organization also become a significant part of the employee's definition of the self-concept. So when the employee helps these organizational members and engage in extra-role behaviors, it makes sense to them that they are actually helping themselves

DUKERICH-GOLDEN-SHORTELL (2002) concluded in their study of physicians that CSR helped build the desirable organizational identity. The external image of the organization was strongly related to the strength of the organizational identity and which in return was positively related to the cooperative behaviors. Moreover, the physician's engagement in cooperative behaviors was influenced by the attractiveness of the system for others. The aforementioned discussion leads to the development of the argument that internal CSR will be related with the OCB via organizational identification.

Stress and Organizational Identification: Several studies show that social identity can help reduce the negative effects of stress. E.g. in the studies conducted on the status of the groups show that individuals belonging to the low social status group are when discriminated and unjustifiably treated, they try to deal with this discrimination by collective identity. They use their social identity to gain support and design shared action against injustice. If this sense of common identity is absent, then the individuals tend to move from the low-status group or

simply start avoiding the stressor (BRANSCOMBE-SCHMITT-HARVEY, 1999; POSTMES-BRANSCOMBE, 2002; SCHMITT-BRANSCOMBE-POSTMES, 2003).

So here applying the social identity perspective, it can be argued that strong organizational identification can lead to negative outcomes in a very similar way as it leads to positive outcomes for the organization. E.g. if the employees perceive the external organizational image as undesirable it can lead to undesirable personal outcomes such as stress and anxiety. This negative organizational membership will engage employees in competitive behaviors such that they may withdraw their support for the achievement of long-term tasks. Consequently, they will either stop performing their organizational roles or they will simply exit the organization (DUTTON-DUKERICH-HARQUAIL, 1994).

Organizational Identification and Perceived Organizational Obstruction: The organization is the source of economic and non-economic benefits for the employees that also include socioemotional support. Previously, researchers have given more value to the economic support, but increasingly the importance of the socioemotional support that the employee receives from the organization has been highlighted in the literature. In this case, it is the self-esteem that the employees derive from their membership in the organization is most significant. Employees attribute human-like characteristics to the organization and develop a belief about the extent to which they get the organizational support. This support is often termed as Perceived Organizational Support (POS) and is the employees' belief concerning about the extent to which the organization values the contributions made by the employee and is caring about their well-being (GIBNEY ET.AL, 2009). EISENBERGER ET AL. (1986) argued that the employees feel obliged due to the norms of reciprocity and they try to reciprocate positive behaviors in return for the support they receive from the organization.

Employees personify organizations, but here it can be said that it is not the organization that employees personify, but they actually personify the treatment they receive from the organization. If employees are not treated well they will hold the organization responsible for the mistreatments. This will cause employees to perceive that the treatment they receive from the organization is negative, which is referred to as a perceived organization obstruction. POO is the perception of the employee regarding the organization, causing hindrance to the achievement of their goals. They will perceive the organization responsible for not being able to attain the goals, even though if they achieve the goals, but still, they will perceive that organization created problems that made the attainment of goal difficult (GIBNEY ET.AL, 2009).

The link between organizational identification and perceived organizational obstruction can be described through SIT. The employee identifies with the organization if the values of the employee and the organization are overlapping. Employees want to maintain their membership with those organizations that treat them positively and have a good reputation in order to improve their self-esteem. But if this is not the case and organization is having the different values, then the employee or has the reputation of mistreatment than the employees will disidentify themselves from the organization as it threatens their self-worth. The process of identification and disidentification are both cognitive and help preserve their individual self-worth. The process of identification as mentioned before is the psychological bond between employee and organization, whereas disidentification is a feeling of separation. So the individuals who will perceive that the organization is the cause of mistreatment and harm to them will distance themselves from the organization. Because they will think that negative treatment is incongruent with their values and a threat to their self-esteem thus they will disidentify themselves from the organization (GIBNEY ET.AL, 2009).

Organizational Identification and Organizational Cynicism: Social identity theory perspective can be used to explain the link between organizational identification and cynicism. According to SIT the individual's self-worth and self-esteem are determined by the respect, status, and evaluations. Employee's commitment to the organization is one way of enhancing their self-image. The individual self-esteem is based on the evaluations regarding their status in the group which is related to the social self. An organization based self-esteem is the belief of the individual that they are valuable members of the organization and their performance contributes to organizational success. Organizational support (which is the belief of the individuals that the organization care about them and value their contributions) can positively influence organization based self-esteem. So if the supportive experience of the employees will improve their self-worth (KANG ET AL., 2010). Based on this discussion, it can be implied that internal CSR will help employees maintain positive self-concept by providing them with organizational support which will increase their commitment towards the organization resulting in reduced cynicism.

2.17 Moderating Role of Leadership in the Relationship between Organizational Identification and Work-Related Attitudes

Social exchange theory provides the theoretical foundation for **Leader-Member Exchange LMX** (SPARROWE-LIDEN, 1997). According to GRAEN-CASHMAN, (1975) LMX is an

interactive relationship between leader (manager) and follower (subordinate) which progresses over time and is not principally related to the formal organization. The foundation of this relationship is based on the social exchange, in which each group should exchange something with the other group in such a way that it appears to be beneficial for each group as both perceive this exchange as rational, realistic and fair (GRAEN-SCANDURA, 1987). The quality of LMX relationship depends on the value of material and non-material products exchanged such as tangible material, time and support. Higher the perceived value of commodities exchanged the greater will be the quality of LMX relationship. The quality of LMX can influence the job attitudes of both leader and subordinate (KOPELMAN-BRIEF-GUZZO, 1990).

LMX is related to the quality of the relationship between the leaders and followers and can be used to explain that how leaders influence the individual, group and organizational outcomes. LMX theory explains that leaders are close to some members of the team with whom they have a friendly, complete and communicative relationship. With this subset of the team, leaders develop high quality, reliable, effective and respect based relationship. Whereas with the other members of the team they have a low-quality relationship that is bounded only to the requirements of the job description of both leader and follower (ERDOGAN-BAUER, 2014).

Leaders help followers to identify with the organization. Leaders act and reflect the organizational norms and values and shape the follower's opinions. According to CARMELI ET.AL (2010) leaders are an important information source for the followers e.g. it is the leader's behavior that will show the follower that whether organization value cooperation over competition. It is the leader that will introduce the organization's positive image to the follower which will eventually shape the organization's image in the mind of the subordinate. If the follower will develop the positive image of the organization, it will lead to the development of organizational identification.

Leaders reflect the organizational values and the followers that strongly relate with their leaders are more likely to internalize and identify with the same organizational values as of their leaders. If leaders can develop high-quality LMX relationships with their followers than the favorable exchanges between them will develop trust and respect. Consequently, it can be argued that high-quality LMX will lead the follower to strongly identify with their leaders and the organizational values reflected by them, which will lead to the development of

organizational identification (CARMELI ET.AL, 2010). So in the current study, it is argued that LMX will moderate the relationship between organizational identification and work-related attitudes and behaviors of the immediate followers of the leader. It is argued here that the quality of the supervisor's interaction with the subordinates shapes the quality of their views about the organization and its policies. ICSR is the organizational initiatives and the implementation of these policies will be affected by the quality of LMX. The leaders will integrate and demonstrate the ICSR initiatives through their daily operations, which will eventually influence the work behaviors and attitudes of the employees. In the following section, it is discussed in detail that how LMX is linked with employee work behaviors and attitudes.

Organizational Identification, Leader-Member Exchange and Work Engagement: The significant features of high-quality LMX relationships are mutual trust, loyalty, and respect. The followers in high-quality LMX relationships are privileged to receive a leader's time, energy, information, direction and social support which is lacking for the followers in low-quality LMX relationships. So followers with high-quality leadership get more social and political resources, e.g. leaders introduce them to their own network of people and provide them additional information to show the direction of progression. These followers feel more psychologically secure and tend to develop the feeling that the working environment is conducive to risk-taking. This psychological safety is the core antecedent for the work engagement, especially as it helps retain the vigor which is the core dimension of work engagement. High-quality LMX relationships are sometimes characterized as mentoring relationships because leaders in such relationship play the role of the mentor by providing the follower the facilitation for the accomplishment of professional goals, personal development and by increasing their work engagement (AGARWAL ET.AL, 2012).

The link between the LMX and work engagement can also be explained by using the social exchange theory. According to SET responsibilities are generated through the episodes of interaction between the parties in the form of reciprocal independence. This perspective can be applied to the leader-follower relationship. When the follower receive fair treatment, direction and autonomy from the leaders they feel obliged and try to repay what they received by engaging in positive behaviors such as commitment, extra-role behaviors, trust, innovation and work engagement (AGARWAL ET.AL, 2012). In high-quality LMX relationships, the followers receive a unique set of advantages from the leaders, e.g. the leader can adjust the follower's work schedule as per their preferences, assist them to deal with difficult customers

or heavy workloads by providing them social and emotional support. These advantages will result in intrinsic motivation for the follower as they tend to identify more with their leaders and would be more willing to repay their leaders. This willingness will trigger higher levels of engagement (LI ET AL., 2012). So it is proposed here that the higher quality LMX relationships will increase the work engagement.

Organizational Identification, Leader-Member Exchange and Knowledge Sharing Behavior: As discussed above the quality of LMX is related to organizational identification, so high-quality LMX will tend to strengthen the relationship between organizational identification and knowledge sharing. The quality of LMX can influence and encourage knowledge sharing as high-quality LMX will inspire subordinates to relate to the values and goals of the leader and his/her group. In this case, if the subordinate feels that he/she is equitably treated by his leader and the leader take care of his/her interests than he/she will be more inclined towards the accomplishment and internalization of group goals set by his/her leader. This internalization will foster trust and will eventually promote knowledge sharing in the organization (CARMELI ET AL., 2010).

Organizational Identification, Leader-Member Exchange and Organizational Citizenship Behavior: In high-quality LMX relationships are often diffused and the standards for the exchange of gifts and responsibilities are not well defined. In this case, the high-quality LMX will positively influence the employee's engagement in OCB. OCB can be used as an exchange currency by the follower to reciprocate and fulfill the responsibilities since it is also diffused, undefined and merely time specific. Furthermore, those in high-quality LMX relationships, leaders have more strong expectations from the follower that will give more importance to the collective goals and needs over individual gratification. So the welfare of collective interest is achieved by the "good citizens." So LMX and OCB are positively related with each other in a way that high-quality LMX relationship will increase the willingness of the follower's engagement in OCB (WANG ET AL., 2005).

Organizational Identification, Leader-Member Exchange and Stress: In order to reduce the feelings of stress, management can provide support to the employees that can reduce the uncertainty and supposed dangers at the workplace. Literature suggests that in this regard a healthy relationship with the supervisor is extremely significant (VISWESVARAN-SANCHEZ-FISHER, 1999). Although a handful of researchers study the relationship

between LMX and stress, most of these researchers have reported a negative relationship between negative LMX and stress (TANNER-DUNN-CHONKO, 1993).

Overall, it is asserted in here that individuals in high-quality LMX relationships strongly identify with their leaders and the organizational values reflected by them, which will increase their organizational identification as compared to the employees in low-quality LMX. According to TANNER-DUNN-CHONKO (1993) employees with high-quality LMX tend to face less stress, especially stress associated with their work role because in such a relationship the leaders provide clear guidance and emotional support to the follower by communicating what are the expectations resulting in eradication of ambiguities which keep the stress level low. But on the other hand employees in low-quality LMX have ambiguities because they don't receive the satisfactory direction, support, and guidance that are required for performing their respective roles.

Organizational Identification, Leader-Member Exchange and Organizational Obstruction:

The moderating role of LMX in the relationship between organizational identification and organizational obstruction can be explained through the concept of the Supervisor's Organizational Embodiment (SOE). It is the belief of an employee regarding the common identity of the supervisor with that of the organization. SOE assists the employees to make inferences about the exchange relationships with the organization on the basis of the exchange relationships with their respective supervisor. Employees in high-quality LMX relationship are more likely to receive organizational resources because of the strong social network of their supervisors. As employees perceive immediate leaders as representative of the organizations so they will perceive that these resources are organizational resources and the organization is generously sharing these resources with them. These employees will perceive the organization as dependable and increase their propensity to identify with the organization. Moreover, these employees see their future to be more secure due to their stable and well-defined roles in the organization. As a result, they are more inclined to identify with the organization (LOI-CHAN-LAM, 2013).

Theories addressing the employee organization relationship argue that employees perceive supervisors as agents of the organization, e.g. employees consider the evaluations made by their supervisors as the evaluations made by the organization. Therefore, employees generalize their exchanges with their supervisors (EISENBERGER ET AL., 2010). The exchange relationships between the employees and their supervisors are not always positive

or favorable. E.g. MARTINKO-HARVEY-BREES-MACKEY, (2013), argued that employees with abusive supervision will experience an unfavorable exchange relationship with their supervisors and that will influence the perceptions of the exchange relationship with their organizations.

It is argued here that the employees in low-quality LMX tend to have unfavorable exchanges with their immediate leader and will experience low well-being and will perceive the supervisory actions as the actions of the organization (EISENBERGER ET AL., 2010). The employees will attribute this mistreatment received from their leader to their respective organizations which will increase the perceptions of organizational obstruction. Whereas, the employees in a high-quality relationship will have favorable perceptions about the exchange relationship with their supervisors which will increase their willingness to identify with their organization and moreover it will minimize the unfavorable perceptions about the organizations such as organizational obstruction. So I hypothesize here:

Organizational Identification, Leader-Member Exchange and Organizational Cynicism:

High-quality LMX increases the self-esteem of the follower. As mentioned before that employee in high LMX relationship receive more support and resources as compare to the employees in low-quality LMX. But beside the resources and support employees in high-quality LMX are trusted by their leaders assigned to special duties and responsibilities. Such kind of treatment increases their self-esteem and they perceive the organization as an ideal place to realize their self-esteem. As these employed are greatly valued by their immediate leader they have a greater chance for career development in the organization. This sense of value that is derived from high-quality LMX is more likely to elicit the feeling of oneness with the organization (LOI-CHAN-LAM, 2014). Another important aspect of LMX and organizational identification is that the leader's organizational identification is transferred to the follower through various behavioral, emotional and cognitive interactions.

GKOREZIS ET AL., (2013) argued that the followers perceive the promises made by the leaders as the promises made by the organization, for the follower the leader is the spokesperson of the organization and the actions taken by the leaders are perceived as the actions taken by the organization. Followers generalize the relationship with their leader in the organization and the view of leaders in the organization influences the follower's view of the organization. Followers try to analyze their social environment through the cues present in the form of information that is present in the environment. In this case, the badmouthing of the leader can influence the cynical attitude of the followers. Given the importance of the

leader-member relationship as mentioned above, it can be argued that if the leader shows a positive image of the organization, it will elicit the positive feelings of the followers towards their organization.

On the contrary, DAVIS-GARDNERB (2004) proposed that followers in low-quality LMX perceive upward influenced behaviors of the co-followers in high-quality LMX relationships as politics and an attempt to ingratiate the leader when the followers with low-quality. They will perceive that their co-followers in a high LMX relationship are using such behaviors for making personal relationships with their leaders to gain favors that are not tied to task performance. These perceptions of perceived politics will tend to increase the cynical attitudes of the followers in low-quality LMX towards the organization. So here it is hypothesized:

2.18 Proposed Theoretical Model of the Dissertation

Based on the review of previous literature I proposed the following theoretical framework. Fig 3 shows the schematic diagram of the model illustrating the relationships among the variables studied. Internal corporate social responsibility is the independent variable and work engagement, knowledge sharing behavior, OCB, stress, perceived organizational obstructionism and organizational cynicism are the six dependent variables of the study. Collectivism and leader-member exchange are the moderating variables, whereas organizational identification is the mediating variable.

In the proposed theoretical framework of this research it, I argue that if the organization will have internal CSR policies it will significantly affect the employee behavior such that internal CSR will increase the tendency of the employee to engage in positive behaviors that in the current study are work engagement, knowledge sharing behavior, and organizational citizenship behavior. Whereas the internal CSR will negatively affect the negative employee behavior such that it will reduce the employee stress, perceived organizational obstruction and organizational cynicism.

Since the objective of the study was to develop the explanatory mechanism to answer how and when the internal CSR will affect the employee behavior. In order to serve this purpose organizational identification is used as a mediator. Which means that just like individuals; organizations also have goals and objectives when the organization will have an internal CSR the tendency of the employees and the organization sharing the same goals will increase. As a

result, the organization will become a big unit working as a whole instead of the different groups working individually for different goals. Consequently, internal CSR through organizational identification will affect the employee behavior in a way it will increase work engagement, knowledge sharing, and OCB and will decrease stress, perceived organizational obstruction and organizational cynicism.

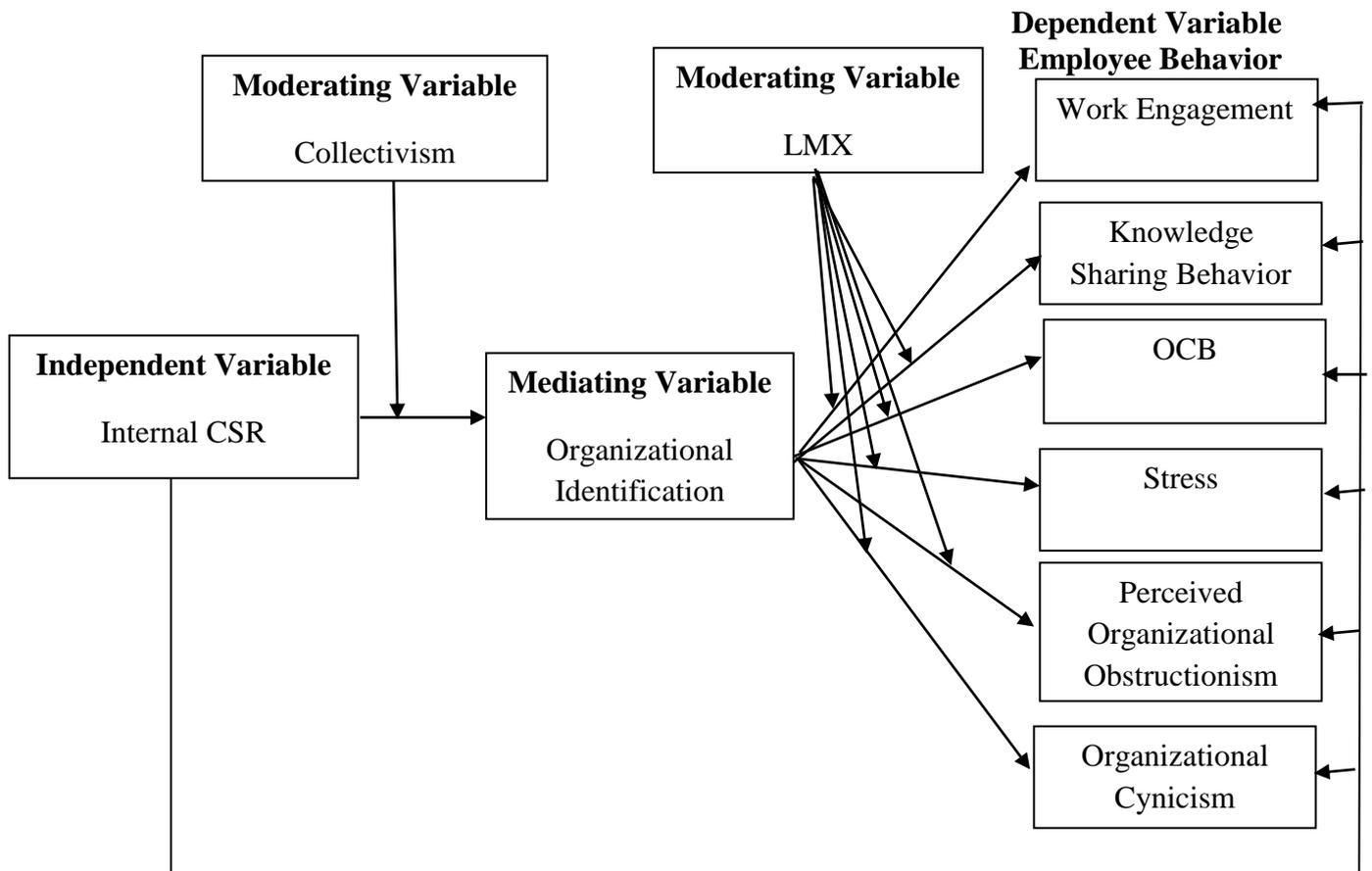


Figure 2-5: Proposed Theoretical Framework

Source: Author's Proposed Theoretical Framework (2019)

Collectivism is used as a moderator in the relationship between internal CSR and organizational identification. The argument for including collectivism in the theoretical framework is that in the collectivist culture the relationship between internal CSR and organizational identification will be stronger because in the collectivist culture the employee prefers group cohesiveness and emphasizes more on group goals as compared to self-goals. As a result, in collectivist culture, if the organization will have internal CSR policies the employee's willingness to relate will organizational goals will increase.

Further, this theoretical framework incorporates not only the employee's interaction with the organization, but also incorporates individual interaction with the immediate leader. It is argued in the proposed theoretical model that even if the organization has internal CSR policies in the organization that will increase the employee's tendency to identify with the organization, but the employee behavior will be affected by the quality of relationship with his/her immediate leader. High-quality LMX will strengthen the positive relationship between organizational identification and employee behavior such that high-quality relationship with immediate will increase the alignment of the employee and organizational goals which will increase the work engagement, knowledge sharing, and OCB and will decrease stress, perceived organizational obstruction and organizational cynicism.

After the review of the literature and on the basis of the proposed theoretical framework of the researcher following hypothesis are derived and will be tested in the current dissertation.

H1: Internal CSR will be positively related to work engagement, knowledge sharing behavior and OCB.

H2: Internal CSR will be negatively related to stress, POO and organizational cynicism.

H3: Collectivism will moderate the relationship between internal CSR and organizational identification.

H4: Organizational identification will mediate the relationship between internal CSR and work engagement, knowledge sharing behavior OCB, stress, POO and organizational cynicism.

H5: Leader member exchange will moderate the relationship between organizational identification and work engagement, knowledge sharing behavior, OCB, stress, POO, and organizational cynicism.

2.19 Study Background

I choose to conduct my research on the banks in Pakistan. This section of the chapter will provide the details of main study settings such as CSR context in Pakistan, the relevance of CSR for the financial institutions, i.e. banks followed by the introduction of Pakistani banking sector and the current state of CSR practices in the Pakistani banks through the lens of prior researchers.

2.19.1 Corporate Social Responsibility Context in Pakistan

In order to address the gaps identified in the aforementioned discussion, I choose Pakistan to conduct my research. Pakistan is an emerging economy with a unique cultural context. CSR implementation is quite challenging, especially in countries like Pakistan, where organizations face difficult economic context and weak corporate legislation that primarily lack in defining the CSR expectations of the businesses. Another challenge in developing countries in CSR implementation is the perception of CSR being a quiet western concept (BANERJEE, 2008; MORSE, 2008).

According to the corporate philanthropy survey published by the Pakistan Center of Philanthropy (PCP) in 2016 CSR is still a buzzword for most of the companies. Although the CSR trend has gotten momentum in the last few years, although still there is a long way to go to the Pakistani organizations to understand the actual philosophy of CSR. Following the global trends and practices, Pakistani corporate sector is also involved in CSR practices in one way or another. The concept of CSR is still evolving in Pakistan. Usually, the Multinational Companies (MNCs) in Pakistan have proper CSR strategies due to their linkages with their headquarters based in the developed countries. MNCs have pressures to meet the international CSR standards due to their global presence, but the local businesses still fail to consider the strategic implications of CSR (PCP, 2016). One of the reasons is the lack of stakeholder activism since the customer and the general public is not aware of their rights and obligations. Businesses still consider CSR as expenditure rather as an investment that can be beneficial for the company's bottom line.

Most of the work in the context of CSR is done in the domain of corporate philanthropy and businesses donate a considerable amount of money to the social causes. There are various reasons that persuade Pakistani companies to engage in philanthropic initiatives such as religion, culture, improved corporate reputation and cause-related marketing. Largely these donations are directed to the health and educational sector. Over the period of time cause-related marketing has become an important tool for the companies to improve their corporate reputation and competitive environment. The association of the companies with the various causes is highlighted in their annual reports of the companies and also mentioned on their official websites. The companies significantly highlight the donations they make to different charities, health, and educational programs. Some organizations give attention to the

employees and try to brand themselves as good employers by emphasizing the care and trust they show to their employees (MAJEED-AZIZ-SALEEM, 2015).

2.19.2 Corporate Social Responsibility and Banking Industry

The sub-prime mortgage crisis and the following credit crunch pose many questions about the social responsibility of the banking sector that was primarily the result of risky investments and loans sanctioned by the banks (COULSON, 2009). The failing banks in the US and Europe show that the banking industry can have a significant negative influence on its all stakeholders. Consequently, to protect the long-term interest of all stakeholders the national regulatory authorities are introducing strict standards and the CSR policies of banks have come under the public scrutiny. Since the CSR policy of banks are equally important for are all stakeholders including investors, customers, employees, regulators and society as a whole since it built the trust of the general public on the overall financial system of the country (JIZ ET A., 2013).

It is more important in the context of developing economies to study that how banks engage in CSR as the commercial banks are the key players. Banks have a substantial part in the financial growth of the developing economies and at the same time since these economies are expanding so quickly that they serve as growth markets for banks. HU-SCHOLTENS (2014) studied the CSR of 402 commercial banks in 44 developing economies and found that majority of banks perform well on social dimension but perform relatively low on the other aspects of CSR such as environment, code, and responsible customer products. Moreover, they concluded that there are differences in the CSR practices of banks in different countries. They attributed these differences partly to bank characteristics such as size and profits and partly to the country characteristics such as GDP, trade openness and economic growth. Large banks have more comprehensive CSR programs as compare to small banks since large banks have more financial resources and face more stakeholder pressure.

2.19.3 Pakistani Banking Industry

According to STATE BANK OF PAKISTAN (2016), the Pakistani banking sector comprises around 44 banks, which include 5 public sector banks, 21 private sector banks, 4 foreign banks, and 4 specialized banks. But out of these banks, the major competition is concentrated among the big players of the industry. To be more precise the big six banks, namely Habib Bank Limited (HBL), National Bank Limited (NBL), United Bank Limited (UBL), MCB

Bank Limited, Allied Bank Limited (ABL) and Bank Alfalah Limited are the biggest competitors in the Pakistani economy and collectively these six banks constitute the major stake of assets in the Pakistani banking sector. These banks collectively hold around 57% of the deposits and 53% of the advance in the economy.

The Pakistani banking sector has huge potential for growth as there are 43 million bank account holders in Pakistan out of a total population of around 200 million. So there is a huge gap in attributes to various reasons such as religious reasons to avoid interest-based banking, limited access to technology and limited awareness about the banking benefits to the rural population. Having these gaps filled by the introduction of mobile and internet banking and Islamic banking, there are immense chances of growth.

The overall performance of the banking sector in the last decade was promising. The China-Pakistan Economic Corridor (CPEC) is an opportunity for the banks to expand their operations as CPEC involves huge infrastructural development that can assist industry growth. HBL and UBL accompanied by Chinese banks are the lending partners in CPEC but CPEC is expected to be beneficial for the overall banking industry as it expected to accelerate the overall economic growth in Pakistan.

2.19.4 Corporate Social Responsibility and Banking Sector in Pakistan

Banking institutions are the key players in the Pakistani economy. So the corporate behavior of these banks is of great relevance to finding that how these banks engage in CSR activities. Previously, researchers have studied this sector to provide the CSR context.

Although the Pakistani banking sector and its engagement in CSR have been studied in the past by the researchers, from the perspective of CSR initiatives directed towards employees and their respective consequences are not explored in detail. The need arises to address this gap because it is of great importance since banking in Pakistan is among the largest employment sectors in Pakistan. E.g. according to the annual reports of the top five Pakistani banks, they have the workforce of more than 10,000 employees each. So this study is intended to bridge this gap that exists in the current literature.

2.19.5 Legal Framework for CSR in Pakistan

In Pakistan, the SECP is the body responsible to regulate the corporate sector and capital markets and SBP regulates the banking sector in Pakistan. It is responsible for assuring the ethical corporate conduct of public companies so it takes initiatives to persuade companies to

involve them in CSR. In 2009 the SECP made it mandatory for the companies to make CSR disclosures in the director's report to the shareholders. The disclosures include both descriptive and financial donations made by the company during the financial year. In 2012 the SECP issued CSR guidelines for the adoption of voluntary measures that can enhance the transparency and accountability of the CSR policies and SBP follow these CSR guidelines.

There are two important aspects of these guidelines: 1) governance practices and 2) independent assurance. Companies can choose the CSR activities of their own choice but the board of directors has to be actively engaged in formulating and implementing CSR policy. The companies have to communicate their CSR policy to all stakeholders using appropriate channels such as the company's website, annual reports or separate CSR reports. The main area of interest covered in the SECP CSR guidelines are as follows: a) Community investment (skill development, livelihood, health, education, infrastructure, social enterprise development, safe drinking water, poverty alleviation, youth development and environmental conservation) b) Governance (human rights, transparency, anti-corruption, business practices, stakeholder relations, responsible marketing) c) Product responsibility d) Work-life balance e) Safety (risk management, disaster management) f) Climate Change.

In 2017 SBP has issued Green Banking Guidelines (GBG). The objective of GBG is persuading the financial sector of Pakistan to support the activities that transform the economy of Pakistan into low carbon and climate resilient economy. The financial sector is associated with environmental risks through the actions of their customers. Although it is the primary responsibility of the borrowers to abide by the environmental regulations GBG seeks the financial sector to put in place the mechanism to identify and assess the environmental risk to avoid any future financial losses.

3 . MATERIAL AND METHODS

3.1 Elements of Research In Relation to the Current Dissertation

This part of the dissertation explains the elements of social sciences research in relation to the research process applied in this thesis. There are six elements of doing social sciences research: ontology, epistemology, axiology, methodology, research methods and rhetoric. All six elements are important in the execution of social sciences research as they verify that what and how we can know the social world and its associated problems. Below these elements in relation to this thesis are discussed in detail.

Table 3-1: Elements of Research

| Ontology | Epistemology | Axiology | Methodology | Methods | Rhetoric |
|-----------------|---------------------|------------------|-----------------------|----------------|-----------------|
| Singular | Positivism | Objective Stance | Quantitative Analysis | Quantitative | Formal |

Source: CRESWELL-CLARK (2007)

Ontology: The research philosophy can be viewed from two different angles, i.e. an ontology and epistemology. In business, research ontology can be defined as “the science or study of being” (BLAIKIE, 2010). It is related to the beliefs of the individuals regarding what constitutes reality and the understanding of what establishes the facts. Or in other words, ontology is the assumptions regarding social reality and states about what exists, how it appears to be, what constitutes entities and how these entities are interconnected (BLAIKIE, 2000). The fundamental question in ontology is about the perception of entities as being subjective or objective. So objectivism (also known as positivism) and subjectivism (also known as constructionism) are two significant features of ontology.

- According to Objectivism, the social entities occur in reality that is external to the social actors that are involved with their existence (SAUNDERS-LEWIS-THORNHILL, 2012). So Objectivism argues that social the existence of the social phenomena and their respective interpretations are independent of social actors (BRYMAN, 2012). Researchers who follow this position try to establish cause and effect and justifications. Their approach focuses generally on investigating actions, testing theories and hypotheses.
- Subjectivism, on the contrary, identifies the social phenomena is formed through the perceptions and resulting actions of those social actors that are involved with their existence (BRYMAN, 2012). This view argues that understanding the human behavior depends completely on rebuilding the self-understanding of the entities involved in executing them. In order to understand others, it is important to know the meaning of what they do and to understand this meaning is to comprehend them in their own terms.

For this dissertation, I agree with both objectivism. The main objective of this study is to investigate how internal CSR affect human behavior in the organization. Moreover, this research proposes and empirically test the underlying explanatory mechanism through which internal CSR affect human behavior. This research applies to the objectivist position since the topic is considered as an element of reality that is objective and the research philosophy

applied to this research is pragmatism. I agree with constructionism to this extent that the external reality can be revealed by hypothesis testing.

Epistemology: Epistemology is the branch of philosophy that deals with the theory of knowledge. The epistemological positions reflect what we can know about the world and how we can know about the world. Alternatively, it can be said that it is related to what constitutes and what not constitutes knowledge. Here it is important to differentiate between two ways of acquiring knowledge and it is related to ontology. One way argues that knowledge about the world be acquired without interference objectively since all people see things in the similar fashion. The second way, on the contrary, argues that objectivity is not possible since the observation is affected by the social construction of reality.

Researchers who follow the approach of objectivism take the positivist position. According to this position, the same methods of the natural sciences can be applied to the social sciences and are capable of producing the same results. It implies that objectivity is possible since everything can be observed as it is without any interference. In the natural sciences, the hypothesis is generated and then tested through observation. So in social sciences, it is important to find the laws and casual statements about social issues that can explain the behavior. Positivists apply quantitative techniques in their research so the results can be generalized and replicated.

The researchers who apply the non-positivist methods of their research are the one who takes the constructivist position and is called interpretists. According to them, there is no such thing as objective reality. The world is socially constructed so do the occurrence of social phenomena. According to interpretists, these social phenomena cannot be analyzed by observation. Our interpretations affect them and every observation concurrently influence what is observed. Interpretists employ qualitative tools in their research and try to understand the behavior, not just merely explain as in the case of positivists.

There is the third approach that a lie somewhere between the positivism and interpretism and it is referred to as relativism. According to realists, there is a real world out there and it can be possible to generate casual statements, but not all the social phenomena can be directly observed. Since there are certain phenomena that are so deep that can't be observed and any observation about them will present a false picture. So it combines both approaches of positivism and interpretivism.

In this dissertation, I have chosen to go with the opinion of the pragmatist researchers. According to pragmatism research philosophy, the world can be interpreted in different ways

and there are different ways to conduct the research since there is no single point of view that can explain the full picture and there may exist multiple realities. Positivism and interpretivism are two extreme paradigms that are mutually exclusive but pragmatism combines both Positivism and interpretivism in a single research. Pragmatism research philosophy can employ more than one research approach in a single research study. Further pragmatism research philosophy allows the use of more than a method to collect, analyze and interpret data such as qualitative and quantitative.

The current dissertation uses positivism since the researcher deems to accept only that knowledge that is based on facts and data. Internal CSR, employee behavior, and other variables are measured through a series of items. Positivist use scientific theories as a means of formulating a hypothesis. These hypotheses are then empirically tested for acceptance, rejection or revision. In this research series of the hypothesis is formulated from common versions of reality. Positivists follow two major principles one is they segregate, examine and understand the bases of the human behavior. Human behavior is caused by something which is if understood then it can be applied to explain and predict the human behavior. The second principle applied by positivists is objectivity. The positivist researchers apply scientific methodologies that can produce numerical observations that can be replicated and statistically analyzable. The researcher neither gets affected nor affect the respondents of the research. Moreover, the data collection is independent of the human judgment. In the current research, the data was collected through the structured questionnaire. These questionnaires were distributed among the banks in the natural settings and the role of the researcher was of the observer in the natural settings. Quantitative methods were used to collect the numerical data that can be analyzed.

Axiology: It is the branch of philosophy that deals with the assessment of the role of the researcher's values in every step of the research process. There is a division of opinion among the social sciences researchers regarding the values. Post-positivist researchers are believed to be unbiased as they apply different measures to eliminate the bias. Whereas constructivists believe that the collected evidence is neutral and is contingent on the researcher's interpretation. As this dissertation follows the postpositivist philosophical approach so I value objective viewpoints in the interpretation of the result.

Methodology and Research Methods: Research methodology is different from research methods in a way that the research methodology is the philosophy related to research and its underpinning design, whereas research methods refer to the collection and analysis of data

(CRESWELL-CLARK, 2007). In this regard, two research methods are employed by the social sciences researcher's quantitative and qualitative methods. Traditionally the social researchers have argued that these two methods are incompatible in their use and reasoning. This dissertation employs quantitative method to collect and analyze the data.

Rhetoric: This element of the research process refers to the use of language and presentation of research findings. It is interesting to note that dichotomy that causes splits in the other elements of the research also operates for this element as well. Post-positivist researchers use formal language and acceptable definitions while presenting their research findings. On the other hand, the researchers following constructivist viewpoint use more informal and mythical style to present their research findings in order to ensure the subjective meanings associated with them. This thesis uses formal language in reporting findings.

3.2 Research Approach Applied

Research approaches can be categorized into two types: inductive and deductive. Current research follows the deductive approach and consists of two stages. The process of drawing from logical analysis an inference that purports to be conclusive is called deduction. It is the approach from general to specific that involves testing a theory by collecting and analyzing data. The initial stage of this study is hypothesis generation. For this purpose, the secondary data is used to provide the overview of the previous literature and underpinning theories that support the formulation of the theoretical framework for the current study. The theoretical framework is the logical network of connections that exist among the various variables and through this meaningful integration of information the hypothesis is generated. In the second stage of the study, the hypotheses are empirically tested to determine whether the data

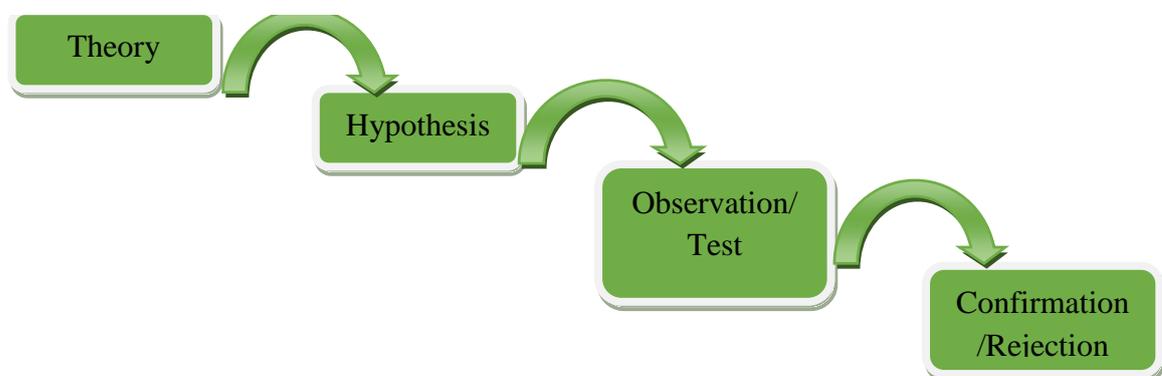


Figure3-1: Research Approach Applied In Current Dissertation
Source: Adapted from SEKARAN (2003)

3.3 Data

Both types of data, i.e. secondary and primary are collected for the current research. The secondary data for current research was collected from annual reports, and official websites in order to gather detailed insights about internal corporate social responsibility. Whereas the primary data is collected using the personally administered questionnaires and interviews.

3.4 Research Methodology of the Study

Following diagram shows the research methodology applied to the current study:

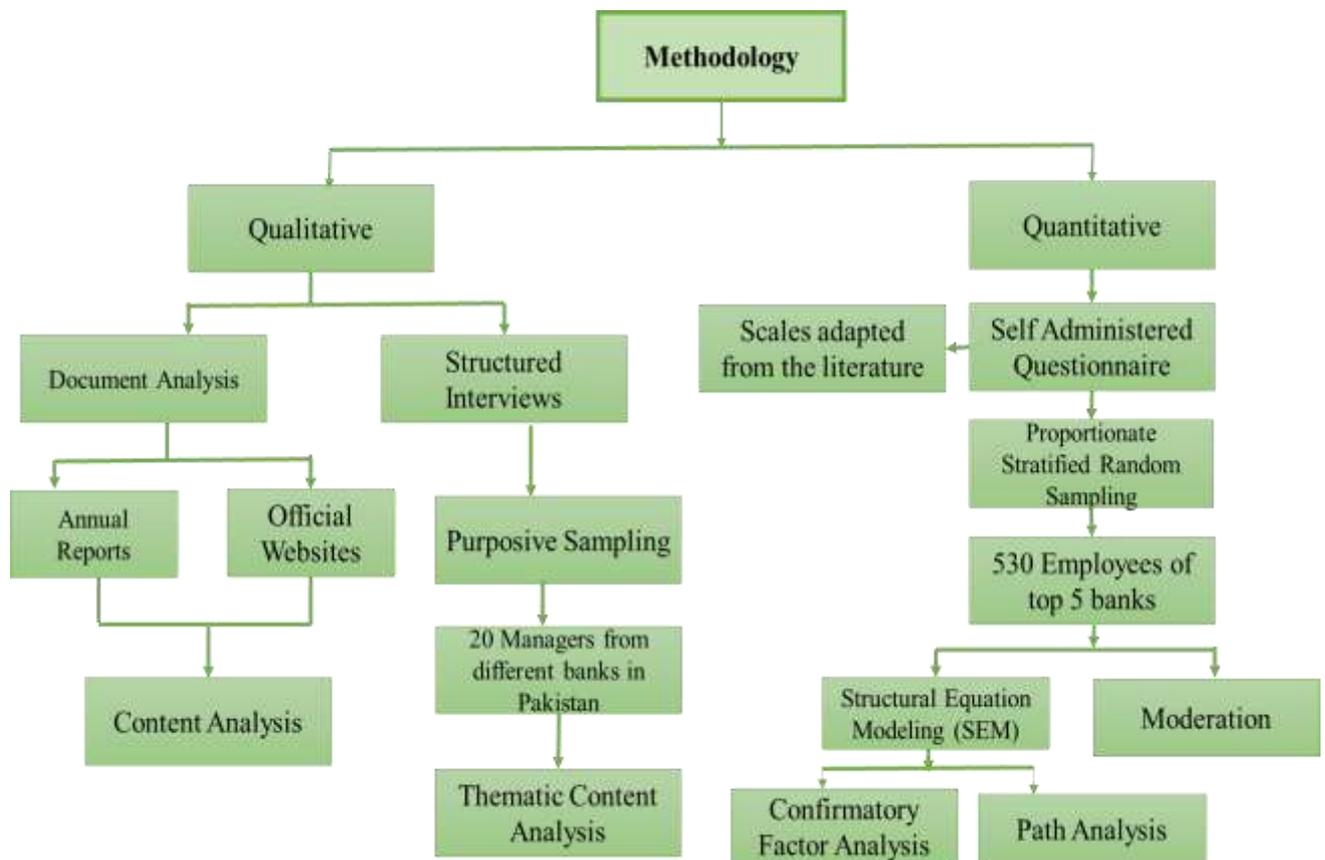


Figure 3-2: Research Methodology of the Study

Source: Author’s own construction (2019)

3.5 Population and Sample

The banking sector in Pakistan can be categorized into local and foreign banks. Local banks include private sector banks, public sector banks, and specialized banks. Table 3-2 shows the categorization of banks in Pakistan.

Table 3-2: Categorization of Banks in Pakistan

| Foreign Banks | Local Banks | | |
|---------------|----------------------|---------------------|-------------------|
| 4 | Private Sector Banks | Public Sector Banks | Specialized Banks |
| | 21 | 5 | 4 |

Source: STATE BANK OF PAKISTAN (2016)

3.5.1 Introduction of Top Five Banks of Pakistan

The important task in the current study was to identify and limit the suitable population on which the study was to be carried out. In order to provide the secure basis for the current study the unambiguous demarcation of population was done so to clearly define the generalizability and usability of the research. The population was delimited using the well-established classifications so the respondents can be clearly assigned to the respective categories. As described in the study background section of literature review, CSR in Pakistan is still in the evolutionary stage and mostly the small and medium sized organizations perceive it as a philanthropic activity the large organization was considered a suitable option since they have more well defined CSR strategies.

Table 3-3: Top Five Pakistani Banks by Tier 1 Capital

| Rank | Bank | Tier 1 Capital \$m | Asset \$m |
|------|---------------------------|--------------------|-----------|
| 1 | Habib Bank | 1,328,44 | 21,154,03 |
| 2 | Muslim Commercial Bank | 1,059,29 | 9,735,67 |
| 3 | United Bank | 934,22 | 14,171,71 |
| 4 | National bank of Pakistan | 914,21 | 16,323,77 |
| 5 | Allied Bank | 613,16 | 9,466,38 |

Source: (THEBANKERDATABASE.COM, 2015)

Therefore, for the current study, I have chosen top five banks of Pakistan. The population was delimited on the basis of the established information on the Top 1000 World Banks by Tier 1. Pakistan has 5 banks featured in the Top 1000 World Banks by Tier 1 2016 (Bankers database, 2016). The leading banks of Pakistan, with their position in the 2016 rankings in brackets are Habib Bank (566), MCB Bank (649), United Bank (696), National Bank of

Pakistan (709), and Allied Bank (859). All five banks hold approved CSR strategy and are projected quite prominently on their websites and also in annual reports.

3.6 Qualitative Research Approach

The qualitative research approach is applied in this study for the exploratory purpose. The objective of employing qualitative research approach in the current study is to examine the internal CSR disclosure of the banks under study. Moreover, through the exploratory open-ended study, the perspective of CSR experts on the proposed theoretical framework of the current research will be incorporated. The advantage of undertaking qualitative research is that it is interpretative and is useful for further quantitative analysis. For the purpose of exploratory examination, this research will employ two methods document analysis and interviews. Below the details of how these methods are employed in current research are discussed in detail.

3.6.1 Document Analysis- Method

Document analysis method is useful for the in-depth investigation of the underlying principles of occurrence in the real-life context. It provides a more holistic view in comparison to the signal view of the respondent in the questionnaire and the interviews. Banks are the major players in the Pakistani corporate sector and this study focused on the ICSR of the top five banks. So it is important to investigate the existing realities of internal corporate social responsibility policies of these banks and to know that to what extent these top five banks of Pakistan have integrated employee-related policies in their overall CSR strategies. And if they are engaged in internal CSR, what are the internal CSR initiatives and which ICSR components are more emphasized. For this purpose, the document analysis method was employed.

In order to analyze the public disclosures of internal CSR the top five banks of Pakistan. The official corporate websites and publicly available annual reports of the companies were analyzed to find the current state of internal CSR disclosures in the current study.

3.6.2 Interview

Qualitative research is helpful to investigate the real-life perspective and differentiate between the claimed and actual attitudes and behavior (BELK-DEVINNEY-ECKHARDT, 2005). It is appropriate when the researcher wants to use an exploratory approach to

understand the perceptions and actions of the individuals. Interview method is employed in the current dissertation to provide the context for the quantitative data analysis so to provide the more complete picture on the proposed theoretical model of the current dissertation. Owing to these reasons, in the current dissertation, employed interviews. Interviews with the CSR experts were most advisable to get the real understanding of CSR policies, especially the internal CSR and how it affects employee's behavior, and moreover to improve the understanding that how internal CSR, and employee behavior relationship is affected by organizational identification and leader-member exchange.

Sample: The purpose of qualitative research is to do in-depth exploration, small but diverse sample can serve this purpose (MCCRACKEN, 1988). The sample size of this qualitative study consisted of 20 managers working in the different banks of Pakistan. In order to get the diverse opinion about the internal CSR situation in Pakistan, the managers were selected not only from the five banks but also from the other commercial banks in Pakistan. The sampling technique chosen for this study was based on the theory rather than on representation. So purposive sampling was employed to draw a small and diverse sample. Those managers were chosen who could willingly provide information about the research problem addressed in the current dissertation (GLASER & STRAUSS, 1967). The main concern during the selection of the manager for the interview was his/her awareness of the CSR policies. Therefore the majority of respondents were the branch managers of the banks due to the fact that they had more access and knowledge about their bank's CSR policies. It was ensured during the selection that the respondents were from a diverse demographic background, such as age, gender, and education. At first, the respondents were chosen on the basis of the convenience later the interviews were conducted with the respondents that were recommended by the initial interviewees (snowballing).

Structure of the Interview: Interview comprised of 13 questions. The interview followed the general to a specific approach based on the theoretical framework proposed by the researcher. In the first part of the interview, the interviewees were asked the general questions related to their understanding of corporate social responsibility, CSR activities, and its significance. In the middle, the interviewees were asked questions related to internal corporate responsibility policies. In the latter part of the interview, the respondents were asked questions related to ICSR and its impact on employees' behavior, organizational identification and the role of leader in the relationship between the previously mentioned variables.

Content Analysis: The responses of the interviewees will be analyzed by content analysis. The thematic content analysis will be employed to detect formal and informal concepts in the conversation. The themes that were to be identified in the interview were operationalized by the indicators. The deductive approach was used to generate the themes and indicators as the themes were based on the proposed theoretical model of the current dissertation. Therefore the literature review was used to generate the indicators for the themes. The general themes were namely the concept of CSR, internal CSR, LMX, organizational identification, and employee behavior. The responses of the interviews were categorized under the themes that were mainly derived from the operational definition of the variables used in the dissertation that are described in the literature review section. Following identified indicators of the themes were used to analyze the responses of the interviewees:

The concept of Corporate Social Responsibility: Three indicators are derived using LEA (2002) definition of CSR and they are economic, environment, employee and society.

CSR Initiatives: Four indicators were identified using the CARROLL (1991) definition of CSR i.e. economic, legal, ethical, and philanthropy.

Corporate Social Responsibility and Culture: Collectivism, high power distance, masculinity and uncertainty avoidance (HOFSTEDE, 1980)

Internal Corporate Social Responsibility: The internal CSR indicators were identified by using the research work of MOREY ET AL (2016) as described in the literature review namely 1) employment stability, 2) working environment, 3) skills development, 4) workforce diversity, 5) work-life balance, 6) tangible employee involvement and 7) empowerment.

Internal Corporate Social Responsibility and Employee Behavior: Indicators referred as positive work behavior such as organizational citizenship behavior, knowledge sharing behavior, work engagement, and negative work behavior referred such as stress, perceived organizational obstruction and organizational cynicism (AUTHOR'S PROPOSED FRAMEWORK, 2018).

Organizational Identification and Employee Behavior: TAJFEL, (1978) definition of organizational identification is used to derive the four indicators that are emotional bond mutual goals, togetherness and shared values.

LMX and Employee Behavior: Four indicators are identified to address the relationship between LMX and employee behavior based on the research work of TANNER-DUNN-

CHONKO, (1993) and DULEBOHN ET AL., (2012) i.e. stress, demotivation, job performance, and job satisfaction.

Suggestions To Improve The Well-Being Of Employees: MOREY ET AL. (2016) research work was used again to indicate the suggestions to improve employee well-being as it was helpful to relate these suggestions with internal CSR namely 1) employment stability, 2) working environment, 3) skills development, 4) workforce diversity, 5) work-life balance, 6) tangible employee involvement and 7) empowerment.

Analysis: Percentage method will be used to analyze the responses of the interviewees. The responses will be counted and summed that will fall under the particular indicator of the theme and then will be divided by the total number of the responses.

3.7 Quantitative Research Approach-Survey

The main objective of this research to develop and test the theoretical framework that explains that how and when internal CSR affect employee behavior. In order to serve this objective, the empirical evidence will be provided by means of quantitative study. In the following sections, details regarding the quantitative study are discussed. This section will highlight instrument development, data collection and methods adopted for data analysis of the quantitative study.

Type of Investigation: The current study is a causal research. It is considered to be conclusive in nature as it is quantitative, preplanned and structured. The causal research is generally conducted with two objectives; first is to determine the cause and effect variables and other is to examine the nature of the relationship between casual variables along with the effect to be predicted. The objectives of the current study match with the above-stated objectives of casual research because it is intended to examine the effect of internal CSR on the employee attitudes and also analyze the nature of that effect.

Researcher's Interference: Current research has minimum researcher interference, as it is conducted without interpreting the normal workflow.

Study Setting: The current study is conducted in the non-contrived settings in the natural work environment. The questionnaires were distributed and collected from the organizations without interfering with the normal flow of work.

Instrument Development: The questionnaire for the current study was consolidated by using the work of previous researches.

Table 3-4: Detail of the Scales Used To Measure the Variables

| Sr # | Variable | Source | No Of Items | Rating Scale |
|------|--|---------------------------------|-------------|--|
| 1. | Internal Corporate Social Responsibility | MORY ET AL., (2016) | 34 Items | 5-point Likert-type scale anchored as 1 = <i>strongly disagree</i> and 5 = <i>strongly agree</i> |
| 2. | Collectivism | YOO-DONTHU (2002) | 6 Items | 5-point Likert-type scale anchored as 1 = <i>strongly disagree</i> and 5 = <i>strongly agree</i> |
| 3. | Organization Identification | MAEL-ASHFORTH (1995) | 5 Items | 5-point Likert-type scale anchored as 1 = <i>strongly disagree</i> and 5 = <i>strongly agree</i> |
| 4. | Leader-Member Exchange | GRAEN & UHLBIEN (1995) | 7 Items | The continuous scale of the sum of 5-point items (1 left to 5 right). |
| 5. | Knowledge Sharing Behavior | CHENNAMANE NIA-TENGBRAJA (2012) | 7 Items | 1 = Very Infrequently 4 = Moderate Frequency (Few times per month); 7 = Very Frequently (Many times daily) |
| 6. | Organizational Citizenship Behavior | PODSAKOFF ET AL., (1990) | 19 Items | 5-point Likert-type scale anchored as 1 = <i>strongly disagree</i> and 5 = <i>strongly agree</i> |
| 7. | Work Engagement | SCHAUFELI ET AL., (2006) | 17 Items | Seven-point frequency rating scale, ranging from 0 (“never”) to 6 (“always”). |
| 8. | Organizational Obstructionism | GIBNEY-ZAGENCZYK-MASTERS (2009) | 5 Items | 5-point Likert-type scale anchored as 1 = <i>strongly disagree</i> and 5 = <i>strongly agree</i> |
| 9. | Organizational Cynicism | NAUS ET AL.(2007) | 6 Items | 5-point Likert-type scale anchored as 1 = <i>strongly disagree</i> and 5 = <i>strongly agree</i> |
| 10. | Stress | COHEN ET AL. (1994) | 10 Items | 4 point scale range from 0 = Never to 4 = Very Often |

The table 3-1 shows the detail regarding the sources, a number of items and rating items used for the study. The original survey items were used, but however, the scales were adapted for length and language based to fit the needs of the present study. There were two main sections of the questionnaire: first is the demographic section in which the respondents were asked about the organization name, position, gender, age, qualification, and experience, etc. The second section incorporated the questions measuring the variables and was divided into ten subsections. The measures of internal corporate social responsibility and organizational citizenship behavior were multidimensional. The questionnaire was finalized after all the measures were tested for validity and reliability.

Unit of Analysis: The entity analyzed in the current research is individuals. The unit of analysis is an individual employee working in the top five banks in Pakistan.

Time Horizon: There are typically two types of time horizons used in research: cross-sectional and longitudinal. The cross-sectional time horizon is used for this dissertation; as it examines the relationship between different variables as they exist in the employees of the top five banks of Pakistan in the particular given time period.

Sample: Proportionate stratified random sampling is used to collect the data.

Table 3-5: Population and Sample Details

| Banks (Stratum) | Number of Employees (approx.) | Proportionate size in the sample |
|---------------------------|-------------------------------|----------------------------------|
| Habib Bank | 15,000 | 109 |
| MCB Bank | 18,000 | 131 |
| United Bank | 13,000 | 94 |
| National Bank of Pakistan | 16,000 | 116 |
| Allied Bank | 11,000 | 80 |
| Total | 73,000 | 530 |

Source: ANNUAL REPORT AND WEBSITE OF BANKS

The population was divided into five stratum (Banks). The total size of the population is 73,000 employees approximately. According to SEKARAN (2003), the sample size between 30 and 500 is appropriate for most of the researches, but more specifically following the general guidelines for sample size selection; the sample size of 381 for a population of 50,000 and 382 is appropriate for the population of 75000 (SEKARAN, 2003). So the sample size of the current study is 530 employees working at the various levels and departments of the banks. Table 3-4 illustrates the list of banks, the number of employees and the proportionate size in the sample of each bank respectively.

Data Collection Process: Data were collected through the questionnaires that were personally administered to the 600 respondents in the branches of top five banks of Pakistan located in the five big cities i.e. Islamabad, Rawalpindi, Lahore, Karachi, Peshawar. The respondents filled the questionnaire anonymously. Respondents were employed in the different departments of the bank such as operations, human resources, information technology, consumer banking, and commercial banking etc. The length of questionnaire was ten pages and estimated time to fill the questionnaire was forty five minutes approximately. One of the respondents bias in the current study was the Neutral responding many respondents choose the neutral answer every time. Which showed the lack of interest on and is simply looking to answer questions as quickly as possible. This inaccurate data is just damaging and can affect the results therefore they were not utilized in the final data analysis.

Data Analysis: Table 3-6: Overview of the Statistical Test Used In the Study

| Sr .no | Analysis | Statistical Test | Software used |
|---------------|------------------------------------|------------------------------------|----------------------|
| 1. | Reliability | Cronbach Alpha | SPSS 22 |
| 2. | Structural Equation Modeling (SEM) | Path and measurement model(SEM) | AMOS/Mplus |
| 3. | Path Model | Multiple regression analysis | AMOS |
| 4. | Measurement Model | Confirmatory factor analysis (SEM) | MPlus |
| 5. | Mediation Analysis | Path Analysis (SEM) | AMOS |
| 6. | Moderation Analysis | Process by Hayes | SPSS 22 |

To perform the statistical analysis, three software is used to analyze the data MPlus, SPSS 22 and AMOS. The table provides the overview of the analysis performed in the current study.

Cronbach Alpha: CRONBACH (1951) developed Cronbach Alpha and it measures the reliability or internal consistency of the scale used to measure the variables. Cronbach Alpha important statistical tool to measure the reliability of the questionnaires that employ Likert scale. The reliability is how well the test measures what it is intended to measure. In this research, the latent variables were used that are hard to measure in the real life such as OCB, POO etc., so the values of Cronbach Alpha will show that the measures used precisely measuring the variables of the current study. The acceptable value of Cronbach Alpha ranges from 0.75 to 0.83.

Structural Equation Modeling (SEM): Structural equation modeling (SEM) is a common term used to describe different statistical techniques used to verify substantive theories through empirical data. SEM is further expansion of General Linear Modeling (GLM) such as ANOVA and multiple regression analysis. SEM takes a confirmatory approach, i.e. hypothesis testing. The theoretical model is specified prior. The objective of SEM is to determine that the hypothesized model is consistent with the data used for the study in order to validate the theory. The model is based on the causal relationships between multiple variables based on structural theory. SEM is applicable to both cross-sectional and longitudinal data and moreover can be used for experimental and non-experimental design.

SEM has synonymous terms in the literature such as path analysis, causal modeling and covariance structure model. Generally, there are two models evaluated in SEM: 1) measurement model and, 2) path model (LEI-WU, 2007).

Measurement Model: In the SEM measurement model refers to the Confirmatory Factor Analysis (CFA). Unobserved latent variables, e.g. intelligence and job satisfaction cannot be measured directly. The inferences can be made by the responses to various observed variables called indicators. Through these responses, the assessment can be made about the respondent's rating on the specific latent variable. CFA is used to verify the number of latent constructs that correspond to the responses and also examine the adequate number of indicators or items for the latent variables to be measured (LEI-WU, 2007). CFA is discussed in detail below.

Confirmatory Factor Analysis: As mentioned above that confirmatory factor analysis is an important measurement model. CFA is basically related to the modeling of the relationship between observed variables or indicators (test scores or ratings) and the number of factors or latent variables. The basic objective of CFA is to find the variation and covariation between the set of indicators. The inter-correlations between the indicators or observed measures exist because of the existence of a common source (latent variable). The inter-correlations between the observed variables will become zero if the latent variable is partially out. Thus CFA provides a parsimonious understanding of covariation between the set of indicators since the number of unobserved variables is less than the number of observed variables (BROWN-MOORE, 2013).

Moreover, CFA is an efficient tool to analyze the construct validity of the theoretical construct. The discriminant and convergent validity can be analyzed through the results of the CFA. The results of discriminant validity show that the measurement of unrelated variables is actually unrelated. Whereas the results of the convergent validity show that the measurements of related variables are actually related (BROWN-MOORE, 2013).

Path Model: Path analysis refers to the estimation of multiple regression equations simultaneously. In this case, it can be used for the estimation of more complex causal relationships between variables such as mediation. Path analysis involves the structural modeling of the relationship between multiple latent and observed variables. These hypothesized relationships are stated hypothesis stating directional effects or specifying how independent variable influences dependent variable (LEI-WU, 2007).

Mediation and Moderation Analysis: This study employs moderation and mediation analysis that are discussed below:

Mediation Analysis: Mediation analysis is used for the better understanding of how IV affects DV. Mediation analysis involves the inclusion of a third variable, i.e. Mediator (M) to better explain the effect of the predictor variable (X) on the outcome (Y). It means that X causes M and M itself, then cause (Y). So it can be said that instead of X is causing Y directly; X cause Y via M which means X causes M and M in turn cause Y. The causal relationship between Y and M is called the indirect effect. Below the direct and indirect effect is depicted in the diagram.

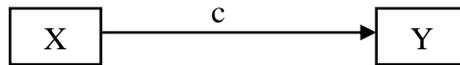


Figure 3-3: Direct Effect X Effect Y

Source: (Hayes, 2009)

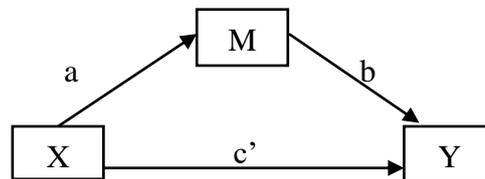


Figure 3-4: Indirect Effect of X on Y through M

Source: (Hayes, 2009)

The mediation analysis involves the confirmation of significance mediating variable in the model. The analysis involves a series of steps showing that X cause M then M cause Y and X become insignificant in the presence of M or the effect is significantly reduced. Traditionally BARON-KENNY (1986) specified steps for mediation analysis were used steps that involved three regression equations that were tested separately, but the flexibility of SEM allows to test and run the model simultaneously with the rigorous goodness of fit measures (DANNER-HAGEMANN-FIEDLER, 2014). So for the current study, SEM is used to test the mediation.

Moderation Analysis: Moderation analysis as mentioned previously answers the question when the predictor variable will affect outcome variable. The Moderator Variable (MV) identifies the circumstances under which Independent Variable (IV) and the Dependent Variable (DV) are related. The inclusion of moderator will either change the direction or the magnitude of the relationship between IV and DV. Moderation implies interaction effect. Moderation analysis involves the analysis of interaction effect between the IV and MV predicating DV. If the interaction effect is significant in predicting DV the moderation takes place (BARON-KENNY, 1986, HAYES, 2012).

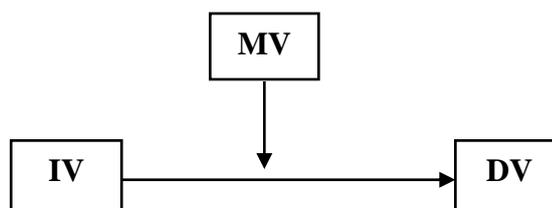


Figure 3-5: Moderation

Source: (Bolin, 2014)

4 . RESEARCH FINDINGS AND THEIR EVALUATION

4.1 Qualitative Results

In the following section, the results of the qualitative study i.e. document analysis and interviews are presented.

4.2 Document Analysis-Internal CSR of Top Five Banks

The document analysis will highlight the public reporting of internal CSR agendas of these banks with a special focus on the internal CSR initiatives. Mainly it will analyze the internal CSR disclosures of the top five banks of Pakistan through the lens of three research questions related to ICSR. 1). Do the top five banks of Pakistan disclose their internal CSR activities? 2) If they disclose then what are the internal CSR initiatives of these banks? 3) What are the components of internal CSR that are emphasized more?

4.2.1 Allied Bank Limited (ABL)

Allied Bank Limited (ABL) is the fourth largest bank in Pakistan. It is a private commercial bank. ABL is having over twelve hundred branches and ATMs all across Pakistan. ABL has detailed CSR policy and sustainability report is included in the bank's annual report. The important features of the ABL CSR policy are community, workplace, customers, environment and brand image. ABL claims that its CSR objectives are integrated with the overall strategic objectives, policies, and procedures of the bank. The bank emphasizes protecting and enhancing the interest of all its stakeholders, including employees, customers, and society along creating value for its shareholders.

The bank contributed to four main areas of CSR 1). Customer relations PKR. 142 million, 2). Workplace PKR. 383 Million, 3) Environment PKR.257 million and 4) Society PKR 16.490 million. Since the focus of this study is internal CSR so below the workplace component of the bank's CSR policy which is directly related to internal CSR is analyzed in detail.

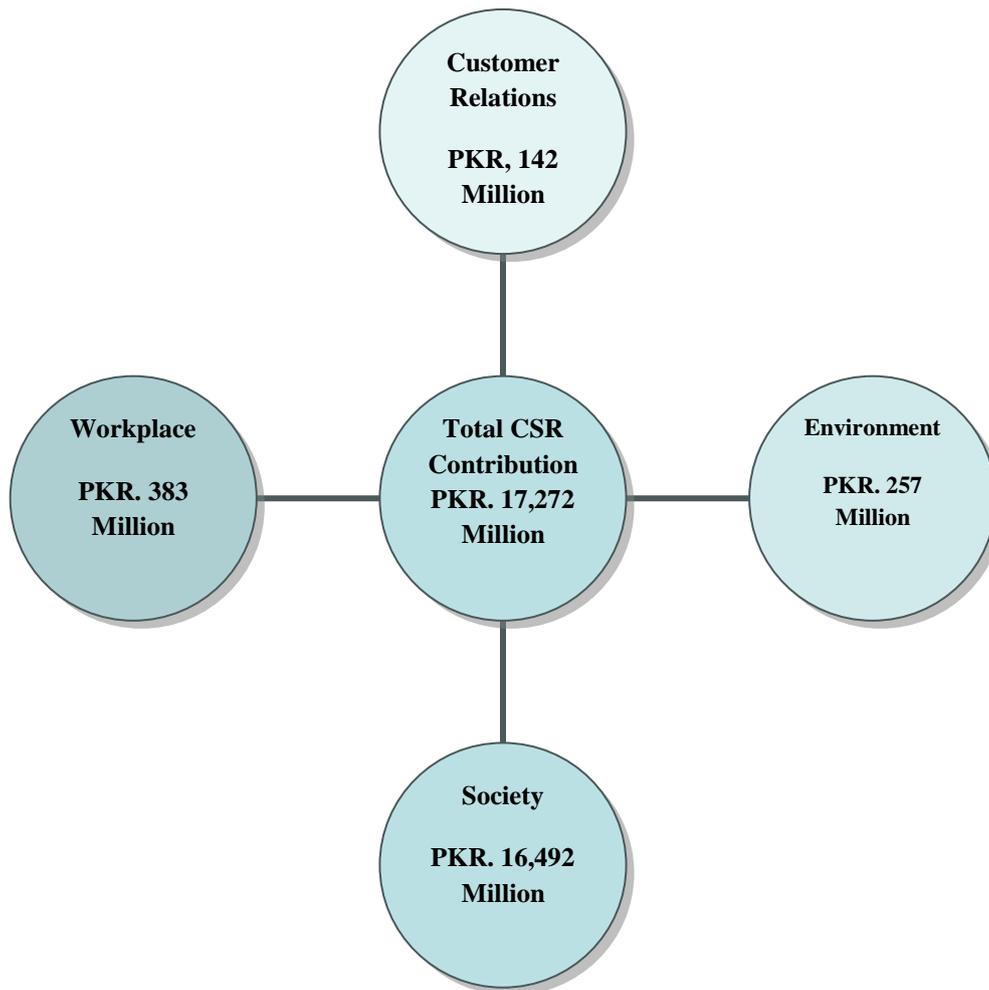


Figure 4-1: : Total CSR Contribution ABL

Source: ABL (2017)

4.2.1.1 Workplace

One of the crucial elements of ABL CSR strategy is developing a workplace that leads to the development of motivated, healthy and engaged human resource. The bank understands the importance of engaged employees for the prosperous future of the organization and in this regard they claim themselves to be committed to creating ethical and responsible organizational culture. The bank has policies that intend to enhance the work-life balance of employees, provide the medical facilities, equal employment opportunities that include hiring people with special needs and develop an ethical culture and promote social interaction.

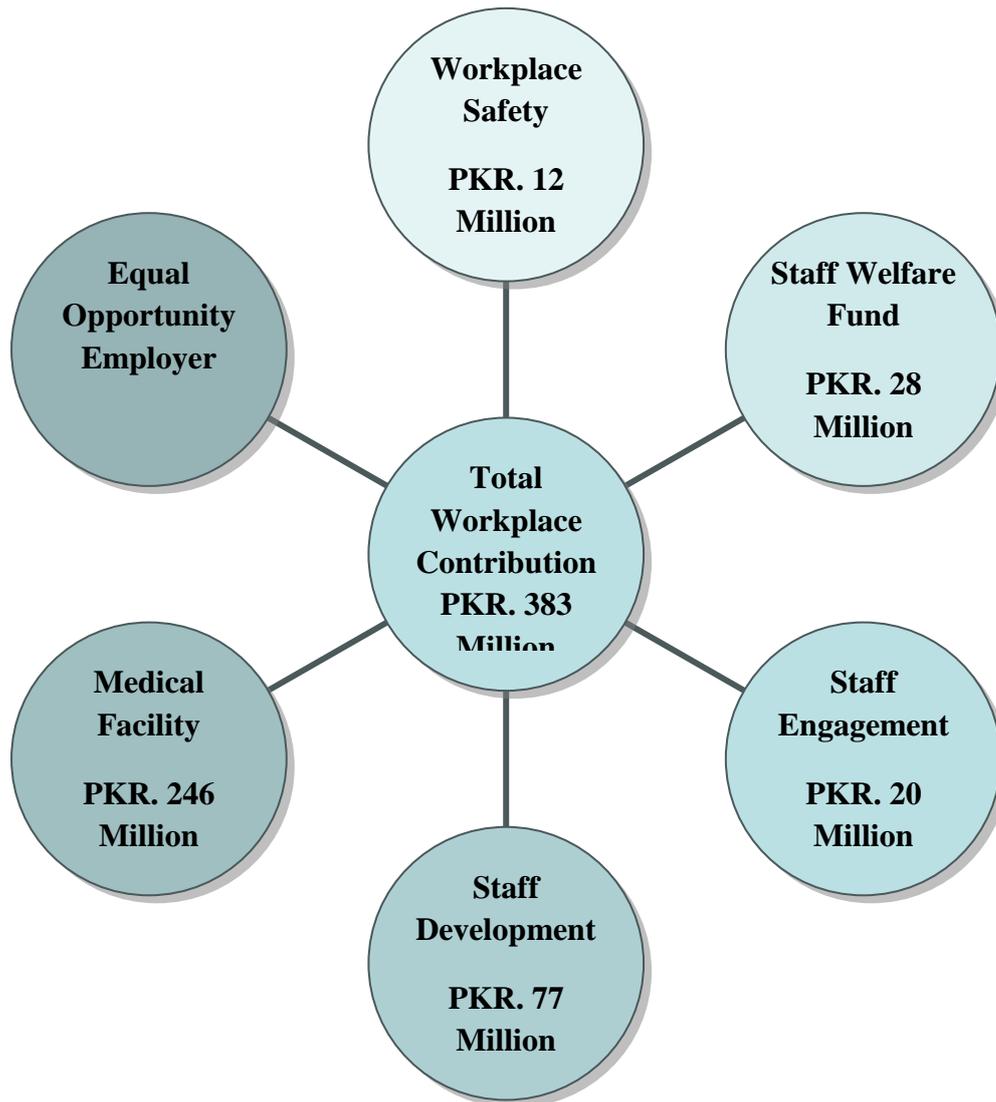


Figure 4-2: ABL Workplace Contribution
Source: ABL (2017)

4.2.1.2 Equal Opportunity Employment

The important component of ABL internal CSR is to be an equal employment opportunity employer so to increase the diversified workforce. In order to serve this purpose, the bank is committed to developing an inclusive culture. The objective of developing an inclusive culture is to treat employees equally and fairly without any discrimination on the basis of their background. In this regard the bank employs people from all across Pakistan, currently, the bank employs 11,000 employees that include both permanent and contract employees. In this way, the bank is positively contributing towards the economy and society. One special aspect that is emphasized by the bank in persuade of becoming an equal employment

Opportunity is the employment of disabled people and women. The bank employs 53 people with special needs and 1663 women, which consists 15% of the total workforce (ABL, 2017).

4.2.1.3 Medical Facility

The major component of ABL internal CSR is the health and safety of its employees. The major aspect of this policy is to provide medical facility to the employees. The medical policy doesn't only cater the existing employees, but it also serves and offer medical assistance to the ex-employees. The bank has Postretirement Medical Fund for the ex-employees. PKR. 121 million was spent for the medical expense of the existing employees and 125 million was spent on 756 ex-employees (ABL, 2017).

4.2.1.4 Workplace Safety

The important aspect of the bank's occupational health and safety policy is providing a safe working environment for the employees. The bank has taken different measures to make the working environment safe e.g. emergency lights, fire, and smoke detection equipment, alarm system, portable fire extinguishers, periodic evacuation/safety drills, and emergency exit doors. In 2017 ABL spent PKR. 12 million on the purchase of fire extinguishers (ABL, 2017).

4.2.1.5 Staff Engagement

The bank spends PKR 20 Million on the staff engagement. ABL claims that it is keen to enhance not only the psychological health of employees, but also it values the psychological health and well-being of employees. In this regard, the bank provides not only opportunities for employees, but also their families to socially interact and involve in healthy recreational activities. The bank organized 4 employee cricket tournaments in four cities of Pakistan and moreover sent 28 employees on Hajj by spending PKR. 15 million (Hajj is the Islamic pilgrimage to the Holy city of Makkah in the Kingdom of Saudi Arabia and it is an obligatory duty that must be performed by all Muslims at least once in their lives who are physically and financially in a position to carry out this journey) (ABL, 2017).

4.2.1.6 Staff Development

The interesting aspect of ABL internal CSR policy is the understanding of the employee role in the process of value creation of the organization that eventually is in the interest of all stakeholders. For this purpose, the bank has an internship program for the students of the Institute of Chartered Accounts of Pakistan, the purpose of this program provides a platform to the young trainees to become optional candidates for the banking industry by enhancing

their knowledge and skills related to banking. Further, the bank extends these efforts by supporting the education of existing clerical, non-clerical and executive employees. For this purpose, the bank has spent PKR 31 million on the education allowance and subsidy of employees. The bank not only provide financial support for enhancing employee education, but it also invests in employees by giving them training through internal and external trainers. PKR. 46 million was invested by the bank for the training of employees, which also featured foreign training courses. The bank reward employees for educational excellence, e.g. bank awarded cash prizes to 87 employees on successful completion of courses (ABL, 2017).

4.2.1.7 Staff Welfare Fund

The bank has a staff welfare fund to facilitate the clerical and non-clerical employees with financial difficulties. This fund is directed to help the employees with humble financial backgrounds in the needy times, e.g. bank financially supports employees to make wedding ceremony arrangement of their daughters or if the employee is in need at the time of the death of loved ones where bank make arrangement for burial expenses. Through this fund, the bank spends 28 million on 76 employees (ABL, 2017).

4.2.2 Muslim Commercial Bank Limited (MCB)

Muslim Commercial Bank Limited (MCB) is one of the oldest and largest banks in Pakistan. MCB is also one of the largest employers in Pakistan with the workforce of more than 18,000 employees. It has a well-defined code of ethics that employees are expected to follow while performing their duties. A sustainability report is one of the key features of the MCB annual report. The sustainability report highlights the significance of social well-being of employees and a clean environment. MCB has approved CSR policy from its board of governance that is directed towards facilitating and creating value for all its stakeholders. The key area of MCB CSR policy is health, education, sports, energy conversation, environmental protection, community welfare, customer satisfaction, service quality, and rural development. With respect to employees there are four areas clearly mentioned in the sustainability report 1) industrial relations, 2) employment of a special person, 3) occupational health and safety and 4) business ethics. It has various policies for the protection of employee well-being such as scholarship for employee children, Umarh tickets, equal opportunity employment and disciplinary action committee. MCB strives to be the employer of choice by inspiring and engaging its employees at all levels. The bank claims to promote talent with the intention of increasing employee growth and satisfaction.

MCB has explained its internal CSR initiatives on the official website and also in the annual report as shown in figure 4.3. However, it has not disclosed any details regarding the total expenditure on internal CSR and its related activities.

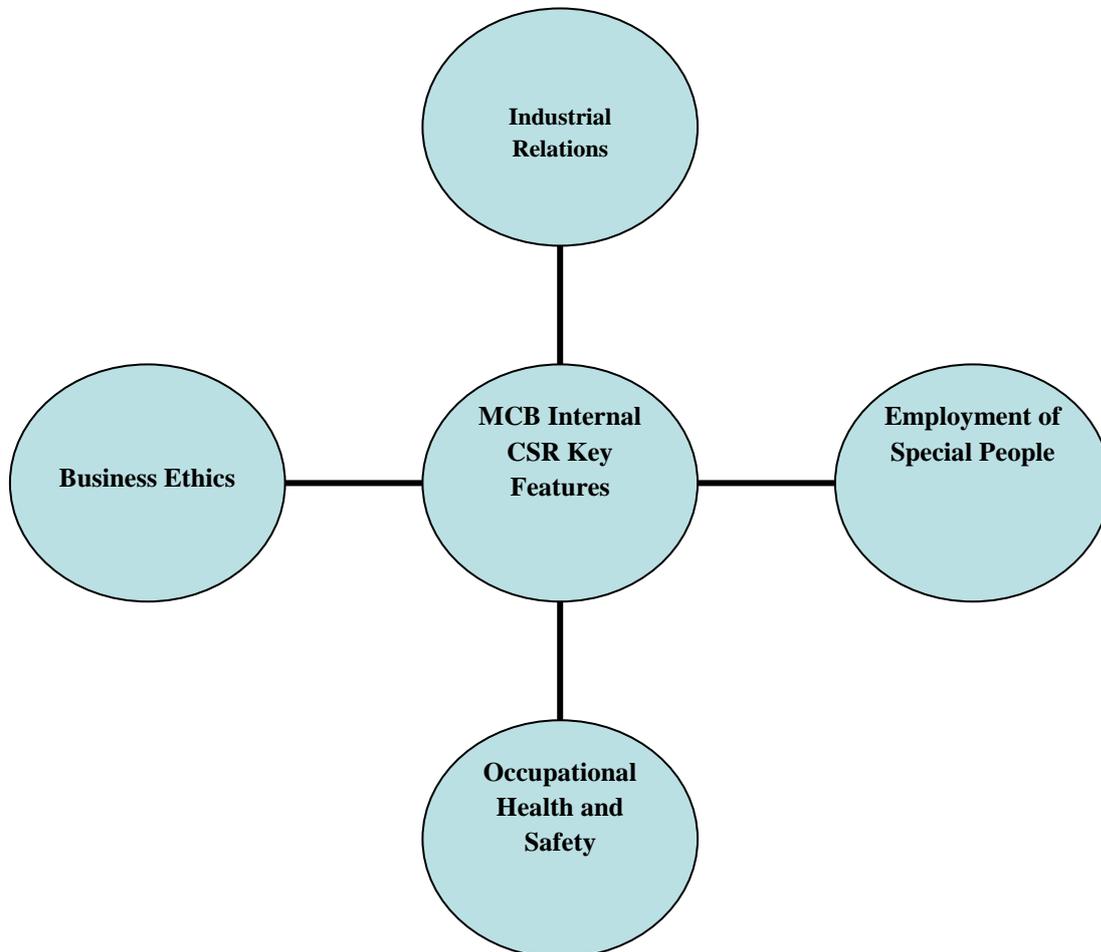


Figure 4-3: : MCB Internal CSR Features

Source: (MCB, 2017)

4.2.2.1 Industrial Relations

MCB claims to build a healthy relationship with its employees that include both clerical and non-clerical staff. For this purpose, the bank facilitates all the employees from all types of background. There is a union that represents both clerical and non-clerical staff. The union negotiates with management time to time to decide the fair and equitable salaries for the unionized staff. Similarly, the bank cares about not only the employees but also about their families, the staff is offered scholarships to meet the educational needs of their children. MCB also has staff welfare fund that like ABL it also has helped financially weak employees in arranging the wedding ceremonies of their daughters and has paid the burial expense of

employees at the difficult time of their lost loved ones. In this regard, the bank has spent Rs. 5 million to support needy clerical and non-clerical staff. In 2017 the bank also spent Rs 5.2 million to sponsor the Hajj of the employees selected through balloting in order to show respect to the religious sentiments of the employees (MCB, 2017).

4.2.2.2 Occupational Health and Safety

In order to protect the well-being of its employees, MCB has hired Pakistan's leading firm to provide consultancy on the existing situation of health and safety measures in the bank in 2017. The firm conducted the survey in the Lahore head office of MCB. The firm was also given a task to provide recommendations on improving the current situation and align it with the international safety standards. The recommendations made by the consultancy firm were incorporated. The bank has also shown commitment to continue this practice in the future as well to bring more improvements in existing infrastructure to make it more safe and healthy for the employees (MCB, 2017).

MCB has a well-developed Health, Safety & Environment Policy that is reviewed periodically by the management. The important features of health and safety policy of MCB are that all permanent employees are provided medical insurance, CCTV cameras and alarm systems are installed in all the branches and the security personnel is well trained to deal with any situation that can be threatening to the safety of employees (MCB, 2017).

MCB has taken initiatives to ensure that its employees are well informed about protecting their lives and also the bank assets. E.g. bank arranges seminars on the health and safety, medical checkups, emergency drills to prepare the employees to deal with emergency situations. The bank arranged seminar as part of their CSR program on how to deal with chronic pains. The seminar was conducted to discuss that how the employees who work for long hours can manage the chronic pains. Similarly, the bank has a medical unit that under the medial awareness program time to time spreads awareness among employees regarding diseases such as diabetics and hypertension (MCB, 2017).

4.2.2.3 Gender Equality and Employment of Special Persons

MCB claims itself to be an equal opportunity employer that doesn't discriminate on the basis of gender, race, ethnicity or physical ability. In fact, the bank encourages the employment of physically disabled people. The bank has 15% of female representation in the total workforce in order to generate the efficient pool of employees without any discrimination. To encourage the female worker's bank has a developed a culture this discourage harassment. The bank has

a harassment policy that is well communicated and it creates awareness among the employees to ensure zero tolerance for any harassment at the workplace. The bank celebrates a woman's day and mother's day to pay tribute to the high achieving woman of the bank (MCB, 2017).

4.2.2.4 Business Ethics and Anti-Corruption Measures

The core element of MCB internal CSR policy is identifying and safeguarding the risk associated with the banking practices and the bank is very active in spreading its policies related to ethics and corruption to element any possibility of lapses. The bank has developed a code of code and business ethics with the consultation of its human resource management group. This document is available on the intranet of the bank and is duly signed by the employees on the yearly basis. The bank has clearly mentioned that it expects its employees to act responsibly, honestly and with integrity during their job. The code of conduct defines the boundaries of interaction and minimum standards that are expected to be followed during the interaction among all stakeholders that include customers, regulators, shareholders, and employees. The code of conduct provides clear guidance to the employees that how they should behave in order to comply with the rule and regulations. If any employee is found guilty of violating this code of conduct the bank has a disciplinary committee that takes the necessary action. The major reason for strict ethical standards is that the employees and the organizational culture form the basis for the conduct of the bank in the financial market. So the bank ensures that customers are fairly treated by ensuring improved employee compliance and ethical standards (MCB, 2017).

4.2.3 Habib Bank Limited (HBL)

Habib Bank Limited (HBL) is the largest multinational bank of Pakistan by assets. It has its presence in 25 countries in four continents. HBL claims itself to be a socially responsible corporate citizen. Corporate philanthropy is the main feature of HBL CSR disclosure in its annual report. In this regard, the bank is engaged in various projects related to community welfare through HBL foundation that was established in 2009. The bank donates 1% of its profit to HBL foundation every year. HBL mainly supports charitable causes related to Health, education and community development. HBL was the third largest donor in Pakistan, according to the Pakistan center of philanthropy. In the annual reports and on the official website of the HBL employees are not featured in the CSR section but employees. Public disclosure of HBL CSR policy is very limited. There is a small section in the annual report on CSR and one page CSR report published by the bank mainly focusing on the philanthropic

initiatives. The details about the overall CSR expenditure of the bank and how it is spent on the various stakeholders is not publicly available on the official website and the annual report (HBL, 2017).

4.2.4 United Bank Limited (UBL)

United Bank Limited (UBL) is one of the largest commercial banks in Pakistan. It has over thirteen hundred branches in Pakistan and nineteen branches in 12 foreign countries. It is also one of the largest employers in Pakistan having a workforce of 13000 employees. UBL CSR initiatives were mainly directed towards education, health, sports, and community welfare. On the official website and annual report of UBL in the CSR section, the employees are mentioned as important stakeholders and bank ensures that it will take the actions that will benefit both its internal and external stakeholder. However, the details regarding the CSR activities that are related to internal stakeholders are not publicly disclosed (UBL, 2017).

4.2.4 National Bank of Pakistan (NBP)

National Bank of Pakistan (NBP) is a state-owned bank and is one of the largest commercial banks of Pakistan. The bank has over fourteen hundred domestic and twenty-one international branches. NBP has a separate division responsible for the formulation and implementation of CSR policy. The major areas where NBP focus for CSR initiatives are health, education, special person, natural disaster relief activities, women and child care. In recognition of its CSR initiatives, NBP has won awards such as best CSR services for the year award in 2018. However like HBL and UBL the public disclosure of CSR provided in the NBP's annual report and official website doesn't cover the information about the CSR initiatives of the bank that are directed towards employees (NBP, 2017).

4.3 Recaerch Findings And Evulations-Document Analysis

The document analysis was intended to answer the three questions. The results of the comparative study are shown in table 4-1. The first question was about the disclosure of the top five banks of Pakistan internal CSR activities. The table shows the result of comparative analysis of internal CSR disclosure of the banks. After the analysis, it can be said that out of three banks only two banks have disclosed their internal CSR activities. In this regard the CSR policies and initiatives mentioned on the official website and annual reports of ABL, it can be said that employees are considered important stakeholder of the bank and the bank has

detailed policies to facilitate and enhance the well-being of employees. The bank has provided the details regarding its overall expenditure on the CSR followed by the exact amount that was directed towards enhancing the well-being of employees. Moreover, ABL also provided the details regarding the CSR initiatives that are introduced by the bank to protect and enhance the interest and well-being of its employees.

Similarly, MCB also has detailed sections on its official website and annual report that deal with the CSR initiatives directed towards its employees. Although the bank didn't disclose the exact amount that is spent on the employees but has provided enough details regarding the CSR initiatives towards its employees. Unlike ABL and MCB other three banks don't share details regarding employee related CSR initiatives the disclosures of these banks are mainly philanthropic.

Table 4-1: Comparative Analysis of Internal CSR Disclosure

| Bank Disclosure | ABL | MCB | HBL | UBL | NBP |
|--|------------|------------|------------|------------|------------|
| Internal CSR Spending Disclosure | Yes | No | No | No | No |
| Internal CSR Initiatives Disclosure | Yes | Yes | No | No | No |

Source: Author's Calculation (2018)

The second question of the document analysis was regarding what are the key internal CSR initiatives of these banks. The analysis shows that Equal Opportunity employment, health and safety, medical facility, staff development fund, staff engagement, and industrial relations are the key activities that are mentioned by the two banks. The third question was regarding the components of internal CSR that are emphasized more by the banks. The analyses reveal that nevertheless the CSR activities reported by both the banks were somewhat similar both the banks have emphasized on the equal employment opportunity, hiring of special people, workplace health and safety. Moreover, both banks have policies to facilitate the employees with financial difficulties and also both the banks have respect for the religious sentiments of the employees. Both banks facilitate to enhance the education of its employees.

4.4 Results of Interviews

This section will shed light on the qualitative data of the study that was collected through the structured interviews of the CSR experts. The interviews were conducted for the exploratory purpose to further pave the path for the results of the quantitative study. Below the responses

of the interviewees are described in detail under the general themes that were identified in the analysis of the interviews.

4.4.1 Concept of Corporate Social Responsibility

The interview followed the general to a specific approach, so the initial question was about the general understanding of the respondent about CSR and its significance for the organization. Figure 4-4 shows that the responses of the interviewees that are categorized among the four indicators, economic, society, environment, and employee. The results show that 20% of respondents mentioned economic, 90% mentioned society, 45% mentioned employees and 70% of the respondents mentioned the environment during their discussion on defining the concept of CSR.

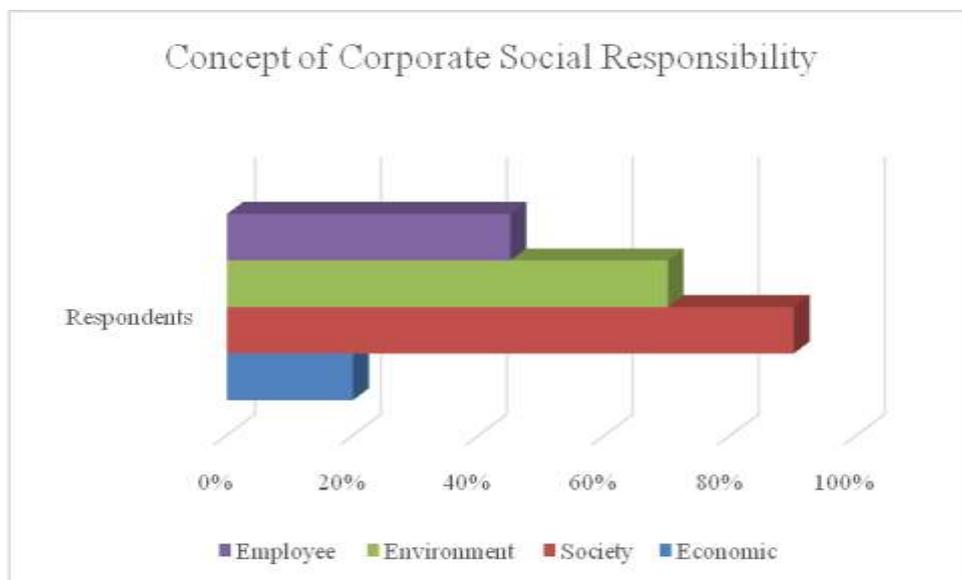


Figure 4-4: Concept of Corporate Social Responsibility

Source: Authors' Calculation (2018)

Following statements of the respondent's show their general understanding of CSR and its significance for the organizations and its stakeholders:

“Corporate social responsibility refers to the term where corporations go beyond their primary objective, i.e. profit maximization to empower the rights of its stakeholders e.g. the social rights of its employees counteracting toward the well-being of the environment and donating something to charitable institutions or individuals. In short, it encompasses the endeavors to create a better environment/individuals by taking the aforementioned steps”.
(Male, 30).

“It is important for the organization to take an interest in CSR to promote its goodwill and to bring honor to its employees and ultimately to its nation. I believe CSR plays an important role in overall development of the society” (Female, 31).

“I believe CSR plays an important role in overall development of the society. Corporate social responsibility (CSR), is a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. CSR has now become a business approach and the idea is to actively engage in contributing to sustainable development by delivering economic, social and environmental benefits for all stakeholders” (Female, 36).

“It is important because the companies are now more aware of the repercussions or damage that it may cause to various aspects such as social, economic and environmental and they are taking preventive measures to improve the overall situation. For e.g., if a company is involved in producing chemicals and the wastage is somehow affecting the environment of a particular area, the company can actively engage in CSR activities and build a school or a hospital in that particular area to improve the company image and to actually play a role in the betterment of the society”(Male, 30).

4.4.2 Key Socially Responsible Initiatives

In the next question, the respondents were asked about the CSR of their organization and key CSR activities of their organization. Figure 4-5 shows the responses that were categorized under the four indicators i.e. economic, legal, ethical, and philanthropy. The results show that all the respondents mentioned philanthropy, 30% ethical, 20% legal and 15% economic initiatives during their discussion about their employer’s CSR activities.

The following statements show the responses of interviewees that show what they think are CSR initiatives:

“My organization is totally responsible as it donates something of great importance times after times. Sometimes, it asks for not wasting paper unnecessarily through different techniques. When it comes to donating things in 2017 this organization donated an ambulance to district hospital Gwadar, computers to students in Baluchistan province, and A 100 KVA transformer to Bdan cricket stadium Quetta” (Female, 35).

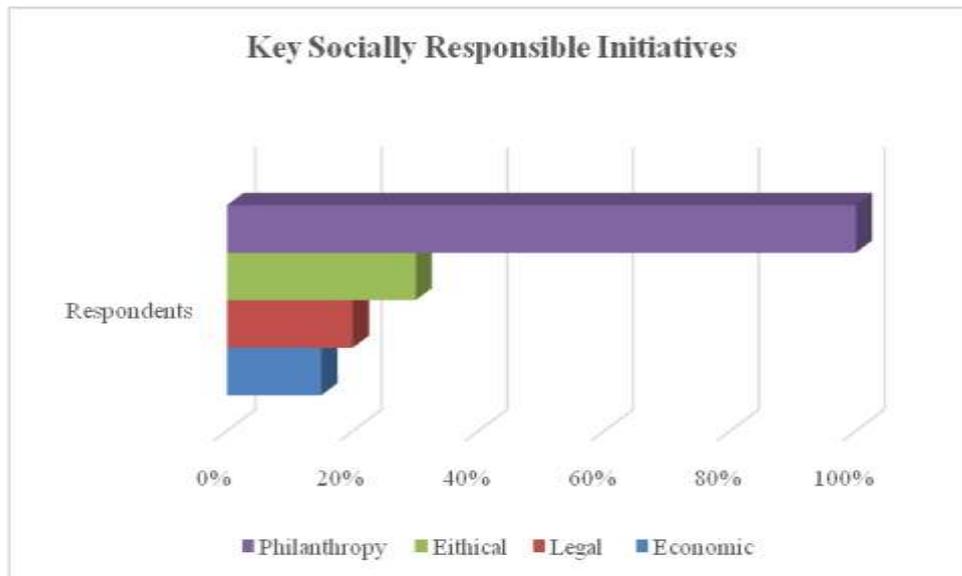


Figure 4-5: Key Socially Responsible Initiatives
Source: Author’s Calculation (2018)

“My organization is the largest bank in Pakistan and my organization realizes the importance of CSR activities and plays a major role in improving society. The bank has created a foundation with the name of my organization, which manage the CSR activities. Some of the activities include providing financial support to causes related to the social welfare e.g. making donations to the NGOs such as Edhi foundation and Shahid Afridi Foundation. My bank makes generous donations to these foundations in health-related causes such as my bank purchased ambulances and supported the construction of hospitals. Moreover, my bank makes generous donations to support various Pakistani educational institutions” (Male, 36).

4.4.3 CSR and Culture

In the next question in the interview, respondents were asked about the link between the CSR and national culture. Figure 4-6 shows the responses categorized under four indicators: collectivism, high power distance, masculinity, and uncertainty avoidance. The results show 40% of the respondents mentioned collectivism and 20% mentioned power distance whereas the uncertainty avoidance and masculinity were not mentioned by the respondents during the discussion on the role of culture in CSR of the organization.

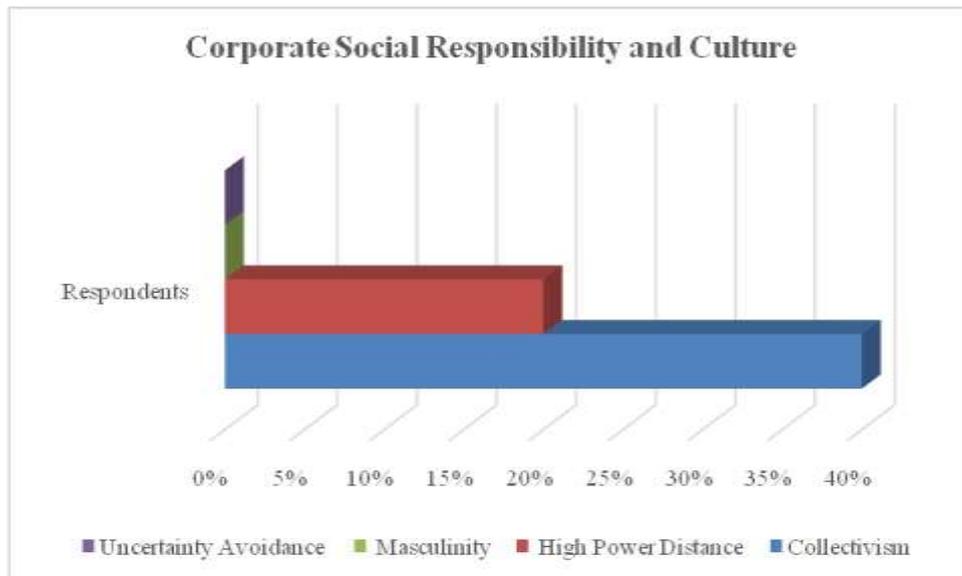


Figure 4-6: CSR and Culture
Source: Author’s Calculation (2018)

In response to this question, for example, the respondents stated:

“I believe culture plays an important role in nurturing the habits of a society. If it’s in the culture of a society to be more careful about one’s act or the repercussions one’s act is having on others, then it will play a major role in improving the overall society. I believe that in Pakistan, it is in our culture to be helpful to others and to ensure the well-being of the society which is majorly derived from our religion. Therefore, all the major companies actively engage in CSR activities not just to promote the image of the company or the fact that it has now become an integral PR activity, but also because it is an important part of our culture due to our religion” (Female, 41).

“We are high power distance society so sometimes the distribution of rewards is not fair like not every job pays the same pay-checks to the employees. A person on a higher designation might not as much interested in CSR towards employees. My country is still an underdeveloped one so the jobs are not in abundance and sometimes the jobs don’t pay enough. Everyone thinks about maximizing his earning and so they are too much occupied by the thought of cramming their pockets that they either don’t have the time to think about CSR or they just don’t. Another factor is the red-tapism which draws down the flow of funds from the top management to the regional offices or different branches” (Male, 30).

4.4.5 Employees as Key Stakeholders

To further improve my understanding of internal CSR, the participants were asked about their opinion on the treatment of the employees as a key stakeholder in their organizations and what they think about the key responsibilities of the organization towards the employees. The responses of the interviews were simply categorized into categories yes and no and is shown in figure 4-7. The results show that 75% of the respondents agreed and 25% of the respondents disagreed during the discussion that employees are treated as important stakeholders in their organization.

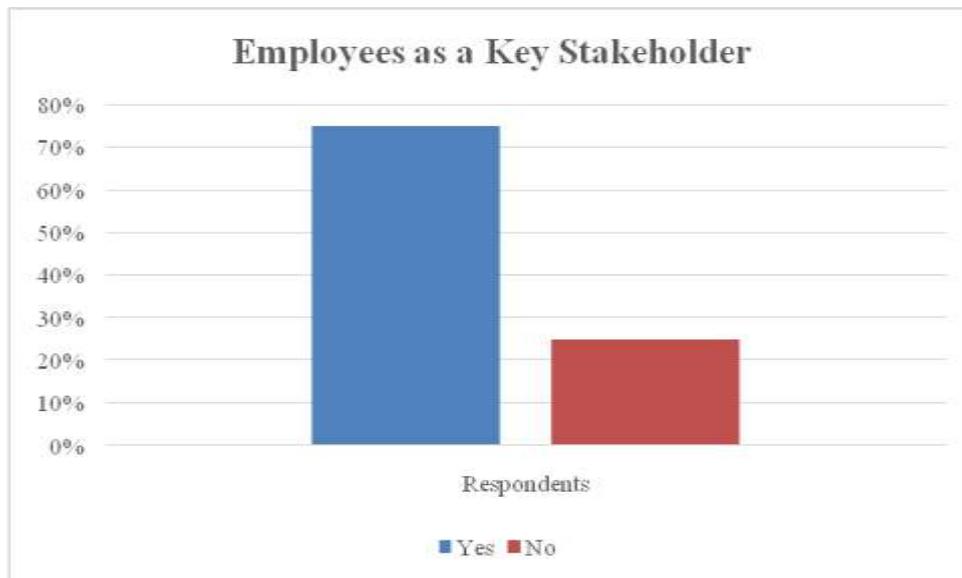


Figure 4-7: Employees As Key Stakeholder
Source: Author's Calculation (2018)

In response to this question the respondents stated e.g.:

“Being an underdeveloped country the working class is in abundance and there are countless unemployed people, so in the presence of the vicious unemployment, one can hardly believe that employees are the key stakeholder of this organization. The corporations realize this fact that if any or some of the employees have gone rebel or tried to quit the job, some other one could be employed at a lower salary” (Male, 31).

“My organization has come a long way in adopting the best practices of the banking industry. It has various policies with respect to its employees, which formulate the overall company objectives. I believe my organization considers its employees to be one of the most important stakeholders in achieving company goals. E.g. it has policies like whistle-blowing,

employee harassment, rewards, etc., which reflects that my organization considers its employees important “(Female, 28).

4.4.6 Internal Corporate Social Responsibility

Extending the discussion on the key elements of the research, i.e. internal CSR, the participants were asked about what they think are the key responsibilities of the organization towards employees. Indicators used to categorize the key responsibilities of the organization are namely 1) employment stability, 2) working environment, 3) skills development, 4) workforce diversity, 5) work-life balance, 6) tangible employee involvement and 7) empowerment as shown in the Figure 4-8. The results show that 50% of the respondents mentioned work-life balance, tangible employee involvement, 25% mentioned skill development, 20% mentioned workforce diversity, 10% employment stability, 15% working environment and 5% mentioned empowerment during their discussion on the key responsibilities of the employers towards employees.

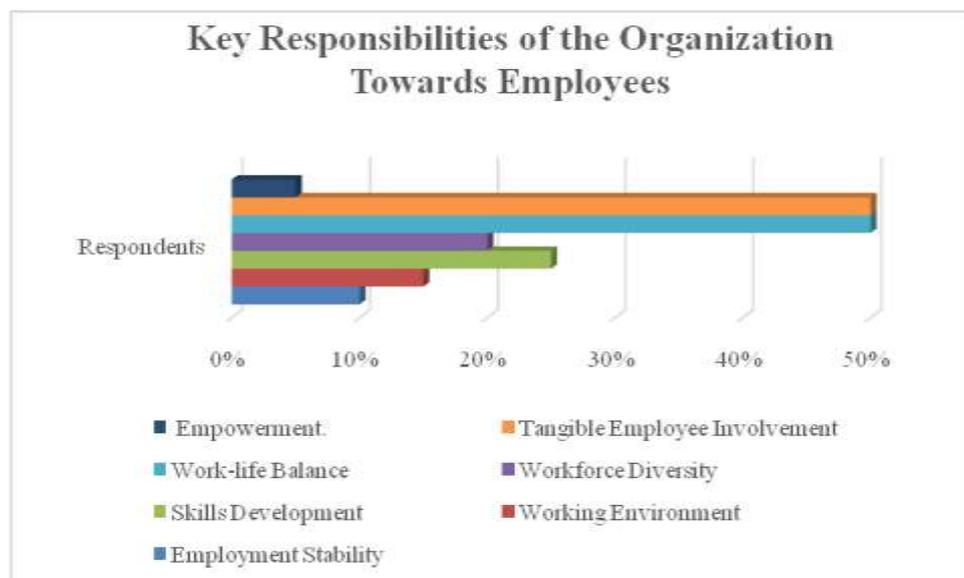


Figure 4-8: Key Responsibilities of the Organization Towards Employees
Source: Author’s Calculation (2018)

Respondents stated, e.g.:

“Key responsibilities of the organization should be to ensure the wellbeing of its employees. Well-being is not only limited to, financial well-being, but the organization should ensure that they have policies or regulation which ensures that the employee is financially and socially satisfied with the organization. There should be a work-life balance, career

progression opportunities, gender equality, laws to protect the rights of employees for e.g. No harassment policy etc.” (Female, 40).

“I think an employer has the following responsibilities towards its employees.

- a) The Employee is taken care of*
- b) Rewarding*
- c) Providing platforms for learning*
- d) Realistic goals*
- e) Addressing grievances*
- f) Fair policy*
- g) No favoritism*
- h) Appreciation*
- i) Work-life balance*
- j) Employee’s day out activities*
- k) Preferring employees over customers and last but not the least one person for one job”(Male, 30).*

Resonating with the findings of the literature review there was general agreement among the participants that the employer’s key responsibility towards employees is taking care of their well-being. The participants generally emphasized that organizations don’t have only financial obligations towards employees, but they also have non-financial responsibilities towards them such as work-life balance, career development opportunities and equal opportunity employment etc.

Extending the discussion on internal CSR, the participants were asked to describe their views about the internal CSR of their employers and the responses were measured using internal CSR dimensions namely 1) employment stability, 2) working environment, 3) skills development, 4) workforce diversity, 5) work-life balance, 6) tangible employee involvement and 7) empowerment as shown in figure 4-9. The results show that 10% of the respondents mentioned employment stability, 15% mentioned the working environment, 25% mentioned skills development, 50% mentioned workforce diversity, 5% mentioned work-life balance, 60% mentioned tangible employee involvement and 0% mentioned empowerment during on the on their employer internal CSR activities.

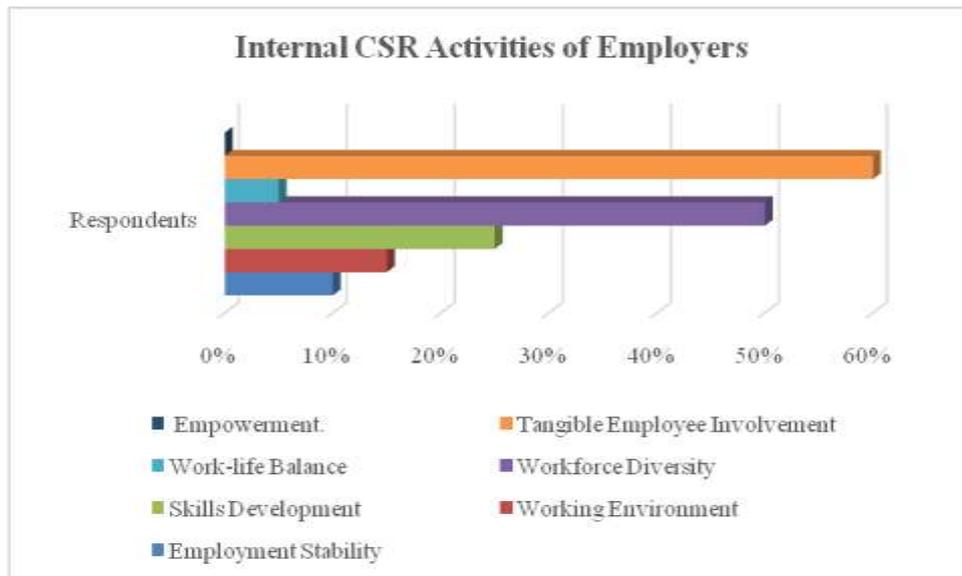


Figure 4-9: Internal CSR Activities of Employers
Source: Author's Calculation (2018)

Resonating with the results of a figure following responses were made by the respondents:

“Yes, my organization provides its employees with career-related incentives which are financially rewarding. My organization ensures that its employees are being groomed and provides challenging roles and tasks so that the career progression is maintained. The company has strict policies which regulate the behavior of employees in the workplace. The company also has no bias when it comes to gender and the organization believes in gender equality” (Male, 30).

“Responsibility flows in the direction of bottom-up. If the employees’ grievances are addressed appropriately to the top management by the lower management. There is a chance of facilitating the employee in a better way. But in the presence of red-tapism and, it is difficult for the organization to take care of its employees. Moreover, the organization also intends to maximize the profits so their motto is to make a profit and not care too much about the employees” (Male, 30).

There were mixed views, some of the participants strongly agreed that their employers are socially responsible towards employees and they have policies for career progression and gender equality. On the other hand, some of the participants disagreed with any such policies of their employers, that can be labeled as internal CSR policies and they mentioned various reasons for their disagreement such as red tape bureaucracy and profit maximization with little consideration for employees.

Participants were further asked about to list the internal CSR policies and they stated e.g.:

“My organization has a wide range of policies and procedures with respect to their employees. My organization has a policy for its employees that provides them an educational allowance for its children. My organization also has benefits which include healthcare facilities. Apart from this, my organization sends 50 of its employees to Hajj (religious pilgrimage for Muslims). The employees are selected through lucky draws and all the expenses are paid off by my organization” (Female, 28).

“My organization has policies to facilitate employees such as car lease service at a lower rate than the ordinary public, House building loan- renovation loan (for incomes), Medical treatment (70% by the bank and 30% self), Personal loan amounting to 5 basic salaries” (Male, 40).

“Yes, my organization has proper rules and regulations regulating the behavior of employees at work. There are policies for workplace harassment where the employees can report any such activity and appropriate actions are taken by HR if any complaint is received. In case of the employee's needs, there are policies such as healthcare facilities provided by HBL, educational allowances for your children and easy loan facilities for personal needs of employees” (Male, 31).

4.4.7 Internal CSR and Employee Behavior

The discussion on internal CSR was further linked with employee behavior and interviewees were asked that what do they think is the organization will have internal CSR policies how it will affect the employee behavior. Figure 4-10 the responses of the interviewees were categorized under the six-employee behaviors that are used in the proposed theoretical framework work engagement, knowledge sharing behavior, OCB, stress, POO, and organizational cynicism. 65 % of respondents mentioned work engagement, 5% mentioned knowledge sharing behavior, 25 % mentioned OCB, 60 % mentioned stress, 15% mentioned POO, and 30% mentioned organizational cynicism.

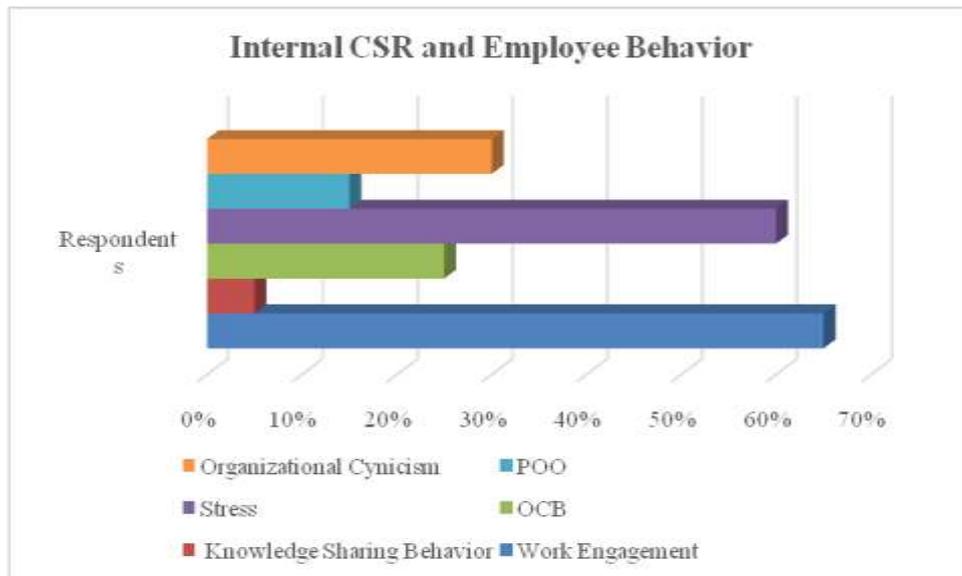


Figure 4-10: Internal CSR and Employee Behavior
Source: Author's Calculation (2018)

The following statements show the response of the participants:

“Obviously, if the organization will take care of its employees it will have a positive effect on their performance. They will be more demotivated and committed to the organization and moreover, if the organization will have policies such as work-life balance policies it will reduce the employee stress and will increase their efficiency at work” (Female, 30).

“I think if the organization is caring towards employees it will have a positive effect on the performance of the employees. They will be more motivated to work and will experience less stress caused due to work” (Female, 28).

“Organizations if treat employees well and have policies to protect them, employees will be happy as the happy worker is a productive worker. I will be ready to work even extra hours if I perceive my organization is fairly treating me” (Male, 28).

4.4.8 Internal CSR and Organizational Identification

Followed by the discussion of the internal CSR the participants were asked about the connection between internal CSR and organizational identification. Although the question was not direct; the themes identified during the interview were consistent with the literature review on organizational identification. Figure 4-11 shows four themes, emotional bond, mutual goals, togetherness, and shared values. 50% of the respondents mentioned emotional bond, 30% mentioned mutual goals, 25% mentioned togetherness, and 5% mentioned shared

values during the discussion on the relationship between internal CSR and organizational identification.

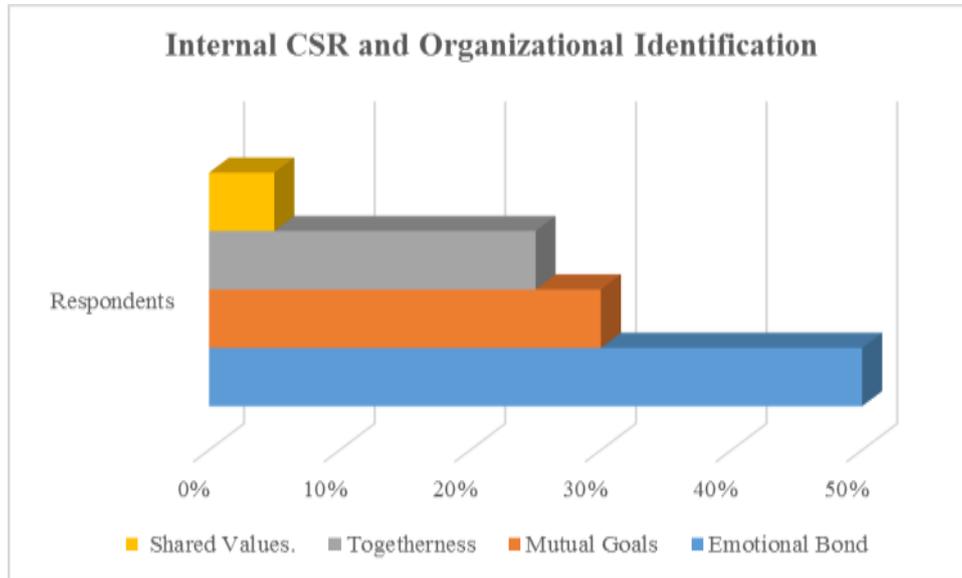


Figure 4-11: Internal CSR and Organizational Identification
 Source: Author’s Calculation (2018)

Following statements indicated the responses of the interviewees about the relationship between internal CSR and organizational identification.

“They say that love begets love. If the organization will be fair to the employees, then the employees will show greater satisfaction and affection for the organization. They will proud to be part of an organization which takes care of the employees. They in return will admire the organization which will enhance its goodwill” (Male, 30).

“Definitely, if the policies are employee friendly, this will definitely result in better association with the organization and its goals. The employee will feel motivated and will own the workplace and will work hard to achieve the goals” (Female, 28).

4.2.9 Internal CSR, Leadership and Work Behavior

In the light of the literature review on the connection between internal CSR, organizational identification, LMX, and work behavior; the participants were asked the questions about their opinion on the relationship with their immediate boss and how they think it affects their behavior at work. Moreover, they are asked to explain that what do they think that even if their organization is socially responsible towards them, but can the low-quality relationship with their immediate boss can influence their work behavior? Four common themes were

identified that are shown in figure 4-12; demotivation, stress, job performance, and job satisfaction. 65% of the respondents mentioned demotivation, 65% mentioned stress, 70% mentioned job performance and 40% mentioned job satisfaction during the discussion on the relationship between LMX and employee behavior.

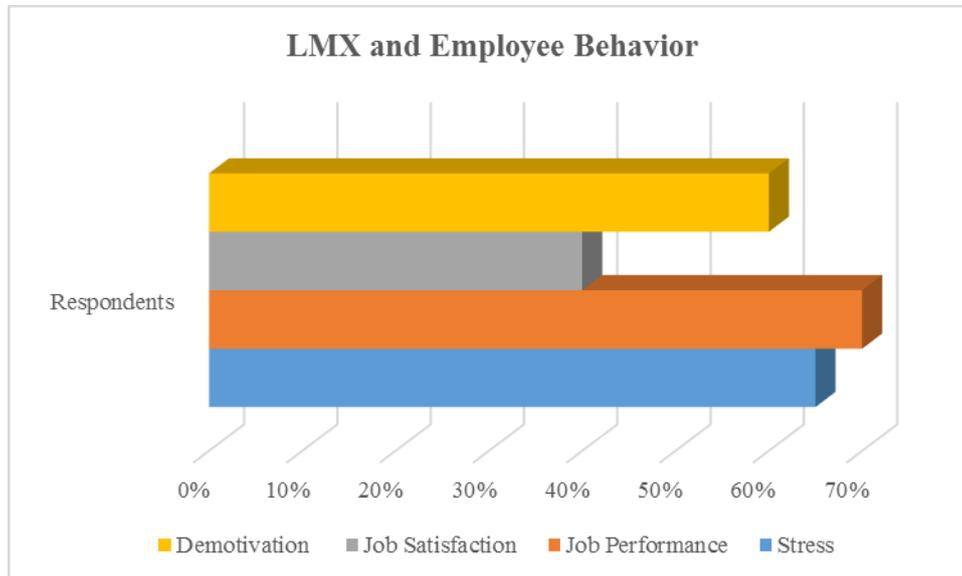


Figure 4-12: LMX and Employee Behavior
Source: Author’s Calculation (2018)

Following are some of the views of the participants about the relationship between leader and work behavior:

“I believe that your immediate boss plays a vital role in affecting your behavior at your workplace. No matter how friendly the policies are for your employees, if the behavior of your boss is not good, the employee will remain demotivated, stressed and eventually, the productivity of the employee will suffer because the employee will be dissatisfied with the job and organization” (Female, 41).

“Spending all, the day at work with a person called BOSS is really a hard thing to do. If your boss is yelling at you scolding you or blame you for everything, then it would be hard to concentrate on the work. The employee will feel guilty, demotivated, dissatisfied, stressed and unfit in the organization. But if the boss is friendly and focuses on WE instead of I then working with him will be a great thing every learned person would love to do as it will increase performance” (Male, 30).

“Yes, I believe even if the organizations take good care of its employees, have policies and procedures that regulates the behavior at workplace and it rewards its employees, however, if your relationship with your immediate boss is strained and the boss does not provide

avenues for growth and demotivates the employees, the overall morale will be low and the organization will suffer in achieving its goals despite having an employee friendly policies” (Male, 30).

“Getting relief from dealing only with one bad person at a time will motivate me. If my boss is thankless but the top management takes care of me, pays me well enough admires the efforts I don’t need to please my immediate boss then. If I am getting rewarded appreciated or taken care of by my employer, I don’t give a damn about my boss attitude” (Female, 28).

4.4.10 Suggestions to Enhance the Well-Being of Employees and Related Outcomes

The participants were asked to give their suggestions about improving the well-being of employees and how the organization can be made more socially responsible towards their employees and in their opinion how these Suggestions will Influence the Employee Behavior. Figure 4-13 shows the employees responses categorized under seven indicators derived from the definition of internal CSR used in the current dissertation, i.e. Empowerment, work-life balance, workforce diversity, tangible employment benefits, skills development, working environment, and employment stability. E.g. the participants made the following suggestions:

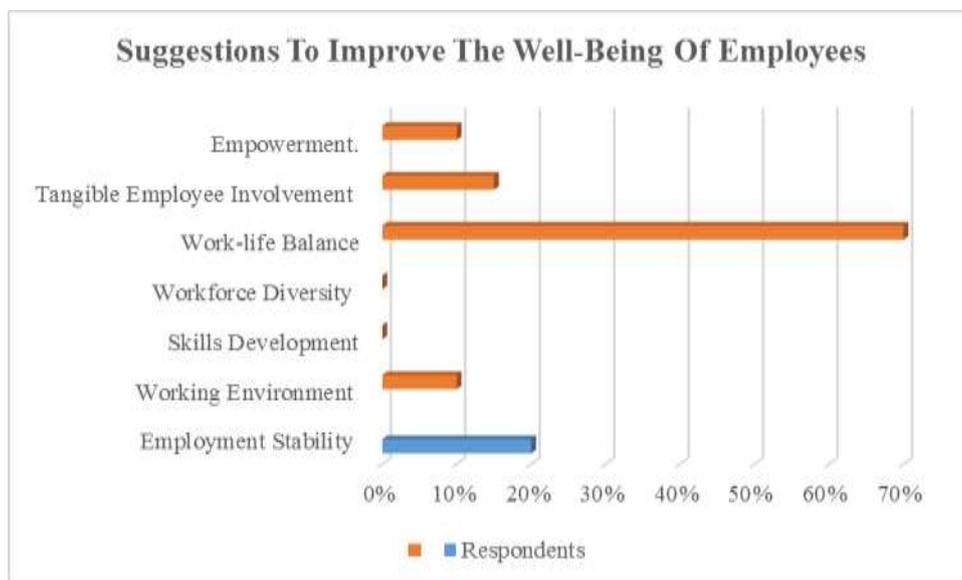


Figure 4-13: Suggestions to Enhance the Well-Being of Employees
Source: Author’s Calculation (2018)

“Since my organization is a financial institution, usually there are late sittings in our office which I believe really impacts the work-life balance of all employees. Since it is the largest bank in Pakistan, they should adopt international standards and limit the working hours

which should strictly be 9 am to max 6 pm so that the employees have a better standard of living by having work-life balance. Also, some of the employees travel from faraway places, for which organization should provide conveyance which will really enhance the well-being of the employees” (Female. 40).

“By making the jobs less hectic, reducing the banking hours, by granting leaves, by increasing the staff” (Male, 42).

“If my organization follows these suggestions, I believe this will definitely bring a positive change in the employee’s behavior and the productivity will increase. Once the employees realize the benefits of work-life balance, and they spend quality time with their friends and family after work, they will eventually be happy which will increase their morale. This is also proven through various studies that due to strict timings policy by various organizations, the employee’s productivity has increased and they rate their workplace better as compared to other institutions” (Female. 40).

- *“Less hectic job means reducing the pressure on the employees. If a person is not feeling well they can send leave. Work could be done the next day, but health lost yesterday can’t easily be recovered.*
- *Reduction in job timings will give employees the time to fulfill their social duties/needs. Work-life balance will enable the employees to take the organization to a new level of success because they will be more satisfied.*
- *Grant of leaves can be referred to addressing genuine problems of the employees, i.e. taking care of employees so that employees can take care of the organization.*
- *In case the staff will allow the division of work and it will enable a greater check and balance. Not everyone can juggle many things at a time. Division of work will increase the coordination upon the work “(Male, 42).*

4.5 Research Findings and Evaluations – Interviews

Generally, the interview respondent’s defined corporate social responsibility as a term where corporations go beyond their primary objective, i.e. profit maximization to protect the rights of its all stakeholders e.g. the majority of respondents mentioned environmental protection and charitable donations while defining CSR. Overall the majority of respondents agreed on the fact that CSR is important for the organization and its all stakeholders including

employees and society mainly due to its potential to improve corporate reputation and social well-being.

There was general consensus among the respondents that their organizations are socially responsible. Upon asking about the key CSR initiatives, the majority of respondents highlighted the philanthropic initiatives of their organizations in which the banks donated money to charitable causes mainly to the education, health, and sports.

Generally, the participants agreed that there is a connection between CSR and national culture. In this regard, participants while linking CSR with national culture mentioned about collective social interest and well-being. Few respondents highlighted religion as the driving force for the philanthropic traditions that motivate organizations to engage in philanthropic initiatives. On the other hand, few highlighted the socio-cultural and economic barriers such as red-tapism associated with employer engagement in CSR initiatives that are directed towards employees.

The results show that there were mixed opinions of the participants about the treatment of employees as key stakeholders in their respective organizations. Some mentioned that their organizations treat employees as a key stakeholder and have policies that are targeted towards their betterment. On the other hand, some of the respondents raised their concerns and mentioned that due to the current economic situation unemployment and the labor supply is high. Under these labor market dynamics, the employees can be easily replaced so organizations don't really care much about them. So the organization might not value the employee's interest as important as they should in theory.

When the participants were asked to highlight some features of CSR policy that are related to employees. Generally, they mentioned the policies that were related to financial support such as loans at lower interest rates, facilitation of the employee's child education and medical facilities etc.

Although the connection between internal CSR and organizational identification was not inquired directly in the interview, however, there was general agreement among the participants that CSR initiatives directed towards employees will strengthen their relationship with the organization. As mentioned by some respondents that internal CSR can improve their affection with their organization and its objectives, thus the organizational membership for such employees can become a source of common social identity.

Similarly the connection between the variables internal CSR, leadership, and work behaviors was also not directly tackled in the interviews. But the statements of the majority of interviewees generally supported the argument that a high-quality relationship with the immediate boss is extremely important. The participants categorized low-quality relationship cause of frustration, demotivation, and stress at the workplace. Whereas being a member of in-group employees highlighted the benefits such as increased job satisfaction and better performance. Further, the participants generally agreed with this statement that even though if the organization has detailed CSR policies directed towards employees, but the quality of LMX will affect the perceptions of employees about their organization which will eventually affect their work behavior.

Consistent with the discussion made by respondents in the above interview questions. The majority of respondents suggested that the work-life balance, fair distribution of work, flexible timings and leave policies should be considered important by their employers to improve the well-being of the employees. They further highlighted that these suggestions can positively affect the attitudinal and behavioral outcomes of employees. Such as increased productivity, low stress and working extra hours.

4.5 Results of the Quantitative Study

In the following sections, the results of the quantitative study are presented.

4. 5.1 Demographic Analysis

Table 4.2 shows the demographic details of the respondents. The demographic section of the questionnaire consisted of four categories of gender, age, education and experience of the respondents. The details of demographic variables are discussed in detail in the following section. The results show that the demographic details of the sample. It shows that the sample consisted of 375 males and 155 females. 74 respondents were under the age of 24, 236 respondents were between the 25-29 years, 164 respondents were from the age category of 30-39 yrs., and 38 respondents were from the age category of 50-59 years whereas 1 respondent was from the age category of 60 years or above. 2 of the respondents were from the education category of Matric/ FA, FSC, 236 from Bachelors, 332 from masters, 74 from MS/MPhil and 1 respondent was from the Ph.D. category. 105 respondents had experience of less than one year, 107 had experience between 12 years, 118 from 3-5 years, 106 from the 6-10 years, 94 respondents were having experience of 11 years or above.

Table 4-2: Demographics Frequency Table

| Gender | | Age | | Education | | Experience | |
|--------------|-----|------------------|-----|----------------|-----|-------------------|-----|
| Male | 375 | Under 24 yrs. | 74 | Matric/FA, FSC | 2 | Less than one yr. | 105 |
| Female | 155 | 25-29 yrs. | 236 | Bachelors | 119 | 1-2 yrs. | 107 |
| | | 30-39 yrs. | 164 | Masters | 332 | 3-5 yrs. | 118 |
| | | 40-49 yrs. | 38 | MS/M.Phil. | 74 | 6-10 yrs. | 106 |
| | | 50-59 yrs. | 17 | Ph.D. | 3 | 11 yrs. or above | 94 |
| | | 60 yrs. or above | 1 | | | | |
| Total | 530 | | 530 | | 530 | | 530 |

Source: Author's Calculation (2018)

4.5.2 Confirmatory Factor Analysis

In order to test the distinctiveness of the constructs used in the current study, the confirmatory factor analysis (CFA) was conducted. The overall model fit was tested using the goodness-of-fit indices, including the Model Chi-square, Comparative Fit Index (CFI), Tucker-Lewis index (TLI), Root Mean Square Error of Approximation (RAMSA), and Standardized Root Mean Square Residual (SRMR). The results in table 4.3 shows that the ten factor model (Internal CSR, collectivism, organizational identification, LMX, work engagement, knowledge sharing behavior, stress, perceived organizational obstructionism and organizational cynicism) chi-square value is 11808.256 ($p < .01$) with 5655 degrees of freedom ($\text{CMIN/DF} = 2.088 < 3$) RMSEA was 0.045 SRMR was 0.042, CFI value was 0.907, TLI was 0.903, which indicate a reasonable model fitness. Further alternative measurement models other than 10 factor model were also estimated. The results show that the 10-factor model had a better fit than the other estimated models which confirm that the respondents were able to clearly differentiate between the constructs under examination for the current study.

Table 4-3: Confirmatory Factor Analysis

| Measurement Model | CMIN/DF | RMSEA | SRMR | CFI | TLI |
|-------------------|---------|-------|-------|-------|-------|
| 10 Factor Model | 2.088 | 0.045 | 0.042 | 0.907 | 0.903 |

Source: Author's Calculation (2018)

4.5.4 Reliability Analysis

After confirmatory factor analysis, Cronbach Alpha was used to measure the reliabilities of the variables. Cronbach alpha measures the internal consistency of the group of items by measuring the homogeneity of the group of items.

Table 4-4: Reliability Statistics Table

| Sr. No | Scale | Cronbach 's Alpha | No Of Items |
|---------------|---|--------------------------|--------------------|
| 1. | Internal Corporate Social Responsibility (ICSR) | 0.986 | 32 |
| 2. | Collectivism (COL) | 0.858 | 6 |
| 3. | Organizational Identification (OI) | 0.944 | 5 |
| 4. | Leader-Member Exchange (LMX) | 0.896 | 6 |
| 5. | Work Engagement (WE) | 0.962 | 17 |
| 6. | Knowledge Sharing Behavior (KSB) | 0.937 | 7 |
| 7. | Organizational Citizenship Behavior (OCB) | 0.973 | 19 |
| 8. | Stress (ST) | 0.793 | 8 |
| 9. | Perceived Organizational Obstruction (POO) | 0.852 | 5 |
| 10. | Organizational Cynicism (OCY) | 0.860 | 4 |

Source: Author's Calculation (2018)

Table 4.4 shows the alpha measure for each variable along with the number of items used in the final analysis. A few items were dropped during CFA due to low factor loadings. One item of LMX, two items of stress, two items of ICSR were dropped during CFA. The Cronbach alpha value lies between 0 and 1, the value close to one show high reliability and the results of the current study indicate the high level of reliability for all the scales used from .858 to highest .986. This shows that the scales used for variables were reliable.

4.5.5 One-Way Multivariate Analysis Of Variance

One way MANOVA was used to compare whether there were any differences in the responses of the employees of five banks on Internal CSR and employee behavior.

Table 4-5: Descriptive Statistic

| | ORG Name | Mean | Std. Deviation | N |
|--------|----------|--------|----------------|-----|
| ICSR | HBL | 2.7811 | 1.25039 | 109 |
| | MCB | 2.7445 | 1.32236 | 131 |
| | UBL | 3.2900 | 1.20699 | 94 |
| | ABL | 3.4166 | .73157 | 80 |
| | NBP | 3.0501 | .96978 | 116 |
| | Total | 3.0171 | 1.16486 | 530 |
| WE | HBL | 3.3035 | 1.61892 | 109 |
| | MCB | 3.7402 | 1.29472 | 131 |
| | UBL | 3.8158 | 1.56495 | 94 |
| | ABL | 4.0693 | .89882 | 80 |
| | NBP | 3.7408 | 1.23764 | 116 |
| | Total | 3.7136 | 1.37375 | 530 |
| KS | HBL | 3.3751 | 2.09204 | 109 |
| | MCB | 4.0272 | 1.73669 | 131 |
| | UBL | 4.0126 | 1.90670 | 94 |
| | ABL | 4.6500 | 1.59304 | 80 |
| | NBP | 3.9189 | 1.81327 | 116 |
| | Total | 3.9608 | 1.87406 | 530 |
| OCB | HBL | 2.9993 | 1.33386 | 109 |
| | MCB | 3.3146 | .97957 | 131 |
| | UBL | 3.3417 | 1.16332 | 94 |
| | ABL | 3.7046 | .55751 | 80 |
| | NBP | 3.4142 | 1.07470 | 116 |
| | Total | 3.3352 | 1.08620 | 530 |
| Stress | HBL | 2.4036 | .69604 | 109 |
| | MCB | 2.2154 | .70496 | 131 |
| | UBL | 2.3860 | .82984 | 94 |
| | ABL | 2.1123 | .55069 | 80 |
| | NBP | 2.2324 | .66432 | 116 |
| | Total | 2.2725 | .70300 | 530 |
| POO | HBL | 2.9315 | .76156 | 109 |
| | MCB | 3.1361 | .80532 | 131 |
| | UBL | 3.0086 | .93910 | 94 |
| | ABL | 2.9324 | .81565 | 80 |
| | NBP | 2.8890 | .82283 | 116 |
| | Total | 2.9866 | .82955 | 530 |
| OCY | HBL | 3.7729 | .97668 | 109 |

| | | | | |
|--|-------|--------|--------|-----|
| | MCB | 3.4071 | .92302 | 131 |
| | UBL | 3.6299 | .95817 | 94 |
| | ABL | 3.0167 | .82903 | 80 |
| | NBP | 3.4161 | .96098 | 116 |
| | Total | 3.4649 | .96178 | 530 |

Source: Author's Calculation (2018)

The table 4-5 shows the mean and standard deviation for the internal CSR and employee behavior that have been split for five banks. The results in table 4-5 of the one-way MANOVA further revealed that there was a statistically significant difference in the internal CSR and employee behavior on the basis of the bank, $F = 3.485$, $p < .001$; Wilk's $\Lambda = .833$, $\text{partial } \eta^2 = .044$. Further to examine that how the banks differ for internal CSR and employee behavior the tests of between- subject's effects was analyzed. The results revealed that the bank has a statistically significant effect on internal CSR ($F(4, 525) = 6.870$; $p < .001$; $\text{partial } \eta^2 = .050$), perceived organizational obstructionism ($F(4, 525) = 1.96$; $p > .05$; $\text{partial } \eta^2 = .013$) and organizational cynicism ($F(4, 525) = 8.475$; $p < .001$; $\text{partial } \eta^2 = .061$). However, banks was having statistically insignificant effect for work engagement ($F(4, 525) = 4.012$; $p < .01$; $\text{partial } \eta^2 = .030$), knowledge sharing behavior ($F(4, 525) = 5.631$; $p < .001$; $\text{partial } \eta^2 = .041$), OCB ($F(4, 525) = 5.248$; $p < .001$; $\text{partial } \eta^2 = .038$) and stress ($F(4, 525) = 2.953$; $p < .05$; $\text{partial } \eta^2 = .022$).

These results show that the employee's responses of five banks differed significantly for the internal CSR. The employees of ABL showed the highest rating for the internal CSR as the mean of ICSR of the ABL employees was the highest subsequently followed by UBL, NBP, HBL and MCB. It means that among leading banks ABL employees had the highest perceived that their organization engages in the internal CSR. The responses of the employees statistically differed for employee behavior perceived organizational obstruction the results show that MCB had the top rating with the highest mean, followed by UBL, ABL, HBL and NBP. The responses of the employees for organizational cynicism was also statistically different and significant in this regard results show that the HBL had the highest rating on the organizational cynicism as mean value of the employees of the HBL was the highest followed by UBL, NBP, MCB and ABL. However the responses were statistically indifferent for the employee behavior such as work engagement, knowledge sharing behavior, OCB and stress. Which means there was no difference in the perception of employees from the leading banks on these work behaviors.

4.5.6 Mean, Standard Deviation and Correlation Analysis

Mean, standard deviation and Pearson correlation are calculated. Table 4-6 shows the results of mean, standard deviations and correlation analysis. Figure 4-14 shows the mean and standard deviation of the variables.

The mean and standard deviation of independent variable internal CSR is (M =3.017, SD = 1.16), mediator (organizational identification (M =3.364, SD =1.208). The mean and standard deviation of moderators is (collectivism (M = 3.732, SD =.737) and LMX (M = 3.66, SD =.897). Further the table 4.6 highlight the mean and standard deviation of dependent variables, i.e. work engagement (M = 3.713 , SD = 1.373) , knowledge sharing behavior (M = 3.96 , SD = 1.87) , organizational citizenship behavior (M = , SD =), stress (M = 2.27 , SD =.703) , perceived organizational obstructionism (M = 2.98 , SD = .829) and organizational cynicism (M = 3.464 , SD = .961).

Pearson correlation was calculated to measure the association between the variables. Results in table 4-6 indicate that all variables were moderately correlated. The correlations between the independent variable internal CSR, mediator (organizational identification) and moderators (collectivism and LMX) and dependent variables (work engagement, knowledge sharing behavior, organizational citizenship behavior, stress, organizational cynicism and perceived organizational obstructionism) were all weekly or moderately correlated to each other.

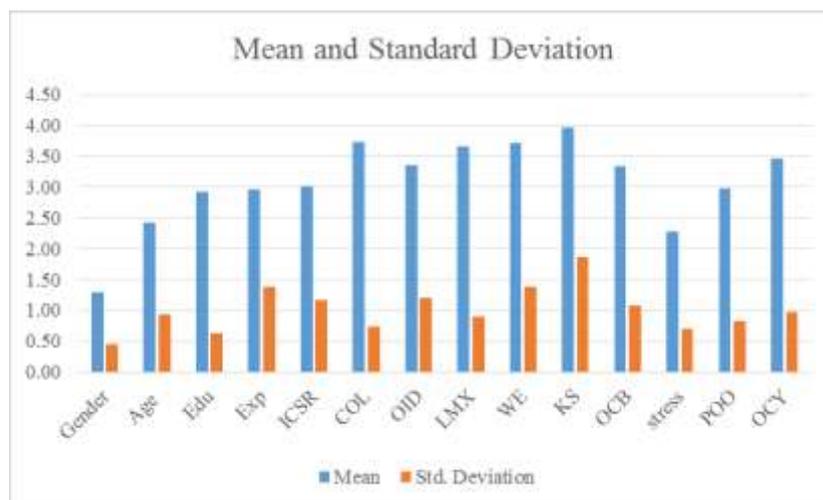


Figure 4-14: Mean and Standard Deviation
Source: Author's Calculation (2018)

Table 4-6: Mean, Standard Deviation and Correlation (N=530)

| Variable | Mean | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|----------|------|------|---------|--------|--------|--------|---------|--------|---------|----------|---------|---------|---------|--------|--------|----|
| 1.Gender | 1.29 | .455 | 1 | | | | | | | | | | | | | |
| 2.Age | 2.42 | .939 | -.219** | 1 | | | | | | | | | | | | |
| 3.ED | 2.92 | .629 | -.082 | .153** | 1 | | | | | | | | | | | |
| 4.EX | 2.96 | 2.96 | -.172** | .747** | .148** | 1 | | | | | | | | | | |
| 5.ICSR | 3.01 | 1.16 | .122** | .118** | -.013 | .175** | 1 | | | | | | | | | |
| 6.COL | 3.73 | .737 | -.044 | .084 | -.009 | .041 | -.011 | 1 | | | | | | | | |
| 7.OI | 3.36 | 1.20 | .159** | -.015 | .032 | -.069 | .766** | .021 | 1 | | | | | | | |
| 8.LMX | 3.66 | .897 | .034 | -.020 | .022 | .018 | -.181** | .265** | -.282** | 1 | | | | | | |
| 9.WE | 3.71 | 1.37 | .153** | -.056 | -.013 | -.070 | .733** | -.064 | .783** | -.1635** | 1 | | | | | |
| 10.KSB | 3.96 | 1.87 | .111* | -.034 | .025 | -.054 | .510** | -.021 | .590** | -.201** | .619** | 1 | | | | |
| 11.OCB | 3.33 | 1.08 | .129* | -.009 | .043 | -.035 | .716** | -.012 | .870** | -.329** | .814** | .675** | 1 | | | |
| 12.ST | 2.27 | .703 | -.078 | .049 | .134** | .061 | -.344** | .076 | -.399** | .158** | -.421** | -.236** | -.430** | 1 | | |
| 13.POO | 2.98 | .829 | -.097 | -.059 | -.075 | .154** | -.068 | .055 | -.128** | .155** | -.113** | -.101* | -.140** | .146** | 1 | |
| 14.OCY | 3.46 | .961 | -.155** | 0.84 | .080 | .058 | -.425** | .259** | -.523** | .281** | -.558** | -.417** | -.593** | .459** | .380** | 1 |

Statistical significance: *p < .05; **p < .01; ***p < .001 Source: Author's Calculation (2018)

The results of Pearson Correlation shows that internal CSR is significantly positively related with organizational identification ($r = 0.766, p < .01$), collectivism ($r = -0.010, p > .05$), LMX ($r = -0.181, p < .01$), work engagement ($r = 0.731, p < .01$), knowledge sharing behavior ($r = 0.509, p < .01$) and OCB ($r = 0.716, p < .01$). Whereas internal CSR significantly negatively related with stress ($r = 0.344, p < .01$), perceived organizational obstruction ($r = -0.68, p > .05$) and organizational cynicism ($r = 0.422, p < .01$).

Organizational identification is significantly positively related with collectivism ($r = 0.298, p < .01$), LMX ($r = -0.279, p < .01$), work engagement ($r = -0.783, p < .01$), OCB ($r = 0.870, p < .01$), knowledge sharing behavior ($r = 0.590, p < .01$). Whereas organizational identification is significantly negatively related with stress ($r = -0.399, p < .01$), perceived organizational obstruction ($r = -0.128, p < .01$) and organizational cynicism ($r = -0.522, p < .01$).

LMX is significantly positively related with work engagement ($r = -0.163, p < .01$), OCB ($r = -0.329, p < .01$), knowledge sharing behavior ($r = -0.0201, p < .01$) and is significantly negatively related with stress ($r = -0.158, p < .01$), perceived organizational obstruction ($r = -0.55, p < .01$) and organizational cynicism ($r = 0.280, p < .01$).

4.5.7 Path Analysis

Path Analysis was conducted to test the hypothesis related to the relationship between the independent and dependent variables. Hypothesis 1 and hypothesis 2 stated that the internal CSR will be significantly related to the work behavior. The results in the table 4-7 and figure 4-15 show that the internal CSR is positively and significantly related to work engagement ($\beta = 0.731, p < .001$), knowledge sharing behavior ($\beta = 0.509, p < .001$) and organizational citizenship behavior ($\beta = 0.716, p < .001$). It means when internal **CSR** goes up by 1, **work engagement** goes up by 0.731, **knowledge sharing behavior** goes up by 0.509 and **organizational citizenship behavior** goes up by 0.716. The results in the table also show that the internal CSR has a significant positive relationship with organizational identification ($\beta = 0.766, p < .001$). It means when **internal CSR** goes up by 1, **organizational identification** goes up by

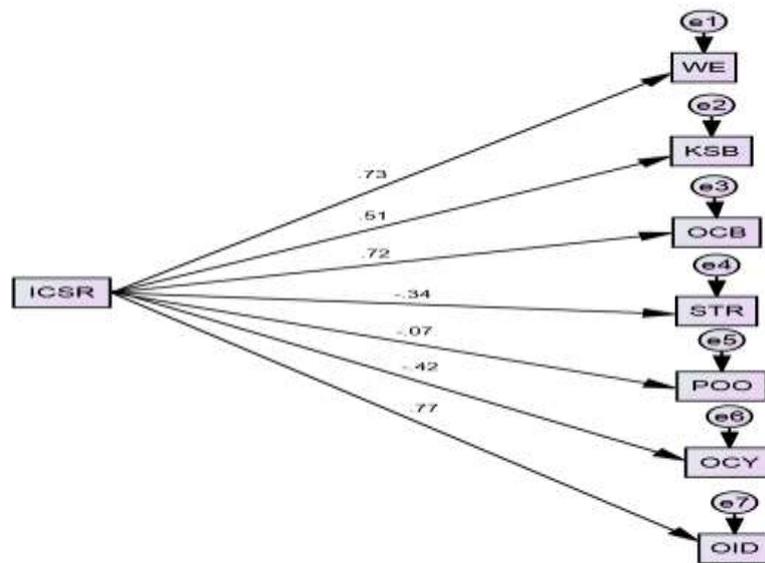


Figure 4-15: Path Analysis
Source: Author's Calculation (2018)

Hence it can be said that if the organization will have an internal CSR it will increase the tendency of the employee to engage in positive work behaviors such as work engagement, knowledge sharing behavior and organizational citizenship behavior. Internal CSR policies will make employees feel that the organization consider them as important stakeholders whose interests are being taken care of. Consequently, the employees will go to work with a positive state of mind, they will feel energetic, enthusiastic and absorbed in their work. Moreover, they will be more willing to exchange their knowledge with co-workers and groups of people and will be more engaged in the voluntary behaviors that are not part of their job discretion but lead to increasing overall organizational effectiveness. The results further reveal that internal CSR of the organization will increase the employee organizational identification. Which means that if the organization will have internal CSR it will increase the tendency of the employee to define themselves as a part of the organization and will experience the feeling of oneness with the organizational goals, values, and processes of the organization.

Table 4-7: Standardized Coefficients for Structural Paths

| Hypothesis 1 &2 | Direct Paths | Estimate | SE | CR | P |
|-----------------|--------------|----------|------|---------|------|
| | ICSR → WE | .731 | .028 | 24.666 | *** |
| | ICSR → KSB | .509 | .044 | 13.588 | *** |
| | ICSR → OCB | .716 | .030 | 23.576 | *** |
| | ICSR → ST | -.344 | .031 | -8.428 | *** |
| | ICSR → POO | -.068 | .041 | -1.561 | .119 |
| | ICSR → OCY | -.422 | .040 | -10.700 | *** |
| | ICSR → OI | .766 | .030 | 27.371 | *** |

Statistical significance: *p < .05; **p < .01; ***p < .001

Source: Author's Calculation (2018)

The results in table 4-7 further reveal that the internal CSR has a negative and significant relationship with stress ($\beta = -0.344$, $p < .001$), and organizational cynicism ($\beta = -0.422$, $p < .001$). However the relationship between the internal CSR and perceived organizational obstruction is found to be negative, but insignificant ($\beta = -0.68$, $p > 0.05$). It means when **internal CSR** goes up by 1, *stress* goes down by -0.344, *organizational cynicism* goes down by -0.422 and *perceived organizational obstruction* goes down insignificantly by -0.68.

4.5.8 Mediation Analysis

In order to test hypothesis 4 related to mediation, path analysis was conducted in AMOS.

Table 4-8: Standardized Direct Path Coefficients of the Hypothesized Model

| Direct Paths | Estimate | SE | CR | P |
|--------------|----------|------|--------|------|
| ICSR → OI | .766 | .022 | 27.371 | *** |
| ICSR → WE | .318 | .046 | 8.026 | *** |
| ICSR → KSB | .138 | .068 | 2.548 | *** |
| ICSR → OCB | .120 | .035 | 3.645 | *** |
| ICSR → ST | -.093 | .064 | -1.511 | .131 |
| ICSR → POO | .074 | .069 | 1.103 | .270 |
| ICSR → OCY | -.054 | .060 | -.934 | .350 |
| OI → WE | .539 | .046 | 13.593 | *** |
| OI → KSB | .484 | .063 | 8.919 | ** |
| OI → OCB | .778 | .032 | 23.664 | *** |
| OI → ST | -.327 | .058 | -5.294 | *** |
| OI → POO | -.185 | .061 | -2.761 | ** |
| OI → OCY | -.481 | .059 | -8.345 | *** |

Statistical significance: *p < .05; **p < .01; ***p < .001

Source: Author's Calculation (2018)

Since the variables were measured on the different scales so all the variables were standardized before the analysis. Table 4-8 and 4-9 and figure 4-16 show the mediation analysis for the current study.

Further the results in tables 4-8 and 4-9 shows that the relationship between the *internal CSR* and *work engagement* ($\beta = 0.390$, $p < 0.01$), *knowledge sharing behavior* ($\beta = 0.434$, $p < 0.01$) and *organizational citizenship behavior* ($\beta = 0.587$, $p < 0.01$) is significant in the presence of organizational identification. However the analysis of direct path reveals that the direct paths between internal CSR work engagement, knowledge sharing behavior and organizational citizenship behavior are also significant which shows that there exist not only a significant relationship between the organizational identification and the work engagement, knowledge sharing behavior and organizational citizenship behavior but there is also some direct relationship exist between the internal CSR and work engagement($\beta = 0.318$, $p < 0.001$), knowledge sharing behavior ($\beta = 0.138$, $p < 0.001$) and organizational citizenship behavior ($\beta = 0.120$, $p < 0.001$). Therefore the partial mediation is proved.

Table 4-9: Standardized Indirect Path Coefficients of the Hypothesized Model

| Indirect Paths | Bootstrapping | | BC 95% CI | | Result |
|---|---------------|------|-------------|-------------|-------------------|
| | Estimate | SE | Lower Limit | Upper Limit | |
| ICSR \longrightarrow OI \longrightarrow WE | .390** | .037 | .358 | .482 | Partial Mediation |
| ICSR \longrightarrow OI \longrightarrow KSB | .434** | .051 | .293 | .465 | Partial Mediation |
| ICSR \longrightarrow OI \longrightarrow OCB | .587** | .030 | .549 | .644 | Partial Mediation |
| ICSR \longrightarrow OI \longrightarrow ST | -.190** | .046 | -.329 | -.170 | Full Mediation |
| ICSR \longrightarrow OI \longrightarrow POO | -.134* | .047 | -.220 | -.053 | Full Mediation |
| ICSR \longrightarrow OI \longrightarrow OCY | -.370** | .047 | -.450 | -.296 | Full Mediation |

Statistical significance: * $p < .05$; ** $p < .01$; *** $p < .001$

Source: Author's Calculation (2018)

Organizational identification also mediates the relationship between internal CSR and stress, perceived organizational obstruction and organizational cynicism. The results in tables 4-8 and table 4-9 further shows that the relationship between the *internal CSR* and *stress* ($\beta = -0.190$, $p < 0.01$), *perceived organizational obstruction* ($\beta = -0.134$, $p < 0.01$) and *organizational cynicism* ($\beta = -0.370$, $p < 0.01$) is significant in the presence of organizational identification. the analysis of direct path reveals that the direct paths between internal CSR, stress, perceived organizational obstruction and organizational cynicism is insignificant

which shows that there exists a significant relationship between the organizational identification and the stress, perceived organizational obstruction and organizational cynicism but the direct paths between the internal CSR and stress ($\beta = -0.093$, $p > 0.05$), perceived organizational obstruction ($\beta = 0.074$, $p > 0.05$) and organizational cynicism ($\beta = -0.054$, $p > 0.05$) are insignificant. Therefore the full mediation is proved.

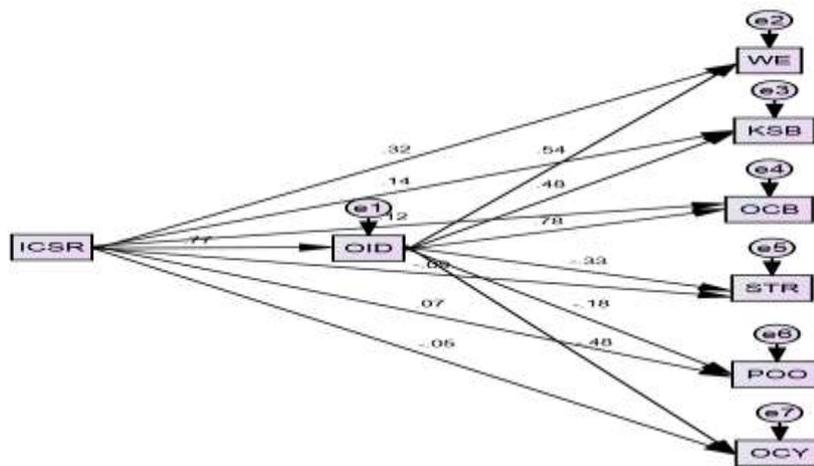


Figure 4-16: Mediation Analysis
Source: Author’s Calculation (2018)

4.5.9 Multiple Moderated Regression Analysis (MMR)

In order to test the hypothesis 3 and hypothesis 6 related to moderation, Multiple Moderated Regression Analysis (MMR) was conducted using SPSS 23. The MMR was conducted by using the PROCESS Procedure’ introduced by Andrew Hayes (Hayes, 2013). For this purpose, the special add-on Macros was installed in the SPSS program. As this was helpful to analyze the interaction effects.

Table 4-10 shows the result of MMR. In the first step of the regression analysis, independent variable internal ICSR and moderator variable collectivism were entered $R^2 = .5993$, $F(3, 526) = 262.1947$, $p < .000$ showing both ICSR and collectivism accounted for a significant amount of variance in organizational identification. In the next step of the regression model the interaction term between internal CSR and collectivism was added $\Delta R^2 = .0110$, $\Delta F(1, 526) = 14.5023$, $p = .000$, $b = .1430$, $t(526) = 3.8082$, $p < .000$ which shows that the

interaction term (ICSR*collectivism) also accounted for a significant proportion of the variance in the organizational identification.

Table 4-10: Moderated Regression Analysis (OI as Criterion)

| Predictor | Organizational Identification (OI) | | |
|--------------------|------------------------------------|----------------|-----------------|
| | B | R ² | ΔR ² |
| Internal CSR | .7584*** | .5993*** | |
| Collectivism | .0744*** | | |
| ICSR× Collectivism | .1438*** | | .011*** |

Statistical significance: *p < .05; **p < .01; ***p < .001

Source: Author's Calculation (2018)

In order to probe further the interaction effect, the significant interactions were plotted. The interactions are plotted in fig 4-17 and it shows that the positive relationship between ICSR and *organizational identification* was stronger when the collectivism was high.

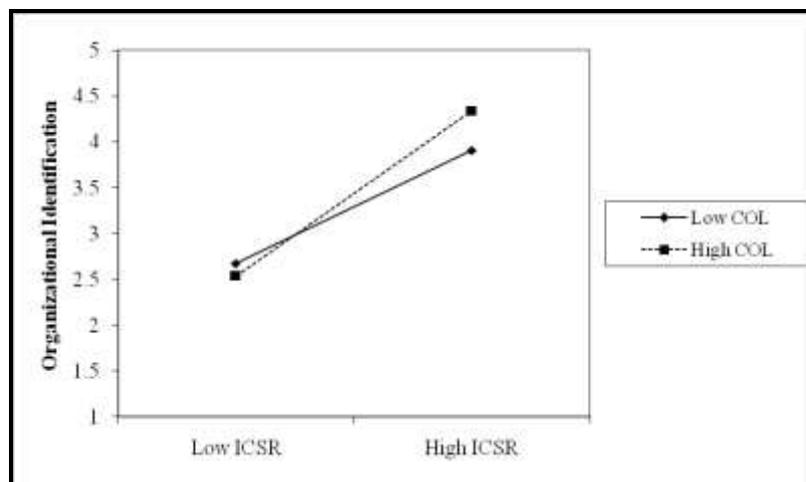


Figure 4-17: Interaction effects of ICSR and Collectivism on OI

Source: Author's Calculation (2018)

This result shows that in the collectivist society if the organization will have internal CSR policies it will have a stronger positive impact on the employee organizational identification. Individuals having collectivist orientation are more inclined to search for common values and goals and emphasize on the group goals over the individual goals and desires. So in the collectivist society when the organization will introduce internal CSR policies, the employees

will be more likely to identify with the organization due to the fact they already give more importance to the organization as a group they belong to; unity and selflessness are considered as valuable traits for them.

Table 4-11: Moderated Regression Analysis (Work Engagement as Criterion)

| Predictor | Work Engagement | | |
|---|-----------------|----------------|-----------------|
| | B | R ² | ΔR ² |
| Organizational Identification (OI) | .7471*** | .8270*** | |
| Leader-Member Exchange (LMX) | .1905*** | | |
| Organizational Identification × Leader-Member Exchange | .3168*** | | .0667*** |

Statistical significance: *p < .05; **p < .01; ***p < .001

Source: Author's Calculation (2018)

In the first place, the Multiple Moderated Regression (MMR) analysis was conducted to find whether *LMX will moderate the positive relationship between organizational identification and work engagement such that the relationship will be stronger when LMX is high*. Table 4-11 shows the results of MMA. In the first step of the regression analysis, independent variable OI and moderator variable LMX were entered $R^2 = .6839$, $F(3, 526) = 379.4238$, $p < .000$ showing both OI and LMX accounted for a significant amount of variance in work engagement. In the next step of the regression model the interaction term between OI and LMX was added $\Delta R^2 = .0667$, $\Delta F(1, 526) = 110.9657$, $p = .000$, $b = .3168$, $t(526) = 10.5340$, $p < .000$ which shows that the interaction term (OI*LMX) also accounted for a significant proportion of the variance in the *work engagement*. In order to probe further the interaction effect, the significant interactions were plotted. The interactions are plotted in fig 4-18 and it shows that the positive relationship between OI and *work engagement* was stronger when the LMX was high.

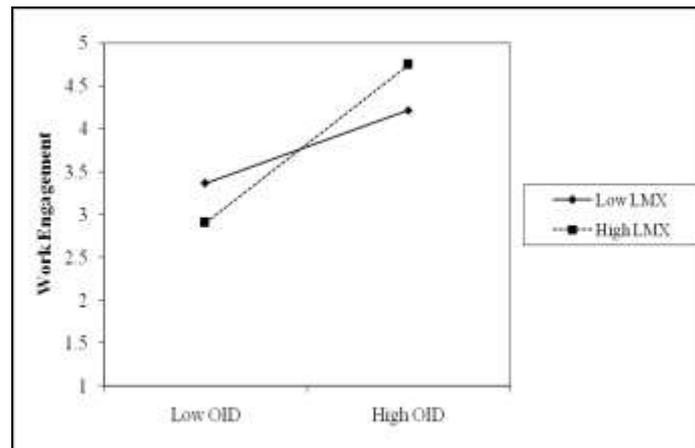


Figure 4-18: Interaction effects of Organizational Identification and LMX on Work Engagement

Source: Author's Calculation (2018)

The results show that if the employee is in a high-quality relationship with his leader then organizational identification will have a stronger positive impact on the work engagement.

Table 4-12: Moderated Regression Analysis (Knowledge Sharing Behavior as Criterion)

| Predictor | Knowledge Sharing Behavior | | |
|---|----------------------------|----------------|-----------------|
| | B | R ² | ΔR ² |
| Organizational Identification (OI) | .7085*** | .3982*** | |
| Leader-Member Exchange (LMX) | .0247*** | | |
| Organizational Identification × Leader-Member Exchange | -.3667*** | | .0480*** |

Statistical significance: *p < .05; **p < .01; ***p < .001

Source: Author's Calculation (2018)

The Multiple Moderated Regression (MMR) analysis was conducted to test that *LMX will moderate the positive relationship between organizational identification and knowledge sharing behavior such that the relationship will be stronger when LMX is high*. The table 4-12 shows the results of MMA. In the first step of the regression analysis, independent variable OI and moderator variable LMX were entered $R^2 = .3982$, $F(3, 526) = 116.0180$, $p < .000$ showing both OI and LMX accounted for a significant amount of variance in *knowledge sharing behavior*. In the next step of the regression model the interaction term between OI and LMX was added $\Delta R^2 = .0480$, $\Delta F(1, 526) = 41.9386$, $p = .000$, $b = .3667$, $t(526) =$

6.4760, $p < .000$ which shows that the interaction term (OI*LMX) also accounted for a significant proportion of the variance in the *knowledge sharing behavior*. In order to probe further the interaction effect, the significant interactions were plotted. The interactions are plotted in fig 4-19 and it shows that the positive relationship between OI and knowledge sharing behavior was stronger when the LMX was high.

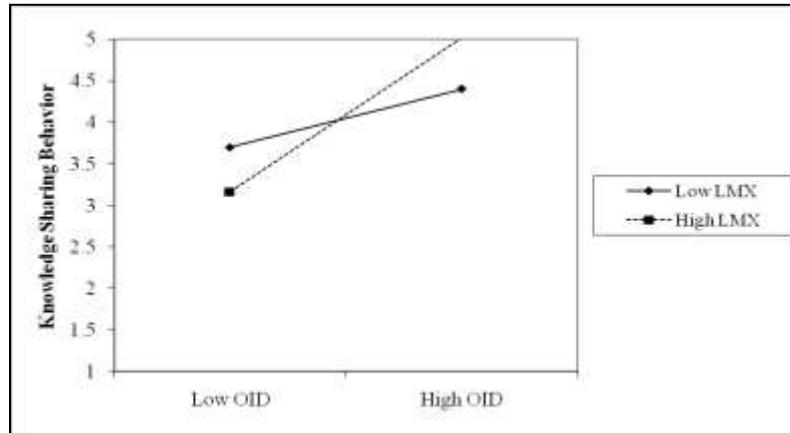


Figure 4-19: Interaction effects of Organizational Identification and LMX on Knowledge Sharing Behavior

Source: Author's Calculation (2018)

The Multiple Moderated Regression (MMR) analysis was conducted to test the hypothesis that *LMX will moderate the positive relationship between organizational identification and organizational citizenship behavior such that the relationship will be stronger when LMX is high.*

Table 4-13: Moderated Regression Analysis (OCB as Criterion)

| Predictor | Organizational Citizenship Behavior | | |
|---|-------------------------------------|----------------|-----------------|
| | B | R ² | ΔR ² |
| Organizational Identification (OI) | .6851*** | .7871*** | |
| Leader-Member Exchange (LMX) | -.0699*** | | |
| Organizational Identification × Leader-Member Exchange | .1426*** | | .0216*** |

Statistical significance: * $p < .05$; ** $p < .01$; *** $p < .001$

Source: Author's Calculation (2018)

The table 4-13 shows the results of MMA. In the first step of the regression analysis, independent variable OI and moderator variable LMX were entered $R^2 = .7871$, $F(3, 526) = 648.0439$, $p < .000$ showing both OI and LMX accounted for a significant amount of variance in *organizational citizenship behavior*. In the next step of the regression model the interaction term between OI and LMX was added $\Delta R^2 = .0216$, $\Delta F(1, 526) = 53.3719$, $p = .000$, $b = .1426$, $t(526) = 7.3056$, $p < .000$ which shows that the interaction term (OI*LMX) also accounted for a significant proportion of the variance in the *organizational citizenship behavior*. In order to probe further the interaction effect, the significant interactions were plotted. The interactions are plotted in fig 4-20 and it shows that the positive relationship between OI and *organizational citizenship behavior* was stronger when the LMX was high.

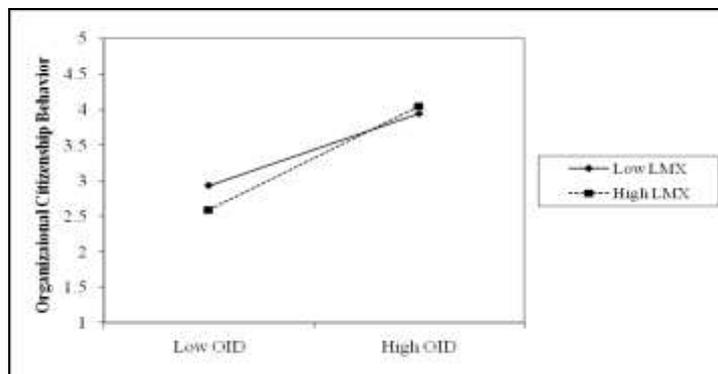


Figure 4-20: Interaction effects of Organizational Identification and LMX on OCB
Source: Author's Calculation (2018)

The Multiple Moderated Regression (MMR) analysis was conducted to test the hypothesis that *LMX will moderate the negative relationship between organizational identification and stress such that the relationship will be stronger when LMX is high*. The table 4-14 shows the results of MMA.

Table 4-14: Moderated Regression Analysis (Stress as Criterion)

| Predictor | Stress | | |
|---|-----------|----------------|-----------------|
| | B | R ² | ΔR ² |
| Organizational Identification (OI) | -.2062*** | .1694*** | |
| Leader-Member Exchange (LMX) | .0230 | | |
| Organizational Identification × Leader-Member Exchange | -.0413 | | .0043 |

Statistical significance: * $p < .05$; ** $p < .01$; *** $p < .001$

Source: Author's Calculation (2018)

In the first step of the regression analysis, independent variable OI and moderator variable LMX were entered $R^2 = .1694$, $F(3, 526) = 63.3339$, $p < .000$ showing both OI and LMX didn't account for a significant amount of variance in *stress*. In the next step of the regression model the interaction term between OI and LMX was added $\Delta R^2 = .0043$, $\Delta F(1, 526) = .6982$, $p > 0.05$, $b = -.0413$, $t(526) = -.8356$, $p > .05$ which shows that the interaction term (OI*LMX) didn't account for any significant proportion of the variance in the *stress*.

Table 4-15: Moderated Regression Analysis (POO as Criterion)

| Predictor | Perceived Organizational Obstruction | | |
|---|--------------------------------------|----------------|-----------------|
| | B | R ² | ΔR ² |
| Organizational Identification (OI) | -.1309*** | .0555*** | |
| Leader-Member Exchange (LMX) | -.1879*** | | |
| Organizational Identification × Leader-Member Exchange | .0038 | | .000 |

Statistical significance: * $p < .05$; ** $p < .01$; *** $p < .001$

Source: Author's Calculation (2018)

The Multiple Moderated Regression (MMR) analysis was conducted to test the hypothesis that *LMX will moderate the negative relationship between organizational identification and perceived organizational obstruction such that the relationship will be stronger when LMX is high*. The table 4-15 shows the results of MMA. In the first step of the regression analysis, independent variable OI and moderator variable LMX were entered $R^2 = .0555$, $F(3, 526) = 7.0082$, $p < .000$ showing both OI and LMX accounted for a significant amount of variance in *perceived organizational obstruction*. In the next step of the regression model the interaction term between OI and LMX was added $\Delta R^2 = .000$, $\Delta F(1, 526) = .0105$, $p > 0.05$, $b = .0038$, $t(526) = .1026$, $p > 0.05$ which shows that the interaction term (OI*LMX) did not account for any significant proportion of the variance in the *perceived organizational obstruction*.

Table 4-16: Moderated Regression Analysis (Organizational Cynicism as Criterion)

| Predictor | Organizational Cynicism | | |
|------------------------------------|-------------------------|----------------|-----------------|
| | B | R ² | ΔR ² |
| Organizational Identification (OI) | -.2981*** | .3310*** | |
| Leader-Member Exchange (LMX) | .1038*** | | |

| | | | |
|--|-----------|--|----------|
| Organizational Identification × Leader- Member Exchange | -.1670*** | | .0378*** |
|--|-----------|--|----------|

Statistical significance: *p < .05; **p < .01; ***p < .001

Source: Author's Calculation (2018)

The Multiple Moderated Regression (MMR) analysis was conducted to test the hypothesis that *LMX will moderate the positive relationship between organizational identification and organizational cynicism such that the relationship will be stronger when LMX is high*. The table 4-16 shows the results of MMA. In the first step of the regression analysis, independent variable OI and moderator variable LMX were entered $R^2 = .3310$, $F(3, 526) = 86.7428$, $p < .000$ showing both OI and LMX accounted for a significant amount of variance in *organizational cynicism*. In the next step of the regression model the interaction term between OI and LMX was added $\Delta R^2 = .0378$, $\Delta F(1, 526) = 29.7041$, $p = .000$, $b = -.1670$, $t(526) = -5.4501$, $p < .000$ which shows that the interaction term (OI*LMX) also accounted for a significant proportion of the variance in the *organizational cynicism*. In order to probe further the interaction effect, the significant interactions were plotted. The interactions are plotted in fig 4-21 and it shows that the negative relationship between OI and *organizational cynicism* was stronger when the LMX was high.

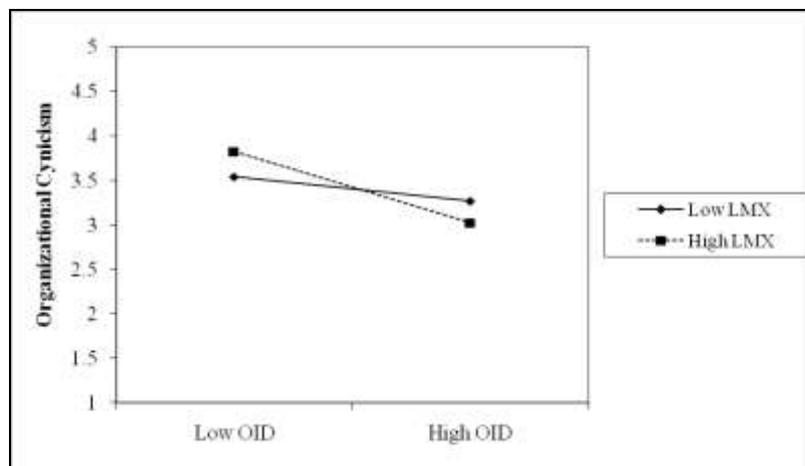


Figure 4-21: Interaction effects of Organizational Identification and LMX on Organizational Cynicism

Source: Author's Calculation (2018)

4.6 Research Findings and Evaluations of Quantitative Study

The results of the study show that internal CSR is not only significantly related to positive work behaviors but it also significantly affects the negative employee behaviors. The results show that if the organization will have internal CSR policies; the employees will experience

less stress due to the support that they receive from the organization in the form of e.g. work-life balance policies. Similarly, the internal CSR will also reduce the cynical attitude of the employee towards the organization because when the organization will have internal CSR policies, employees will perceive that organization behaves fairly, honestly, equitably and ethically toward them which is the expectation of all employees which are when the unmet result into cynical opinion about the organization. However, the results of the study didn't find statistical significance for the relationship between internal CSR and perceived organizational obstruction although the relationship was found to be negative. As a result, this relationship was not supported that argued that if the organization will have internal CSR policies it will decrease the employee's perception regarding the organization as a source of harm and obstruction.

These results of the mediation analysis show that when internal CSR will affect the employee behavior through organizational identification. According to the results, it is evident that internal CSR leads to the organizational identification and in return organizational identification affect the employee positive and negative behavior such that it increases employee engagement in positive behaviors and decreases the employee's negative behaviors. Internal CSR will improve the employee's sense of belongingness with the organization which will affect their behavior in a way that they will act to meet the organization's expectations and will be more willing to be dedicated and absorbed in their jobs, will be more willing to share their knowledge in the workgroups and will go extra mile beyond their job description to benefit the organization.

Additionally, the more is the individual's identification with their respective organizations the more likely they will experience less stress, cynical attitude and perceived obstruction from the organization. Internal CSR leads to the strong emotional bond of the employee with the organization in the form of organizational identification which will affect their attitude towards the organization. The strong emotional bond reinforces positive feelings about the employer and leads to purify of their negative opinions and feelings. The internal CSR is policies related to enhancing employee well-being and positive sense of organizational membership will decrease the employee tendency to experience stress. These findings are consistent with the previous researches e.g. KIM ET AL., (2010), have argued that CSR can increase employee's tendencies to identify with the organizations through different means such as engaging them in the CSR initiatives. The findings of the current research have

furthered this discussion by incorporating the cultural context in the relationship between internal CSR and organizational identification.

The results of MMR analysis show that when the employee will be in a high-quality relationship with the immediate leader his organizational identification will be high and consequently will be more engaged in the work, will be more willing to share their knowledge with individuals and groups and also will tend to engage more in extra-role behaviors. The quality of LMX affects the emotions of the subordinate when trust their leaders they increase their willingness to go the extra mile to do their job. In leader-member exchange, the leaders and subordinate exchange valued resources such as knowledge. This exchange is motivated by various reasons such as improving the overall relationship between the two. Low-quality LMX relationship is bound by the formal employment contract, whereas high-quality LMX relationship is beyond the formal requirements. So the leader and employee will be willing to sustain and enhance their high-quality relationship by exchanging valuable resources such as knowledge.

In the collectivist culture, the employees place more importance to the organizational hierarchy. Thus the role of an immediate leader becomes even more substantial in the collectivist culture as compared to the western culture. In eastern cultures, the employees are more in need of support, assistance, and security (AGARWAL ET AL., 2012). When employees receive the support they are expecting from their immediate bosses they tend to reciprocate by engaging in positive behaviors that are beneficial for the organizations. Moreover, the immediate support from the leader reduces negative emotions and perceptions about the organization.

The results didn't found any support for the interaction effect of organizational identification and LMX with stress and perceived organizational obstruction. Further, the interaction effect of organizational identification and LMX for perceived organizational obstruction was also found to be insignificant. A possible reason for this result is that when the employee believes that their organization is not trustworthy, break promises, is not caring and loyal. They try to cognitively distance themselves from the organization. It is important to highlight that POO is the perception of the employee about the relationship with the organization it is not relevant to the relationship of the employees within the organization. So e.g. if the employee has a bad argument with the immediate leader will be a source of negative experience for the follower but it will not affect their perceptions of obstruction unless they will hold the organization responsible for the cause of bad argument or vice versa (GIBNEY ET AL., 2011). Therefore

if the employee perceives the organization as a source of obstruction his/her interaction with the supervisor will not affect his/her perceptions.

One possible explanation is that the relationship between LMX and stress is negative, but interestingly according to HARRIS-KACMAR (2006), this relationship is linear or curvilinear especially for the exchange component of LMX. The exchange component of LMX theory is different from the relationship component in a way that the leaders in high-quality LMX expect more from their subordinates in exchange for the resources they have provided. Followers in high-quality LMX constantly feel pressurized to accomplish the work assigned by their leaders in order to return the favors that they have received. But when the demands of the leaders become unrealistic for the follower they become overwhelmed and feel stressed. The followers will have a point of diminishing returns where the support and communication from leader wouldn't be of any help. Consequently, the relationship between LMX and stress will become positive (HARRIS-KACMAR 2006).

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The comparison of internal CSR policies and initiatives mentioned on the official websites and annual reports of the top five banks show that the public disclosure of CSR initiatives is more philanthropic in nature and definition of being a responsible corporate citizen is still tied to only the philanthropic initiatives related to community development. Out of five banks, only two banks have disclosed information about their CSR initiatives directed towards employees whereas the rest of three banks have disclosed limited information about their CSR initiatives which doesn't cover the employee related CSR actions. One of the major reason for this disparity in the disclosure of CSR information related to internal CSR is the role of regulators since they persuade the organizations to disclose their CSR activities by devising the guidelines. There is some CSR disclosure that is mandatory whereas some voluntary.

These guidelines show that the CSR actions directed towards employees don't come under the mandatory CSR guidelines of SECP. The mandatory disclosures are descriptive and only deal with the public disclosures related to the philanthropic activities. The internal CSR in Pakistan comes under the voluntary CSR measures. Consequently, it is the discretion of the organization which CSR activities to choose and disclose on the public forums and this is

evident in the aforementioned examination of websites and annual reports of the top five banks.

The results of the interviews also reveal that the general understanding of CSR in Pakistan is more philanthropic in nature. The majority of respondents mentioned philanthropic initiatives in the interviews while making discussion on CSR such as donations to charitable causes mainly to the education, health, culture, and sports. Many respondents related CSR with the environmental protection it can be said that in the banking sector SBP Green Banking Guidelines (GBG) are being implemented and it can because of awareness among the respondents. The majority of respondents unfolded the consensus regarding the fact that employees are key stakeholders of the organization and the organization has responsibilities towards the employees. Given the circumstances, if these responsibilities are fulfilled can affect employee behavior positively.

Summary of Quantitative Study Results

| Sr No | Hypotheses | Accepted/Rejected |
|-------|---|---------------------------|
| 1 | Internal CSR will be positively related to work engagement (WE), knowledge sharing behavior (KSB) and Organizational Citizenship Behavior (OCB). | <i>Accepted</i> |
| 2 | Internal CSR will be negatively related to stress, Perceived Organizational Obstruction (POO) and organizational cynicism. | <i>Partially Accepted</i> |
| 3 | Culture will moderate the relationship between internal CSR and organizational identification. | <i>Accepted</i> |
| 4 | Organizational identification will mediate the relationship between internal CSR and work engagement, knowledge sharing behavior, organizational citizenship behavior, perceived organizational obstruction, stress, and organizational cynicism. | <i>Accepted</i> |
| 5 | Leadership will moderate the relationship between organizational identification and work engagement, knowledge sharing behavior, organizational citizenship behavior, stress, perceived organizational obstruction, and organizational cynicism. | <i>Partially Accepted</i> |

Source: Author's own construction (2019)

The primary objective of the study was to investigate the effect of internal CSR on employee behavior. Further, it also aims to develop and empirically test the explanatory mechanism through which it can be explained that how and when the internal CSR affect employee behavior. In order to accomplish this objective in the study mediator and moderator variables were used to explain that how and when the internal CSR will affect employee behavior. The proposed theoretical model was tested on the sample of employees from the top five banks in Pakistan. The content analysis of exploratory interviews and quantitative analysis found the general support for the relationship between the variables identified in the proposed model.

The results of this study show that internal CSR policies positively and significantly related to work engagement, knowledge sharing behavior, OCB and will be negatively related to stress, POO and organizational cynicism, which leads to the confirmation of hypothesis 1 and hypothesis 2. CSR initiatives directed towards employees are a form of corporate investments that eventually results in strengthening the positive work-related behaviors such as work engagement, knowledge sharing behavior, and OCB and at the same time, it weakens the negative work-related outcomes such as stress, and organizational cynicism. The internal CSR leads to the development of a workforce that can be a source of competitive advantage and improved corporate performance. The organizations that have a well-developed internal CSR are in a better position to implement the business strategy because of highly satisfied and well-motivated workforce that is ready to engage in positive behaviors such as work engagement, KSB and OCB and they experience less stress and less cynic about their respective organizations.

In the current study, the role of national culture was discussed by taking into account one of the Hofstede's national culture dimension collectivism. Collectivism was introduced as a moderator in the relationship between internal CSR and organizational identification such that the positive relationship between the two will be stronger when the collectivism will be high. This finding of the current study endorses a stream of research that argues that national culture is a significant factor in the perception and implementation of internal CSR. Internal CSR can increase employee's tendencies to identify with the organizations through different means such as engaging them in the CSR initiatives. ***Hypothesis 3 of the current study stating that collectivism moderates the relationship between internal CSR and organizational identification is confirmed.*** Collectivism affects the attitudinal responses of the employees towards internal CSR initiatives if they are directed toward internal stakeholders. Because the employee's in in-groups are more ethically sensitive towards all

stakeholders, especially their in-group fellows, so individuals having high collectivism will respond positively if they perceive CSR initiatives are favorable for internal stakeholders. So the individuals in the collectivist societies tend to identify more with the organization if the organization has CSR policies directed towards the welfare and well-being of its employees.

In the proposed model of this study organizational identification was introduced as a mediator in the relationship between the internal CSR and the employee behavior. ***The hypothesis 4 was also confirmed stating the mediating role of organizational identification in the relationship between internal CSR and work engagement, knowledge sharing behavior, OCB stress, POO and organizational cynicism.*** Internal CSR was found to be positively and significantly related to organizational identification and further organizational identification mediated the relationship between internal CSR and work engagement, knowledge sharing behavior, organizational citizenship behavior, stress, perceived organizational obstruction and organizational cynicism. These findings show that when the employees perceive that their employer is socially responsible for them they will find the organization more attractive to identify with. Thus, in other words, the organizational identification will be stronger when the employees will have CSR policies directed towards their well-being. Employees will feel the pride in their organizational membership when they strongly identify with it, as they perceive that they are part of something that is of value to them. Consequently, the strong organizational identification increases the engagement of the employees in the positive work behaviors such as work engagement, KSB, and OCB because they want to benefit the group (organization) they belong to. Moreover, due to positive organizational identification employees perceive themselves as valuable members of the organization and feel motivated with high self-esteem this in return reduces their stress, feeling of an organizational hindrance in their personal goals, and cynical attitude towards the organization.

LMX was introduced as a moderator in the relationship between organizational identification and employee behaviors in the theoretical framework. The results of the study show that LMX is one of the powerful leadership theories in explaining the role of leadership and its consequences for the followers. ***Hypothesis 5 stating that LMX will moderate the relationship between organizational identification and work engagement, knowledge sharing behavior, OCB, POO and organizational cynicism, was partially confirmed.*** The quality of leadership has a significant influence on the follower's work-related outcomes, especially their behaviors and attitudes. LMX is an important variable in the relationship

between organizational identification and employee behaviors. More specifically the results of this study show that high-quality LMX strengthen the relationship between organizational identification and positive employee behaviors, i.e. work engagement, knowledge sharing behavior, and organizational citizenship behavior when they are in high-quality relationship with their immediate leader, it not only strengthen their willingness to identify with the organization but also increases their participation in positive behaviors. In a similar way quality of LMX also affects the relationship between organizational identification and negative outcomes for employees such as organizational cynicism. The employees in high-quality LMX relationship tend to experience less cynical attitudes.

The findings of this study further highlighted that even if the organization is supportive of employees and has internal CSR policies, but the employee behavior will be significantly influenced by the quality of relationship they have with their immediate leader. The leader's support for their subordinate is substantial in a way that they provide the overall direction and information about the organizational policies and strategies. The high-quality relationship between the leader and subordinate can help subordinates to better understand the organizational goals and further facilitate alignment of individual goals with that of the organizational objectives. When employees are in a high-quality relationship with their supervisor, they perceive themselves as important members of in-group. Consequently, the combined process of identification with the organization and supervisor elicit intrinsic motivation of the employee to pay back both organization and leadership. The employee is more energized, mentally resilient and is ready to work in tough situations, as a result, the positive work behaviors increases and negative work behavior decrease.

5.2 Recommendations

In connection with the findings concluded above this dissertation has various implications for CSR and organizational behavior literature. First, this study offers insights about the internal CSR of banks in the emerging economy of Pakistan thus it expands the literature that is mainly dominated by the studies conducted in the developed western economy.

The findings of this study have implications for the regulators in a way that they should play their role in designing the CSR guidelines that incorporate the detailed section regarding the organizational policies and practices that are related to safeguarding the well-being of its employees. Moreover, the CSR disclosures in Pakistan are voluntary except for the

philanthropic disclosures so the need arises to persuade the companies to disclose more information about their internal CSR policies and practices by including other stakeholders especially employees in the public CSR disclosures. The findings of this study can offer help to persuade the regulators and companies in this regard.

The study has implications specifically for the leading banks in Pakistan. Three banks HBL, NBP and UBL didn't disclose their internal CSR information publically. They should make internal CSR a prominent part of their CSR strategies as the other two banks ABL and MCB publicly value their employees by describing in detail their CSR initiatives related to employees. The HBL, NBP and UBL should adopt the internal CSR initiatives to match the practices of the other banks in the industry otherwise their employees will notice and experience this disconnect which can cause dissatisfaction and will affect their behavior.

The findings of this study have important implications for the CSR strategies of the organization, especially the CSR policies that are directed towards employees. Organizations that engage in internal CSR can have better productivity because ICSR develops employee's strong sense of organizational membership that persuades them to engage in positive work outcomes such as work engagement, knowledge sharing behavior, and organizational citizenship behavior. The benefits of ICSR are not only confined to alleviating positive work-related outcomes but also reflected in decreasing the stress and employee's negative feeling about the organization while considering it as a source of obstruction.

Employees are important stakeholders of the organization and their satisfaction is important for the organization and in order to strive for competitiveness organization should develop detailed internal CSR programs and further ensure the successful implementation of these programs. ICSR initiatives may focus on treating employees fairly, designing challenging jobs, provide proper feedback, autonomy, and rewarding positive behaviors. These initiatives can be helpful in stimulating positive psychic energy in employees, which can increase their engagement in positive work behaviors such as work engagement, knowledge sharing behavior and organizational citizenship behavior.

Once the organization has decided to engage in internal CSR initiatives and programs. They should be aligned with the business processes especially with the existing HRM programs. Important thing here is not to have internal CSR strategy on the paper but organizations should make a highly visible connection between what they say and what they do. E.g. the employees should be fairly and equitably rewarded for their contribution towards the

organizational success in the form of equitable pay and benefits. Similarly safe and healthy work-place should be ensured so the employees are not exposed to any hazardous and injurious working conditions.

The findings of this dissertation also offer empirical evidence for the popularly held assumption that corporate social responsibility and its implications vary across specific dimensions of the national culture. Thus the socially responsible behavior of the organizations can be optimized by the initiatives that are tailored according to the cultural beliefs and values of the specific country. For collectivist countries like Pakistan, employees are more concerned about ICSR policies and it is manifested in their behaviors. So the policymakers and practitioners should rethink their CSR strategies in Pakistan that are still philanthropic. Employees should be given due importance as a significant stakeholder and in order to protect their rights and interests, internal CSR initiatives should be introduced.

The findings of this dissertation further highlight the significance of the quality of the relationship between the leader and the subordinates which suggest that organizations should encourage the supervisors to learn and practice the skills related to supportive work behaviors. Organizations should nurture the culture where the employees can freely and actively communicate with the supervisor. The organizations can arrange training programs for the supervisors to improve their skills of mentoring, coaching and guiding employees. These training programs can improve the interpersonal and leadership skills of supervisors which can enhance their quality of interaction with their subordinates. The organizations should encourage supervisors to treat employees fairly and politely so the work-related interactions between the two can be more productive and enhanced.

The employees are the strategic assets and the sustainable competitive advantage of the organization. Therefore they have to be the biggest beneficiaries of the CSR initiatives. If the employees have to be attracted and retained organizations have to design the CSR programs that can value and inspire the employees. In this case leaders hold the key, it starts with the top, and they should give personal commitment to the successful implementation and effectively engage the employees in such programs.

5.3 Limitations and Directions for Future Research

There were several limitations of the current study. First, the study employed a cross-sectional study design which itself poses inherent limitations in making inferences. Future

researchers can employ longitudinal study design that can better explain the causal inferences. Second, the data for this dissertation was collected from one industry that limits the generalizability of the results. The results may vary across different organizational context. In the future, researchers can examine other organizations in different industries to elaborate the understanding of internal corporate social responsibility and its effect on employee behavior. The data collected from the different and wide range of organizational settings will verify the generalizability of the findings of this research. Moreover, this study highlight the specific cultural dimension of collectivism in one country but the findings of this study may vary in different countries due to differences in cultural values. In the future, the findings of this research can be extended to other countries and other cultural dimensions especially power distance. Employing cross-cultural comparisons can improve and expand the theoretical and empirical findings of this study.

In order to explain the relationship between internal corporate social responsibility and employee behavior, I used social exchange theory, social identity theory, and LMX as mediation and moderation mechanism, in future other mechanisms can be employed by researchers such as organizational politics, and organizational justice to further elaborate on the relationship between internal CSR and employee behavior. Lastly, an interesting endeavor for future research will be to employ variables from other disciplines such as macroeconomic variables and interventions to discover how the company's engagement in socially responsible initiatives towards employees can be stimulated.

6. MAIN CONCLUSIONS AND NOVEL FINDINGS OF THE DISSERTATION

This dissertation was intended to enhance the understanding of the link between internal CSR and employee attitudinal and behavioral outcomes by using mediation and moderation as an explanatory mechanism.

The novel finding of this research is the empirical support for the links identified in the proposed deductive theoretical model. As no previous research has empirically tested the impact of internal CSR on the employee behavior comprehensively in such model in this forma way before.

- The important finding of this study is that when the employee will be in a high-quality relationship with his immediate boss, his tendency to identify with the organization will be high. Consequently, the employee' negative attitude towards the organization

will be minimized. It shows that when an organization has internal CSR policies it will align the employee and organizational goals through the organizational identification and if the employee is in high-quality LMX it will minimize the employees negative emotions and critical reactions about the organization that arises due to his/her perception about the organization that it lacks integrity and honesty.

- Another important finding of this research is that the relationship between the immediate leader and subordinate is of significant importance if the cultural context is implied.
- Another unique finding of this research is that the results didn't found any support for the interaction effect of organizational identification and LMX with stress and perceived organizational obstruction. Further, the interaction effect of organizational identification and LMX for perceived organizational obstruction was also found to be insignificant.

This research opens new endeavors for future research on internal CSR by using social identity theory and social exchange theory together as a mechanism to create a link between internal CSR and employee-related outcomes. This study addresses the direct interaction of the employee with the organization and how this direct interaction is affected by the employee's interaction with the immediate leader. The finding of this research shows that if the organizations will take care of its most important stakeholder its employees. This is an investment and an organization can get a return in the form of increased engagement of employees in the positive behaviors. Moreover, these employee oriented initiatives will minimize the negative employee outcomes such as stress and organizational cynicism which are associated with reduced organizational productivity.

The research was conducted on the sample of the collectivist society and the findings show that the people belonging to the collectivist culture of Asian countries such as Pakistan the conformity to social relationships are of high value and it is almost impossible to separate the social context of one's self. In the collectivist culture when the organization engages in the internal CSR it leads to strengthening the emotional bond between the employees and the organization. When the organization engages in such initiatives that are related towards enhancing the well-being of employees it leads to the satisfaction of their intrinsic and extrinsic needs, as a result, they tend to identify more with the organization.

Further, the findings highlight the importance of organizational identification as an important mechanism in explaining that organizational membership as a source of reinforcing the social

identity. This social identity creates a strong link between the employee and employer which in turn influence the employee positive and negative attitudinal and behavioral outcomes. High level of organizational identification is associated with higher levels of work engagement, knowledge sharing behavior, and OCB. Similarly, a higher level of OI is found to be associated with lower levels of stress, POO, and organizational cynicism. So organizational identification harmonizes the relationship between the employee and organization, thus increasing the overall performance of the organization.

SUMMARY

This study examined the relationship between internal corporate social responsibility and employee positive and negative attitudinal and behavioral outcomes. Moreover, the explanatory mechanism is proposed and empirically tested to explore that how and when internal CSR influence employee behavior. To serve this objective the study incorporates the moderating role of culture, leadership and the mediating role of social identity in the explanatory mechanism. The dissertation consists of six chapters.

In the introduction, the rationale of the exact demarcation of the subject under consideration, research gaps identified are explained along with the theoretical and practical significance of the topic.

Chapter 1 precisely explains the aims of the research, followed by the details regarding the underpinning theories that lead to the construction of the research objectives and research hypothesis.

Chapter 2 presents a coherent, focused summary of the current state of knowledge about the internal CSR and its relationship with various work-related outcomes in the context of culture, social identity, and leadership. Literature review in this study is intended to provide the review of previous researches relevant to the current problem under investigation. Finally in this section of the dissertation in the context of the gaps of existing research/theories; the theoretical model and hypothesis are proposed.

Chapter 3 addresses the overall plan for conduction of the current study is explained. This section answers the basic questions pertaining to the study that how it was structured and how its various components were integrated. It comprises of the outline the way data were collected and analyzed. Moreover, it explains the elements of research design, instrument development, data collection and statistical tools used to collect and analyze the data. The study adapted the mixed method design strategy to serve the intended research objectives.

The qualitative study employed a document analysis and interviews. Quantitative data for the study was collected through the self-administered questionnaires and the sample of the quantitative study consisted of 530 employees and for the qualitative study 20 CSR experts were interviewed, working in the top five banks in Pakistan.

In chapter 4 the results of both qualitative and quantitative study will be presented. The document analysis and content analysis of interviews. The quantitative results include demographic analysis, confirmatory factor analysis, reliability analysis, path analysis, mediation analysis, and multiple moderated regression analysis. The interpretation of results is presented with the help of tables and figures.

The analysis of the interviews shows that there was general consensus found among the respondents about the internal corporate social responsibility and its benefits for employee attitudinal and behavioral outcomes. Further, the findings of the quantitative study endorsed the role of culture, organizational identification and leadership in the relationship between internal CSR and employee-related outcomes.

In the quantitative study, structural equation modeling was used to test the link between internal corporate social responsibility and employee attitudes and behavior. Similarly, path analysis was used to test the mediation. Results revealed that internal CSR significantly influences employee attitudinal and behavioral outcomes. The internal CSR was positively and significantly linked with work engagement, knowledge sharing behavior, organizational citizenship behavior similarly internal CSR was significantly and negatively linked with stress and organizational cynicism. However, there existed an insignificant negative relationship between internal CSR and perceived organizational obstruction. Further, the results showed that organizational identification mediated the relationship between internal CSR and employee attitudinal and behavioral outcomes.

Process method written by Hayes was used to test the moderation hypothesis. The study found significant support for moderating variables collectivism and Leader-member exchange. Although all the hypothesis related to the moderating role of LMX were not supported. The interaction effect of internal CSR and collectivism was found significant. Similarly, the interaction effect between organizational identification and LMX was also significant for work engagement, knowledge sharing behavior, organizational citizenship behavior, and organizational cynicism. However, the interaction effect of organizational identification and LMX was found to be insignificant for stress and perceived organizational obstruction.

Chapter 5 chapter concludes the dissertation and based on the conclusion the theoretical and practical implications are suggested. And finally, the chapter is closed by highlighting the possible future research directions.

Chapter 6 presents the main conclusions followed by the important and novel findings of the research.

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LIST OF TABLES

| | |
|--|-----|
| Table 3-1: Elements of Research | 63 |
| Table 3-2: Categorization of Banks in Pakistan | 68 |
| Table 3-3: Top Five Pakistani Banks by Tier 1 Capital..... | 68 |
| Table 3-4: Detail of the Scales Used To Measure the Variables | 73 |
| Table 3-5: Population and Sample Details..... | 74 |
| Table 3-6: Overview of the Statistical Test Used In the Study..... | 75 |
| Table 4-1: Comparative Analysis of Internal CSR Disclosure | 88 |
| Table 4-2: Demographics Frequency Table..... | 105 |
| Table 4-3: Confirmatory Factor Analysis | 105 |
| Table 4-4: Reliability Statistics Table..... | 106 |
| Table 4-5: Descriptive Statistic..... | 107 |
| Table 4-6: Mean, Standard Deviation and Correlation (N=530) | 110 |
| Table 4-7: Standardized Coefficients for Structural Paths | 113 |
| Table 4-8: Standardized Direct Path Coefficients of the Hypothesized Model..... | 113 |
| Table 4-9: Standardized Indirect Path Coefficients of the Hypothesized Model | 114 |
| Table 4-10: Moderated Regression Analysis (OI as Criterion) | 116 |
| Table 4-11: Moderated Regression Analysis (Work Engagement as Criterion) | 117 |
| Table 4-12: Moderated Regression Analysis (Knowledge Sharing Behavior as Criterion) .. | 118 |
| Table 4-13: Moderated Regression Analysis (OCB as Criterion) | 119 |
| Table 4-14: Moderated Regression Analysis (Stress as Criterion)..... | 120 |
| Table 4-15: Moderated Regression Analysis (POO as Criterion) | 121 |
| Table 4-16: Moderated Regression Analysis (Organizational Cynicism as Criterion) | 121 |

LIST OF FIGURES

| | |
|---|-----|
| Figure 2-1: Model of Corporate Social Responsibility | 16 |
| Figure 2-2: Aspects of Corporate Social Responsibility..... | 21 |
| Figure 2-3: Internal Corporate Social Responsibility | 24 |
| Figure 2-4: Illustrative Framework for Underpinning Theories | 27 |
| Figure 2-5: Proposed Theoretical Framework | 57 |
| Figure 3-3: Research Approach Applied In Current Dissertation | 66 |
| Figure 3-4: Research Methodology of the Study | 67 |
| Figure 3-5: Direct Effect X Effect Y | 78 |
| Figure 3-6: Indirect Effect of X on Y through M | 78 |
| Figure 3-7: Moderation | 78 |
| Figure 4-1: : Total CSR Contribution ABL | 80 |
| Figure 4-2: ABL Workplace Contribution..... | 81 |
| Figure 4-3: : MCB Internal CSR Features | 84 |
| Figure 4-4: Concept of Corporate Social Responsibility | 89 |
| Figure 4-5: Key Socially Responsible Initiatives | 91 |
| Figure 4-6: CSR and Culture | 92 |
| Figure 4-7: Employees As Key Stakeholder..... | 93 |
| Figure 4-8: Key Responsibilities of the Organization Towards Employees..... | 94 |
| Figure 4-9: Internal CSR Activities of Employers | 96 |
| Figure 4-10: Internal CSR and Employee Behavior | 98 |
| Figure 4-11: Internal CSR and Organizational Identification..... | 99 |
| Figure 4-12: LMX and Employee Behavior | 100 |
| Figure 4-13: Suggestions to Enhance the Well-Being of Employees..... | 101 |
| Figure 4-14: Mean and Standard Deviation..... | 109 |
| Figure 4-15: Path Analysis..... | 112 |

| | |
|--|-----|
| Figure 4-16: Mediation Analysis | 115 |
| Figure 4-17: Interaction effects of ICSR and Collectivism on OI..... | 116 |
| Figure 4-18: Interaction effects of Organizational Identification and LMX on Work Engagement..... | 118 |
| Figure 4-19: Interaction effects of Organizational Identification and LMX on Knowledge Sharing Behavior | 119 |
| Figure 4-20: Interaction effects of Organizational Identification and LMX on OCB | 120 |
| Figure 4-21: Interaction effects of Organizational Identification and LMX on Organizational Cynicism | 122 |

ANNEXURE
QUESTIONNAIRE

Dear Respondent,

You are kindly requested to respond to the statements. The questions in the survey relate to Internal Corporate Social Responsibility, Leader-Member Exchange, Organizational Identification, Collectivism, Organizational Citizenship Behavior etc. Your responses are of great importance, as this survey forms a part of the doctoral research study titled “*The Impact of Internal Corporate Social Responsibility on Employee Behavior: Evidence from Leading Banks in Pakistan*”.

The researcher therefore values your cooperation to the fullest.

There is no right or wrong answer to any question. The researcher is only interested in your personal opinions. The “right” answer to any question is your frank and truthful response.

Best regards,

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Your Answers Will Be Treated With Absolute Confidentiality, And Will Only Be Used For Research Purposes.

Thanking You in Anticipation

Demographic Section:

1. Organization name: _____

2. Designation: _____

3. City _____

Gender: Male Female

Age Category Under 24 yrs. 25 – 29 yrs.

 30 – 39 yrs. 40-49 yrs.

 50 - 59 yrs. 60 yrs. Or Above

Education: Matric/FA/FSC Bachelors

 Masters MS/M.Phil.

 PhD

Experience: Less than one year 1- 2 Years

 3-5 Years 6-10 Years

 11 years or above

Employment Status: Permanent Contractual

Functional Area: Operations Credit management

 Risk management Information technology

 Human resources Financial control

Any other (please Mention) _____

Please encircle the relevant option

1 = Strongly Disagree, 2= Disagree 3= Neutral, 4= Agree, 5= Strongly Agree

| INTERNAL CSR | | | | | | |
|----------------------------|--|-----------|----------|----------|----------|-----------|
| | | SD | D | N | A | SA |
| 1. | Even in difficult financial times, the company is doing everything to ensure the jobs of the employees remain stable and secure and that there will be no compulsory termination | 1 | 2 | 3 | 4 | 5 |
| 2. | Employment with the company is almost guaranteed | 1 | 2 | 3 | 4 | 5 |
| 3. | The company is committed to the goal of long-term employment security/stability for all employees | 1 | 2 | 3 | 4 | 5 |
| 4. | If the company was facing economic problems, employee downsizing and layoffs would be the last option used | 1 | 2 | 3 | 4 | 5 |
| 5. | Overall, the company provides employees with very high employment stability | 1 | 2 | 3 | 4 | 5 |
| Working Environment | | SD | D | N | A | SA |
| 1. | Our organization's policies always provide a safe and healthy working environment for the employees | 1 | 2 | 3 | 4 | 5 |
| 2. | So that employees feel comfortable in their working environment, the company always follows the latest health standards (such as ergonomic keypads) | 1 | 2 | 3 | 4 | 5 |
| 3. | To ensure a good working environment, the company always maintains the standards of occupational safety and is even developing them further | 1 | 2 | 3 | 4 | 5 |
| 4. | The company always analyses and monitors the health and safety risks that are associated with its activities, in order to create an excellent working environment | 1 | 2 | 3 | 4 | 5 |
| 5. | To ensure a good working environment, the company strives at all times to remove psychosocial hazards from the workplace that contribute to stress and disease | 1 | 2 | 3 | 4 | 5 |
| Skills Development | | SD | D | N | A | SA |
| 1. | The company trains and supports employees on skills that prepare them for future jobs and career development to an above-average degree | 1 | 2 | 3 | 4 | 5 |
| 2. | Through career counseling and assistance, the company supports employees in a targeted way | 1 | 2 | 3 | 4 | 5 |
| 3. | The company supports employees by always providing them with enough time to learn new skills (even providing day off)? | 1 | 2 | 3 | 4 | 5 |
| 4. | The company intensely supports and promotes lifelong learning and further development of the employees | 1 | 2 | 3 | 4 | 5 |
| 5. | The company uses a blend of many different learning tools and methods for the further development of the employees (with regards to internal and/or external development) | 1 | 2 | 3 | 4 | 5 |
| 6. | Overall, the company encourages all employees at every stage of their professional experience by providing access to vocational training and | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|----|---|-----------|----------|----------|----------|-----------|
| | education | | | | | |
| | Workforce Diversity | SD | D | N | A | SA |
| 1. | In the company, there is a very good action plan that supports equal opportunities. | 1 | 2 | 3 | 4 | 5 |
| 2. | In terms of equal opportunities, in the company, there are specialized staff development programs for women and minorities | 1 | 2 | 3 | 4 | 5 |
| 3. | The company stands for good policies to support women and minorities in order to increase equality of opportunity | 1 | 2 | 3 | 4 | 5 |
| | Work-Life Balance | SD | D | N | A | SA |
| 1. | With regards to a good balance between work and private life, the company facilitate the employees who are parents through attractive programs (e.g. child care facilities) | 1 | 2 | 3 | 4 | 5 |
| 2. | To ensure a good balance between work and private life, the company offers its employees flexible working time options | 1 | 2 | 3 | 4 | 5 |
| 3. | To promote a good balance between work and private life, the company has introduced guidelines that clearly regulate the balance between work and private life. | 1 | 2 | 3 | 4 | 5 |
| 4. | The company helps all employees to coordinate their private and professional life in the best possible way so that a healthy balance between work and private life is created | 1 | 2 | 3 | 4 | 5 |
| 5. | To promote a good balance between work and private life, the company has introduced policies that forbid employees from being forced to work overtime | 1 | 2 | 3 | 4 | 5 |
| | Tangible Employee Involvement | SD | D | N | A | SA |
| 1. | If it goes well financially, the company materially shares the organization's success with the employees. | 1 | 2 | 3 | 4 | 5 |
| 2. | If it was a successful business year, the employees of the company have very good opportunities for profit sharing | 1 | 2 | 3 | 4 | 5 |
| 3. | In relation to corporate success, the company materially involves the employees sufficiently | 1 | 2 | 3 | 4 | 5 |
| 4. | In the company, the employees are materially involved in the organization's success in an appropriate manner through annual payments | 1 | 2 | 3 | 4 | 5 |
| 5. | The company stands for partly rewarding employees through performance-related bonuses | 1 | 2 | 3 | 4 | 5 |
| | Empowerment | SD | D | N | A | SA |
| 1. | The company empowers the employees to determine their own ways of working independently within the agreed boundaries | 1 | 2 | 3 | 4 | 5 |
| 2. | In the company, the employees are empowered to independently correct the tasks and goals placed upon them | 1 | 2 | 3 | 4 | 5 |
| 3. | The company encourages employees to engage in autonomous and independent thinking and action | 1 | 2 | 3 | 4 | 5 |
| 4. | The company provides the employees with numerous opportunities for independent work | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|----|--|-----------|----------|----------|----------|-----------|
| 5. | Overall, the employees of the company have high personal and independent responsibility in their tasks | 1 | 2 | 3 | 4 | 5 |
| | COLLECTIVISM | SD | D | N | A | SA |
| 1. | Individuals should sacrifice self-interest for the group that they belong to. | 1 | 2 | 3 | 4 | 5 |
| 2. | Individuals should stick with the group even through difficulties. | 1 | 2 | 3 | 4 | 5 |
| 3. | Group welfare is more important than individual rewards. | 1 | 2 | 3 | 4 | 5 |
| 4. | Group success is more important than individual success. | 1 | 2 | 3 | 4 | 5 |
| 5. | Individuals should pursue their goals after considering the welfare of the group. | 1 | 2 | 3 | 4 | 5 |
| 6. | Group loyalty should be encouraged even if individual goals suffer | 1 | 2 | 3 | 4 | 5 |
| | ORGANIZATIONAL IDENTIFICATION (OI). | SD | D | N | A | SA |
| 1. | When someone criticizes my company, it feels like a personal insult. | 1 | 2 | 3 | 4 | 5 |
| 2. | I am very interested in what others think about my company. | 1 | 2 | 3 | 4 | 5 |
| 3. | My company's successes are my successes. | 1 | 2 | 3 | 4 | 5 |
| 4. | When someone praises my company, it feels like a personal compliment. | 1 | 2 | 3 | 4 | 5 |
| 5. | If a story in the media criticized my company, I would feel embarrassed | 1 | 2 | 3 | 4 | 5 |

| | |
|----|---|
| | LEADER-MEMBER EXCHANGE |
| 1. | How would you characterize your working relationship with your leader? Extremely Ineffective Worse Than Average Average Better Than Average Extremely Effective |
| 2. | How well does your leader understand your job problems and needs? Not a Bit A Little A Fair Amount Quite a Bit A Great Deal |
| 3. | How well does your leader recognize your potential? Not at All A Little Moderately Mostly Full |
| 4. | Regardless of how much formal authority he/she has built into his/her position, what are the chances that your leader would use his/her power to help you solve problems in your work? None Small Moderate High Very High |

| | |
|-----------|---|
| 5. | Again, regardless of the amount of formal authority your leader has, what are the chances that he/she would “bail you out,” at his/her expense? None Small Moderate High Very High |
| 6. | I have enough confidence in my leader that I would defend and justify his/her decision if he/she were not present to do so? Strongly Disagree Disagree Neutral Agree Strongly Agree |
| 7. | Do you usually know how satisfied your leader is with what you do? Rarely Occasionally Sometimes Fairly Often Very Often |

Please mark the relevant option:

| | | | | | |
|---------------|---------------------|---------------|------------------|--------------|-------------------|
| Never | Almost Never | Rarely | Sometimes | Often | Very Often |
| Always | | | | | |
| 0 | 1 | 2 | 3 | 4 | 5 |
| 6 | | | | | |

| WORK ENGAGEMENT | |
|------------------------|---|
| 1. | At my work, I feel bursting with energy. Never Almost Never Rarely Sometimes Often Very Often Always 0 1 2 3 4 5 6 |
| 2. | At my job, I feel strong and enthusiastic. Never Almost Never Rarely Sometimes Often Very Often Always 0 1 2 3 4 5 6 |
| 3. | When I get up in the morning, I feel like going to work. Never Almost Never Rarely Sometimes Often Very Often Always 0 1 2 3 4 5 6 |
| 4. | I can continue working for very long periods at a time. Never Almost Never Rarely Sometimes Often Very Often Always 0 1 2 3 4 5 6 |
| 5. | At my job, I am very resilient, mentally. Never Almost Never Rarely Sometimes Often Very Often |

| | Always | | | | | | | |
|------------|---|---------------------|---------------|------------------|--------------|-------------------|----------|--|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 6. | At my work, I always continue, even when things do not go well. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |
| | Always | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 7. | I find the work that I do full of meaning and purpose. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |
| | Always | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 8. | I am enthusiastic about my job. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |
| | Always | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 9. | My job inspires me. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |
| | Always | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 10. | I am proud of the work that I do. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |
| | Always | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 11. | To me, my job is challenging. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |
| | Always | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 12. | I am engaged in my work. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |
| | Always | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 13. | Time passes very quickly when I am working. | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | |

| | | | | | | | | | |
|------------|--|---------------------|---------------|------------------|--------------|-------------------|----------|--|--|
| | Always | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | | |
| 14. | When I am working, I forget everything else around me. | | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | | |
| | Always | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | | |
| 15. | I feel happy when I am working intensely. | | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | | |
| | Always | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | | |
| 16. | I get carried away when I am working | | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | | |
| | Always | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | | |
| 17. | It is difficult to detach myself from my job. | | | | | | | | |
| | Never | Almost Never | Rarely | Sometimes | Often | Very Often | | | |
| | Always | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | | |

Please indicate how frequently you shared work-related knowledge with your co-workers in the past year.

| KNOWLEDGE SHARING BEHAVIOR | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|--|
| 1 = Very Infrequently 4 = Moderate Frequency (Few times per month); 7 = Very Frequently (Many times daily) | | | | | | | | | |
| 1. | I shared factual knowledge (know-what) from work with my colleagues | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 2. | I shared business knowledge about the customers, products, suppliers, and competitors with my co-workers. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 3. | I shared internal reports and other official documents with my coworkers. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 4. | I shared work experiences with my co-workers. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 5. | I shared know-how or tricks of the trade from work with my coworkers. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 6. | I shared expertise from education or training with my co-workers. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 7. | I shared know-why knowledge from work with my co-workers | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |

Please encircle the relevant option

1 = Strongly Disagree, 2= Disagree 3= Neutral, 4= Agree, 5= Strongly Agree

| ORGANIZATIONAL CITIZENSHIP BEHAVIOR | | | | | | |
|--|--|-----------|----------|----------|----------|-----------|
| | Conscientiousness | SD | D | N | A | SA |
| 1. | My attendance at work is above the norm. | 1 | 2 | 3 | 4 | 5 |
| 2. | I do not take extra breaks. | 1 | 2 | 3 | 4 | 5 |
| 3. | I follow company rules and regulations even when no one is watching. | 1 | 2 | 3 | 4 | 5 |
| 4. | Believes in giving an honest day's work for an honest day's pay. | 1 | 2 | 3 | 4 | 5 |
| | Sportsmanship | SD | D | N | A | SA |
| 1. | I consume a lot of time complaining about small matters. (R) | 1 | 2 | 3 | 4 | 5 |
| 2. | Always focuses on what's wrong, rather than the positive scale. (R) | 1 | 2 | 3 | 4 | 5 |
| 3. | Always finds fault with what the organization is doing. (R) | 1 | 2 | 3 | 4 | 5 |
| | Civic virtue | SD | D | N | A | SA |
| 1. | Attends meetings that are not mandatory, but are considered important. | 1 | 2 | 3 | 4 | 5 |
| 2. | Attends functions that are not required but help the company image. | 1 | 2 | 3 | 4 | 5 |
| 3. | Reads and keeps up with organization announcements, memos and so on. | 1 | 2 | 3 | 4 | 5 |
| | Courtesy | SD | D | N | A | SA |
| 1. | Takes steps to try to prevent problems with other workers. | 1 | 2 | 3 | 4 | 5 |
| 2. | I am watchful of how my actions affect the coworkers. | 1 | 2 | 3 | 4 | 5 |
| 3. | Does not abuse the rights of others. | 1 | 2 | 3 | 4 | 5 |
| 4. | Tries to avoid creating problems for coworkers | 1 | 2 | 3 | 4 | 5 |
| 5. | Consider the impact of my actions on coworkers | 1 | 2 | 3 | 4 | 5 |
| | Altruism | SD | D | N | A | SA |

| | | | | | | |
|----|--|---|---|---|---|---|
| 1. | Helps others who have been absent. | 1 | 2 | 3 | 4 | 5 |
| 2. | Helps others who have heavy workloads. | 1 | 2 | 3 | 4 | 5 |
| 3. | Helps orient new people even though it is not required. | 1 | 2 | 3 | 4 | 5 |
| 4. | Is always ready to lend a helping hand to those around me. | 1 | 2 | 3 | 4 | 5 |

Please encircle the relevant number

0 = Never 1 = Almost Never 2 = Sometimes 3 = Fairly Often 4 = Very Often

| STRESS | | | | | | |
|---------------|--|---|---|---|---|---|
| 1. | In the last month, how often have you been upset because of something that happened unexpectedly? | 0 | 1 | 2 | 3 | 4 |
| 2. | In the last month, how often have you felt that you were unable to control the important things in your life? | 0 | 1 | 2 | 3 | 4 |
| 3. | In the last month, how often have you felt nervous and “stressed”? | 0 | 1 | 2 | 3 | 4 |
| 4. | In the last month, how often have you felt confident about your ability to handle your personal problems? | 0 | 1 | 2 | 3 | 4 |
| 5. | In the last month, how often have you felt that things were going your way? | 0 | 1 | 2 | 3 | 4 |
| 6. | In the last month, how often have you found that you could not cope with all the things that you had to do? | 0 | 1 | 2 | 3 | 4 |
| 7. | In the last month, how often have you been able to control irritations in your life? | 0 | 1 | 2 | 3 | 4 |
| 8. | In the last month, how often have you felt that you were on top of things? | 0 | 1 | 2 | 3 | 4 |
| 9. | In the last month, how often have you been angered because of things that were outside of your control? | 0 | 1 | 2 | 3 | 4 |
| 10. | In the last month, how often have you felt difficulties were piling up so high that you could not overcome them? | 0 | 1 | 2 | 3 | 4 |

Please encircle the relevant option

1 = Strongly Disagree, 2= Disagree 3= Neutral, 4= Agree, 5= Strongly Agree

| | PERCEIVED ORGANIZATIONAL OBSTRUCTION | SD | D | N | A | SA |
|----|---|-----------|----------|----------|----------|-----------|
| 1. | My organization obstructs the realization of my professional goals. | 1 | 2 | 3 | 4 | 5 |
| 2. | My organization is harm to my well-being. | 1 | 2 | 3 | 4 | 5 |
| 3. | The organization gets in the way of my performance. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|----|---|-----------|----------|----------|----------|-----------|
| 4. | The company blocks my personal goals. | 1 | 2 | 3 | 4 | 5 |
| 5. | My goal attainment is let down by the organization. | 1 | 2 | 3 | 4 | 5 |
| | ORGANIZATIONAL CYNICISM | SD | D | N | A | SA |
| 1. | You express your confidence in the sincerity of your organization (R) | 1 | 2 | 3 | 4 | 5 |
| 2. | You express the feeling that you are not taken seriously by the organization | 1 | 2 | 3 | 4 | 5 |
| 3. | You use cynical humor to get rid of your anger in a way that does not harm anyone | 1 | 2 | 3 | 4 | 5 |
| 4. | You withhold suggestions for improvements because you think nothing is going to change anyway | 1 | 2 | 3 | 4 | 5 |
| 5. | You Talk to your colleagues about your management's incompetence | 1 | 2 | 3 | 4 | 5 |
| 6. | You raise <i>your shoulders</i> and then lower them in order to say you do not know at what management requires you to do | 1 | 2 | 3 | 4 | 5 |

THANK YOU FOR YOUR COOPERATION!!!!!!!!!!

INTERVIEW QUESTIONS

Dear Respondent,

You are kindly requested to respond to the interview questions. Your responses are of great importance, as this interview forms a part of the doctoral research study titled “*The Impact of Internal Corporate Social Responsibility on Employee Behavior: Evidence from Leading Banks in Pakistan*”.

The researcher therefore values your cooperation to the fullest.

There is no right or wrong answer to any question. The researcher is only interested in your personal opinions. The “right” answer to any question is your frank and truthful response. As these are interview questions you can use URDU, ENGLISH or COMBINATION of BOTH languages to answer the questions.

Best regards,

Sehar Zulfiqar

Ph.D. Student,

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Károly Ihrig Doctoral School of Management and Business,
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Hungary.

Your Answers Will Be Treated With Absolute Confidentiality, And Will Only Be Used For Research Purposes.

Thanking You in Anticipation

Gender: _____

Age: _____

Education: _____

1. What do you think about corporate social responsibility (CSR)? What is it and why do you think it is important?
2. Is your organization socially responsible? If yes can you list some key CSR activities of your organization?
3. What do you think about how national culture affect the CSR policy of your organization?
4. Do you think that employees are considered key stakeholders of your organization? Why?
5. What do you think are the key responsibilities of the organization towards its employees?
6. Do you think your organization acts responsibly towards its employees?
7. Can you mention any features of your organization's CSR policy that are related with employees?
8. Can you list any policies and actions of your organization that is directed towards addressing the rights and needs of its employees?
9. How your organization can enhance the well-being of its employees? Can you list some suggestions?
10. How these suggestions that you mentioned in the above question can influence the employee behavior in your organization?
11. Do you think if your organization addresses the rights and needs of its employees it can increase employee's association with the organization and its goals?
12. How do you think your relationship with your immediate boss affects your behavior at work?
13. What do you think if your organization is socially responsible towards employees but still the low-quality relationship with the immediate boss can influence your work behavior?

Demographics List of Interview Respondents

| Respondent | Gender | Age | Education |
|-------------------|---------------|------------|------------------|
| 1 | Male | 30 | Masters |
| 2 | Female | 31 | Masters |
| 3 | Female | 36 | MS |
| 4 | Male | 30 | Masters |
| 5 | Female | 35 | MS |
| 6 | Male | 36 | Masters |
| 7 | Female | 41 | MS |
| 8 | Male | 30 | Masters |
| 9 | Male | 31 | Masters |
| 10 | Female | 28 | MS |
| 11 | Female | 40 | Masters |
| 12 | Male | 28 | MS |
| 13 | Male | 30 | Masters |
| 14 | Male | 42 | Masters |
| 15 | Female | 27 | Masters |
| 16 | Male | 40 | Masters |
| 17 | Male | 31 | MS |
| 18 | Female | 43 | Masters |
| 19 | Male | 42 | Masters |
| 20 | Male | 26 | Masters |

Dedications and Acknowledgements

*First and foremost, I would like to thank **Allah Almighty** for giving me the strength, knowledge, ability and opportunity to undertake this research study.*

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*I would like to dedicate this dissertation to my late mother **Mrs. Ishrat Zulfiqar**. Words are never enough to say thank you AMMA.*

Sehar Zulfiqar

DECLARATION

I, undersigned (name: **Sehar Zulfiqar**, date of birth: 07/06/1982) declares under penalty of perjury and certify with my signature that the dissertation, I submitted in order to obtain doctoral (PhD) degree is entirely my own work.

Furthermore, I declare the following:

- I examined the Code of the Károly Ihrig Doctoral School of Management and Business Administration and I acknowledge the points laid down in the code as mandatory;
- I handled the technical literature sources used in my dissertation fairly and I conformed to the provisions and stipulations related to the dissertation;
- I indicated the original source of other authors' unpublished thoughts and data in the references section in a complete and correct way in consideration of the prevailing copyright protection rules;
- No dissertation, which is fully or partly identical, to the present dissertation was submitted to any other university or doctoral school for the purpose of obtaining a PhD degree.

Debrecen, 17/02/2019.

Sehar Zulfiqar



.....
Name

Signature