

**THE INFLUENCE OF EMPLOYEE PERCEPTIONS OF CORPORATE SOCIAL
RESPONSIBILITY ON AFFECTIVE COMMITMENT**

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DECLARATION

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ABSTRACT

The study investigated the relationship between *Perceived Corporate Social Responsibility (CSR)* and *Affective Commitment*, drawing on *Social Identity Theory*. The aim of the study was to investigate the complex nomological network of variables playing a role in the relationship between *Perceived CSR* and *Affective Commitment*.

A total of 172 questionnaires were completed, comprising of questionnaires to measure *Affective Commitment*, *Perceived CSR*, *Organisational Social Identity*, *Perceived Organisational Justice (Overall Justice)*, *Psychological Contract (Relational Contract)*, as well as Cultural Dimensions (*Collectivism*, *Power Distance* and *Masculinity*).

Partial Least Squares Structural Equation Modelling (PLS-SEM), was used to statistically evaluate the measurement and structural model. The postulated relationships between the variables were thus empirically tested. The study revealed the complex nomological network of variables playing a role in the relationship between *Perceived CSR* and *Affective Commitment*.

The present study contributes to existing literature as it is the first study of its nature, investigating the relationship between *Perceived CSR* and *Affective Commitment*, which has been conducted in the South African context.

The most significant finding of the study was the positive relationship between *Perceived CSR* and *Affective Commitment*. However, this relationship was not mediated by *Organisational Social Identity* as initially hypothesised.

The results furthermore revealed that *Perceived CSR* has a positive impact on *Perceived Organisational Justice* and fulfilment of the *Relational Contract*. Both variables impacted on *Organisational Social Identity*, which is positively related to *Affective Commitment*. *Organisational Social Identity* is regarded as a key variable in the *Perceived CSR* and *Affective Commitment* relationship. The effect of *Cultural Values* on the *Perceived CSR* and *Affective Commitment* relationship was not found to be significant. Lastly, the practical implications of the findings are discussed, as well as recommendations for future research.

OPSOMMING

Die studie het die verband tussen werkers se *Waargenome Korporatiewe Sosiale Verantwoordelikheid (Perceived Corporate Social Responsibility)* en *Affektiewe Toewyding (Affective Commitment)* bestudeer. *Sosiale Identiteitsteorie (Social Identity Theory)* was beskou as een van die sleutelveranderlikes wat hierdie moontlike verband tussen die konstrakte kon verduidelik. Die doel van die studie was om die komplekse nomologiese netwerk van veranderlikes wat die verband tussen hierdie konstrakte verklaar, te ondersoek.

Toewyding, Waargenome Korporatiewe Sosiale Verantwoordelikheid, Organisatoriese Sosiale Identiteit (Organisational Social Identity), Waargenome Organisatoriese Regverdigheid (Perceived Organisational Justice), Sielkundige Kontrak (Psychological Contract), asook Kulturele Waardes (Kollektivisme, Magsverskil en Manlikheid) ondersoek het.

“Partial Least Squares Structural Equation Modelling (PLS-SEM)” statistiese metodes is gebruik om die meting- en strukturele model empiries te evalueer. Die betrokke studie is die eerste van sy aard in Suid-Afrika wat die verband tussen *Affektiewe Toewyding (Affective Commitment)* en *Waargenome Korporatiewe Sosiale Verantwoordelikheid (Perceived Corporate Social Responsibility)* bestudeer.

Die studie het bevind dat daar ‘n beduidende positiewe verband tussen *Affektiewe Toewyding* en *Waargenome Korporatiewe Sosiale Verantwoordelikheid* bestaan, maar *Organisatoriese Sosiale Identiteit* het nie ‘n bemiddelende effek getoon nie. Die resultate het verder ‘n beduidende positiewe verband tussen *Waargenome Korporatiewe Sosiale Verantwoordelikheid* en *Waargenome Organisatoriese Regverdigheid* en die voldoening aan die *Sielkundige Kontrak* getoon. Beide veranderlikes het ‘n impak op *Organisatoriese Sosiale Identiteit* getoon, wat ‘n positiewe verband met *Affektiewe Toewyding* gehad het. Die impak van *Kulturele Waardes* op die verband tussen *Waargenome Korporatiewe Sosiale Verantwoordelikheid* en *Affektiewe Toewyding* was nie beduidend nie. Daar is verder ook bevind dat *Kulturele Waardes* nie ‘n bemiddelende impak op die verband tussen die hoof veranderlikes gehad het nie. Die praktiese implikasies, sowel as voorstelle vir toekomstige navorsing, word laastens bespreek.

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Now all glory to God,
who is able,
through his mighty power at work within us,
to accomplish
infinitely
more than we might ask or think.

(Ephesians 3:20, New Living Translation)

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CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

All organisations, irrespective of the industry they operate in, the size of the corporation, or even the business strategies and goals, aim to survive in an ever-changing global economy. The reality is that organisations have become role players in a global market, where even smaller businesses compete on the universal scale in the 21st century. Organisations are typically guided by the economic principle to serve in the best interest of both society and the multiple stakeholders associated therewith. Traditionally, profit maximisation was regarded as the primary objective and means to add value to any business. In more recent times, however, other relevant stakeholders are regarded as equally important in terms of organisational objectives and economic successes.

Financial success should never occur at the cost of social and environmental factors. Organisations have started to realise the importance of including the community and environmental aspects in business practices. Esser and Dekker (2008) argue the importance of including all relevant stakeholders and to balance the interests of various groups. The authors refer to the “enlightened-shareholder value approach”, where the primary roles of the directors have become to promote the success of the organisation to benefit the organisation as a whole and generate maximum value for all stakeholders.

The inclusion of relevant stakeholders and social factors created a need for a broader definition of profit, which brought about the term, “*triple-bottom line*”. The triple-bottom line is an initiative that arose with the aim to link the interdependent factors of business, society and various stakeholders. The threefold initiative refers to economic, social and environmental performance or concerns (Fasset, n.d.; Morland, 2006). The concept is further simplified as “people, planet and profit” in order to indicate a broader focus than mere profit maximisation. Reporting on the organisational state in terms of the triple-bottom line therefore indicates the organisational focus on financial success, as well as its social role within society (Morland, 2006).

Businesses are furthermore regarded to be some of the most powerful forces of change in the 21st Century (Carrol & Shabana, 2010; McKinsey, 2010). According to Max (n.d.) organisations are influenced by global trends that in turn affect how organisations conduct business. The forces that shape the business environment include sustainability and the focus on the environment, technology, emerging markets, the imperative to improve developed markets, and cultural- and religious ideologies (McKinsey, 2010). In responding to the forces noted above, organisations are promoting change, and thus acting as change agents, on a universal scale. Organisations have the power to transform resources and provide services, whilst at the same time impacting on the overall society.

All organisations have an underlying motive to succeed from a financial perspective, but they also strive to grow, develop, change and implement sustainable business practices in the global economy and competitive environment. Various inter-related organisational functions should work together in order to achieve the primary objective and fulfil the triple-bottom line approach.

Employees are regarded as a key element in the change process. The human resource function contributes to acquiring and maintaining a competent and motivated workforce, as well as the effective and efficient utilisation of such a workforce. The human resource function thus attempts to affect employee performance through interventions which, amongst others, affect the composition of the workforce, such as recruitment and selection, as well as changing the characteristics of the existing workforce by means of training and development, ensuring employee growth, satisfaction and further opportunities. The importance of competent and motivated employees, with favourable attitudes towards the organisation, is therefore recognised by the human resource function (Theron, 2012).

The mission statement of the Society for Industrial and Organisational Psychology, declares that research in the field of Industrial and Organisational Psychology focuses on enhancing employee well-being and maximising organisational performance (Aguinis, 2011). Research in Industrial and Organisational Psychology therefore aims to formulate credible and valid psychological explanations of the behaviour of working man, as well as improving the performance of working man. The performance of working man is a complex phenomenon, consisting of a complex network of

influencing variables characterising the individual and his or her working environment (Theron, 2012). Scientific research for valid and credible explanations of the behaviour of working man is therefore needed in order to develop and evaluate effective human resource interventions.

1.2 RESEARCH REGARDING EMPLOYEE ATTITUDES

One of the areas in the Industrial and Organisational Psychology field that have received a considerable amount of attention is that of employee attitudes. Not only can employee attitudes be regarded as important for the various positive organisational outcomes associated therewith, but research on employee attitudes contribute greatly to the overall understanding of the performance of working individuals. Attitudes such as *Organisational Justice*, *Organisational Trust*, *Organisational Commitment* and *Job Satisfaction* are regarded as important attitudes that can result in a number of positive organisational effects (Iqbal, Ahmed, Sheeraz, & Bashir, 2012).

Organisational Commitment is regarded as one of the most well-researched employee attitudes, given its effect on individual behaviour. A proper understanding of *Organisational Commitment* is therefore required to contribute to interventions affecting the overall performance of employees. *Organisational Commitment* is viewed as a more stable employee attitude that develops over a period of time and does not fluctuate significantly in comparison to other employee attitudes (Mowday, Porter & Steers, 1979).

In more recent literature reviews and studies, employee perceptions regarding *Corporate Social Responsibility (Perceived CSR)* has been linked positively to employee attitudes (Brammer et al., 2007; Burke & Reitzes, 1991; Farooq et al., 2014; Gond et al., 2010; Peterson, 2004; Turker, 2009). The majority of research studies indicate that employee perceptions regarding *CSR* have a positive impact on *Organisational Commitment* (in particular *Affective Commitment*), but there are also some studies, suggesting that employee perceptions regarding *CSR* positively relates to *Job Satisfaction*, *Perceived Organisational Justice* and *Organisational Trust*.

Overall, the implementation of *CSR* policies and plans suggest that organisations have realised that, although financial success and profit maximisation for shareholders are essential, the organisation also has a responsibility towards the society and community in which it operates (Carrol & Shabana, 2010). The community and environment thus play a significant role in shaping organisational strategies and practises in the 21st century. To date, there are relative few studies, although some studies with substantial results, that have researched the impact of employee perceptions of *CSR* on employee attitudes. The majority of studies in this regard (*CSR*) focus on financial, ethical, economic and marketing-related aspects, and have been conducted mainly in developed countries only (Aguinis, 2011; Hofman & Newman, 2013).

1.2 THE TRANSFORMATION IMPERATIVE IN SOUTH AFRICA

External factors, such as the economic and socio-political state of a country, can affect employees, as well as organisations, both direct and indirectly.

In South Africa, organisations contributed to Apartheid, which played an undeniable role in shaping the workforce of the country. The most obvious effects are summarised as lack of education, knowledge, expertise and opportunities for disadvantaged minority groups (Florez-Aroaz, 2011). The author further indicates that there were inequalities in terms of the infrastructure, economic power and access to basic services, all of which resulted in an unequal workforce. The South African workforce is regarded to be unequal due to lack of various factors as listed above, which lead to specific groups being advantaged whilst others were disadvantaged by the Apartheid system. Over a period of time, this created an unequal society and evidently also an unequal workforce which is still eminent.

Due to the fact that very little previously disadvantaged individuals have the necessary corporate skills and expertise, corporate organisations across the country still face a skill shortage. Larger organisations that attempted to transform their workforce to replicate the South African population, were faced with the skill and expertise shortage. As time passed it became more evident that the shortage translated to the whole South African work environment and not only affecting larger organisations.

South African organisations have had to embrace change since the first democratic election in 1994, whilst at the same time also responding to changes on a global scale. Following the democratic election, laws were promulgated by the Department of Trade and Industry in an attempt to redress past unfair discrimination and achieve greater social justice and equality. Included in this list is the Labour Relations Act of 1995, the Basic Conditions of Employment Act of 1997, the Employment Equity Act of 1999 and the Skills Development Act of 1998 (Booyesen, 2007; The Department of Trade and Industry, n.d.). The narrow-based approach of Black Economic Empowerment (BEE) is another one of the legislative frameworks that came into existence in 1994, with expansion to Broad Based Black Economic Empowerment in 2002.

Furthermore, policies on corporate governance were adopted, such as the King Reports (King Report IV). Florez-Aroaz (2011) notes that although the King Reports do not constitute official legal documents, it is regarded as highly recommended guidelines on corporate governance within South Africa. According to Wooley (2005), it is evident that a moral and social imperative for economic transformation exists in South Africa. South Africa's GINI Coefficient, which measure inequality across the world in terms of wealth distribution and income inequality, is regarded as one of the highest in the world (Bhorat, 2015).

Horwitz and Jain (2011) note that the South African labour force is characterised by an oversupply of unskilled and semi-skilled workers, with a shortage of highly skilled individuals. Human resource development should therefore be considered as a priority in equity development (Horwitz & Jain, 2011). Although these and other issues, mentioned above, have a detrimental effect on South Africa as a whole, it also creates a number of opportunities for organisations to address and improve the current socio-economic state of the country.

Globalisation and technology enable organisations from across the world to engage in business activities. South African organisations are no longer restricted to only trade within limited parameters, but form part of a global playing field within which business is conducted. When operating on a global level, South African corporations are also subjected to meeting strict global measures and guidelines for acceptable business practices.

As noted, organisational interventions should contribute to the triple-bottom line of success. Research on employee attitudes and the effect of *Perceived CSR* can therefore contribute to making organisations more responsible by documenting the link between *CSR* and the important outcomes associated for organisations. Industrial and Organisational Psychology researchers and practitioners normally focus on a specific interest group/stakeholder group, namely the employees. Further research on the outcomes of employee perceptions in terms of employee perceptions regarding *CSR* can thus guide the organisation in having a more holistic approach when designing and implementing *CSR* strategies across different organisational levels.

It should furthermore be noted that there is a worldwide increase in *CSR* research and the relevance of implementing *CSR* policies, but more specifically also evaluating the effect of *Perceived CSR* on employee behaviours. Bearing in mind that organisations need to operate and adapt to an ever-changing global environment, *Organisational Commitment* is regarded as more important than ever before, as committed employees are required to see the organisation through any organisational challenges.

Industrial and Organisational Psychology should therefore also contribute to this research and attempt to influence organisational practices and strategies, as employees' behaviours are believed to be affected by the *CSR* practices. Research on social and relevant issues can help organisations focus on the appropriate intervention methods in order to address the abovementioned type issues. Research in Industrial and Organisational Psychology can benefit the organisations in terms of social issues, whilst at the same time focusing on *Organisational Commitment* which is considered vital to an organisation's survival in the changing global market (Aguinis, 2011).

1.3 RESEARCH GOAL

The main goal of this study is to explain the relationship between *Organisational Commitment* (more specifically *Affective Commitment*, the rationale for which will be further discussed) and *Perceived Corporate Social Responsibility (CSR)* in South Africa. All the other variables investigated are expected to contribute to the understanding of the complex nomological network of variables in the relationship between *Organisational Commitment* and *Perceived Corporate Social Responsibility*.

1.4 RESEARCH INITIATING QUESTION

What role does employee perceptions of *Corporate Social Responsibility* play in explaining variance on *Affective Commitment* in the South African context, and which other latent variables play a role in the dynamics of this relationship?

1.5 RESEARCH OBJECTIVES

1. Determining the relationship between *Affective Commitment* and *Perceived Corporate Social Responsibility* in South Africa.
2. Investigating other latent variables that might impact on the relationship between *Affective Commitment* and *Perceived Corporate Social Responsibility*.
3. Developing a theoretical model which explains the relationship between the identified variables.
4. Empirical evaluation of the hypothesised measurement and structural models.

1.6. STRUCTURE OF THE THESIS

Chapter one provides context for the relationships between *Perceived Corporate Social Responsibility* and *Organisational Commitment*. Chapter one also serves as a broad overview of the study.

Chapter two is a review of relevant literature, presenting a systematic argument and explanation of the variables. The variables and relationships between all variables, including *Perceived Corporate Social Responsibility*, *Organisational Commitment* (more specifically *Affective Commitment*), *Organisational Social Identity*, *Cultural Values*, *Perceived Organisational Justice* and the *Psychological Contract* are discussed, which results in the conceptualisation of a structural model for empirical evaluation.

Chapter three outlines the research methodology, which includes a discussion of the research design, hypotheses, measuring instruments, sampling selection and procedure, data collection procedure and statistical techniques used in the study. In addition, it provides ethical considerations applicable to the study. Chapter four presents the statistical results and findings of the study. Lastly, chapter five provides

a broad overview of the empirical findings, as well as the managerial implications, limitations and suggestions for future research.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

Chapter one serves as a broad overview of the study. As noted, *Organisational Commitment* is vital in the changing environment in which organisations operate. Organisations invest time and money in employees, which, especially in the South African context, are seen as a scarce resource in terms of skills and experience. In order to bring about the required changes in a volatile economy, as well as on a global scale, organisations require committed and driven employees.

It has also been noted that literature on *Perceived CSR* have linked the construct to various employee attitudes but has mainly demonstrated a positive impact on *Organisational Commitment*, and in particular *Affective Commitment*. The current study will focus on the relationship between employee perceptions regarding *CSR* and *Affective Commitment*, through the application of *Social Identity Theory*.

Additional variables envisaged to impact on the relationship between *Perceived CSR* and *Affective Commitment* will furthermore be discussed, culminating in a theoretical model for empirical evaluation.

2.2 EMPLOYEE ATTITUDES

Employee attitudes (also referred to as job attitudes) can be defined as a psychological orientation that constitutes feelings, beliefs and attachments to a job. Employee attitudes typically form after an individual has evaluated an entity with favour or disfavour (Eagly & Chaiken, 1993; Judge & Kammeyer-Mueller, 2012). It furthermore consists of different components, as it develops due to evaluative responding. It has a significant impact on behaviour and an effect on overall thoughts and cognitions. The three interrelated components of an attitude thus include cognitive, affective and behavioural aspects (Quick & Nelson, 2011).

Quick and Nelson (2011) also indicate that personal, direct experience, as well as social learning through family, peer groups, cultures or organisations are the main antecedents of attitude formation. The behavioural aspect is deemed especially

relevant for organisational research in order to identify both positive and negative behaviours associated with employee attitudes (Robbins & Judge, 2011).

Some of the most important behavioural outcomes of employee attitudes include performance, absenteeism, and turnover intention (Harrison, Newman, & Roth, (2006). Similarly, according to Judge and Kammeyer-Mueller (2012), the following behavioural manifestations are linked to employee attitudes:

- Task performance (job performance).
- Creative performance (such as flexible and open thought processes).
- Citizenship behaviour (positive employee attitudes relate to positive citizenship behaviours).
- Withdrawal and counter-productivity (negative behaviours at work).
- Organisational performance.

From the above, one can clearly recognise the importance of research pertaining to employee attitudes. Employee attitudes influence employee behaviour to a great degree and can eventually have a positive or detrimental effect on the organisation.

2.2.1 Organisational Commitment as an important employee attitude

Existing literature on *Organisational Commitment* emphasises the importance of outcomes related to employee behaviour that affect job performance, turnover intention, organisational effectiveness, employee wellbeing and organisational citizenship behaviour (Ali, Rehman, Ali, Yousaf, & Zia, 2010; Allen & Meyer, 1990; Bauman & Skitka, 2012; Cassar, & Buttigieg, 2015; Meyer, Stanley, Herscovitch & Topolnytsky, 2002). Due to these various consequences of commitment, it is viewed as an important concept in the field of Organisational / Industrial Psychology.

Although different definitions exist in order to define commitment, two main perspectives can be identified, namely the attitudinal- and behavioural perspectives of commitment. The attitudinal perspective on commitment represents identification with an organisation and its goals, and a wish to maintain membership in the organisation. The organisational goals and the values of the individual become integrated and congruent (Mowday et al., 1979). Research focusing on the attitudinal approach has attempted to identify conditions that contribute to the development of commitment

(Allen & Meyer, 1990). On the other hand, behavioural commitment focuses on the public or overt manifestations of commitment. It refers to the component of commitment that can be observed by assessing employee's behaviour. Repeated forms and patterns of employee behaviour can be identified and observed in an attempt to explain attitudinal changes (Mowday et al., 1979). Research on the behavioural approach has focused primarily on identifying conditions under which exhibited behaviour will be repeated, as well as the effects of such behaviour on attitudinal changes of employees (Allen & Meyer, 1990).

2.2.1.1 Organisational Commitment Defined

Research on *Organisational Commitment* initially began in the 1950's and 1960's in an attempt to understand voluntary turnover (Schleicher, Hansen & Fox, 2011). Throughout the years, several studies have identified *Organisational Commitment* as an important variable in understanding employee work behaviour (Mowday et al., 1979). *Organisational Commitment* is commonly defined as the "relative strength of an individual's identification with, and involvement in, a particular organisation" (Steers, 1977, p. 2). It is further conceptualised as "a strong belief in, and acceptance of the organization's goals and values, a willingness to exert considerable effort on behalf of the organization and a strong desire to maintain membership in the organization" (Mowday et al., 1979, p.226).

In another well-known definition, commitment is viewed as the psychological identification between an employee and their organisation (Allen & Meyer, 1996). Commitment is furthermore viewed as more than just loyalty or attachment to the organisation and refers to a relationship where the individual is willing to contribute to the existence of the organisation (Quick & Nelson, 2011). Individuals can be committed to organisations, unions, occupations or professions, teams and leaders, as well as their personal careers. Since these various forms of commitment are present in the workplace, a degree of disagreement still exists in terms of how commitment develops, as well as how employee behaviours are affected by commitment (Meyer & Herscovitch, 2001). The relationship between the individual and the organisation forms gradually and becomes consistent over a period of time, with several factors impacting on the relationship over time (Mowday et al., 1979).

Commitment is therefore viewed as a stable component in the employee-employer relationship given the gradual formation thereof.

As previously indicated, researchers view commitment from either an attitudinal or behavioural perspective. The attitudinal perspective focuses on employee identification with the organisation and its goals, whereas the behavioural perspective is concerned with overt manifestations of commitment. The attitudinal approach has attempted to identify conditions that contribute to and foster commitment, whilst the behavioural approach has focused largely on identifying conditions under which exhibited behaviour will be repeated (Allen & Meyer, 1991; Mowday et al., 1979). Both perspectives are however considered to be important and interlinked.

2.2.1.2 Three-component Conceptualisation of Organisational Commitment

Allen and Meyer (1990) (see also Allen & Meyer, 1996), developed a multi-dimensional and comprehensive model reflecting three general themes of *Organisational Commitment*. These themes were labelled as three distinguishable components of commitment, namely the *Affective-, Continuance- and Normative Commitment components*.

Affective Commitment refers to identification with, involvement in, and emotional or affective attachment to the organisation (Allen & Meyer, 1996). It consists of three factors, which are a) a belief in the goals and values of the organisation, b) a willingness to exert effort on behalf of the organisation, as well as c) a desire to remain in the organisation (Mowday, Porter, & Steers, 1982; Quick & Nelson, 2011). Employees with strong *Affective Commitment* will remain with the organisation because they want to (Allen & Meyer, 1996). Personal characteristics and work experiences are expected to influence the formation of *Affective Commitment* (Meyer et al., 2002). According to Allen and Meyer (1990), work experiences include those experiences where the individual's psychological needs are fulfilled, and the individual feels competent and comfortable in the particular work situation.

Continuance Commitment refers to commitment based on the employee's recognition of the perceived costs associated with leaving the organization (Allen & Meyer, 1996).

It is also possible that there is a perception that no other options of employment are available, and the individual will stay with the organisation due to lack of other opportunities. Employees with strong *Continuance Commitment* therefore remain with the organization because they have to and perceive that they will lose time or other irreplaceable benefits upon deciding to leave the organisation (Allen & Meyer, 1996; Quick & Nelson, 2011). Personal characteristics, investment of time and energy, as well as perceived lack of employment alternatives evidently influence *Continuance Commitment* strongly (Meyer et al., 2002).

Lastly, *Normative Commitment* refers to commitment based on a sense of obligation to remain with the organization. Employees with strong *Normative Commitment* remain with the organisation because they feel they ought to (Allen & Meyer, 1996). *Normative Commitment* is influenced by experiences that the individual has had prior to entering the organisation and following the entry into the organisation, as well as organisational socialisation (Meyer et al., 2002). Individuals high on *Normative Commitment* feel that it is the correct decision to remain with the organisation, and they furthermore feel that they ought to stay with the organisation.

It is important to note that these are three distinguishable components of *Organisational Commitment*, but not three different types of commitment. The components can evidently be experienced in various degrees and it is possible that an individual can differ in terms of the degree to which each of the components is experienced.

2.2.1.3 Antecedents, Correlates and Outcomes of Organisational Commitment

Being a well-researched job attitude, a broad overview and understanding of the underlying nomological network of variables related to *Organisational Commitment* is imperative to the present study. The following section will provide a summary and serve as discussion of some key factors in the network of variables contributing to, correlating with, or resulting in *Organisational Commitment*. Over the years, research pertaining to *Organisational Commitment* has yielded various results in terms of antecedents and correlates of *Organisational Commitment*. Several outcomes of

Organisational Commitment have also been established, focusing mainly on the consequences of committed behaviour.

In a meta-analysis of *Organisational Commitment* research conducted by Schleicher et al. (2011), empirical evidence for antecedents, correlates and outcomes for *Organisational Commitment* were reviewed. It was noted by the authors that the empirical antecedents of *Organisational Commitment* include aspects of the job-organisation, as well as aspects of the individual.

The following job-organisational variables were regarded as important antecedents for *Organisational Commitment* by these authors:

- Job characteristics (with a specific focus on challenge, job level and scope, skill variety and task interdependence),
- aspects of the climate and perceptions of constraints and hindrances versus support (concerning the organisation, leader and co-workers; leader behaviours have had a strong influence on *Organisational Commitment*),
- role perceptions (e.g. role ambiguity, conflict, overload, are all negatively related to *Organisational Commitment*),
- justice and fairness perceptions (distributive and procedural justice), and
- breach of *Psychological Contract* (which is negatively related to *Organisational Commitment*).

With a focus on individual differences, the following variables were regarded as vital antecedents of *Organisational Commitment*:

- Negative and positive affect,
- three of the big five personality constructs (conscientiousness, extraversion, neuroticism),
- work ethic,
- altruism,
- self-monitoring (negatively related to *Organisational Commitment*),
- demographic variables tend to be mixed (age, education, marital status, gender and tenure),
- ability, and
- perceptions of personal competence.

The authors further discussed various *correlates* of *Organisational Commitment*, with Employee attitudes being the most notable, such as job-work satisfaction, job-work involvement, and facets of job satisfaction and occupational-career commitment. The meta-analyses further revealed various organisational level and individual level outcomes associated with *Organisational Commitment*, including: motivation, job performance, organisational citizenship behaviours, stress- and well-being, withdrawal cognitions and behaviours (such as absenteeism, attendance, lateness, intent to leave or search for alternative employment, and turnover).

In addition to the findings of the study above, various other studies have established antecedents and correlates of *Organisational Commitment* and further linked the concept to various important organisational outcomes. Heyligers-van Zyl (2003) found a positive relationship between collective climate and *Organisational Commitment*. In a study conducted by Balfour and Weschler (1996), factors such as supervisors, internal motivation, political management decisions, job scope and pay satisfaction are investigated as predictors of commitment. Personality, personal needs and values have been reported to be associated with commitment (Glisson & Durick, 1988).

Social norms also influence whether individuals will remain committed to organisations, as commitment is developed as the reciprocal effect of a positive view and understanding of the organisation (Yao & Wang, 2006). Typical outcomes associated with *Organisational Commitment* include employee behaviour that affect job performance, turnover intention, organisational effectiveness, employee wellbeing and organisational citizenship behaviour (Allen & Meyer, 1990; Meyer et al., 2002).

In support, a study conducted by Ha, Kim, Hwang and Lee (2014), found that the factor having the largest direct influence on turnover intention was *Organisational Commitment*. Other study results have also revealed that *Organisational Commitment* influences turnover intention (Brunetto, Teo, Shacklock & Farr-Wharton, 2012; Hassan 2002; Heyligers-van Zyl, 2003; Peterson 2004).

Committed employees will exert behaviour to benefit the organisation, and it can therefore also be expected to result in enhanced levels of performance and organisational citizenship behaviour (OCB), as well as higher work motivation and reduced absenteeism (Chughtai, 2008; Meyer et al., 2002; Peterson 2004; Quick & Nelson, 2011). In addition, *Organisational Commitment* has been established to play

a mediating role between job involvement (another work attitude) and performance, and increases levels of intrinsic and extrinsic rewards, such as job satisfaction and job involvement (Ali, et al., 2010; Mathieu & Zajac, 1990). Peterson (2004) established that *Organisational Commitment* was related to several positive outcomes, including higher work motivation, reduced absenteeism and lower turnover intention.

2.2.1.4 Organisational Commitment and Employee Perceptions of CSR

Besides the aforementioned antecedents of *Organisational Commitment*, more recent studies have established that employee perceptions regarding *Corporate Social Responsibility* (also termed *Perceived CSR*) is another significant antecedent of *Organisational Commitment* (Rego, Leal, Cunha, & Faria, 2007; Peterson, 2004; Turker, 2009). Research on the relationship between *Perceived CSR* and *Organisational Commitment* have predominantly been conducted in developed countries, with limited results on the relationship in developing countries (Aguinis, 2011; Hofman & Newman, 2013).

In order to promote the outcomes associated with a committed workforce, a proper understanding of commitment is required. Allen and Meyer (1991) argued that commitment binds an individual to an organisation and reduces the likelihood of turnover. Committed employees will exhibit behaviour to benefit the organisation, and it can therefore also be expected to result in better performance and organisational citizenship behaviour (Meyer et al., 2002). *Organisational Commitment* is regarded as an important antecedent of work performance in organisations, while performance is of critical importance to any organisation (Chughtai, 2008). Committed employees will contribute to the organisation by going the extra mile, resulting in enhanced levels of performance. However, commitment is also important from the individual's perspective where committed employees experience higher levels of intrinsic and extrinsic rewards, such as job satisfaction and job involvement (Mathieu & Zajac, 1990).

The focus of this study is to investigate the relationship between *Organisational Commitment* and *Perceived Corporate Social Responsibility*, the latter being one of the more recently added antecedents of *Organisational Commitment*. In an attempt to explain the relationship between the two constructs, an accurate understanding of the

nomological network of variables underlying each construct is required. To gain a complete understanding of all the relevant variables is however a rather vast undertaking. Therefore, the aim of this section is to develop an explanatory theoretical model that identifies the variables impacting on the relationship, specifically between *Affective Commitment* and employee perceptions regarding *CSR*. Through theorising and the utilisation of prior research findings, several important latent variables related to the above-mentioned relationship will be discussed and incorporated into a comprehensive model. Several studies have indicated that *Perceived CSR* has specific relevance to the *Affective Commitment* component of *Organisational Commitment*, and subsequently this relationship will be investigated further (Brammer, et al., 2007; Farooq, et al., 2014; Rego, et al., 2007).

2.3 CORPORATE SOCIAL RESPONSIBILITY

Globally, there has been an increase in concerns regarding *CSR*, where organisations have started to realise the need to not only focus on economic gains, but also to support the broader society and environment as a whole. The increased awareness of *CSR* has led to a need for research in order to determine the impact of *CSR*. Amongst others, there has been a greater interest in determining the effect *CSR* has on employees, as well as the perceptions that employees form regarding an organisation's *CSR* strategy.

The following section will provide an overall definition and explanation of *CSR*, whilst also explaining how employee perceptions regarding *CSR* are typically formed. In addition, a summary of several main research findings of studies explaining the effect of *Perceived CSR* on *Organisational Commitment* will be provided.

2.3.1 Corporate Social Responsibility defined

A frequently cited definition indicates that *CSR* “encompasses the economic, legal, ethical and discretionary (also referred to as philanthropic) expectations society forms of organisations at a given point in time” (Carrol, 1979, p. 500; Valentine & Fleischman, 2007). Based on this definition, *CSR* includes legal, socio-economic, environmental and developmental factors which should be addressed by the organisation.

It is however evident that there is still a lack of consensus in terms of a generally accepted definition of *CSR* in the extant literature. Definitions of *CSR* are governed by different perspectives and, as noted by Aguinis (2011), a possible reason for the wide variety of definitions is the fact that *CSR* is defined and operationalized by different dimensions and stakeholders. These dimensions include the economic, legal, ethical and discretionary dimensions, as indicated above, as well as other approaches with regard to, for example, customers and products, as well as community relations.

Most definitions of *CSR* are, however, congruent with one another, with only minor differences observed. All definitions acknowledge that *CSR* evolved around the impression that organisations have a responsibility towards society and the environment, over and above making profits for important stakeholders (Carrol & Shabana, 2010).

According to McWilliams, Siegel and Wright (2006, p. 117), *Corporate Social Responsibility* can be defined as “actions that appear to further some social good, beyond the interest of the firm and that which is required by law”. Mere compliance with legal and social requirements is not necessarily regarded as adequate. Organisational actions should stretch beyond what is required of them to truly address *CSR*. The core of *Corporate Social Responsibility* therefore lies in the fact that organisations take responsibility for wider societal good by engaging in the formation of policies and practises which will address social imperatives (Matten & Moon, 2008). *CSR* is evidently regarded as a moral, ethical and social obligation for a mutually beneficial exchange between the organisation and the society in which the organisation is operating (Chong, 2009).

The APA Handbook of Industrial Psychology has an entire chapter dedicated to “*social responsibility*”. According to Aguinis (2011, p. 855), the author of the chapter, “*organisational responsibility*” is defined as “context-specific actions and policies that take stakeholder expectations, as well as the triple bottom line of economic, social and environmental performance, into account”. The term “*organisational*” instead of “*corporate*” emphasize the fact that the responsibility falls on any type of organisation. Typically, *CSR* is seen as related to larger corporations. However, it can be applied to small and medium-sized organisations as well. The author further states that the term “*responsibility*” instead of “*social responsibility*” stresses the fact that issues can

go beyond the social realm and include several types of stakeholders (Aguinis, 2011). Although this is not seen as a definition of *CSR*, it shows how relevant *CSR* as a business term has become. The term *CSR* is still mainly used in academic research, but the concept translates to all organisations and the social environments wherein it operates.

CSR is not only relevant in the modern, twenty-first century workplace, but earlier definitions and applications of *CSR* can be dated back to the 1950 and 1960's. Bowen (1953) defined *CSR* as "an obligation to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society" (...p.6). A social imperative, over and above maximising shareholder value and profits, was established which advocates for a broader inclusion of social dimensions in business practises (Carrol,1979; Fisk, 2010).

In a study conducted by Dahlsrud (2008) on academic- and business definitions of *CSR*, a total of 37 definitions of *CSR* were analysed and reduced to five dimensions, comprising the environmental-, social-, economic-, stakeholder- and voluntariness dimensions. Compared to Carroll's (1979) well-known definition, the same issues are identified, but stakeholders have been added to the definition. These definitions of *CSR* should guide *CSR* strategic planning and policy formations to ensure implementation within the corporate environment. A proper *CSR* strategy should be context specific, in addressing the *CSR* issues applicable to the organisation at hand, while also engaging with the various stakeholders and their expectations (Van Marrewijk, 2003).

The expectations and perceptions of employees as relevant stakeholders are regarded as important to this study. The central focus of the study is on how *CSR* is perceived from an employee perspective, as these perceptions in turn shapes opinions and contributes to overall attitude formation.

2.3.1.1 Conceptualisation of CSR

For the purposes of this study, Carrol's four-part conceptualisation of *CSR* will be used to explain all the dimensions of *CSR* (Carrol 1979; Carrol, 1991; Carrol & Shabana, 2010). As noted, Carroll's four-part conceptualisation of *CSR* includes the economic,

legal, ethical and discretionary (philanthropic) expectations (Carrol 1979; 1991; Valentine & Fleischman, 2007).

In addition, a study conducted by Dahlsrud (2008) revealed that based on an analysis on various *CSR* definitions, the following five dimensions are regarded to related to *CSR*: The environmental-, social-, economic-, stakeholder- and voluntariness dimensions. Dahlsrud (2008) thus added the stakeholder dimension, which is not included under Carrol (1991)'s four-part conceptualisation of *CSR*.

These five responsibilities, or dimensions of *CSR* will be discussed in greater detail below:

2.3.1.2 Economic Dimension

The economic responsibility refers to the financial aspect or profitability component of *CSR*. Although profitability and financial success should not be the sole focus of an organisation, it is arguably the fundamental and most important aspect of any business. This dimension also includes economic development and prospects (Dahlsrud, 2008). Carroll (1991) states that organisations should produce desirable goods and services, which should be sold at a profit. The same principle would apply for service orientated organisations, where value is added through services that enable economic progress.

This profit motive, also referred to as profit maximisation or the optimisation of organisational functioning, is most probably the primary organisational motive, which serves as a building block for the other dimensions. However, organisations should be cautious to maximise shareholder value through exclusion of some stakeholders. There can be long-term negative effects when profits are maximised for short-term shareholder benefits. *CSR* is thus promoting the viewpoint that none of the stakeholder groups should be exploited in order to only allow management and shareholders to benefit from profits (Barnett, 2007; Carroll & Shabana, 2010, Carrol 1979; Carrol, 1991). It also links to the concept of sustainability, where organisations strive to focus on more than mere profits, but also focus on developing sustainability policies in terms of, for example, products and the impact on the environment.

It is interesting to note that research results linking successful *CSR* strategies to financial performance have shown inconsistent results. There is, however, statistical evidence of a positive significant relationship between *CSR* and overall organisational financial performance (Tsoutsoura, 2004; Wang & Choi, 2010). These researchers focused on the effect on financial performance experienced by companies that implemented *CSR* strategies covering the different aspects of *CSR*.

The economic dimension of *CSR* in essence thus refers to different financial aspects, as organisations have a responsibility to operate and generate value-adding profits, as well as add value through services that enable economic progress. Chang, Oh and Messersmith (2013) points out that human resource practices and -systems play an important role in the link between *CSR* strategies and financial performance.

2.3.1.3 Legal Dimension

The legal dimension of *CSR* refers to the rules, laws and regulations that organisations have to adhere to. Compliance with laws and regulations form part of the social contract between organisations and society (Carrol 1979; Carrol, 1991; Carrol & Shabana, 2010).

Organisations are generally not lawfully obliged to implement *CSR* strategies or activities, but adherence to several legal obligations can reflect the organisation's standing on *CSR*. Legal requirements can include any relevant legislation, including legislation pertaining to labour, the environment, standards, finances and applicable international laws. One aspect, which is closely linked to the legal dimension of *CSR*, is consideration for the environment, as companies indeed have to operate within set legal parameters from an environmental perspective.

2.3.1.4 Ethical Dimension

Ethical responsibilities are based mainly on expectations formed by society, and meeting of these expectation (Carrol, 1979; Carrol, 1991; Carrol & Shabana, 2010). An example of ethical guidance is the King Reports on Corporate Governance, which have been formulated over time to address various ethical considerations in organisations. It is further regarded as including the incorporation of social concerns

in the business and also considering the impact of the business on communities (Dahlsrud, 2008).

2.3.1.5 Voluntary Dimension

The fourth dimension of *CSR* refers to desirable or voluntary expectations. Also referred to as discretionary or philanthropic responsibilities, these types of behaviour are expected by society and at the same time they promote organisational values. It shows good corporate citizenship when organisations engage in acts or programmes that will promote welfare and goodwill in the society or communities (Carroll, 1991; Carrol & Shabana, 2010; Ferrel, Thorne, Ferrell, 2011).

It should further be noted that ethical and voluntary responsibilities refer to “actions that appear to further some social good, beyond the interest of the firm and that which is required by law” (McWilliams et al., 2006, p.1).

2.3.1.6 Stakeholder Dimension

In addition to the well-known dimensions of *CSR* outlined above, Dahlsrud (2008) argued that stakeholders should be considered a fifth *CSR* dimension. The author conducted a study, analysing academic, business-related studies, as well as internet research, in which it was established that stakeholders should be included as another dimension of *CSR*. Stakeholders can be regarded as any group or individual being affected by, or being able to affect, the outcomes of any organisational goals. Stakeholders are also identified as the members of a group in society that matters most to the organisation (Freeman, 1984).

These groups have an interest in operations and decisions of the organisation and have relative influence on the organisation’s strategy (Carroll, 1991; De Roeck, Marique, Stinglhamber, & Swaen, 2014), and thus include owners, investors, shareholders, employees, customers, suppliers, creditors, governmental bodies, as well as the community, social activist groups and public interest groups. Sarma and Jena (as cited in Van Zyl, 2013) further distinguishes between internal and external stakeholders. Internal stakeholders encompass employees, managers and shareholders, whereas external stakeholders encompass customers, investors,

suppliers, government, local communities, society at large and the natural environment.

In addition, one can also distinguish between primary and secondary stakeholders, where it is argued that stakeholders have different degrees of impact on businesses. Secondary stakeholders (such as the community, natural environment and non-governmental or social cause organisations) will have a lesser influence than primary stakeholders (such as shareholders, customers, employees and suppliers) in terms of organisational strategies and implementation (De Roeck et al., 2014).

According to stakeholder theory, the attitudes and behaviours of any individual or group holding interest in the organisation, should be regarded as relevant. Organisations should respond to claims, as this might affect the long term viability of the organisation (De Roeck et al., 2014). The study conducted by Dahlsrud (2008) further indicated that the stakeholder dimension of *CSR* refers to the interaction of companies and stakeholders, as well as the way stakeholders are treated.

There are a number of motives that drive the implementation of *CSR* in organisations. Valentine and Fleischman (2007) argue that *CSR* activities are motivated by self-interest, social pressure, or a desire to assist stakeholders over and above maximising profits. It is however evident that management and shareholders are no longer seen as the only important stakeholders.

In the past, profit maximisation led to a situation where certain stakeholders were exploited while favouring owners, managers and shareholders (Carroll & Shabana, 2010; Roberts, 1992). Hofman and Newman (2013) argue that an organisation will display its true level of *CSR* when taking the interest of various stakeholders, beyond shareholders, into account.

Research on *CSR* however reveals that often *CSR* strategies are driven by financial performance, investor-, and customer expectations, whilst employee expectations are not regarded as equally important (Aguinis, 2011; Barnett, 2007; Chang et al., 2013; Moir, 2007; Tsoutsoura, 2004; Wang & Choi, 2010). Whilst it is acknowledged that corporate management are often challenged in determining the legitimacy of claims and expectations of the various stakeholders, organisations should attempt to focus

on all valid and justifiable claims, even smaller stakeholder claims in *CSR* strategy formulation (Carroll, 1991; Moir, 2007).

2.3.2 Additional concepts related to CSR

The following section outlines some concepts and terms related to *CSR*. Although these concepts and terms do not necessarily form part of an academically grounded definition of *CSR*, it should also be borne in mind.

2.3.2.1 Triple Bottom Line: 'People, Planet, Profit'

The triple bottom line, which refers to the “three Ps” - people, planet and profit, is an initiative that aims to link various interdependent factors, namely the business, society and various stakeholders. It refers to the economic, social and environmental performance of an organisation, instead of focusing only on the traditional financial or economic success (Aguinis, 2011; Fasset (n.d); Morland, 2006). The triple bottom line reinforces the notion that financial success should never occur at the cost of social and environmental factors. Internationally, businesses have started reporting on the triple bottom line in addition to only reporting on economic successes by providing information on actions addressing social and environmental issues (Morland, 2006).

In addition, sustainability is often included under the “planet” aspect of the triple bottom line. Sustainable business practises have become an increasingly global phenomenon, given the far-reaching effects of, amongst others, climate change, scarce resources and CO² emissions. Organisations are increasingly under societal pressure to implement sustainable business strategies.

2.3.2.2 Internal and External CSR

A distinction between internal and external *CSR* strategies should also be made. Internal *CSR* are recognised as obligations that are aimed at the organisation itself, whereas external *CSR* are aimed towards external stakeholders (Turker, 2009; Valentine & Fleishman, 2007). Internal *CSR* therefore refers to an organisation’s policies and practices regarding, for example, employee well-being, which can

amongst others, include equity-oriented practises like health and safety, training, work-life balance and respect for human rights (Jain, Leka, & Zwetsloot, 2011).

On the other hand, external *CSR* aim to enhance the organisation's reputation towards external stakeholders by focusing on social and environmental practices. Included are corporate philanthropy, cause-related marketing, environmental concerns and volunteer programmes (Brammer, Millington, Rayton, 2007; De Roeck et al., 2014; Turker, 2009).

The outcomes associated with both external and internal *CSR* are often studied. In terms of the current study, both internal and external *CSR* practices are under investigation and therefore included in the model under *Perceived CSR*. A large proportion of the research pertaining to *CSR* is concerned only with the external context and effects. Available studies on financial performance and external investors proves this point, where the focus is largely on the external dimensions of *CSR* (Aguinis, 2011; Barnett, 2007; Chang et al., 2013; Moir, 2007; Tsoutsoura, 2004; Wang & Choi, 2010). Research also indicate that positively Perceived Corporate Social Responsible strategies can increase investment interest in the organisation, the purchase of products and services, as well as building better relationships with established governmental bodies (Valentine & Fleischman, 2007). Furthermore, a number of studies aimed at explaining the effect of *CSR* on customer's perception of the company and company image have been conducted (Pomering & Johnson, 2009; Sankar & Bhattacharya, 2001). Although the external obligations often drive the implementation of corporate social responsible practises, the organisation should consider the internal effects. Only a few studies have researched the impact of the way these individuals perceive *Corporate Social Responsibility* activities on employee attitudes and behaviours. The organisation should therefore also determine to what extend corporate social practises influence employee responses in the work environment.

2.3.3 Employee perceptions regarding CSR

Employees as internal stakeholders are directly influenced by the organisation's operations and business practices. According to McWilliams et al. (2006), employees are regarded as an important source of stakeholder demand for *CSR*. Their

expectations and claims should receive the same level of attention as any other relevant group, especially when bearing in mind that employees tend to support progressive labour relation policies, safety in the workplace, financial security, and workplace amenities, such as child care, all of which can be considered to fall under the umbrella of *CSR*.

Employees are furthermore concerned with issues such as environmental protection, sustainability, women's rights, corruption and supporting charities (Egels-Zanden & Kallifatides, 2006). Employees form expectations towards the company regarding the various concerns and needs, and thus have a need for their expectations to be met. It has been noted that available research on employee perceptions regarding *CSR*, as well as research concerned with employees as important stakeholders in the *CSR* relationship, have mainly focused on developed countries (Aguinis, 2011; Hofman & Newman, 2013). Furthermore, it appears as if the research is predominantly concerned with external outcomes of *CSR*, such as the organisation's outwardly portrayed image and the impact on several external stakeholders, in contrast to the effect of *CSR* on internal stakeholders, which includes employees.

Cognisance should be taken of the role of perceptions to understand the way *CSR* activities affect employees (Glavas & Godwin, 2013). Employee perceptions of *CSR* will influence behaviour, and not necessarily actual *CSR* strategies or policies implemented by organisations. Several factors, including cultural orientation, personality, previous experience, socio-economic background and work levels will likely also impact on the overall perception of *CSR* strategies (Hofman & Newman, 2013; Ibarra & Andrews, 1993; Mueller, Hattrup, Spiess, & Lin-Hi, 2012; Turker, 2009).

Bauman and Skitka (2012) discuss four basic psychological needs that explain how *CSR* perceptions affect the employees' views and relationship with the organisation. Firstly, *CSR* creates a sense of security and safety with regards to material needs, whilst secondly, a positive *Social Identity* can enhance self-esteem. Thirdly, feelings of belongingness and support for values can be increased by *CSR*, whereas lastly, *CSR* creates deeper meaning and purpose in the work context. The four needs fulfilled by *CSR* are tabulated in Table 2.1, as well as the consequences when these needs are fulfilled. From Table 2.1, it is evident that when the psychological needs are met, various important consequences will follow which impact on overall employee

behaviour. It is also noteworthy that all four *CSR* related needs will, when fulfilled, enhance *Organisational Commitment*. However, despite some studies focusing on the effect of *CSR* on employees, empirical results are still limited. Research on *CSR* within the organisational behaviour and human resource domains have been conducted, but there is still limited evidence of an integrative or inclusive model explaining the overall influence of *CSR* on employees' attitudes, behaviours and performance.

Drawing on the findings of several research publications, Gond, El-Akremiti, Igalens and Swaen (2010) provide an integrative model that explains the influence of *CSR* on several aspects, as indicated in Figure 2.1. The authors combined some of the key research publications on *CSR* and derived from the findings an integrative model of the impact of *CSR* on employees. This model has not yet been empirically evaluated, and the need for such validation is still imminent. The model is however currently the only comprehensive and integrative model of the effect of *CSR* on employees. The authors further indicate that the model offers a set of new, testable hypotheses that can support empirical investigations of *CSR*'s impact on employees, as well as provide guidelines for the design of effective and thorough *CSR* policies and programs (Gond et al., 2010). In exploring the overall effect of *CSR* on employees, empirical support has been found for various outcomes, including support for Employee attitudes, such as job satisfaction, trust, as well as work-life satisfaction and identification (Martínez & Del Bosque, 2013; Senasu & Virakul, 2015). However, the majority of research publications pertaining to employees' perceptions of *CSR* focus on *Organisational Commitment* as an important outcome. It is noted that limited research has been conducted to empirically validate further support for additional outcomes of employee perceptions, such as, for example, further support with respect to the effect of *Perceived CSR* on organisational trust, organisational citizenship behaviour and workplace deviance (Gond et al., 2010).

However, despite an increased global awareness of the effect of *CSR* on, amongst others, the employee of an organisation, the need for similar research in developing countries still exists (Aguinis, 2011; Hofman & Newman, 2013). Therefore, within the South African context, there are a number of unique challenges that are envisaged to impact the relationship between employee perceptions of *CSR* and *Organisational Commitment*.

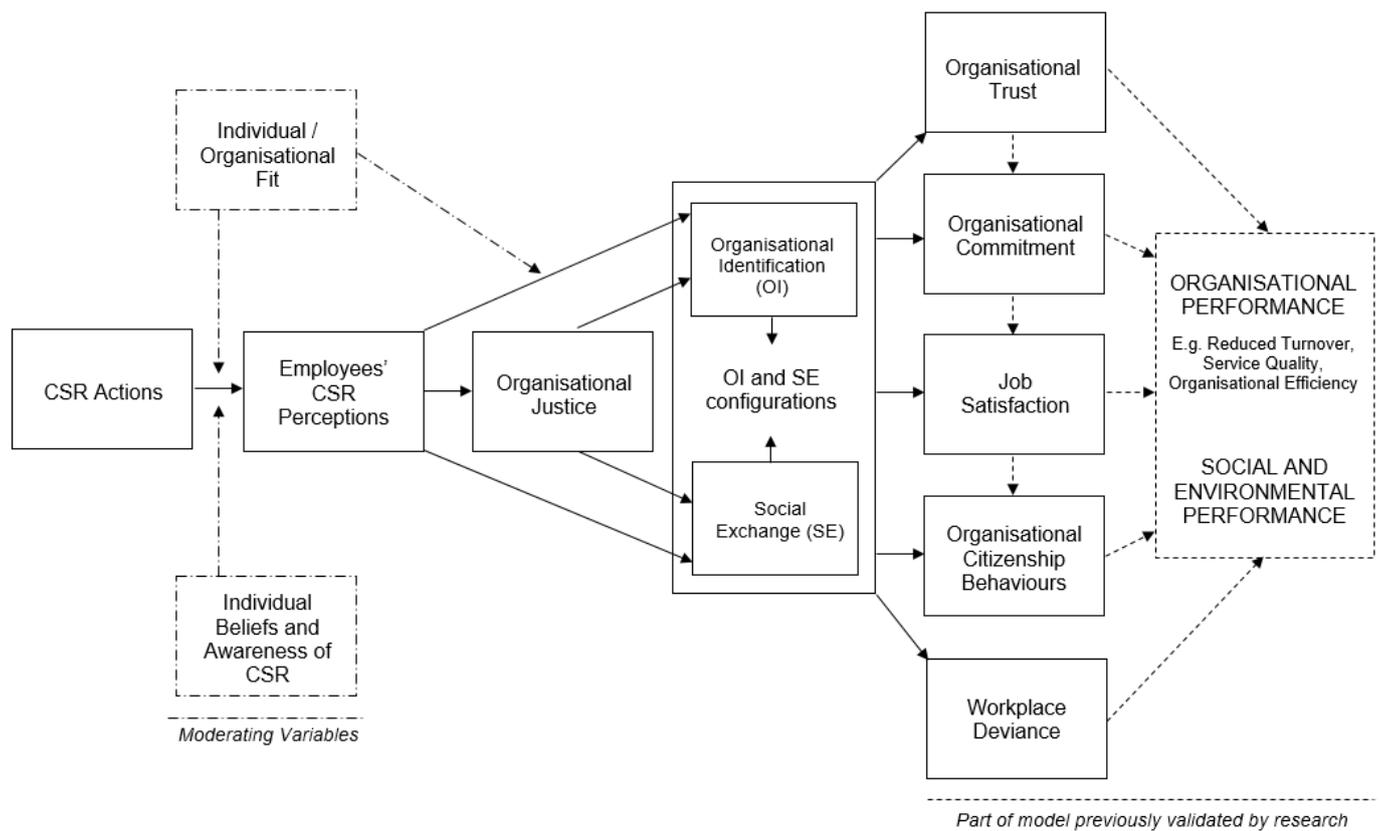


Figure 2.1. Overview of the integrated model of CSR influence on employees

Reprinted from "Corporate Social Responsibility influence on employees," by Gond et al. (2010), *International Centre for Corporate Social Responsibility*, p.19. Copyright 2010 by International Centre for Corporate Social Responsibility.

Table 2.1

Consequences of employee needs fulfilled by CSR

Employee need	CSR activities to satisfy employee needs	Psychological mediators	Consequences of need fulfilment
Safety / Security	Employee-centered CSR (including competitive wages, health insurance, employee development programmes and positive union relations)	Trust in the organisation	Decrease counterproductive work behaviour
		Perceived general fairness	Facilitate employee recruitment and retention
Distinctiveness	Highly visible extra-organisational CSR efforts (such as philanthropic community engagement) Consumer-centered CSR (such as product and service quality)	Firm reputation and image (especially employee perceptions of how others perceive the organisation)	Facilitate employee recruitment and retention
		Pride in organisational membership	Enhance <i>Organisational Commitment</i>
Belongingness	Environmental stewardship Symbols of values	Firm identity	Improve extra-role performance
	Value and mission statements	Value affirmation	Improve organisational citizenship behaviours
		Perceived job fit	Encourage ethical behaviour and decision making
Meaning	Extra-organisational CSR efforts (including volunteer programs, community outreach programs, pro bono services)	Psychological ownership and sense of responsibility	Enhance <i>Organisational Commitment</i>
		Feelings of authenticity	Increase employee life satisfaction
		Perceived contribution to others' welfare	Improve task persistence and in-role performance
		Sense of help towards building a positive legacy	Enhance <i>Organisational Commitment</i>

Note: Adapted from “Corporate Social Responsibility as source of employee satisfaction” by Bauman and Skitka (2012), *Research in Organizational Behavior*, 32, p. 75.

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2.3.4 Affective Commitment and Perceived Corporate Social Responsibility

It has been noted that the aim of the current study is to develop a structural model, explaining the relationship between *Affective Commitment* and employee perceptions regarding *CSR*. Before elaborating on some important studies regarding the effect of employee perceptions of *CSR* on *Organisational Commitment*, it should be noted that previous research conducted suggests that *Social Identity* is regarded as a key variable in the relationship between the two constructs (Brammer et al., 2007; Burke & Reitzes, 1991; Farooq et al., 2014; Gond et al., 2010; Peterson, 2004; Turker, 2009). *Social Identity Theory* suggests that employees have a need to identify with and feel part of the organisation they are working for, in order to support and strengthen their self-esteem (Gond et al., 2010). It further suggests that individuals define themselves by the groups to which they belong. Once an individual identifies with an organisation, they will also search for signals that will further enhance favourable views of the organisation (Burke & Stets, 2000).

Although the majority of research on *Perceived CSR* and *Organisational Commitment* focuses on developed countries, some research in developing Asian countries have been conducted, where the effect of cultural differences was highlighted and compared. However, despite cultural differences, support for the relationship between employee perceptions regarding *CSR* and *Organisational Commitment* was found in the developing countries that were explored (Hofman & Newman, 2013; Mueller et al., 2012). The following discussion aims to highlight some of the main research findings regarding employee perceptions of *CSR* and its relation to *Affective Commitment*.

Turker (2009) analysed the impact of employee perceptions of *CSR* on *Organisational Commitment* through the moderating effect of a person's *Social Identity*. In the study, employee perceptions of *CSR* were tested with reference to the aim of specific *CSR* programmes. *CSR* programmes aimed at social and non-social stakeholders, employees, customers and government were included in the study. It was established that employee perceptions regarding *CSR* programs aimed at social and non-social stakeholders, employees and customers significantly predicted *Organisational Commitment*. Moreover, the author indicated that *CSR* programmes aimed at employees was the most significant predictor of *Organisational Commitment*.

Peterson's (2004) findings in a study on business professionals also yielded positive results, indicating a positive relationship between employee perceptions regarding *CSR* and *Organisational Commitment*. The relationship is however further impacted by the extent to which employees believe in and agree with the social responsibilities applicable to an organisation. In addition, the role of gender had an effect as female employees responded stronger to ethical and discretionary measures of *CSR*, while discretionary measures were not a significant predictor for male respondents.

Similarly, findings of another study by Rego et al. (2007) indicated that employees who perceive higher *Corporate Social Responsibility* with respect to the economic, legal, ethical and discretionary components of *CSR*, develop higher *Affective-* and *Normative Commitment*. The authors indicated that people tend to develop *Affective Commitment* and *Normative Commitment* when they perceive the organisation as being responsible in terms of *CSR* and caring about well-being and values.

In a study conducted by Ali et al. (2010), the authors noted that various studies have confirmed the positive effects of Employee Commitment on organisational performance, but there are only a few research publications on the effect of employee perceptions regarding *CSR* and its influence on *Organisational Commitment*. These authors went further to not only link *CSR* to *Organisational Commitment*, but also established a direct link between *CSR* and organisational performance. The study found significant positive relationships between *CSR* and employee *Organisational Commitment*, *CSR* and organisational performance, as well as between *Organisational Commitment* and organisational performance.

The earlier cited integrative model developed by Gond et al. (2010) should also be borne in mind. Although the model in itself has not been empirically tested, the model suggests that several other studies have linked employees' perceptions regarding *CSR* to outcomes such as *Organisational Commitment*. The model can thus be viewed as further support for the relationship between these variables. Another study confirming the positive relationship between employee perceptions regarding *CSR* and *Organisational Commitment* have been conducted (Ebeid, 2010).

Farooq et al. (2014), determined that employee perceptions regarding *CSR* is a strong predictor of *Affective Organisational Commitment*. It was, however, further established that *Perceived CSR* is an indirect predictor of *Affective Commitment* only through

Organisational Social Identity and *Organisational Trust*. The significance of the mediating effects of *Organisational Social Identity* and Trust is therefore important to note in explaining the broader variables at play in the specific relationship. The effect of *Perceived CSR* on *Affective Commitment* was supported by a study conducted by Mueller, et al. (2012), who established that *Perceived CSR* was positively related to *Affective Commitment*.

Brammer et al. (2007) similarly established that employee perceptions of CSR influence *Organisational Commitment*, in particular *Affective Commitment*. It was further found that even external CSR was positively related to *Affective Commitment*, given the indirect benefits through *Social Identity* for employees. The study further focused on employee perceptions of training and procedural justice, which also positively related to *Organisational Commitment*. Gender also created variation in this particular study, where it was found that women emphasise procedural justice over training, as well as external CSR.

Evidence from available research is thus clear that *Perceived Corporate Social Responsibility (CSR)* influences *Organisational Commitment*, but there appears to be an indication that it impacts the *Affective Commitment* component to a stronger degree. The current study therefore proposes that *Perceived CSR* positively influences *Affective Commitment*.

Hypothesis 1: In the proposed Affective Commitment structural model it is hypothesised that Perceived Corporate Social Responsibility positively influences Affective Commitment.

The following sections will outline the relevant factors impacting on the relationship between *Perceived CSR* and *Organisational Commitment*, which will culminate into an explanatory theoretical model at the end of Chapter two.

2.4 ORGANISATIONAL SOCIAL IDENTITY

The majority of studies exploring the relationship between *Perceived CSR* and *Organisational Commitment*, argue that positive perceptions about CSR activities will facilitate the development of a positive *Social Identity*. According to *Social Identity Theory (SIT)*, individuals will typically want to identify with members of a group or a

specific group, as positive identification increases personal self-esteem. Employees that identify with and feel part of an organisation will search for signals that can enhance favourable views of the organisation, thus having a positive effect on their Employee attitudes (Brammer et al., 2007; Burke & Reitzes, 1991; De Roeck et al., 2014 Peterson, 2004; Turker, 2009).

2.4.1 Social Identity Theory defined

Social Identity Theory (SIT) was developed by Tajfel and Turner (1979), who reasoned that social groups serve as a source of pride and self-esteem. People that identify positively with a particular group will experience heightened levels of self-esteem or pride. A distinction is also made between the so-called out-group versus the in-group, where the in-group denotes the group that an individual belongs to. SIT proposes that the in-group will discriminate against the out-group by naturally viewing the in-group in a more positive light.

Within the industrial psychology context, organisations are divided into different work groups, departments, or divisions where in-group / out-group distinctions are made (Hogg & Terry, 2001). Individuals can belong to multiple groups or collectives, which include the above-mentioned different work groups, departments, divisions or different organisations, that may result in the formation of multiple social identities (Meyer, Becker & Van Dick, 2006). Individuals partly derive their self-identity or sense of self from the social identities associated with the various social groups to which they belong (Hogg & Abrams, 1988). Based on *SIT*, employees thus search for signs that will in fact increase a positive view of the organisation. It can furthermore be expected that the identification with the organisation will positively influence work attitudes as individuals aim to develop a positive *Social Identity* of the self, and to establish psychological distinctiveness for their own group (Ashfort & Mael, 1989; Burke & Stets, 2000).

In addition, according to Ashfort and Mael (1989, p.34), this identification with the organisation can be defined as the “perception of oneness with, or belonging to a group, involving direct experiences of its success and failures”. The identification with an organisation will lead to proud members who can associate with organisational

actions. For example, the individual's pride in the organisation will thus be affected positively when employee perceptions regarding CSR are in fact also positive.

In more recent years, *Social Identity* has been defined as a person's knowledge that he or she belongs to a social group (Burke & Stets, 2000). Burke and Stets (2000) also indicates that individuals belonging to the same social category can be seen as a social group. The social category, such as nationality, political affiliation, department, into which a person falls or feels that they belong to, provides a self-definition that is a part of the self-concept (Hogg, Terry, & White, 1995).

The process of *Social Identity* formation can be explained in more detail. Firstly, through a social comparison process, individuals categorize persons who are similar to the self as the in-group and persons who differ from the self as the out-group (Burke & Stets, 2000). Secondly, the process of self-categorisation of people into an in-group and an out-group defines their *Social Identity* and accentuates their perceived similarity to their understanding and perception of certain features or characteristics of the group (Hogg, Terry & White, 1995). It supports the view that *Social Identity* can increase pride and self-concept when a positive view is formed. The result of the social comparison process is therefore that an individual's self-esteem is enhanced by the evaluation and comparison of the in-group with the out-group. The in-group will be judged more positively and the out-group more negatively (Burke & Stets, 2000). When an employee identifies with the in-group, being the organisation or a department or team within the organisation, it can thus be expected that, according to *Social Identity Theory*, the employee will want to evaluate the organisation in a positive light.

It should lastly be noted that literature also refers to *Social Identity* as organisational identification or *Organisational Social Identity*. Dutton, Dukerich, and Harquail (1994) explains organisational identification as the degree to which an individual believes the organisation can be defined by the same attributes he or she believes in. Similarly, group identification through SIT contains positive emotions that are associated with the group values, where individuals develop feelings of oneness with or belonging to the organisation. Organisational identification is therefore regarded as a psychological process where an individual is able to identify with certain elements of the organisation (Ashfort & Mael, 1989).

2.4.2 Organisational Social Identity as mediator of Affective Commitment and Perceived CSR

As noted, several studies utilise *Social Identity Theory* in order to explain the relationship between *Perceived CSR* and *Organisational Commitment* (Brammer et al., 2007; Burke & Reitzes, 1991; De Roeck et al., 2014; Peterson, 2004; Turker, 2009). *Organisational Social Identity* refers to the degree to which an individual is able to identify with certain aspects of an in-group, such as the organisation.

Bearing in mind the discussion above, it is proposed that positive employee perceptions of *CSR* will influence identification with the organisation through the formation of a positive *Social Identity* as discussed above. The increase in individuals' self-esteem and positive emotions will increase their overall identification with the organisation, and thus their *Social Identity* in terms of the organisation as a group to which they belong. Employees seemingly take pride in socially responsible actions undertaken by their organisation. It is therefore proposed that *Organisational Social Identity* will mediate the relationship between *Perceived CSR* and *Organisational Commitment*.

Hypothesis 2: In the proposed Affective Commitment structural model it is hypothesised that Organisational Social Identity mediates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

2.5 CULTURAL VALUES

Cultural Values have an undeniable impact on modern organisations. Not only does globalisation allow for businesses to trade and conduct business internationally with individuals from numerous cultural orientations, but organisations also employ individuals from different cultures. Research on *Cultural Values* attempts to explain how values develop, how it can be measured, as well as linking behaviour-related outcomes to values. The South African workforce is regarded as diverse, with many cultural groups within the population. Based on the distribution of cultural orientations in South Africa, it is understandable that South African organisations have a unique multicultural workforce that should be managed accordingly. The unique structure of the South African workforce also yields context-specific challenges.

2.5.1 Research on Cultural Values

Cross-cultural research on national culture is dominated by two main research approaches, namely Hofstede's (1980) cultural dimensions and the Global Leadership and Organisation Behaviour Survey, better known as the GLOBE project (House, Hanges, Javidan, Dorfman, & Gupta, 2004). Hofstede's (1980) dimensional framework with respect to culture is widely used in research. Although his framework is criticised for possibly oversimplifying cultural dimensions, failing to measure the flexibility of the dimensions over time, using data from one large organisation and ignoring within-country cultural differences, it has proven useful over time (Kirkman, Lowe & Gibson, 2006). Hofstede (1983; 1980) initially identified four cultural dimensions, namely, *Individualism versus Collectivism (IDV)*; *Power Distance (PDI)*; *Uncertainty Avoidance (UAI)*; *Masculinity versus Femininity (MAS)*. Hofstede's research was initially especially criticised for the focus on Western employees, possibly only portraying Westernised *Cultural Values* and thus being biased towards these values. An additional concern is that when Hofstede conducted his studies on national culture in South Africa, he used an all-white sample, which thus suggests that the totality of the South African cultural environment is not taken into consideration (Barak, 2013).

Further research was conducted on Chinese employees by means of the Chinese Value Survey, which resulted in adding a fifth dimension to Hofstede's cultural dimensions (Erez, 2011; Minkov & Hofstede, 2012;). The fifth dimension, called *Long-term Orientation (LTO)*, was added in 1991 and applied in 23 countries (Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010).

These dimensions were, however, formulated, conceptualised and operationalized for a country or national-level analysis and not for individual or group-level analysis (Hofstede, 1980). Although Hofstede strongly opposed individual level-analyses, these dimensions have been adapted over time and used for individual-, group/organisation- and country-level analyses (Kirkman et al., 2006)¹.

The Global Leadership and Organisational Behaviour Effectiveness (GLOBE) project is another typology that was developed to explain a cultural value system. The study

¹ In a review of 180 studies utilising Hofstede's (1980) framework, 64 studies were conducted at the individual level (Kirkman, Lowe & Gibson, 2006).

aimed to establish whether leadership characteristics contribute to leader success and asked participants to refer to societal values. It resulted in nine *Cultural Values*, being institutional collectivism; in-group collectivism; power distance; uncertainty avoidance; gender egalitarianism; assertiveness; future orientation; performance orientation; and humane orientation (Erez, 2011; House et al., 2004). A so-called “GLOBE-debate” sprouted from the research, while Hofstede and other scholars claimed that the nine GLOBE dimensions are merely adopted from Hofstede’s paradigm (Hofstede, 2010).

Although each of the cultural frameworks has elicited some criticism in terms of uniqueness and usefulness (Hofstede, 2010; Kirkman et al., 2002), the purpose of the current study is not to debate the unique elements of the cultural frameworks.

Previous research conducted have established that certain *Cultural Values* have indicated a significant moderating effect on the relationship between *Perceived CSR* and *Organisational Commitment* (Hofman & Newman, 2013; Mueller et al., 2012). For the purposes of the current study, the emphasis will thus be on identifying which cultural dimensions are relevant to the relationship between *Perceived CSR* and *Organisational Commitment*.

In addition to the above, cognisance should be taken of value congruence, which refers to the extent that individual and organisational values coincide with one another. According to Rokeach (1979, p.5), personal values is regarded as a “stable belief that a specific mode of conduct or end state of existence is preferable to another mode of conduct or end state of existence”. Our value system can be interpreted as comprising of a hierarchy of individual values, while a priority or relative importance is assigned to each value. Values are therefore central to all human behaviour. According to Herbst and Houmanfar (2009), values are representative of basic needs and it can therefore be seen as being the ultimate cause of behaviour. What is more, individual values are considered to be relatively stable over time (Chatman, 1989).

The traditional values of an organisation are characterised as values that are internalised by groups in the organisation. Organisational values are derived from the different values of its members. Therefore, it also reflects the individual values held by the employees (Weiner, 1988). Like individual values, organisational values are also stable over time. It represents how the organisation will respond to environmental events and is historically determined rather than a response to immediate

environmental pressures. Changes in organisations over a period of time can be viewed as changes in the underlying value system of the organisation (Herbst & Housmanfar, 2009; Rokeach, 1979).

Value congruence thus refers to the extent or level to which individual and organisational values agree with one another. It is, however, important to understand that the current study is concerned with *Cultural Values* in the context of South Africa, as well as its impact on the relationship between *CSR* and *Organisational Commitment*. The focus of the study is thus not necessarily whether or not individual and organisational values are in line or congruent. Perceived value congruence will therefore not be measured in the study, but instead the applicable *Cultural Values* that affect the relationship between *Perceived CSR* and *Organisational Commitment*. Perceived value congruence is, however, acknowledged as a strong possibility and further research on the matter into the future would most likely be beneficial.

2.5.2 Defining Hofstede's cultural dimensions

For the purposes of the current study, the use of Hofstede's cultural value framework is proposed in order to research the effect of *Cultural Values*. Hofstede's research has been used widely for several research purposes.

Hofstede's cultural dimensions can be summarised as follows:

2.5.2.1 Individualism versus Collectivism (referred to as the Collectivism dimension)

Individualistic groups are characterised by self-interest and possibly the interest in caring for immediate family. They show preference for a loosely-knit social framework, with a large amount of freedom. On the other hand, *collectivistic groups* prefer a cohesive framework in society. Instead of defining self-image as "I", these groups focus on "we". These individuals are very protective of one another and the society form an integrated whole (Hofstede, 1983; Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010).

2.5.2.2 Power Distance

Power Distance explains how the society interprets and handles the fact that inequalities exist. There are differences in individual's physical and intellectual capabilities, and in time these inequalities develop into wealth and power. Some societies are more unequal than other societies. People in societies exhibiting a high degree of *Power Distance* accept a hierarchical order, whereas in societies with low *Power Distance*, people strive to equalise the distribution of power and demand justification for inequalities of power (Hofstede, 1983; Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010).

2.5.2.3 Uncertainty Avoidance

Uncertainty Avoidance refers to whether or not societies are able to accept the uncertainty that the future holds. Societies with high uncertainty struggle to accept the uncertainty of the future and will likely attempt to create security and avoid risk-taking. Societies with low uncertainty avoidance maintain a more relaxed attitude as they accept the uncertainty of the future and are more likely to take risks and are tolerant of different behaviours and opinions since they are not threatened by it (Hofstede, 1983; Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010).

2.5.2.4 Masculinity versus Femininity (referred to as the Masculinity dimension)

This dimension is not guided by gender orientation, but rather focuses on classifying societies that maximise or minimise the social sex role division. In certain societies it will be acceptable for both men and women to take on different roles, whereas other societies have distinct roles for men and women (Hofstede, 1983). In *Masculine* societies, there are distinct roles for men and women. Men normally take on the assertive and dominant roles, whereas women take on more service-oriented and caring roles. The masculine social values therefore become the dominant values, the norms and socially accepted value-system of both men and women in the society, such as a preference for achievement, heroism, assertiveness and material rewards for success (Hofstede, 1983; Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010). The opposite classifies a *Feminine* society; the society is classified by a minimised

level of social sex role division. The dominant values are those associated with a feminine role, such as putting relationships first, providing help to each other, focusing on the quality of life, cooperation, modesty, caring for the weak and quality of life. *Feminine* societies are consensus-oriented (Hofstede, 1983; Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010).

2.5.2.5 Pragmatic versus Normative (also referred to as long-term orientation)

Pragmatic versus Normative dimension refer to how societies prioritise what occurred in the past and dealing with challenges of the future. Societies, that score low on pragmatism, typically prefer to maintain time-honoured traditions, while societies that score high on pragmatism, encourage thrift and efforts in modern education as a way to prepare for the future (Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010).

2.5.2.6 Indulgence versus Restraint

Indulgence refers to a society that allows free gratification of basic and natural human drive, whilst *Restraint* refers to a society that suppresses gratification of needs and regulates it by means of strict social norms (Hofstede, Hofstede & Minkov, 2010).

2.5.3 Individual-level application of Cultural Values

The studies that examine the influence of *Cultural Values* on the relationship between *CSR* and *Organisational Commitment* have mainly been conducted on a national level. For the purposes of the current study, it is however proposed that similar results should be present at an individual level analysis. Although Hofstede (1983) was initially against individual level analysis, his cultural dimensions have been adapted and utilised on the individual level for research purposes (Sheikh, Newman, & Al Azzeh, 2013; Yoo, Donthu & Lenartowic, 2011). The Individual Cultural Value Scale (CVSCALE) was developed in order to conduct research on the individual level as the national cultural research is in any event derived from individual responses (Yoo et al., 2011).

2.5.4 Cultural Values, Affective Commitment and Perceived CSR

Research pertaining to perceptions of *CSR* and its influence on *Organisational Commitment* is also concerned with the influence of culture. Mueller et al. (2012), utilising the GLOBE Project values, found that employees' *CSR* perceptions are influenced by a higher humane orientation, higher institutional *Collectivism* and lower *Power Distance*. The authors further indicate that *Cultural Values* are substantial moderators of the effect of employees' *CSR* perceptions on affective *Organisational Commitment*.

Hofman and Newman (2013) indicated that there are distinct differences between Chinese and Western employees in terms of their responses to and evaluations of *CSR*. These differences are mainly ascribed to economic and cultural differences. The authors examined the moderating role of *Collectivism* and *Masculinity* on the relationship between Chinese employees' perceptions of *CSR* on *Organisational Commitment*. Using Hofstede's (1980) cultural dimensions, the authors established that *Collectivism* moderated the relationship between employee perceptions of *CSR* and normative *Organisational Commitment*, which suggests that collectivist groups will be morally obligated towards the firm if internal stakeholders are treated well. In addition, Hofman and Newman (2013) established that high *Masculinity* moderated the relationship between employee perceptions of *CSR* and *Organisational Commitment*, especially when there were positive perceptions of *CSR* towards the society.

The impact of national culture on social responsibility performance has also been examined. Thanetsunthorn (2015) reviewed several studies that examined the role of national culture on *CSR*. The study, which was conducted in Asia and Europe, found that a national culture that is characterised by a high *Power* index, *Individualism* and *Masculinity* were less concerned about *CSR* related to social aspects, including employees, the community and environment.

Waldman, De Luque, Washburn and House (2006), examined the effect of institutional-level *Collectivism*, In-group *Collectivism* and *Power Distance* on *CSR* perceptions of managers. It was established that managers from cultures

characterised by institutional *Collectivism* valued all three dimensions of *CSR*² as identified in the study. The authors did however not find a significant link between in-group *Collectivism* and *CSR*. It was further established that managers from countries with greater *Power Distance* devalue the aspects of *CSR*. Despite the relationship between *Cultural Values* and employee perceptions regarding *CSR*, literature is still somewhat inconsistent and have yielded conflicting results (Thanetsunthorn, 2015).

Having considered the different studies that have researched the effect of *Cultural Values* on *CSR* and *Organisational Commitment*, it is proposed that *Collectivism*, *Power Distance* and *Masculinity* dimensions will have a moderating effect on the relationship between *Perceived CSR* and *Organisational Commitment*. More specific research hypotheses with regard to *Cultural Values* cannot be formulated due to the lack of such research within the South African context. It will therefore be interesting to determine to what extent *Cultural Values* relates to the different *CSR* dimensions and different forms of *Organisational Commitment*.

The following hypotheses will thus be evaluated in order to gain a better understanding of the exact role of *Cultural Values*.

Hypothesis 3: In the proposed Affective Commitment structural model it is hypothesised that the Collectivism dimension moderates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 4: In the proposed Affective Commitment structural model it is hypothesised that the Power Distance dimension moderates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 5: In the proposed Affective Commitment structural model it is hypothesised that the Masculinity dimension moderates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

² These authors defined *CSR* as a multi-dimensional construct consisting of shareholders, stakeholders and the community.

2.6 PERCEIVED ORGANISATIONAL JUSTICE

Organisational Justice as a concept was inspired by equity theory (Adams & Freedman, 1976) and postulated mainly by Greenberg (1987). The concept refers to the perception of fairness and the reaction to those perceptions. In other words, an employee evaluates the organisation, and based on the fairness perceptions, it influences and enhances certain attitudes and behaviour. According to Baldwin (2006), *Organisational Justice* refers to how workplace procedures, interactions and outcomes are perceived as being fair by employees. Research on *Organisational Justice* is thus concerned about what is perceived or believed as fair and not necessarily whether it is in fact fair or just (Cropanzano, Bowen, & Gilliland, 2007).

Cognisance should be given to the argument that often justice only becomes relevant when perceived injustice is present (Baldwin, 2006). There are many negative outcomes that can be associated with perceived injustice, such as, for example, leaving the organisation, reducing efforts at work, or filing grievances against what is perceived as unfair (Turnley & Feldman, 1999).

2.6.1 Organisational Justice defined

As noted, *Organisational Justice* refers to the degree that organisational procedures, interactions and outcomes are viewed as being fair (Baldwin, 2006). Employees are concerned about justice for the longer-term benefits, as they use justice perceptions to determine how they will be treated by the organisation over time. In addition, employees want to be accepted and valued, not exploited (Cropanzano, Bowen, & Gilliland, 2007).

Greenberg's (1987) taxonomy of *Organisational Justice* theories highlights the relationship between different justice theories. Greenberg derived two independent dimensions, namely the reactive-proactive and process-content dimensions, which translates into four theories. According to his research, a reactive theory of justice is concerned with attempts to avoid or escape perceived unfair states, while proactive theories study behaviours contributing or promoting justice. Moreover, Greenberg notes that process-content theories were inspired by legal research on how and why

a certain verdict is reached. A process approach focuses on how outcomes are determined, while content approach is concerned with the fairness of outcomes.

Drawing on Greenberg's work, more recent theories, grounded in his justice research, have been formulated and will be discussed accordingly. Only the theories or components relevant to the study will be deliberated on. In a study by Cropanzano, Bowen, and Gilliland (2007), *Organisational Justice* is defined by its three core components, namely distributive, procedural and interactional justice (see Table 2.2).

The following section will outline each of the components of justice in more detail in order to evaluate and demonstrate the relevance to the current study.

2.6.1.1 Distributive Justice

This type of justice relates to equity theory and refers to the allocation of outcomes which is judged against inputs. Based on equity theory, individuals are concerned with how much they "get" (outcomes) based on how much they "contribute" (inputs) towards the organisation (Adams & Freedman, 1965; Cropanzano et al., 2007). Inputs can refer to, amongst others, perceptions with regard to education, training, experience and effort, as well as tenure, whilst outcomes on the other hand can refer to perceptions in terms of wages, social approval, job security, promotion and career opportunities (Baldwin, 2006).

Furthermore, recent advances in distributive justice also include *equality* (all treated / receives the same) and *need* (receive in accordance with urgent personal needs) (Baldwin, 2006). Cropanzano et al. (2007) refers to this as the three allocation rules (*equity, equality and need*) which lead to distributive justice. It is thus argued for example that for some, *equality* (being treated equal to others) will be more important than *equity* or *need*.

Cross-cultural research has shown variation in the allocation rules. Berman, Murphy-Berman and Singh (1985), established that Indian communities gave preference to need, when compared with Americans. Another study conducted in Asia highlighted cultural differences in respondent's perception where the use of merits received greater endorsement when compared to needs (Murphy-Berman & Berman, 2002).

Table 2.2

Components of Organisational Justice

1. Distributive Justice: Appropriateness of outcomes

- Equity: Rewarding employees based on their contributions.
- Equality: Providing each employee roughly the same compensation.
- Need: Providing a benefit based on one's personal requirements.

2. Procedural Justice: Appropriateness of the allocation process

- Consistency: All employees are treated the same.
- Lack of Bias: No person / group singled out for discrimination or ill-treatment.
- Accuracy: Decisions are based on accurate information.
- Representative: All stakeholders affected have input.
- Correctable: Appeal process or fixing mistakes.
- Ethics and norms: Norms and ethical issues are not violated.

3. Interactional Justice: Appropriateness of the treatment one receives from authority figures.

- Interpersonal Justice: Treating an employee with dignity, courtesy and respect.
 - Informational Justice: Sharing relevant information with employees.
-

Note. Adapted from “The Management of *Organisational Justice*” by Cropanzano et al. (2007), *Academy of Management Perspectives*, p. 36. Copyright (2007) by Academy of Management.

2.6.1.2 Procedural Justice

Procedural justice refers to fairness of the allocation process in itself, and not the outcomes of the process (Cropanzano et al., 2007). It is therefore concerned with a just or fair process that is free from bias (a neutral process) and consistent with ethical and moral norms, representative of stakeholders, based on accurate information and correctable (Cropanzano et al., 2007; Leventhal, Karuza, & Fry, 1980).

Baldwin (2002) further notes that perceptions regarding procedural justice are enhanced by the “voice principle”. When given the opportunity to be involved and to voice their own concerns or opinions before decisions are made, it might have a positive effect on perceptions about procedural justice.

Research has shown that when the process is considered to be fair (procedural justice), the outcomes are normally justified, although the outcomes might be perceived as unfair (distributive justice) (Cropanzano et al., 2007). This is referred to as the “fair process effect”, which in fact indicates that a just or fair procedure can in fact influence perceptions of outcomes attained.

2.6.1.3 Interactional Justice

Interactional justice refers to the treatment received by others, mainly authority figures. It consists of two parts: firstly, informational justice is about truthful, open information and justifications for perceived injustice. Secondly, interpersonal justice is about respect, dignity and appropriateness of conduct between parties (Baldwin, 2002; Colquitt, 2001; Cropanzano et al., (2007)). Authority figures are thus perceived as fair when they apply these principles. Bies and Moag (in Baldwin 2006), identifies that truthfulness, respect, propriety and justification are some key aspects that can enhance interactional justice.

2.6.1.4 Additional Forms of Justice

In addition to the three main components of justice as discussed above, research also differentiates between other forms of justice, such as restorative-, deontic- and *Overall Justice*.

According to Marshall (1998, p.5) restorative justice is defined as “a process whereby parties with a stake in a specific offense resolve collectively how to deal with the aftermath of the offense and its implications for the future”. It is mainly concerned with the justice perceptions regarding criminal justice and offender rehabilitation. Restorative justice can, however, also be utilised in the industrial psychology field, where it is proposed that previous offenses or negative actions conducted by organisations can be rectified collectively.

Another type of justice, deontic justice, implies that individuals react not only to treatment of themselves (first-party justice), but also to the treatment of others (third-party justice) (Rupp & Bell, 2010). Rupp (2011) notes that third-party justice reflects employee perceptions of actions taken on behalf of an organisation, which refer mainly

to social responsibilities. These actions transcend beyond the core business functions of the firm, but include outwards actions towards the community, ecological environment, and other external groups.

Referring to the previously discussed needs fulfilled by CSR (Bauman & Skitka, 2012), namely the need for safety, belonging, meaning and distinctiveness, Rupp (2011) lists similar instrumental needs and reasons regarding the importance of CSR to employees. The author further indicates that third-party justice perceptions in fact satisfies the needs of the employees. Employees will for example search for CSR actions to serve their psychological need for belonging and perceptions of fairness, as well as the need for doing the right thing.

De Roeck et al. (2014) notes that researchers have questioned the use of different justice frameworks instead of focusing on the evaluation of overall fairness. Justice is a perception of fairness and therefore a number of elements can influence the overall perception of justice. In support, Ambrose and Schminke (2009) scientifically established that *Overall Justice* mediates the relationship between specific justice judgements and attitudes and behaviour.

The authors further note that individuals make holistic judgements of fairness, rather than focusing only on a few elements pertaining to justice. Therefore, they argued that individuals are able to distinguish between sources of justice perceptions, but they then form an overall perception of justice and fairness (entity judgement) based on pieces of information (Ambrose & Schminke, 2009; De Roeck et al., 2014,). Greenberg (2001) and Rupp (2011) indicate that the single dimension of *Overall Justice* is regarded to be a more specific predictor of Employee attitudes and behaviour, serving as holistic justice judgements.

Ambrose and Schminke (2009) consequently proposed that individuals form a perspective of *Overall Justice*, which will have attitudinal and behavioural consequences. The authors indicate that assessment of *Overall Justice* is a result of individual justice experiences and the general fairness of the organisation. *Overall Justice* perceptions are formed by evaluating the fairness of treatment against the self (first-party justice perceptions), but also against others (deontic- or third-party justice perceptions).

2.6.2 Perceived Organisational Justice as mediator of Organisational Commitment and Perceived CSR

Studies have indicated a positive relationship between positive employee perceptions of *CSR* and *Organisational Justice*. According to Valentine and Fleischman (2007), organisational ethics is based on desired ethical standards and business principles. Organisations promote or include ethics in various ways, such as establishing an ethical work climate and values and providing training about ethics. The involvement with *CSR* activities is therefore also regarded as an extension of organisational ethics.

Researchers argue that *CSR* is an extension of organisational ethics, and therefore *CSR* strategies can impact on employee perceptions regarding fairness and *Perceived Organisational Justice* (Aguilera, Rupp, Williams & Ganapathi, 2007; Valentine & Fleischman, 2007). It is further argued that *Organisational Justice* is characterised by norms regarding the treatment of individuals and groups within the organisation, as well as the treatment of individuals, groups, society and the environment external to the organisation. *Organisational Justice* is therefore relevant in determining whether organisations satisfy the internal expected norms.

According to Rupp (2011), a possible reason why individuals are concerned about fair treatment is because of an innate need to enhance one's self esteem and to foster a favourable *Social Identity*. It can therefore be hypothesised that positive perceptions regarding *CSR* will contribute to a positive *Social Identity*, which in turn enables the individual to identify with the organisation.

Although indicating that the relationship between *CSR* and employee attitudes have not been studied enough, Tziner, Bar, Oren and Kadosh (2011) established that the relationship between *CSR* and job satisfaction was mediated by *Organisational Justice*. Similarly, De Roeck et al. (2014) also established that the relationship between *Perceived CSR* and job satisfaction is mediated by *Organisational Social Identity* and *Organisational Justice*. In addition, the authors established that employee perceptions regarding *CSR* relates positively to job satisfaction, although being mediated by *Overall Justice* perceptions and *Organisational Social Identity*.

Organisational Justice furthermore relates positively to *Organisational Commitment* (McFarlin & Sweeney, 1992; Meyer et al., 2002; Tziner et al., 2011). More specifically,

it was established that procedural justice is a predictor of *Organisational Commitment*, although other types of justice are also regarded as significant predictors of *Organisational Commitment* (Cohen-Charash & Spector, 2001; McFarlin & Sweeney, 1992).

Gond et al. (2012) indicates that employer perceptions regarding *CSR* can influence perceptions of justice on an individual or collective level. Individually, perceptions regarding *CSR* can impact how employees perceive fairness when *CSR* strategies are aimed at, for example, improving working conditions, establishing fair wages and promoting fair policies. Collectively, the authors argue that third party judgements can be formed, where employees evaluate how others are treated by the organisation.

Similarly, Rupp, Shao, Thornton and Skarlicki (2013) investigated deontic and distributive justice in their study on *Perceived Corporate Social Responsibility*. Deontic justice theory developed around moral and ethical norms, where individuals do not only react to the treatment they themselves receive (first-party justice – distributive justice), but also show reaction to how others are treated (third-party justice). The abovementioned authors further note that, although research on third-party justice has been mainly concerned with studies on co-workers, the same results are expected in terms of external stakeholders. Once again, the notion of supporting the community, environmental concerns and other type activities associated with *CSR* is linked to concerns about the self and others.

Moon, Hur, Ko, Kim, and Yoon (2014) also established that, drawing on *Social Identity Theory*, *Perceived CSR* influences *Affective Commitment*. The study furthermore established that *Perceived CSR* has a positive influence on *Organisational Justice*, whilst *Organisational Justice* influences *Affective Commitment*.

For the purposes of this study, it is thus suggested to measure justice perceptions pertaining to the self (first-party justice), as well as deontic justice (third-party justice perceptions) in order to understand the relationship between *Perceived CSR* and *Organisational Commitment*. The *Overall Justice* perception model as discussed, however, includes both the viewpoints of the self and the treatment of others, and was therefore used. Gond et al. (2010) further indicated that *Organisational Justice* impacts on the relationship between *Perceived CSR* and employee attitudes and suggest future research in this regard by providing a set of testable hypotheses.

Having considered the discussion above, it is proposed that *Perceived Organisational Justice* will mediate the relationship between employee perceptions regarding CSR and *Organisational Commitment*:

Hypothesis 6: In the proposed Affective Commitment structural model it is hypothesised that Perceived Organisational Justice mediates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

2.6.3 Perceived Organisational Justice and Organisational Social Identity

In addition, empirical support for the relationship between *Perceived Organisational Justice* and *Organisational Social Identity* have been found (Edwards, 2009; De Roeck et al. 2014).

In a study conducted by Fuchs and Edwards (2012), it was found that perceptions of fair treatment in an organisation encourage employee behaviours in change management interventions, which are partially mediated by *Organisational Social Identity*.

As noted, employees will search for signals that can lead to positive views regarding the organisation, which in turn increases their self-esteem. Tyler and Blader (2003) provides a group engagement model which explains why procedural justice contributes to co-operation in groups, organisations and societies. The authors explain that through *Social Identity* processes, an individual's sense of identity (thus formation of self-identity) is enhanced by perceptions of justice. The model developed by Gond et al. (2010) also suggested that *Perceived Organisational Justice* will influence *Organisational Social Identity*.

It is therefore proposed that *Perceived Organisational Justice* and *Organisational Social Identity* will be positively related:

Hypothesis 7: In the proposed Affective Commitment structural model it is hypothesised that Perceived Organisational Justice positively influences Organisational Social Identity.

2.7 THE *PSYCHOLOGICAL CONTRACT*

The *Psychological Contract* refers to the reciprocal relationship between an employee and the employer. Employees typically expect that their own contributions should be matched by that of the employer (Rousseau, 1989). Although research regarding CSR and *Organisational Commitment* and the *Psychological Contract* is not very clear, it is proposed that the *Psychological Contract* form part of the relationship.

2.7.1 Psychological Contract defined

Schein (1980) defined the *Psychological Contract* as an “unwritten set” of expectations between the employees and the various managers in the particular organisation. According to Rousseau (1989, p. 389; 2011), the *Psychological Contract* refers to an “individual’s beliefs regarding a reciprocal or exchange agreement” between the individual and the organisation.

Thus, from an organisational perspective, the *Psychological Contract* can be viewed as the mutual beliefs concerning the exchange relationship between the individual and the organisation, in other words the mutual expectations of both parties (Guest, 2004). The individual and the organisation have a mutual understanding of a promise to a reciprocal obligation. These expectations and obligations are not included in the formal contract of employment (McDonald & Makin, 2000). Rousseau (2011) notes that senior leadership; the HR department or the direct supervisor can affect an employee’s *Psychological Contract*. It is further noted that formal and informal sources can influence the *Psychological Contract*.

Schein (1980) argues that both individuals and the organisation enter into the *Psychological Contract*. It is regarded as a cognitive process, reflecting both emotional (feelings) and non-emotional (attention, perception, memory) processes (Rousseau, 2011). When the *Psychological Contract* is violated by any of the parties, the trust between the parties are broken, which damages the relationship severely (Rousseau, 1989). Although the *Psychological Contract* is unwritten, it can be regarded as a strong determinant of behaviour and attitudes in the workplace (Schein, 1980).

The *Psychological Contract* can further be divided into two distinct types, the *Relational-* and the *Transactional Contract* (Rousseau, 2004). The *Transactional Contract* has an extrinsic, economic focus, whereas the *Relational Contract* is more concerned with economic and internal emotional factors. In terms of the *Relational Contract*, employees are willing to work, help co-workers and support organisational change. It refers to monetary (financial) and non-monetary exchange agreements, such as *Commitment* (Lee & Liu, 2009; MacNeil, 1985; Rousseau, 2004). On the other hand, the *Transactional Contract* refers to monetary exchanges or financial rewards, such as getting paid for attendance and performance (MacNeil, 1985). When the individual perceives that the benefit provided is not reciprocated by the organisation, it is regarded as a breach of the *Psychological Contract*, and vice versa. The individual will then determine whether the incident was positive or negative, if found to be negative, it would be regarded as a violation or breach of the *Psychological Contract* (Turnley & Feldman, 1999).

2.7.2 Psychological Contract, Organisational Commitment and Perceived CSR

In Zhao, Wayne, Glibkowski, and Bravo's (2007) meta-analysis of the impact of the *Psychological Contract* on work-related outcomes, it was shown that a breach of the *Psychological Contract* has a significant impact on almost all outcomes, including mistrust, perceived violation, job satisfaction, *Organisational Commitment*, turnover intentions, OCB and in-role performance. Lee and Liu (2009) found that both *Transactional-* and *Relational Contracts* have a significant influence on *Organisational Social Identity*, work devotion and work satisfaction as work attitudes. According to Raja, Johns and Ntalianis (2004) it is a key factor that can influence Employee attitudes in general. Moreover, fulfilment of the *Psychological Contract* can lead to increased *Organisational Commitment* (McDonalds & Makin, 2000; Rousseau; 2011).

O'Donohue and Nelson (2009) argues that social values and beliefs, which include a willingness to behave ethically and take responsibility for social and environmental consequences, form part of the *Psychological Contract*. The authors further indicate that where the organisation's action is perceived as congruent with ethical values and beliefs, and the perceived ethical climate of the organisation, the actions are less likely

to be perceived as a breach. The opposite is, however, also true, as incongruent perceptions will most likely lead to perceptions of breach.

It is therefore expected that employees form certain expectations regarding CSR, which include perceptions regarding ethical and social beliefs and values. Their expectations should be met in order to fulfil the agreement and influence *Affective Commitment*. However, as noted, the *Relational Contract*, is more concerned with economic and internal emotional factors, referring to non-monetary exchanges, such as *Commitment* (Lee & Liu, 2009; MacNeil, 1985; Rousseau, 2004). It is therefore appropriate to focus on *Relational Contract* in the context of the present study, which is concerned with *Affective Commitment* and not external monetary rewards. *Affective Commitment* can also be seen as the emotional aspect of *Organisational Commitment*. Therefore, it is proposed that the *Relational Contract* plays a mediating role in the relationship between *Perceived CSR* and *Affective Commitment*.

Hypothesis 8: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract mediates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

2.7.3 The Psychological Contract and Organisational Social Identity

Lee and Liu (2009) found that *Psychological Contract* fulfilment influences *Organisational Social Identity* as a work attitude. Epitropaki (2012), also empirically evaluated the relationship between breach of the *Psychological Contract* and *Organisational Social Identity* and found that procedural justice climate and leadership also impacted on the relationship. It is subsequently also proposed that the *Relational Contract* will be positively related to *Organisational Social Identity*:

Hypothesis 9: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract positively influences Organisational Social Identity.

2.7.4 The Psychological Contract and Perceived Organisational Justice

Researching the *Psychological Contract*, justice perceptions and individual differences, Rodwell and Gulyas (2013) established that fulfilment of the *Psychological Contract* enhances perceptions of justice. The fairness evaluations or justice perceptions furthermore impacted on retention of staff members.

In a study conducted by Cassar and Buttigieg (2015), the authors investigated whether the *Psychological Contract* mediated the relationship between *Organisational Justice* and employee well-being. The study, however, failed to explain the relationship, although the authors indicated that interactional justice seems to have been more related to the *Psychological Contract* than other types of justice. When bearing in mind the aforementioned different types of *Organisational Justice*, namely distributive-, procedural- and interactional justice, it is understandable that the interactional justice component may influence the *Psychological Contract*.

Kickul, Neuman, Parker and Finkl (2001) conducted research on the role of *Perceived Organisational Justice* in the relationship between *Psychological Contract* breach and the anti-citizenship behaviour of employees. The authors established a three-way interaction, in that anti-citizenship behaviour were higher following a contract breach when employee perceptions regarding justice were low. The results thus suggest that justice perceptions and perceptions regarding the *Psychological Contract* are in fact related.

In the light of the current study, and the perspectives on *Overall Justice* perceptions, it is proposed that the *Relational Contract* will impact on the justice evaluations of employees, but specifically in terms of the individual justice perceptions (*Overall Justice*) and not deontic justice (third-party) perceptions. In the current study the emphasis falls upon the impact of the *Psychological Contract* on the perceptions of *Organisational Justice*.

Hypothesis 10: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract positively influences Perceived Organisational Justice.

There are a limited number of studies indicating that positive justice perceptions can also increase the perception of compliance with the *Psychological Contract*, possibly

suggesting a reciprocal link between these variables (Kickul et al., 2001). However, given the limited number of studies in this regard this relationship is not clearly demonstrated in literature.

2.8 ADDITIONAL DEMOGRAPHICAL VARIABLES TO BE CONSIDERED

In addition to the above, it is proposed that a number of additional demographic variables will also influence the relationship between *Perceived Corporate Social Responsibility* and *Organisational Commitment*.

Firstly, gender differences should be taken into consideration. Studies on the relationship between *Perceived Corporate Social Responsibility* and *Organisational Commitment* have found that men and women have different perceptions, and also regard different elements as important. Brammer et al. (2007) found that female employees place more emphasis on external Corporate Social Responsibility-related activities³.

In addition, Peterson (2004) established that female employees responded higher to ethical and discretionary measures of *CSR*, while discretionary measures were not a significant predictor for male respondents. The exact influence of gender is however not yet clear. It is thus proposed that instead of formulating specific hypotheses regarding the influence of gender, the study will merely observe any possible differences in terms of gender and the relationship between *Perceived Corporate Social Responsibility* and *Organisational Commitment*.

It is further proposed that an individual's level of education, as well as position and thus level within the organisational hierarchy, will have an influence on the relationship between the variables. It is envisaged that first level management and lower levels may have different viewpoints or perceptions compared to middle and higher levels of management in an organisation. Typically, the higher levels of management in organisations are the "policy makers and implementers", who may thus carry more strategic knowledge with regard to *Corporate Social Responsibility* and labour policies.

³ In the context of this study, external CSR refers to the organisation's reputation through the focus on social and environmental practices.

The question is however, whether the policies are indeed positively interpreted and perceived by lower levels of management or employees in the organisation. Furthermore, level of education and ethnicity may play a role in different perceptions. Again, no specific hypotheses regarding the difference between perceptions of lower-versus higher positions, as well as educational level will be made, but the differences will be observed and discussed.

2.9 STRUCTURAL MODEL

Based on the literature review and the different relationships between *Organisational Commitment*, *Perceived Corporate Social Responsibility*, *Organisational Social Identity*, *Cultural Values*, *Perceived Organisational Justice* and the *Psychological Contract*, a theoretical model was conceptualised. The model depicted in Figure 2.2 below thus reflects the proposed linkages between the different constructs.

2.10 CHAPTER SUMMARY

The literature review presented a systematic argument which resulted in the conceptualisation of the structural model depicted in Figure 2.2. Although the model is not regarded as all inclusive, it is proposed that the structural model will provide a valid account of the relationship between *Perceived Corporate Social Responsibility* and *Organisational Commitment*.

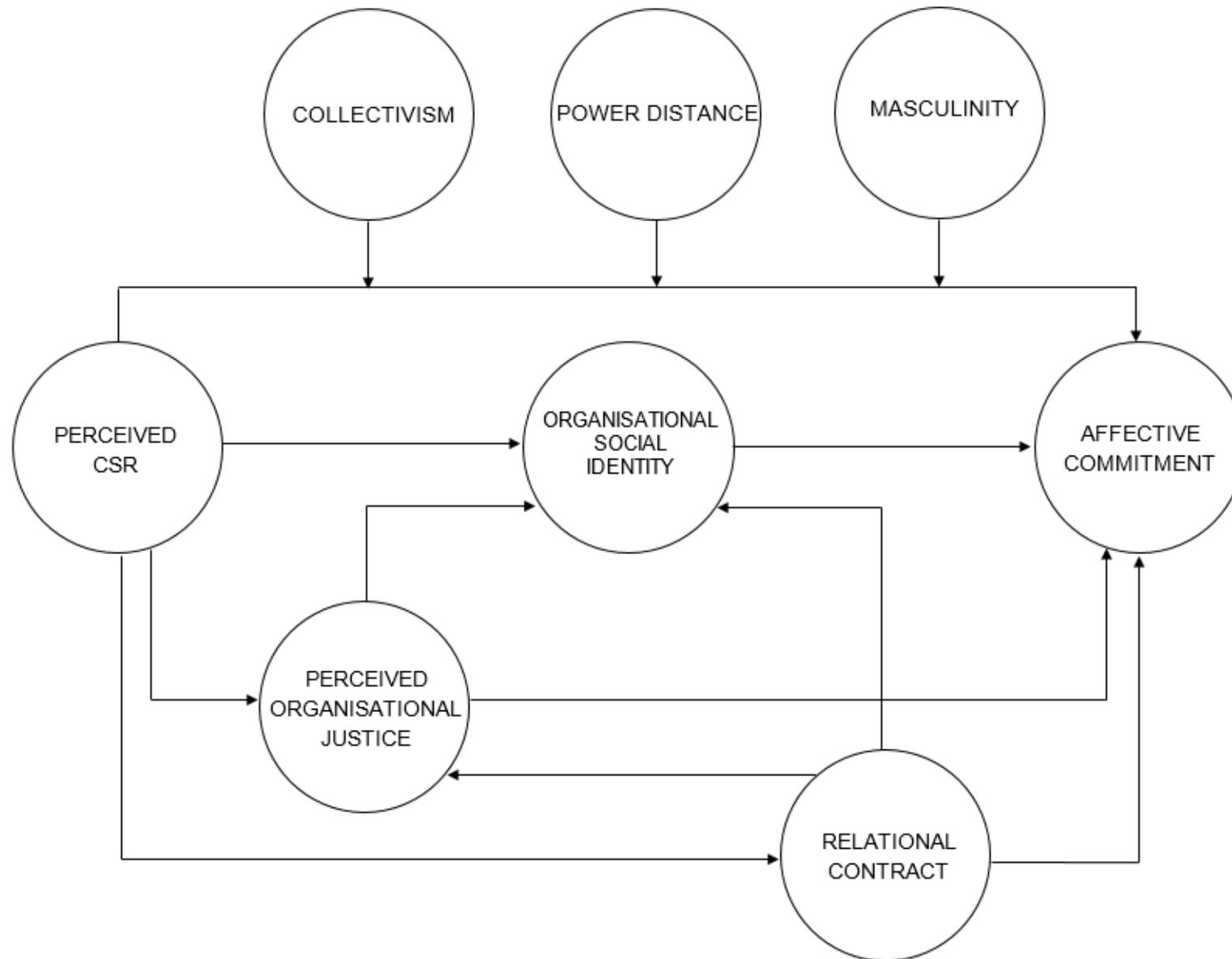


Figure 2.2: Structural model representing the relationship between *Affective Commitment*, *Perceived Corporate Social Responsibility (CSR)*, *Organisational Social Identity*, *Cultural Values*, *Perceived Organisational Justice* and the *Relational Contract (Psychological Contract)*

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The relationship between the constructs in the structural model was discussed in the literature review. Chapter two consisted of systematic theorising, aimed to provide an answer to the research question. The conceptual model depicted in Figure 2.2 attempts to provide a partial explanation of the level of *Perceived Corporate Social Responsibility* of the organisation and the effect thereof on *Affective Commitment*. In order to empirically evaluate and test the model, it is necessary to fit the model and find appropriate evidence to support the hypotheses. The following chapter will present the substantive research hypotheses and overview the research design, the research procedure, and the sampling selection and procedure employed to test the hypotheses. Furthermore, the measuring instruments and ethical considerations applicable to the study are outlined.

3.2 SUBSTANTIVE RESEARCH HYPOTHESES

A hypothesis is a prediction or belief that serves to direct the investigation and enable the researcher to deduce empirical manifestations implied in a study (Kerlinger & Lee, 2000).

Kerlinger and Lee (2000) indicate that a hypothesis is a tentative belief about the relationship between variables. A hypothesis thus relates one variable to another variable, and this predicted relation can be measured.

The aim of this study is to establish to what extent *Perceived Corporate Social Responsibility* contributes to *Affective Commitment*, including other variables that play a role in the relationship. The proposed conceptual model depicted in Figure 2.2 schematically portrays the hypotheses developed through theorising. The following detailed, specific direct-effect research hypotheses have been formulated:

Hypothesis 1: In the proposed Affective Commitment structural model it is hypothesised that Perceived Corporate Social Responsibility positively influences Affective Commitment.

Hypothesis 2: In the proposed Affective Commitment structural model it is hypothesised that Organisational Social Identity mediates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 3: In the proposed Affective Commitment structural model it is hypothesised that the Collectivism dimension moderates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 4: In the proposed Affective Commitment structural model it is hypothesised that the Power Distance dimension moderates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 5: In the proposed Affective Commitment structural model it is hypothesised that the Masculinity dimension moderates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 6: In the proposed Affective Commitment structural model it is hypothesised that Perceived Organisational Justice mediates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 7: In the proposed Affective Commitment structural model it is hypothesised that Perceived Organisational Justice positively influences Organisational Social Identity.

Hypothesis 8: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract mediates the relationship between Perceived Corporate Social Responsibility and Affective Commitment.

Hypothesis 9: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract positively influences Organisational Social Identity.

Hypothesis 10: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract positively influences Perceived Organisational Justice.

In addition to the above, it is proposed that a number of additional demographic variables influence the relationship between *Perceived Corporate Social Responsibility* and *Affective Commitment*. This includes gender differences, level of education and position at the organisation. These relationships will be explored in the preliminary statistical analyses.

3.3 STRUCTURAL MODEL

The structural model can be viewed as a schematic representation of the created hypotheses, which attempts to provide a valid answer to the research initiating question. The literature review and theorising conclude in the proposed structural model of the study which can be schematically portrayed, as depicted in Figure 3.1. After the latent variables are operationalised, the model can be empirically tested.

The statistical hypotheses form the underlying reasoning behind the structural model and proposed research design, and also determines the statistical analyses associated with an *ex post facto* correlational design (Theron, 2014). In order to investigate these hypotheses, Structural Equation Modelling (SEM) using Partial Least Squares (PLS) technique were used. This technique is referred to as PLS SEM (Hair Jr, Hult, Ringle, & Sarstedt, 2017). Further discussion of the statistical analyses to follow below.

3.4 RESEARCH DESIGN

The model as depicted in Figure 3.1 hypothesises specific structural relations between latent variables. The method to empirically test the validity of the specific direct effect substantive research hypotheses is referred to as the research design. The research design can be described as the plan or the structure of an investigation, bearing in mind the research questions (Kerlinger & Lee, 2000).

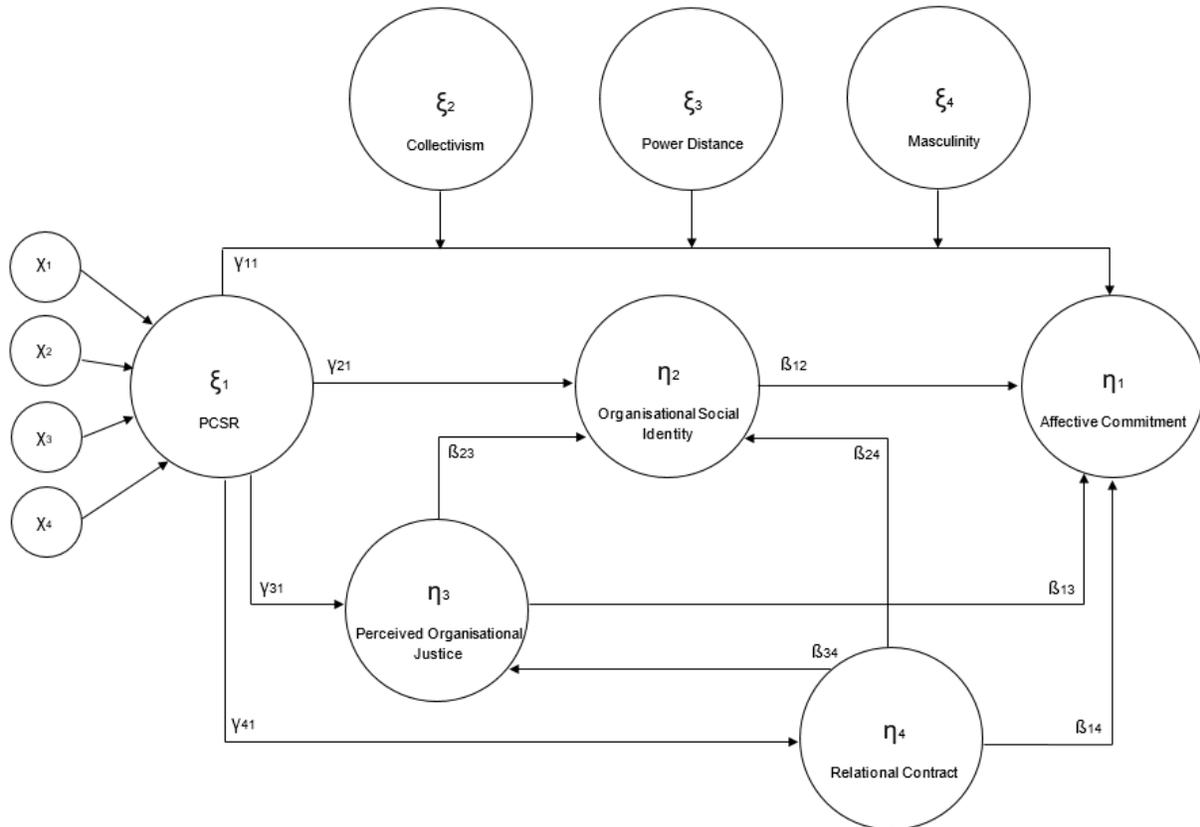


Figure 3.1: Structural model

Note. χ_1 to χ_4 refers to the four components of *Perceived Corporate Social Responsibility*, namely Economic-, Ethical-, Legal-, and Discretionary Citizenship.

Babbie and Mouton (2001) furthermore describe the research design as the blueprint of how the study is conducted, which will thus determine the way observations and interpretation of the observations through scientific enquiry are made. The research design serves to provide answers to the research questions, and to control variance associated with the particular research problem (Kerlinger & Lee, 2000). Controlling of variance refers to the maximisation of systematic variance, the minimisation of error variance and the controlling of extraneous variance (Kerlinger & Lee, 2000).

In explanatory research, there are two broad categories of research designs, namely experimental designs and *ex post facto* designs. In experimental designs, the researcher experimentally manipulates one or more independent latent variable by assigning

research participants or groups to experimental treatments or interventions. The situation is thus not only observed, but also manipulated. In *ex post facto* designs the researcher does not have manipulative control over at least one of the independent variables (Kerlinger & Lee, 2000). The present study used an *ex post facto* correlational design with no manipulation of variables, in order to determine the relationships between the different constructs. According to Babbie and Mouton (2001), an *ex post facto* correlational design strategy can be used to measure the relationships between two or more variables. Considering that the aim of the research study is to explore existing relationships between two or more variables, the research design is thus suitable.

A cross-sectional study makes observations or collections at a specific or single point in time (Kerlinger & Lee, 2000). There are no intervention or manipulation by the researcher to measure changes (Labaree, 2009). The data for the study was collected at a single point in time in order to evaluate and empirically assess the proposed relationships between the latent variables. The *ex post facto* correlational design is preferred in research like the present study, which did not require any manipulation or intervention.

Babbie and Mouton (2001) also indicated that an *ex post facto* correlational design strategy is applicable when two or more variables are measured to establish relationships for the purpose of making predictions. Considering that the aim of the research study is to explore existing relationships between two or more variables, the research design is thus regarded as suitable.

3.5 SAMPLE SELECTION AND PROCEDURE

The aim of the current study is to gain a better understanding of the influence of employee perceptions regarding *CSR* on *Affective Commitment*, as reflected in the model in Figure 2.2. The study furthermore aims to develop an understanding of *Affective Commitment* within the South African context, bearing in mind cultural diversity and differences.

In order to ensure that the sample is representative of the South African labour market, labour market statistics which indicates the percentages of employed individuals of cultural groups in South Africa were considered. As per Statistics South Africa (2017), the

following serves as a recent representation of the entire South African workforce, categorised in terms population group (culture):

- 78% of the South African working population are Black African men and women.
- 10% of the South African working population are Coloured men and women.
- 3% of the South African working population are Indian / Asian men and women.
- 9% of the South African working population are White men and women.

In order to ensure that all viewpoints are captured, the researcher attempted to ensure that the sample was at least representative of the workforce representation of South Africa. It was ensured that individuals from various population groups (cultures) were in fact included in the study. It was not possible to include the same exact percentages of individuals from the different population groups, but the researcher encouraged individuals from all different population groups (Black African, Coloured, Indian / Asian and Whites) to participate in the study. Theoretically speaking, the target population of the current study would be all formally employed individuals in South Africa. However, due to the fact that senior management strategies can have a direct impact on for example CSR policies, implementation of fair policies or procedures (which impacts for example on Justice Perceptions and the *Psychological Contract*), and therefore senior management teams were not considered to form part of the study. The focus of the study was therefore on employees in positions of non-managerial, first-line managerial (supervisor) to middle-level management positions.

Ideally, the entire target population (e.g. all South African employees not in a senior management positions) should be studied, but due to time constraints, economic resources and limited access to the actual population, researchers typically make use of a representative sample of the target population. The aim of the sampling is thus to select a portion or subset of the target population that serves as a representative sample of the target population (Babbie & Mouton, 2001; Kerlinger & Lee, 2000).

A representative sample will comprise of individuals in different positions in the organisation, including male and female employees, as well as differing in terms of demographics, such as age and racial or cultural background. Babbie and Mouton (2011)

indicate that the purpose of sampling is to gain an accurate understanding of the larger population, but through a few observations and representative sample. The sample should thus represent the actual population, and the gap between the sampling- and actual population should remain small.

Sampling methods can mainly be classified in terms of probability sampling and non-probability sampling (Kerlinger & Lee, 2000). Probability sampling involves the selection of a random sample from a list containing the names of everyone in the population. Probability sampling remains the primary method of selecting representative samples, although in many research situations it may be impossible and not attainable (Babbie & Mouton, 2001). Non-probability sampling refers to a more convenient method of sampling, where readily available individuals are selected to participate in the study. Researchers must however acknowledge limitations of non-probability sampling regarding precise representations of the target population (Babbie & Mouton, 2001; Langenhoven, 2014).

Different organisations were approached to participate in the current study, but only one organisation allowed participation. It was subsequently was not possible to include individuals from a wide variety of organisations, which suggests that non-probability sampling methods was a more applicable method.

The organisation that participated in the study is a multi-national, fast-moving consumer goods (FMCG) company. The company was appropriate for inclusion in the study given its international exposure (being a large multi-national company that employs individuals from several cultural orientations), as well as the fact that the company definitely implements *CSR* strategies, which may not be the case for smaller businesses. Only the South African subsidiary company was included in the study. In the current study, non-probability convenience sampling was therefore used. Convenience sampling refers to participants to whom the researcher has easy access, and who were readily available. Whilst convenience sampling is indeed one of the most used methods of sampling, it is also widely criticised for being biased and not representative of the entire population (Babbie & Mouton, 2001).

The sampling method followed allowed the researcher to ensure that participants across different organisational levels were reached, and the inclusion of various demographic variables to ensure that different viewpoints are in fact captured. It thus allowed the researcher to select participants that will in fact reflect the cultural diversity of South Africa in terms of the workforce representation, whilst at the same time also making use of participants to whom the researcher had access. This technique furthermore implies that the participants willing to participate in the study were selected.

Prior to the commencement of the data collection procedure, permission was obtained from the participating organisation. Approximately 400 questionnaires were distributed to employees (excluding senior management), of which 172 questionnaires were completed. The response rate was thus approximately 43%.

The fact that there are discrepancies between the target population and the sampling population in terms of the current study is acknowledged as a limitation. The research findings will thus be presented accordingly.

3.5.1 Data collection procedure

A questionnaire consisting of a selection of measurement instruments for each latent variable from the structural model depicted in Figure 2.2 were used to operationalise the model. None of the questionnaires utilised in the research are regarded as psychological acts, as defined by the Health Professions Council of South Africa (HPCSA).

The HPCSA provides guidelines for good practices in conducting research, which was considered. The Ethical Rules of Conduct for Practitioners Registered under the Health Professions Act (Act no. 56 of 1974) (Republic of South Africa, 2006) outlines a number of important requirements pertaining to research, which are highlighted in section 3.11 at the end of chapter three.

Based on these guidelines, the researcher obtained organisational approval prior to commencing with the data collection procedure. The researcher provided the management team of the selected FMCG company with an overview of the study, and an

agreement was reached in terms of distribution of the questionnaires to ensure that it fitted in with the organisation's preferences and did not interfere with operations. The organisation requested not to be named in the present study.

The data collection procedure started after the Departmental Ethics Screening Committee (DESC) provided approval for the study. All questionnaires utilised in the study were available in the public domain and it was therefore not necessary to gain permission from the authors.

Upon obtaining approval from the DESC, permission was obtained from the participating organisation, followed by distribution of the questionnaires at the organisation. The researcher explained the purpose of the study and the participants were informed that participation in the study was entirely voluntary. Informed consent was explained, and participants were further made aware of the fact that the study is completed anonymously, in order to protect their identities and viewpoints. In addition, the concept of confidentiality was explained, as only aggregate data will be made public in the study. It was thus explained that the participants will remain anonymous in the study.

Participants were provided with the opportunity to receive personal feedback of a summary of the research results and findings. Participants could provide their email addresses in order to receive such feedback. It was, however, explained that in the event that they wanted feedback and provided their email addresses, they would be voluntarily giving up their anonymity. None of the participants provided their email addresses in order to receive feedback of the study results, and therefore all participants remained anonymous. An arrangement was made to provide feedback to the participating organisation by presenting the results obtained in the study to the management team.

3.5.2 The demographic profile of the sample

As noted, the researcher aimed to select a sample that was indeed representative of the cultural diversity within the South African labour market and workforce. Whilst it was not possible to replicate the entire demographic make-up of the South African workforce, the

aim was to ensure that the diversity of the South African Workforce was in fact captured. Table 3.1 contains descriptive statistics of the participant sample.

In terms of ethnicity (which refers to cultural orientation), the majority of the participants were White (38%), followed by Black African (35%). Coloured individuals (21%) and Indian / Asian individuals (6%) also participated in the study. The participants were in fact culturally diverse, as it represents all ethnic groups in South Africa, but not in terms of proportional distribution. Although the selected organisation's workforce may not necessarily represent the entire working population of South Africa, as previously outlined, the viewpoints of individuals from different population groups could be captured, which was essential in the context of the present study.

Altogether 56% of the sample were male, whilst 44% were female participants. Most hold at least a Grade 12 level of education or higher, with only 14% of participants not holding a Grade 12 level of education.

It is furthermore evident that the majority of the individuals (70%) who participated in the survey were aged between 21 and 40 years. Mostly non-managerial individuals (58%) participated the study. Senior management teams were not considered to form part of the study. The focus of the study was therefore on employees in positions of non-managerial, first-line managerial (supervisor) to middle-level management positions. It should lastly be noted that six participants were from other nationalities. These individuals are however regarded to form part of the South African workforce and were therefore not excluded from the study.

Table 3.1
Descriptive statistics for the participant sample

Variable	Frequency	Percentage (%)
Gender		
Male	75	56%
Female	97	44%
Age of Participants		
Below 20	4	2%
21 – 30	60	35%
31 - 40	61	35%
41 - 50	25	15%
Above 51	20	12%
No Response	2	1%
Ethnic Group		
Black African	61	35%
Coloured	35	21%
Indian / Asian	11	6%
White	65	38%
Job Level		
Non-Managerial	100	58%
Supervisory Level	22	13%
First Line (Lower Level)	22	13%
Management		
Middle Level Management	26	15%
No Response	2	1%
Educational Level		
Grade 11 or lower	24	14%
Grade 12 or Equivalent	58	34%
National Diploma / First Degree	48	28%
Post-Graduate Studies	42	24%
Nationality		
RSA	166	97%
Other	6	3%

3.6 MEASURING INSTRUMENTS

In order to evaluate the structural model depicted in Figure 2.2, the endogenous and exogenous variables should be measured using suitable measuring instruments. It should thus be determined whether the indicator variables that measure each latent variable, are valid and reliable (Theron, 2012). As such, available research evidence on the reliability and validity of each of the selected instruments were reviewed to ensure that appropriate measures are used.

Reliability refers to the consistency of results in the measurement, which deals with the question as to whether the specific measurement technique will yield consistent results. There are various ways to create reliable measures in social research, such as through the test-retest method, split-half method and using previously established and reliable measures that have already been developed (Babbie & Mouton, 2001). Validity refers to whether the empirical measure indeed measures the construct that it intends to measure, in other words whether the measure reflects the true meaning of the relevant concept (Babbie & Mouton, 2001).

The reliability of each assessment was established by analysing the Cronbach's alpha coefficient, see Table 3.2 for the interpretation guide provided by Nunnally (1978) in terms of the reliability coefficients. The validity of the measurements was also indicated.

Table 3.2

Nunnally reliability coefficients

Reliability Coefficient	Interpretation
.9 and above	Excellent
.80 - .89	Good
.70 - .79	Adequate
Below .70	May have limited applicability

Note: Adapted from "Psychometric Theory" by Nunnally (1978), McGraw-Hill. Copyright (1978) by McGraw-Hill.

A seven-point Likert scale were used for all responses to measurement questions, using the following anchors: "strongly disagree", "disagree", "slightly disagree", "do not know", "agree slightly", "agree", "strongly agree". The measures were self-report measures, thus

reflecting the individuals' view regarding each dimension. The "do not know" response allowed participants not to feel pressured by selecting a viewpoint if they did not carry knowledge of a specific question. This removed the burden on participants of trying to express an opinion over a matter they cannot reasonably be expected to have an opinion on. The "do not know" response was awarded with a mid-value of four on the seven-point Likert scale, as this would not affect the psychometric properties of the scales.

It is acknowledged that forms of self-report bias may have an impact on the results of the study. As noted by Donaldson and Grant-Vallone (2002), accurate measurement of organisational behaviour is important when conducting organisational research and the majority of research in the field is conducted utilising different forms of self-report questionnaires.

There are however several types of response bias associated with self-report questionnaires, which amongst others include the following:

- Research participants may respond in socially desirable ways and may thus under- or over-report with respect to certain items.
- Research participants may have a different understanding or interpretation of questions in contrast to what is intended, thus relying on personal perceptions.
- Research participants may interpret the rating scales differently.
- Response bias is also of concern, where research participants may have a tendency to respond to questions in a specific manner without assessing the question sufficiently (Donaldson & Grant-Vallone, 2002; Hoskins, 2012).

3.6.1 Organisational Commitment

In order to operationalise *Affective Commitment*, an *Organisational Commitment* scale, developed by Allen and Meyer (1990), was utilised. The scale is widely used by researchers and taps into all three aspects of *Organisational Commitment*, namely *Affective-*, *Normative-* and *Continuance Commitment*. The scale furthermore includes items from another well-known and frequently used *Organisational Commitment*

measure, namely the fifteen item *Organisational Commitment* Questionnaire (OCQ), which was developed by Mowday et al. (1979).

As previously discussed under the literature review, evidence from available research is clear that *Perceived Corporate Social Responsibility (CSR)* influences *Organisational Commitment*, but there appears to be an indication that it impacts the *Affective Commitment* component to a stronger degree. The current study therefore proposes that *Perceived CSR* positively influences *Affective Commitment*. Therefore, the relationship between *Affective Commitment* and *Perceived Corporate Social Responsibility (CSR)* were studied.

There are eight items assessing *Affective Commitment*, which includes items such as “*I would be happy to spend the rest of my career at this organisation*”, and “*I do not feel a strong sense of belonging to my organisation*”. The scale furthermore consists of items for *Continuance-* and *Normative Commitment*, although only the items related to *Affective Commitment* were included for analysis in the study. Some items were negatively phrased and others reverse scored in order to reduce response bias. Higher scores on each of the subscales of *Organisational Commitment* suggest higher commitment towards the organisation.

The scale developed by Allen and Meyer (1990) was validated by the authors through factor analysis and it was established that the three dimensions accounted for 58.8%, 25.8%, and 15.4% of the total variance in *Organisational Commitment*. The items also loaded highest on the factor that they were intended to represent.

A reliability coefficient of the scale of .80 was obtained, which is regarded as good in terms of Nunnally's guidelines for evaluating the reliabilities of scales, as per Table 3.2. The reliability coefficients of each dimension of the scale were as follows: *Affective Commitment* (.87), *Continuance Commitment* (.75), and *Normative Commitment* (.79) (Allen & Meyer, 1990), and are thus regarded to be adequate.

3.6.2 Perceived Corporate Social Responsibility

Perceived Corporate Social Responsibility was measured with a scale adapted from Maignan and Ferrel (2001). The scale consists of four components, namely the economical, legal, ethical and discretionary components of *Corporate Social Responsibility* that will serve as indicator variables.

As previously discussed under the literature review, the economic component refers to the economic responsibility of the organisation, whilst the legal component is concerned with compliance towards laws and regulations. The ethical component furthermore addresses societal expectations and the voluntary dimension refers to philanthropic actions of the organisation. The *Perceived Corporate Social Responsibility* scale consists of 29 items (total scale).

The economic dimension is measured by seven items, which requires a rating on statements such as “*our business have been successful at maximising profits*” and “*our business closely monitors employees’ productivity*”. The legal component is also assessed by ratings on seven items, including questions such as “*all our products meet legal standards*”, “*the managers of this organisation try to comply with the law*” and “*our company seeks to comply with the laws regulating hiring and employee benefits*”. The ethical dimension is assessed by seven items which include questions such as “*our business has a comprehensive code of conduct*” and “*members in our organisation follow professional standards*”. Lastly, the discretionary or philanthropic dimension is evaluated by eight items that include questions such as “*salaries offered by our company are higher than the industry norm*” and “*our business gives adequate contributions to charity*”.

Higher scores on each of the dimensions indicate that employees have more favourable perceptions regarding the organisation’s *CSR* policies, leading to positive perceptions regarding the organisation’s stand on *CSR*. However, the opposite is also true, low scores on the dimensions will indicate that employees have less favourable perceptions regarding the organisation’s stand in terms of the aspects of *CSR*.

During the development of the particular scale, the authors firstly focused on the face validity and content validity of the scale, where a pre-test was conducted in order to mark

ambiguous items and rate the items in terms of consistency and representativeness. Through this evaluation process the initial scale was reduced from 32 items to the 29 items as indicated above (Maignan & Ferrel, 2001).

Research evidence in terms of reliability indicates that the Cronbach's Alphas are satisfactory (above .70) on the legal (.86), ethical (.88), philanthropic (.90), and economic responsibilities (.87) (Maignan & Ferrel, 2001). The overall reliability of the scale is thus regarded to be good measured against Nunnally's guidelines for the evaluation of the reliabilities of scales reported in Table 3.2.

3.6.3 Organisational Social Identity

Organisational Social Identity was measured by a six-item scale developed by Mael and Ashfort (1992). The scale includes items such as "*I feel strong ties with my organisation*" and "*I experience a strong sense of belongingness to my organisation*". High scores on the scale indicate that the employees identify positively with the organisation.

Research on the measure reports a satisfactory coefficient alpha, ranging from .80 to .89 across different samples and the instrument is thus regarded to be reliable and good (Ashfort & Mael, 1989; Mael & Ashfort, 1992). The scale is furthermore also regarded to be valid, given the wide use of it in literature to operationalise Organisational Identity, as well as the fact that the scale is based on the authors' research of antecedents and outcomes related to *Social Identity Theory*.

3.6.4 Cultural Values

Cultural Values were measured utilising the Cultural Value Scale (CVSCALE), a 26-item scale of Individual *Cultural Values*, developed by Yoo et al. (2011). The CVSCALE was adapted from Hofstede's cultural value dimensions with the specific aim of utilisation it on the individual level.

As indicated under the literature review, the values related to *Power Distance*, *Collectivism* and *Masculinity* are viewed as important in the current study. *Power*

Distance explains the society's interpretation of inequalities and can thus refer to hierarchical order in societies, which will be reflected in a high *Power Distance* score. *Collectivism* refers to the cultural dimension of Individualism (groups that are characterised by self-interest) versus *Collectivism* (groups that focus on the collective). *Masculinity* is typified by a masculine society, with distinct roles for men and women, versus a more feministic society where the role of gender role division is minimised (Hofstede, 1983; Hofstede, 2001; Hofstede, Hofstede, & Minkov, 2010).

Only 15 items from the CVSCALE were utilised in the study, five items related to *Power Distance*, six items related to *Collectivism* and four items related to *Masculinity*. The resulting scale included items such as “*It is more important for men to have a professional career than women*” (related to *Masculinity*), “*Group success is more important than individual success*” (related to *Collectivism*), and “*People in higher positions should make most decisions without consulting people in lower positions*” (related to *Power Distance*).

The scores on the scale will indicate to which extent employees identify with each cultural dimension. For example, high scores pertaining to the *Masculinity* cultural dimensions indicate that the individual identifies with the Masculine *Cultural Values* (distinctly defined roles for men and women), whereas lower scores on the same dimension suggest they identify with the Feminine *Cultural Values* (minimised social sex role division). Higher scores on the *Power Distance* dimension will suggest that the individual identifies strongly with *Power Distance Values* (society accepts a hierarchical order), whereas lower scores on this dimension will indicate lower identification with *Power Distance Values* (striving to equalise the distribution of power and demand justification for inequalities of power). Lastly, high scores on the *Collectivism* dimension will indicate that the employee identifies with Collectivistic *Cultural Values* (cohesive framework in society), whereas lower scores indicate that the employee identifies with Individualistic *Cultural Values* (these employees are characterised by self-interest and possibly the interest in or caring for immediate family).

The measurement model for the CVSCALE was validated by the authors and it exhibited an excellent fit. The scale was furthermore validated across several countries. The

nomological validity was also evaluated against two related constructs, which yielded overall positive results (Yoo et al., 2011).

With regard to reliability, the Cronbach's alphas were high with *Power Distance* between .79 and .84, *Collectivism* between .72 and .78, and for *Masculinity* an alpha of .71 (Yoo et al., 2011). The overall reliability of the scale is thus regarded to be satisfactory, measured against Nunnally's guidelines for the reliabilities of scales in Table 3.2.

3.6.5 Perceived Organisational Justice

In order to operationalise *Perceived Organisational Justice*, Ambrose and Schminke's (2009) adaption of the *Perceived Overall Justice (POJ) Scale* was used. The POJ Scale, which consists of seven items, was developed based on entity judgements, or holistic judgements, where individuals had to assess an entity as a whole (in this case, the organisation is the entity). According to the authors, *Perceived Organisational Justice* is based on individual personal justice experiences, as well as the general fairness of the organisation. The scale assesses overall fairness in terms of both of these dimensions.

Items include statements such as “*overall, I am fairly treated by my organisation*”, and “*most of the people who work here would say they are often treated unfairly*”. Higher scores on the scale indicate that overall employees perceive the organisation to be fair and thus perceive justice as being high.

The authors validated the scale by drawing on research from another well-known *Organisational Justice* scale developed by Colquitt (2001). In terms of reliability, the observed Cronbach's alpha (.93) is regarded to be excellent, as per Nunnally's guidelines to evaluate the reliabilities of scales in Table 3.2 (Ambrose & Schminke, 2009).

3.6.6 Psychological Contract

The scale used to measure *Psychological Contract* was originally developed by Millward and Hopkins (1998) and adapted by Raja et al. (2004). Both these forms are often used in research pertaining to the *Psychological Contract*. The initial 31 item *Psychological*

Contract Scale developed by Millward and Hopkins (1998) was reduced to 18 items in the Raja et al. (2004) study. This version includes nine items related to the Transactional Contract, and nine items related to *Relational Contract*. Only the nine items of the *Relational Contract* were utilised in the current study.

The *Relational Contract* focuses more on the interplay between economic and internal emotional factors, and suggests that employees are more willing to work, help co-workers and support organisational change, referring to non-monetary exchanges, such as commitment (Lee & Liu, 2009; MacNeil, 1985; Rousseau, 2004). Therefore, it was appropriate in the context of the present study to focus on the *Relational Contract*, as previously discussed.

The *Relational Contract* scale consists of nine items, which includes statements such as “*I expect to grow in this organisation*” and “*I do not identify with the organisation’s goals*”. Lower scores on the scale will suggest that employees experience a breach of the *Psychological Contract*, whereas higher scores indicate that employees experience the organisation as fulfilling and meeting their expectations and agreements.

The authors provided results for convergent validity, where the derived measures also correlated with another widely used scale developed by Rousseau (1995). In terms of reliability, the scale demonstrated satisfactory coefficient alphas, with the alpha for *Relational Contracts* being .79 and for transactional .72. The overall reliability of the scale is thus regarded to be satisfactory measured against Nunnally’s guidelines for the reliabilities of scales in Table 3.2.

3.6.7 Additional demographic variables

Additional demographical variables, which include gender, level of education, position and ethnicity were considered. The researcher reported on the relationships between these variables and the focal variables in the preliminary intercorrelation analyses, with the view to possibly generate further hypotheses for future research.

3.7 MISSING VALUES

A common occurrence in research is the case of missing values in a data set. Missing values could be the result of the unwillingness of a respondent or respondents to answer particular items in the questionnaire, or accidentally missing a question, thus unintentionally passing an item. Before proceeding with the calculation of composite indicator variables and data analyses, missing values (or referred to as non-response items) should be addressed. According to Du Toit and Du Toit (2001) consideration should be given to the nature of the data, as well as the frequency or number of missing values, to determine the suitable method to address missing values. There are different investigation methods to address missing values, including list-wise deletion or pair-wise deletion (deletion of data), or imputation by matching or multiple imputation (data imputation) (Du Toit & Du Toit, 2001; Jöreskog & Sörbom, 1996).

For the purposes of this study, the programme STATISTICA Imputation method was selected in order to resolve missing values.

3.8 STATISTICAL ANALYSIS

Depending on the research question of the study, various data analysis techniques can be used. In order to analyse the the data obtained from the measuring instruments and evaluate the psychometric properties associated with the constructs, the following techniques were used for the study: reliability analysis (item analysis), and partial least square (PLS) structural equation modelling (SEM). A brief explanation of techniques will be provided in the subsequent sections.

Structural equation modelling (SEM) analysis using the partial least square (PLS) technique is referred to as PLS SEM (Hair Jr et al., 2017). PLS SEM provides a prediction from a set of dependent relationships and is thus used to facilitate or optimising prediction (Henseler, Ringle, & Sinkovics, 2009; Vinzi, Trinchera, & Amato, 2010).

PLS can be regarded as a soft modelling approach, which is variance-based approach to SEM. PLS modelling is recommended to test and validate exploratory models and can be

used for exploratory research and the prediction of variance in variables when examining the theoretical model (Langenhoven, 2014). The PLS soft modelling approach can thus be seen as an alternative to the hard-modelling approach of covariance-based SEM when using maximum likelihood, being useful in testing of exploratory models and for its prediction value (Hair Jr et al., 2017; Henseler et al., 2009).

PLS path modelling can be used when sample groups are smaller, which is an advantage over covariance-based SEM (Glocker, 2012). Most SEM hard modelling approaches (covariance-based SEM) require a sample size exceeding 200 respondents or observations (Kelloway, 1998). PLS modelling is thus considered to be less rigorous in terms of distribution, sample size, measurement scale, and error terms (Henseler et al, 2009; Vinzi et al, 2010). Given the nature of the study, the motivation for using PLS modelling can be seen to be the value it adds in a study focused on exploration and prediction (Henseler et al., 2009). It furthermore does not require a normal distribution of data (Chin, 1998).

3.8.1 Reliability (item) analysis

The measurement scale items were developed to measure the respondent's standing on specific latent variables, or dimensions of a latent variable. Items thus function as stimuli, to elicit a response or reflect a standing on the specific latent variables or dimensions of latent variables in terms of observable behaviour (Langenhoven, 2014). A specific constitutive definition has been attached to each variable. The particular instruments used to operationalise the structural model were discussed.

It is therefore necessary to determine whether each measurement instrument include items that measure the actual latent variable or the dimensions of the latent variable that it intends to measure, as per the constitutive definition. The item responses record the responses to the underlying construct which then becomes observable behaviour (Little, 2003; Tabachnick & Fidell, 2013).

Item analysis was conducted to identify any items that do not successfully reflect the intended latent variable, and thus to determine the internal consistency (reliability and

validity) of the items of the measuring instruments of the latent variables (Tabachnick & Fidell, 2013). The aim is to identify any poor items that did not successfully reflect the intended latent variable, thus items that do not measure what it intends to measure. According to Theron (2014) poor items can be insensitive to differences, inconsistent or indicate a poor interpretation of the construct. Poor items are regarded as items that fail to discriminate between different levels of the latent variable.

Poor items will be indicated, but not removed for the particular study as that would render the results incomparable with studies utilising the same instruments. The researcher will thus report on possible poor items if applicable, which can be considered for removal from scales in future research.

The Cronbach's alpha coefficient (see Table 3.2 for the interpretation guide provided by Nunnally, 1978 in terms of the reliability coefficients), were used to evaluate the reliabilities of the subscales. The closer the Cronbach's alpha value is to 1, the greater the internal consistency of the scale. According to Tabachnick and Fidell (2013), Cronbach's alphas of .70 or higher can be regarded as adequate. Inter-correlations for each subscale were also evaluated. All the measurement scales and subscales were tested to identify possible poor items.

3.8.2 Partial least square (PLS) structural equation modelling (SEM)

An *ex-post facto* correlation design was considered the appropriate research design for the study, with structural equation modelling (SEM) as the statistical analysis technique to test the *Organisational Commitment* structural model. The various statistical processes underlying SEM are discussed in the following section.

As noted, PLS SEM analysis can be regarded as an alternative technique to covariance-based SEM. PLS SEM consists of two parts, evaluating the measurement model (the outer model) and the structural model (the inner model). The measurement model displays the relationship between constructs and the indicator variables. The structural model displays the relationships (paths) between the constructs (Hair Jr et al., 2017). When assessing the outer measurement model, the reliability and validity of constructs

are assessed (Henseler et al., 2009). The outer model analyses the relationship between latent variables and the manifest variables, by evaluating the variance explained and predictive relevance. It is suggested to evaluate the structural model only when the calculated latent variable scores show evidence of sufficient reliability and validity (Henseler et al., 2009).

In terms of evaluating the measurement model, composite reliability, average variance extracted (AVE), discriminant validity (using the Hetrotrait-Monotrait (HTMT) Ratio) and outer loadings were evaluated. For the structural model, possible multicollinearity (by calculating variance inflation factor (VIF), R-square values and path coefficients were evaluated (Hair Jr et al., 2017; Henseler et al., 2009; Langenhoven, 2014).

Bootstrapping allowed for the estimation of quantities associated with the sampling distribution, by estimating 95% Confidence Intervals and p-values to test the hypotheses (Boos, 2003). Bootstrapping is seen as a resampling technique to determine confidence intervals of the path coefficients and make statistical inferences (Tenenhaus, Esposito Vinzi, Chatelin, & Lauro, 2005). According to Hair et al. (2017) a bootstrap distribution commonly applies critical values for two tailed tests of 1.96 for a 5% significance level, with the p-value being smaller than .05.

The study also focused on moderating variables, where the latent variables scores for each latent variable were calculated and thereafter entered as dependent and independent variables in regressions. The moderating effects of the latent variables on the direct relationship between latent variables were furthermore analysed (Henseler & Fassot, 2010).

3.8.3 Intercorrelation matrices

As noted, additional demographical variables, which include gender, level of education, position and level of position held at the organisation, were also to be considered in the study. The researcher reported on the relationships between these variables and the focal variables in the preliminary intercorrelational analyses, with the view to possibly generate further hypotheses for future research in Chapter four. The intercorrelational matrices

include all the variables in the model (Figure 2.2), as well as selected demographical variables for comparative purposes.

3.9 EXPECTED RESULTS

The structural model depicted in Figure 3.1 attempts to provide a partial explanation of *Perceived Corporate Social Responsibility* and the effect thereof on *Affective Commitment*. It is therefore expected that the hypotheses as previously described will provide information that will enable one to understand the relationship between employee perceptions regarding *Corporate Social Responsibility* and *Affective Commitment*.

Previous international studies that have been conducted have already established that *Social Identity* plays an integral role in the relationship between employee perceptions regarding *CSR* and *Affective Commitment*. The role of *Organisational Social Identity* is therefore expected to mediate the relationship between the constructs in the current study. Furthermore, the inevitable role of cultural orientations cannot be ignored. As previously discussed, it is envisaged that cultural orientations with regard to the *Collectivism*, *Power Distance* and *Masculinity* will affect employee perceptions of *CSR* and its relation to *Affective Commitment*.

Perceived Organisational Justice is furthermore expected to mediate the relationship between employee perceptions of *CSR* and *Affective Commitment*, whilst at the same time relating to *Organisational Social Identity*. The *Relational Contract* is also expected to mediate the relationship between employee perceptions of *CSR* and *Affective Commitment*. The *Relational Contract* is furthermore envisaged to impact on Justice Perceptions. The model thus attempts to provide an explanation for the underlying psychological constructs influencing the relationship between employee perceptions of *CSR* and *Affective Commitment* by including various other constructs expected to play a role.

3.10 ETHICAL CONSIDERATIONS

The Health Professions Council of South Africa (HPCSA) provides guidelines for good practices in conducting research. The Ethical Rules of Conduct for Practitioners Registered under the Health Professions Act (Act no. 56 of 1974) (Republic of South Africa, 2006) outline a number of important requirements pertaining to research, which amongst others include the following:

- A Psychologist shall plan and conduct research in a manner consistent with law, and with international acceptable standards for the conduct of research.
- A Psychologist shall obtain institutional approval from the host institution and conduct research in accordance with the research protocol by the institution concerned.
- A Psychologist shall obtain informed consent (which includes informing participants of the nature of research, informing participants that they are free to participate or decline to participate, or withdraw from the study, as well as inform the participant of any factors he or she should be aware of).
- A Psychologist shall afford the participant the opportunity to obtain appropriate information about the nature, results and conclusions of the research.
- A Psychologist shall take reasonable measures to reduce harm, and also takes steps to minimise the harm if the Psychologist becomes aware of any harm.
- A Psychologist shall not fabricate data or falsify results in any publication of research findings.
- A Psychologist shall not present substantial portions or elements of another person's work or data as his or her own.

Although the requirements only outline some of the requirements as indicated by the HPCSA, the researcher kept all the ethical considerations in mind throughout the research process. The researcher further considered the Stellenbosch University Ethical Guidelines for research, which included guidelines in terms of the consent forms, data collection instruments, information sheets, and permission letters.

The researcher obtained ethical approval for the study from the Stellenbosch University Departmental Ethics Screening Committee (DESC), as well as permission from the organisation willing to assist with filling out surveys. The ethical risk associated with the study was low, with little potential for discomfort or inconvenience.

The researcher ensured that sufficient information regarding the study was provided to respondents, and the concept of informed consent was explained to participants. Respondents were made aware of the fact that participation in the research was entirely voluntary. They were further made aware of confidentiality aspects, but it was explained that information obtained from the research will be shared anonymous and in a combined form with the Department of Industrial Psychology at Stellenbosch University and the participating FMCG company, as well as outlined in the thesis. An arrangement was made with the participating organisation to provide feedback with respect to the results to an identified management team. The researcher attempted to avoid and minimise any potential and unintentional harm that the research could cause participants. None of the surveys utilised in the research were regarded as psychological acts as defined by the HPCSA. The researcher presented the study in an honest manner and did not produce or modify results to fabricate or falsify any information.

3.11 CHAPTER SUMMARY

Chapter three presented the substantive research hypotheses and overview the research design, the research procedure, as well as sampling selection and procedure, and also described the measuring instruments used to operationalise the latent variables and ethical considerations applicable to the study. The results of the above-mentioned procedures will be discussed in the following chapter.

CHAPTER 4: RESULTS

4.1 INTRODUCTION

Chapter three served as an explanation of the research methodology. Chapter four discusses the research findings.

Reliability (item) analysis was conducted in order to determine the internal consistency of the items of the measuring instruments for *Affective Commitment*, *Perceived Corporate Social Responsibility*, *Organisational Social Identity*, *Perceived Organisational Justice (Overall Justice)*, *Relational Contract* and the *Cultural Values (Collectivism, Power Distance and Masculinity)*. Thereafter, partial least squared (PLS) structural equation modelling (SEM) was utilised to evaluate the measurement model and structural model.

In terms of evaluating the measurement model, composite reliability, average variance extracted (AVE), discriminant validity (using the Hetrotrait-Monotrait (HTMT) Ratio) and the outer loadings were evaluated. For the structural model, possible multicollinearity (by calculating variance inflation factor (VIF), R-square values and path coefficients were evaluated.

4.2 PRELIMINARY STATISTICAL ANALYSIS

In the preliminary statistical analysis, the demographical variables, which included the impact of gender, level of education, position and ethnicity were evaluated to determine whether it had an influence on the perceptions and thus viewpoints of the participants. The statistically significant differences are indicated below, with the view to generating hypotheses for future research.

Table 4.1 indicates the statistically significant correlations between the demographic variables and the specific indicator variables of the constructs.

Table 4.1
Statistically significant correlations between demographical variables and indicator variables

Demographic Variable	Indicator Variables	Pearson Correlation Coefficient	p-value
Age	Psychological Contract	- .30	< .01
Education	Economic Citizenship	.19	< .01
Education	Legal Citizenship	.36	< .01
Education	Ethical Citizenship	.37	< .01
Education	Discretionary Citizenship	.43	< .01
Education	Affective Commitment	.34	< .01
Education	Organisational Identity	.21	< .01
Education	Psychological Contract	- .27	< .01
Education	Overall Justice	.39	< .01
Education	Collectivism	- .21	< .01
Education	Masculinity	- .33	< .01

The results depicted in Table 4.1 indicate that education had an impact on most of the variables. For future research purposes, specific research hypotheses formulated in this regard may attempt to explain how the exact level of education impacts on the relevant perceptions.

Age had an effect on the *Psychological Contract* (more specifically, the *Relational Contract*). This may suggest that age affects how an individual views an aspect in terms of the *Psychological Contract*. Future research could possibly indicate differences with regards to the *Relational-* and *Transactional Contract* and the effect of age on the assigned importance of each.

Table 4.2 outlines the statistically significant mean differences in terms of gender.

Table 4.2

Statistically significant impact of gender on a latent variable

Variables	Males		Females		F-test p-value	Mann- Whitney U p-value
	Mean	Standard Deviation	Mean	Standard Deviation		
Gender / Masculinity	3.64	1.62	2.70	1.31	< .01	< .01

In terms of gender differences, the only significant difference with a p-value lower than .05, were in the answering of the *Masculinity* Cultural Value questions. Although the *Masculinity* dimension is not focused on gender orientation, this result could be expected due to the *Masculinity* dimension being concerned with different society roles fulfilled by men and women. Men may thus identify more with the predominant masculine roles, whilst women identify more with feminine roles in society. Men normally take on the assertive and dominant roles associated with the *Masculinity* dimension, whereas women take on more service-oriented and caring roles associated with the *Femininity* dimension.

Table 4.3 outlines the impact of position on the various variables. Respondents were required to indicate their position on Non-Managerial-, Supervisory-, First Line Management or Middle Management Level.

Table 4.3

Statistically significant impact of position on various variables

Demographic Variable	F-score	p-value	Kruskal Wallis	Significant Differences
Economic Citizenship	F(3.162) = 2.58	.06	.03	A/D
Legal Citizenship	F(3.162) = 4.00	< .01	.01	A/C&D
Ethical Citizenship	F(3.162) = 5.78	< .01	< .01	A/C&D ; B/C&D
Affective Commitment	F(3.162) = 3.47	.02	.02	A/C&D ; B/C&D
Psychological Contract	F(3.162) = 5.50	< .01	< .01	A/D ; B/D ; C/D
Overall Justice	F(3.162) = 3.55	0.02	.05	B/C&D

Note. A: Non-Managerial; B: Supervisory Level; C: First Line Management; D: Middle Level Management

Least significant differences (LSD) analyses were evaluated to determine significant differences between the effects of position and ethnic group on different variables, as indicated in Tables 4.3 and 4.4.

With regard to the effect of position, Table 4.3 confirms that there were statistically significant observable differences in the way individuals in different positions responded to the questions related to Economic-, Legal- and Ethical Citizenship (thus three of the four dimensions of *Perceived CSR*), as well as *Affective Commitment*, the *Psychological Contract* and *Overall Justice*. The effect on position of *Perceived CSR* could be expected to a certain extent, since an individual's position, which is also linked to educational level, may determine views about *CSR*. Individuals in higher level positions may carry more knowledge or be more aware with regard to *CSR* policies or the implementation thereof.

It is also acknowledged that position impacted on results for *Affective Commitment*, *Psychological Contract* and *Overall Justice*. In terms of the differences regarding *Affective Commitment* and position, based on the mean averages, there were statistical significant differences between the way non-managerial and supervisory staff members responded in comparison to first line and middle level management, who obtained higher mean average scores. Thus, it appears as if the managerial level respondents obtained higher scores in terms of *Affective Commitment*. There are a number of possible reasons that can explain increased *Affective Commitment* at management level, which is not necessarily a measure in the current study.

Middle level management average values in terms of *Psychological Contract* differed from the other positions. Again, all the reasons for possible differences were not explored in the present study. First level and middle management furthermore viewed the organisation to be fair (higher mean scores for *Overall Justice*) in comparison to supervisory level participants. The fact that management is involved with decision making processes and communication may have affected these scores. The significant observable differences in terms of position can assist in the formation of future testable research hypotheses.

Table 4.4 outlines the impact of ethnicity on the difference variables

Table 4.4

Statistically significant impact of ethnicity on various variables

Demographic Variable	F-score	p-value	Kruskal Wallis	Significant Differences
Legal Citizenship	F(3.162) = 5.62	< .01	< .01	A/D; D/B
Ethical Citizenship	F(3.162) = 3.77	.01	.01	A/D
Discretionary Citizenship	F(3.162) = 10.19	< .01	< .01	A/B&C&D
Affective Commitment	F(3.162) = 11.74	< .01	< .01	A/C&D; B/C&D
Organisational Identity	F(3.162) = 9.67	< .01	< .01	A/B&C; B/C&D ; D/A
Psychological Contract	F(3.162) = 9.40	< .01	< .01	A/B&C&D
Overall Justice	F(3.162) = 3.36	.02	.05	A/C&D
Collectivism	F(3.162) = 3.93	< .01	.01	A/C; B/C; C/D
Masculinity	F(3.162) = 5.96	< .01	< .01	A/C&D

Note: A: Black African; B: Coloured; C: Indian / Asian; D: White

There were furthermore significant observable differences in the way individuals from different ethnic orientations responded to the questions. These significant observable differences in terms of the demographical variables can assist in the formation of future testable research hypotheses.

4.3 VALIDATING THE MEASUREMENT MODEL

The reliability (item) analysis was conducted to validate the scales used. Due to the fact that existing and validated scales were used in the present study, no items were considered for deletion.

4.3.1 Reliability (item) analysis

Item analysis was conducted in order to determine the internal consistency reliability of the items of the measuring instruments. The Nunnally (1978) reliability criteria as

discussed in chapter three (*refer to Table 3.2, Nunnally Reliability Coefficients*), were used in the present study. In the current study Cronbach Alphas of higher than .70 was regarded as adequate.

The average inter-item correlation refers to the average of all the correlations between the items, thus the consistency between the items. Tabachnick and Fidell (2013) noted that values between 1.00 and above .50 are considered excellent, whilst values between .00 and .50 may be regarded as acceptable. In addition, according to Pope (2009), inter-item correlation values below .2 are considered weak, values between .2 and .39 are considered good and values exceeding .4 can be considered as very good.

Reliability analysis was performed on the items for each scale or subscale in the questionnaire. A summary of the psychometric properties of the scales and sub-scales is provided in Table 4.5 below. The number of items, mean, standard deviation, standardised Cronbach's alpha and average inter-item correlations are provided for all subscales.

Table 4.5

Summarised reliability analysis of subscales

Construct / Scale	Number of items	Mean	Standard Deviation	Average Inter-Item Correlation	Cronbach's alpha (standardised)
Affective Commitment	8	39.92	8.86	.38	.83
PCSR_Economic Citizenship	7	43.42	3.76	.29	.74
PCSR_Legal Citizenship	7	42.02	4.92	.39	.81
PCSR_Ethical Citizenship	7	42.32	4.65	.37	.80
PCSR_Discretionary Citizenship	8	42.67	7.80	.43	.86
Organisational Social Identity	6	33.69	6.22	.61	.90
Relational Contract	9	50.04	8.54	.44	.87
Overall Justice	7	39.13	5.65	.40	.82
CULTURE_Power Distance	5	13.43	6.36	.49	.83
CULTURE_Collectivism	6	27.52	7.18	.48	.84
CULTURE_Masculinity	4	12.54	6.14	.57	.83

Note: PCSR: Perceived Corporate Social Responsibility

From the above, it is evident that the Cronbach alphas for all scales were above .70 (ranging from .74 to .90), which suggests that the scales showed internal reliability. The average inter-item correlations further showed that the item correlations (.29 to .61) fell in the acceptable ranges, which indicates the degree of consistency between the items, but also that they were not too highly correlated, which would have placed a question mark behind their ability to discriminate.

It was noted in chapter three that poor items will be indicated, but not removed for the particular study. In terms of the item analysis specifically, removal of items would mostly have lowered the Cronbach's alpha and thus reduced the internal consistency of the items and thus lower the reliability.

As noted, the purpose of the reliability analysis was to establish the internal consistency of the items of the measuring instruments. The results provided satisfactory evidence in terms of reliability and the average inter-item correlations were further considered to be acceptable and thus supported the reliability. Discussion of the subsequent analyses follows below.

The remainder of the section will provide the specific reliability information for each of the subscales, as per Table 4.5 above. Only where applicable, items which would have improved the Cronbach's alpha will be indicated.

4.3.1.1 Affective Commitment

An *Organisational Commitment* scale developed by Allen and Meyer (1990) was used to operationalize *Affective Commitment*. The scale consists of three subscales for *Affective*-, *Normative*- and *Continuance Commitment*, but only the *Affective Commitment* items were included for analysis in the study. *Affective Commitment* was measured with 8 items.

The *Affective Commitment* scale obtained a Cronbach's alpha of .83, which is considered good in terms of Nunnally's (1978) Reliability Coefficient guideline, as noted. The overall reliability of the scale is further supported by the average inter-item correlation.

The results suggested that removal of one of the reverse scored items of the *Affective Commitment* scale would have increased the Cronbach's alpha to .85. This is noted, but the Cronbach's alpha of .83 is in any event considered good as per Nunnally's (1978) criteria.

4.3.1.2 Perceived Corporate Social Responsibility

The four dimensions of *Perceived CSR* (Legal-, Ethical-, Discretionary-, and Economic Citizenship) were measured with 29 items. All four subscales obtained Cronbach alphas of above .70. The average inter-item correlation of all four subscales further support the overall reliability of the scales.

More specifically, Legal-, Ethical- and Discretionary Citizenship obtained Cronbach alphas exceeding .80 (*Legal Citizenship* = .81; *Ethical Citizenship* = .80; *Discretionary Citizenship* = .86), which are considered as good, as per Nunnally's (1978) criteria.

Economic Citizenship obtained a Cronbach alpha of .74, which is regarded as adequate in terms of the Nunnally's (1978) criteria. None of the items if removed would have increased the value. Future research could possibly conduct further reliability analysis and consider additional items that could be added or removed from the particular scale in order to improve reliability. Nevertheless, the value is considered to be adequate.

4.3.1.3 Organisational Social Identity

Organisational Social Identity was measured by 6 items and obtained a Cronbach alpha of .90. In terms of the Nunnally (1978) Reliability Coefficient guideline, this is regarded to be excellent. The reliability was further supported by the average inter-item correlation.

4.3.1.4 Perceived Organisational Justice

Overall Justice was measured by 7 items and obtained a Cronbach alpha of .82. In terms of the Nunnally (1978) Reliability Coefficient guideline, this is regarded to be good. The reliability was further supported by the average inter-item correlation.

4.2.1.5 Relational Contract

Relational Contract was measured by 9 items and obtained a Cronbach alpha of .87. In terms of the Nunnally (1978) Reliability Coefficient guideline, this is regarded to be good. The reliability was further supported by the average inter-item correlation.

4.2.1.6 Cultural Values (Collectivism, Power Distance and Masculinity)

Cultural Values were measured utilising the Cultural Value Scale subscales consisting of 15 items for the combination of *Power Distance*, *Collectivism* and *Masculinity* subscales. All three subscales obtained Cronbach alphas exceeding .80, which is seen as good (*Power Distance* = .83, *Collectivism* = .84, *Masculinity* = .83). The reliability was further supported by the average inter-item correlation.

The results suggested that removal of one of the items for *Masculinity* would have increased the Cronbach's alpha to .88 for the subscale. This is noted, but the Cronbach's alpha of .83 is in any event considered good as per Nunnally's (1978) guideline.

4.4 PARTIAL LEAST SQUARE (PLS) STRUCTURAL EQUATION MODELLING (SEM) ANALYSIS

The PLS SEM comprises of two steps, firstly, evaluating the measurement model, and secondly, evaluating the structural model, which refers to the evaluation of the path analyses and the corresponding hypotheses (Chin, 1998; Hair Jr et al., 2017). After the measurement evaluation was conducted (reliability of each latent variable scale), the path coefficients were evaluated to indicate significant paths between variables (Hair Jr et al., 2017).

4.4.1 Evaluation and interpretation of the measurement model

In order to determine the reliabilities of each latent variable for the measurement model, the composite reliability and average variance extracted (AVE) were evaluated.

4.4.1.1 Composite Reliability

The composite reliability value measures the reliability of the latent variable scales. A composite reliability value that is equal to or higher than .70, is regarded as satisfactory (Bryman & Bell, 2011; Hair Jr et al., 2017).

From the table and figure below, it is evident that all the composite reliabilities of the latent variables were above .70. It can therefore be concluded that the reliabilities of all the latent variables were satisfactory. The box-and-whisker plot (Figure 4.1) indicates the composite reliability for all subscales. The figure indicates the central tendency (median, indicated by the bar), the dispersion range (highest and lowest) in the I - shaped bar range. The boxes indicate the middle 50% of responses (Bryman & Bell, 2011).

Table 4.6 furthermore indicates the Composite Reliability for all subscales.

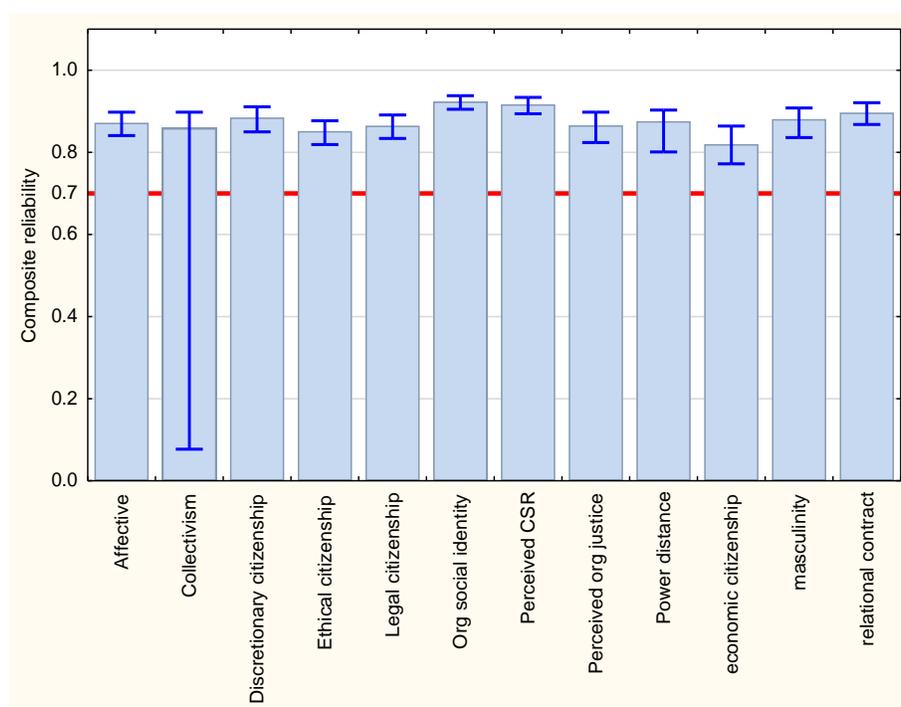


Figure 4.1: Composite reliability box-and-whisker plot

Table 4.6

Composite reliability values all subscales

Subscale	Original Sample	Confidence Intervals	
		2.50%	97.5%
Affective Commitment	.87	.84	.90
PCSR_ Economic Citizenship	.82	.77	.86
PCSR_ Legal Citizenship	.87	.83	.89
PCSR_ Ethical Citizenship	.85	.82	.88
PCSR_ Discretionary Citizenship	.89	.85	.91
Organisational Social Identity	.92	.91	.94
Relational Contract	.90	.87	.92
Overall Justice	.89	.82	.90
CULTURE_ Power Distance	.88	.80	.90
CULTURE_ Collectivism	.86	.07	.90
CULTURE_ Masculinity	.88	.84	.91

Note: PCSR: *Perceived Corporate Social Responsibility*

4.4.1.2 Average Variance Extracted (AVE)

The extent to which a measure correlates positively with alternative measures of the same construct is reflected in its convergent validity and is derived from an evaluation of the outer loadings of the indicators (indicator reliability) and the average variance extracted (AVE), where high values indicate that associated indicator variables have too much in common (Hair jr et al., 2017). Average variance extracted (AVE) is thus commonly used to establish convergent reliability on the construct level. AVE measures the level of variance captured by a construct against the level due to error measurement (Alarcón & Sánchez, 2015). AVE scores of .50 and higher suggest that the indicator variables measure the relevant constructs as the construct explains more than half the variance of its indicators. AVE scores of below .50 indicates that more variance remains in the error of items than the variance explained by the construct (Alarcón & Sánchez, 2015; Hair Jr et al., 2017). The box-and-whisker plot (Figure 4.2) indicates the AVE values for all subscales. Table 4.7 furthermore indicates the exact AVE value for each subscale.

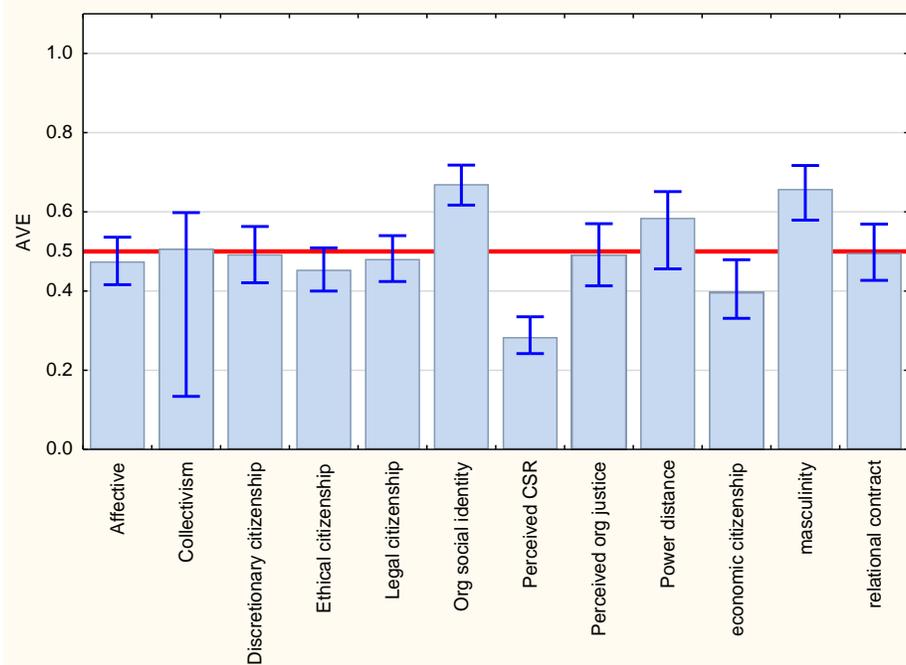


Figure 4.2: Average Variance Extracted (AVE) box-and-whisker plot

Table 4.7

Average variance extracted (AVE)

Subscale	Original Sample	Confidence Intervals	
		2.50%	97.5%
Affective Commitment	.48	.42	.54
PCSR_ Economic Citizenship	.40	.33	.48
PCSR_ Legal Citizenship	.48	.42	.54
PCSR_ Ethical Citizenship	.46	.40	.51
PCSR_ Discretionary Citizenship	.50	.42	.56
Organisational Social Identity	.67	.67	.72
Relational Contract	.50	.43	.57
Overall Justice	.49	.41	.57
CULTURE_Power Distance	.59	.46	.65
CULTURE_Collectivism	.66	.58	.72
CULTURE_Masculinity	.66	.58	.72

Note: PCSR: Perceived Corporate Social Responsibility

From the above, it is evident that the AVE values for *most* of the latent variables were close to or above .50, which indicates that these constructs explained more than or approximately 50% of the variance in the items.

However, for the remaining variables, more specifically for *Perceived CSR* and *Economical Citizenship*, it appears as if more variance remains in the error variance (in other words unexplained variance) than the variance explained by the construct. It can thus be viewed as a limitation in the present study or constraining factor in the model. It is however not uncommon in studies to obtain lower AVE values. The inference can be made that the specific latent variable does not explain sufficient variance in terms of the items, being marginally below .50.

4.4.1.3 Discriminant Validity

Discriminant validity is established when an indicator's loading on the assigned construct is higher than all of its cross-loadings with other constructs. It refers to the extent to which one variable or construct is truly distinct from others (Hair Jr et al., 2017). Discriminant Validity refers to the degree to which measures of different traits are unrelated (Alarcón & Sánchez, 2015).

In other words, it thus assesses whether or not constructs are in fact independent constructs, as high correlations will indicate that the constructs can be seen as one construct, and not separate constructs. The Hetrotrait-Monotrait (HTMT) Ratio is the mean of all the correlations of indicators measuring the same construct (Hair Jr et al., 2017).

A HTMT Ratio value of smaller than 1 show that the true correlations between the two constructs should differ. If the value is higher than this threshold, there is lack of discriminant validity. In addition, the bootstrapping procedure utilised allows for the constructing of confidence intervals for the HTMT ratio. A confidence interval containing the value 1 indicates a lack of discriminant validity (Alarcón & Sánchez, 2015). Table 4.8 reports the HTMT Ratio for all the constructs.

Table 4.8

Hetrotrait-Monotrait (HTMT) ratios

Construct	Original Sample	Confidence Intervals		Discriminate
		2.50%	97.5%	
Collectivism -> Affective Commitment	.19	.16	.35	Yes
Discretionary Citizenship -> Affective Commitment	.46	.36	.60	Yes
Discretionary Citizenship -> Collectivism	.14	.15	.29	Yes
Ethical Citizenship -> Affective Commitment	.69	.59	.82	Yes
Ethical Citizenship -> Collectivism	.16	.15	.32	Yes
Ethical Citizenship -> Discretionary Citizenship	.42	.30	.60	Yes
Legal Citizenship -> Affective	.56	.44	.67	Yes
Legal Citizenship -> Collectivism	.14	.15	.29	Yes
Legal Citizenship -> Discretionary Citizenship	.46	.31	.63	Yes
Legal Citizenship -> Ethical Citizenship	.92	.83	.99	Yes
Organisational Social Identity -> Affective Commitment	.84	.76	.91	Yes
Organisational Social Identity -> Collectivism	.13	.10	.30	Yes
Organisational Social Identity -> Discretionary Citizenship	.41	.30	.55	Yes
Organisational Social Identity -> Ethical Citizenship	.44	.32	.60	Yes
Organisational Social Identity -> Affective Commitment	.84	.76	.91	Yes
Organisational Social Identity -> Collectivism	.13	.10	.30	Yes
Organisational Social Identity -> Discretionary Citizenship	.41	.30	.55	Yes
Organisational Social Identity -> Ethical Citizenship	.44	.32	.60	Yes
Organisational Social Identity -> Affective Commitment	.84	.76	.91	Yes

Table 4.8

Hetrotrait-Monotrait (HTMT) ratios (Continued)

Construct	Original Sample	Confidence Intervals		Discriminate
		2.50%	97.5%	
Organisational Social Identity -> Collectivism	.13	.10	.30	Yes
Organisational Social Identity -> Discretionary Citizenship	.41	.30	.55	Yes
Organisational Social Identity -> Ethical Citizenship	.44	.32	.60	Yes
Organisational Social Identity -> Legal Citizenship	.45	.31	.59	Yes
Perceived CSR -> Affective Commitment	.61	.54	.72	Yes
Perceived CSR -> Collectivism	.20	.22	.34	Yes
Perceived CSR -> Discretionary Citizenship	.75	.69	.84	Yes
Perceived CSR -> Ethical Citizenship	.98	.95	1.02	No
Perceived CSR -> Legal Citizenship	1.03	.99	1.06	No
Perceived CSR -> Organisational Social Identity	.48	.40	.59	Yes
Perceived Organisational Justice -> Affective Commitment	.56	.43	.70	Yes
Perceived Organisational Justice -> Collectivism	.17	.15	.33	Yes
Perceived Organisational Justice -> Discretionary Citizenship	.49	.34	.66	Yes
Perceived Organisational Justice -> Ethical Citizenship	.64	.49	.78	Yes
Perceived Organisational Justice -> Legal Citizenship	.60	.46	.73	Yes
Perceived Organisational Justice -> Organisational Social Identity	.55	.40	.68	Yes
Perceived Organisational Justice -> Perceived CSR	.67	.59	.76	Yes

Table 4.8

Hetrotrait-Monotrait (HTMT) ratios (Continued)

Construct	Original Sample	Confidence Intervals		Discriminate
		2.50%	97.5%	
Power Distance -> Affective Commitment	.38	.27	.53	Yes
Power Distance -> Collectivism	.20	.15	.35	Yes
Power Distance -> Discretionary Citizenship	.15	.14	.31	Yes
Power Distance -> Ethical Citizenship	.27	.20	.41	Yes
Power Distance -> Legal Citizenship	.26	.20	.40	Yes
Power Distance -> Organisational Social Identity	.20	.12	.36	Yes
Power Distance -> Perceived CSR	.03	.25	.40	Yes
Power Distance -> Perceived Organisational Justice	.20	.17	.31	Yes
Economic Citizenship -> Affective Commitment	.32	.25	.50	Yes
Economic Citizenship -> Collectivism	.23	.21	.38	Yes
Economic Citizenship -> Discretionary Citizenship	.29	.22	.47	Yes
Economic Citizenship -> Ethical Citizenship	.75	.64	.86	Yes
Economic Citizenship -> Legal Citizenship	.88	.80	.97	Yes
Economic Citizenship -> Organisational Social Identity	.26	.20	.44	Yes
Economic Citizenship -> Perceived CSR	.93	.89	1.00	No
Economic Citizenship -> Perceived Organisational Justice	.51	.39	.66	Yes
Economic Citizenship -> Power Distance	.23	.20	.38	Yes
Masculinity -> Affective Commitment	.39	.26	.54	Yes
Masculinity -> Collectivism	.10	.11	.26	Yes
Masculinity -> Discretionary Citizenship	.27	.18	.44	Yes
Masculinity -> Ethical Citizenship	.39	.26	.53	Yes
Masculinity -> Legal Citizenship	.41	.28	.57	Yes

Table 4.8
Hetrotrait-Monotrait (HTMT) ratios (Continued)

Construct	Original Sample	Confidence Intervals		Discriminate
		2.50%	97.5%	
Masculinity -> Organisational Social Identity	.32	.18	.48	Yes
Masculinity -> Perceived CSR	.39	.31	.52	Yes
Masculinity -> Perceived Organisational Justice	.31	.21	.46	Yes
Masculinity -> Power Distance	.63	.48	.77	Yes
Masculinity -> Economic Citizenship	.23	.19	.39	Yes
<i>Relational Contract</i> -> Affective Commitment	.61	.52	.71	Yes
<i>Relational Contract</i> -> Collectivism	.17	.15	.30	Yes
<i>Relational Contract</i> -> Discretionary Citizenship	.34	.25	.53	Yes
<i>Relational Contract</i> -> Ethical Citizenship	.55	.40	.69	Yes
<i>Relational Contract</i> -> Legal Citizenship	.54	.39	.68	Yes
<i>Relational Contract</i> -> Organisational Social Identity	.61	.51	.72	Yes
<i>Relational Contract</i> -> Perceived CSR	.54	.44	.66	Yes
<i>Relational Contract</i> -> Perceived Organisational Justice	.49	.37	.64	Yes
<i>Relational Contract</i> -> Power Distance	.19	.16	.32	Yes
<i>Relational Contract</i> -> Economic Citizenship	.35	.25	.50	Yes
<i>Relational Contract</i> -> Masculinity	.39	.25	.55	Yes

The model was assessed for discriminant validity, and from the above, it is evident that all constructs did in fact achieve discriminant validity. It is noted that some subscales of *Perceived CSR* did not achieve discriminant validity when compared to *Perceived CSR* (e.g. *Perceived CSR* -> Ethical Citizenship, *Perceived CSR* -> Legal Citizenship, Economic Citizenship -> *Perceived CSR*), but this can be expected as these are subscales of *Perceived CSR*. The *Perceived CSR* subscales all achieved Discriminant

Validity when compared to another, which suggest that these are in fact separate constructs. It can therefore be concluded that the constructs meet the required discriminant validity levels. The latent variable measurements can thus be seen to successfully measure what they are supposed to measure.

4.4.1.4 Evaluation of Outer Loadings (Item Loadings)

A PLS bootstrap analysis, indicating a 95% confidence interval, was lastly conducted to evaluate the reliability of the items. The 95% confidence interval was used to determine whether the item loadings were significant or not. In the event that zero falls in the 95% confidence interval, the item loadings would be regarded not to be statistically significant. However, if zero does not fall within this 95% confidence interval, the item loadings are regarded as significant (Davison, Hinkley, & Young, 2003; Langenhoven, 2014). Another way to assess for outer loading reliability is to evaluate the p-value for the t-test, which should be smaller than .05 (thus $< .05$). A p-value of $p < .05$ is statistically significant at the 95% confidence interval (Boos, 2003).

In terms of the present study, *most* of the outer loadings were found to be statistically significant, where zero did not fall within the 95% confidence interval and the p-values remained lower than .05.

However, with regard to the *Collectivism* subscale's outer loadings, it should be noted that 0 did fall in the 95% confidence interval, which suggests that the outer loadings would not be statistically significant. However, the p-values for the items remained below the .05 critical value. One can thus conclude that in terms of the *Collectivism* subscale, the statistical evidence does not provide a clear indication in terms of the outer loadings.

Bearing in mind the box-and-whisker plot which indicates the composite reliability for the *Collectivism* Subscale, a lot of variance in responses on the *Collectivism* items can be seen, even though the composite reliability for the scale was deemed satisfactory. The outer loadings for *Collectivism* which were found to be not statistically significant can thus be viewed as a limitation in the present study. The researcher considered these findings before making any inferences about the results.

4.4.2 Evaluation and interpretation of the structural model

Multicollinearity, R-square values, as well as main- and moderating effect path coefficients were evaluated.

4.4.2.1 Multicollinearity

In order to test for multicollinearity, the variance inflation factor (VIF) coefficients were calculated. The VIF coefficients indicate the correlation between predictors in a regression analysis. A value of 5 normally signifies further investigation, while a value of 10 indicates serious multicollinearity (Hair Jr et al., 2017; Henseler et al., 2009). All the scores for VIF in the study were within limits.

4.4.2.2 Evaluation and Interpretation of the R-square value

The R-square value determines the amount of variance in the endogenous variables, which can be explained by the remaining variables of the model (Langenhoven, 2014). According to Hair Jr et al. (2017), R-square values of .20 and higher are considered high in behavioural studies, as it indicates the predictive accuracy depending on the complexity of the model.

The R-square value of *Affective Commitment* was .66, which indicates that 66% of the variance in *Affective Commitment* can be explained by the effect of the remaining latent variables in the model. In other words, this suggests that the total model accounts for 66% of the variance observed in *Affective Commitment*.

Table 4.9

R-square values for endogenous latent variables

Endogenous Variables	R-square
Affective Commitment	.66
Organisational Social Identity	.40
Perceived Organisational Justice	.36
Relational Contract	.24

In addition, the remaining R-Square Values suggest that the model accounts for 39.5% of the variance observed in *Organisational Social Identity*, 35.6% of the variance in *Perceived Organisational Justice*, and 23.6% of variance in the *Relational Contract*, as explained by the effect of the remaining latent variables in the model. These values are an indication that there are possibly other variables that could have had an impact on the endogenous variables that were not measured in the current study.

4.4.2.3 Evaluation and Interpretation of the Main Effects

The purpose of PLS path modelling is to facilitate prediction and not to test a theory (Henseler et al., 2009). The path coefficients had to be assessed in order to determine the strength and significance of the hypothesised relationships (Langenhoven, 2014).

Bootstrapping allowed for the estimation of quantities associated with the sampling distribution, by estimating 95% Confidence Intervals and p-values to test the null hypothesis (Boos, 2003). In the event that zero falls in the 95% confidence interval, the corresponding coefficient would be regarded to not be statistically significant. However, if zero does not fall within this 95% confidence interval, the corresponding coefficient is regarded as significant (Davison et al., 2003, Langenhoven, 2014).

According to Hair Jr et al. (2017), a bootstrap distribution can be seen as a reasonable approximation of an estimated coefficient's distribution in the population. When assuming a significant level of 5%, the p-value must be smaller than .05 for the relationship to be regarded as statistically significant at a 5% level (Hair Jr et al., 2017).

Table 4.10 indicates whether the path coefficients were significant or not. In order to determine the strength and the significance of the hypothesised paths as proposed in the structural model in Figure 4.3, path coefficients were investigated. In order to determine the significance of a path, it was examined whether zero falls within the 95% confidence interval, as noted. The p-values are furthermore indicated to conclude whether a relationship is regarded as statistically significant.

The section below thus serves as a discussion of the path coefficients and indicates whether the hypothesised paths were statistically significant or not. Initial reference is also made to literature that either supports or contradicts the research findings.

The structural model, which was statistically derived from the analysis (statistical testing), is depicted in Figure 4.3. The values inside the circles of the latent variables indicate the R-Square Values, which are also indicated in Table 4.9 above. Furthermore, the path coefficients values are indicated on the connecting lines of the variables (Vlok, 2017).

It should be noted that the paths between *Perceived CSR* and its four sub-dimensions were found to be significant, which suggests that the scale in fact measured the construct. The main effect hypothesis findings are discussed below:

Hypothesis 1: In the proposed Affective Commitment structural model it is hypothesised that Perceived Corporate Social Responsibility positively influences Affective Commitment.

The hypothesised relationship between *Perceived CSR* and *Affective Commitment* was established as being *significant*. The PLS path coefficient was equal to .21, with zero not falling within the 95% confidence interval. Note that the fact that this relationship is significant should also be borne in mind when interpreting the mediation and moderation effect hypotheses.

This statistically significant relationship in the present study corroborated previous research findings (Farooq et al., 2014; Peterson, 2004; Rego et al., 2007; Turker, 2009). The results of the study suggest that perceptions regarding *CSR* have a positive effect on the *Affective Commitment* of employees in general. Not only does this finding support previous research findings, as noted, but it also contributes to research in South Africa and developing countries in this regard. These findings suggest that overall, positive perceptions regarding *CSR* will have a positive effect on *Affective Commitment*.

Table 4.10

Path coefficients

Constructs	From	To	Original Sample	Confidence Intervals (CI)		Significant from CI	P- Value from T-Test
				2.50 %	97.5 %		
Perceived CSR -> Collectivism -> Affective Commitment	Perceived CSR	Collectivism -> Affective Commitment	.02	-.12	.01	No	.79
Perceived CSR -> Masculinity -> Affective Commitment	Perceived CSR	Masculinity -> Affective Commitment	-.09	-.20	.03	No	.15
Perceived CSR -> Power Distance - > Affective Commitment	Perceived CSR	Power Distance -> Affective Commitment	.07	-.07	.21	No	.29
Collectivism -> Affective Commitment	Collectivism	Affective Commitment	.03	-.45	.18	No	.66
Organisational Social Identity -> Affective Commitment	Organisational Social Identity	Affective Commitment	.55	.42	.65	Yes	.00
Perceived CSR -> Affective Commitment	Perceived CSR	Affective Commitment	.21	.09	.34	Yes	.00
Perceived CSR -> Discretionary Citizenship	Perceived CSR	Discretionary Citizenship	.61	.48	.74	Yes	.00
Perceived CSR -> Ethical Citizenship	Perceived CSR	Ethical Citizenship	.88	.84	.91	Yes	.00
Perceived CSR -> Legal Citizenship	Perceived CSR	Legal Citizenship	.91	.88	.93	Yes	.00
Perceived CSR -> Economic Citizenship	Perceived CSR	Economic Citizenship	.77	.67	.84	Yes	.00
Perceived CSR -> Organisational Social Identity	Perceived CSR	Organisational Social Identity	.09	-.05	.26	No	.23

Table 4.10
Path coefficients (Continued)

Constructs	From	To	Original Sample	Confidence Intervals (CI)		Significant from CI	P- Value from T-Test
				2.50 %	97.5 %		
Perceived CSR -> Perceived Organisational Justice	Perceived CSR	Perceived Organisational Justice	.49	.36	.60	Yes	.00
Perceived CSR -> <i>Relational Contract</i>	Perceived CSR	<i>Relational Contract</i>	.49	.35	.62	Yes	.00
Perceived Organisational Justice -> Affective Commitment	Perceived Organisational Justice	Affective Commitment	.04	-.08	.17	No	.54
Perceived Organisational Justice -> Organisational Social Identity	Perceived Organisational Justice	Organisational Social Identity	.27	.04	.45	Yes	.01
Power Distance - > Affective Commitment	Power Distance	Affective Commitment	-.20	-.35	-.08	Yes	.00
Masculinity -> Affective Commitment	Masculinity	Affective Commitment	.05	-.08	.19	No	.44
<i>Relational Contract -></i> Affective Commitment	<i>Relational Contract</i>	Affective Commitment	.13	-.02	.27	No	.07
<i>Relational Contract -></i> Organisational Social Identity	<i>Relational Contract</i>	Organisational Social Identity	.40	.26	.57	Yes	.00
<i>Relational Contract -></i> Perceived Organisational Justice	<i>Relational Contract</i>	Perceived Organisational Justice	.18	.04	.33	Yes	.02

Hypothesis 2: In the proposed Affective Commitment structural model it is hypothesised that Organisational Social Identity mediates⁴ the relationship between perceptions of Corporate Social Responsibility and Affective Commitment.

The hypothesised relationship between Perceived CSR and *Organisational Social Identity* was established as being *not significant*. The PLS path coefficient was .09, with zero falling within the 95% confidence interval. However, the hypothesized relationship between *Organisational Social Identity* and *Affective Commitment* was found to be *significant*. The PLS path coefficient was .55, with zero not falling within the 95% confidence interval.

It thus appears as if *Organisational Social Identity* in fact impacts on *Affective Commitment*, but *Perceived CSR* does not affect *Organisational Social Identity*. These results therefore *do not support the mediation hypothesis* and it can be concluded that no mediation took place. The hypothesised relationship between *PCSR* and *Affective Commitment* was indeed significant, but only one of the direct effects were found to be significant, which suggests *no mediation*.

These results are in contrast with several other research findings, which utilised *Social Identity Theory* (thus *Organisational Social Identity*) in order to explain the relationship between *Perceived CSR* and *Organisational Commitment* (Brammer et al., 2007; Burke & Reitzes, 1991; De Roeck et al., 2014; Peterson, 2004; Turker, 2009). It is relevant to note that *Organisational Social Identity* impacts on *Affective Commitment* but is not directly affected by *Perceived CSR*.

For the purposes of the present study, one must further consider the path coefficients between the other variables, which may indicate a different relationship than initially hypothesised. For example, even though the results suggested that *Organisational Social*

⁴ Note that from mediation hypotheses one can create sub-hypotheses for each direct effect. For the purpose of the study, no sub-hypotheses were generated, but direct effects were discussed in the interpretation of the results.

Identity does not mediate the relationship between *Perceived CSR* and *Affective Commitment*, there may be other variables playing a role in this overall relationship.

Hypothesis 6: In the proposed Affective Commitment structural model it is hypothesised that Perceived Organisational Justice mediates the relationship between perceptions of Corporate Social Responsibility and Affective Commitment.

The hypothesised relationship between PCSR and *Perceived Organisational Justice* was established as being *significant*. The PLS path coefficient was .49, with zero not falling within the 95% confidence interval. However, the hypothesized relationship between *Perceived Organisational Justice* and *Affective Commitment* was found to *not be significant*. The PLS path coefficient was .04, with zero falling within the 95% confidence interval

It thus appears as if *Perceived CSR* indeed impacts on perceptions regarding *Organisational Justice*, but that *Perceived Organisational Justice* does not impact on *Affective Commitment*. Hence, the results *do not support the mediation hypothesis* and it can be concluded that *no mediation* took place.

On the one hand, the results are consistent with previous research regarding the relationship between *Perceived CSR* and *Perceived Organisational Justice* (Aguilera, et al., 2007; Gond et al., 2012; Valentine & Fleischman, 2007). However, the results are in contrast with previous research that suggested a significant relationship between *Perceived Organisational Justice* and *Affective Commitment* (Moon et al., 2014).

Hypothesis 7: In the proposed Affective Commitment structural model it is hypothesised that Perceived Organisational Justice positively influences Organisational Social Identity.

The hypothesised relationship between *Perceived Organisational Justice* and *Organisational Social Identity* was established as being *significant*. The PLS path coefficient was .27, with zero not falling within the 95% confidence interval.

The results in the present study is empirically supported by previous research (De Roeck et al., 2014; Edwards, 2009; Fuchs & Edwards, 2012). These findings thus support previous research findings in terms of the specific relationship. The results suggest that positive perceptions regarding *Overall Justice* and *Fairness* will have a positive impact on *Organisational Social Identity*.

Hypothesis 8: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract mediates the relationship between perceptions of Corporate Social Responsibility and Affective Commitment.

The hypothesised relationship between *Perceived CSR* and *Relational Contract* was established as being *significant*. The PLS path coefficient was .49, with zero not falling within the 95% confidence interval. However, the hypothesised relationship between the *Relational Contract* and *Affective Commitment* was not found to be significant. The PLS path coefficient was .13, with zero falling within the 95% confidence interval.

It thus appears as if *Perceived CSR* indeed impacts on the *Relational Contract*, but the *Relational Contract* does not impact on *Affective Commitment*. The results *therefore do not support the mediation hypothesis* and it can be concluded that *no mediation* took place.

From an empirical research perspective, it was not clearly established that the *Relational Contract* mediates the relationship between *Corporate Social Responsibility* and *Affective Commitment* and this can be regarded to have been a more explorative research hypothesis. The results suggest that positive perceptions regarding *CSR* will in fact positively impact on the *Relational Contract*, but there is no direct relationship between *Relational Contract* and *Affective Commitment*. The *Relational Contract* and *Affective Commitment* can be viewed as emotional reactions, which provided the rationale for the hypothesis to be generated. In terms of the results however, the *Relational Contract* does not positively influence *Affective Commitment*.

Hypothesis 9: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract positively influences Organisational Social Identity.

The hypothesised relationship between *Relational Contract* and *Organisational Social Identity* was established as being *significant*. The PLS path coefficient was .40 with zero not falling within the 95% confidence interval.

These results are consistent with previous research findings (Epitropak, 2012; Lee & Liu, 2009). The results suggest that the *Relational Contract* will positively affect an individual's *Organisational Social Identity*.

Hypothesis 10: In the proposed Affective Commitment structural model it is hypothesised that Relational Contract positively influences Perceived Organisational Justice.

The hypothesised relationship between *Relational Contract* and *Perceived Organisational Justice* was established as being *significant*. The PLS path coefficient was .18 with zero not falling within the 95% confidence interval.

These results are consistent with previous research findings (Rodwell & Gulyas, 2013). The results suggest that the *Relational Contract* impacts positively on perceptions regarding *Organisational Justice*, thus fairness.

4.4.2.4 Evaluation and Interpretation of the Moderating Effects

In addition to the above, the study evaluated whether *Cultural Values* (*Collectivism*, *Power Distance* and *Masculinity*) had a moderating effect on the relationship between *Perceived CSR* and *Affective Commitment*. The research findings however indicated that none of the *Cultural Values* had any effect on the relationship.

These findings are in contrast with some other research findings which suggested that *Cultural Values* are moderators in the relationship between *Perceived CSR* and *Affective Commitment* (Hofman & Newman, 2013; Mueller et al., 2012; Thanetsunthorn, 2015).

However, it should be borne in mind that these previous studies mainly focused on the Cultural Value differences between Western and Asian employees, which may thus not translate to the South African environment in a similar manner.

Hypothesis 3: In the proposed Affective Commitment structural model it is hypothesised that the Collectivism dimension moderates the relationship between perceptions of Corporate Social Responsibility and Affective Commitment.

The hypothesised moderating effect of *Collectivism* on the relationship between PCSR and *Affective Commitment* was established as being *not significant*. The PLS path coefficient was .02, with zero falling within the 95% confidence interval.

Hypothesis 4: In the proposed Affective Commitment structural model it is hypothesised that the Power Distance dimension moderates the relationship between perceptions of Corporate Social Responsibility and Affective Commitment.

The hypothesised moderating effect of *Power Distance* on the relationship between PCSR and *Affective Commitment* was found to be *not significant*. The PLS path coefficient was -.07, with zero falling within the 95% confidence interval.

Hypothesis 5: In the proposed Affective Commitment structural model it is hypothesised that the Masculinity dimension moderates the relationship between perceptions of Corporate Social Responsibility and Affective Commitment.

The hypothesised moderating effect of *Masculinity* on the relationship between PCSR and *Affective Commitment* was established as being *not significant*. The PLS path coefficient was -.09, with zero falling within the 95% confidence interval.

The path coefficients indicating the strength and significance of the hypothesised relationships are indicated in structural model (see Figure 4.3). The figure includes the main effects, as well as the hypothesised moderating effects, which were discussed.

4.5 CHAPTER SUMMARY

The purpose of this chapter was to provide the statistical results. The measurement model was validated by the Reliability (Item) Analysis, in order to determine the internal consistency of the items of the measuring instruments. Furthermore, PLS SEM was utilised to evaluate the measurement model and the structural model. PLS was thus used to evaluate the reliability of the latent variables and thereafter interpret the path coefficients (main and moderating effects) of the structural model.

In terms of the analyses performed with respect to the measurement model, the results suggested that in terms of Economical Citizenship, more variance remains in the error variance (thus unexplained variance) than the variance explained by the construct. Furthermore, in terms of *Collectivism* Subscale's Outer Loadings the statistical evidence did not provide a clear indication in terms of the outer loadings, even though the p-values for the items remained below the .05 critical value. These were considered limitations in terms of the present study.

From the formulated hypotheses, it is noteworthy that although the mediating hypotheses were not found to be significant, the path coefficients and structural model still indicated valuable results in terms of the nomologic network of variables and the interaction between the variables. Chapter five provides a discussion of the results.

4.4.2.5 Structural Model

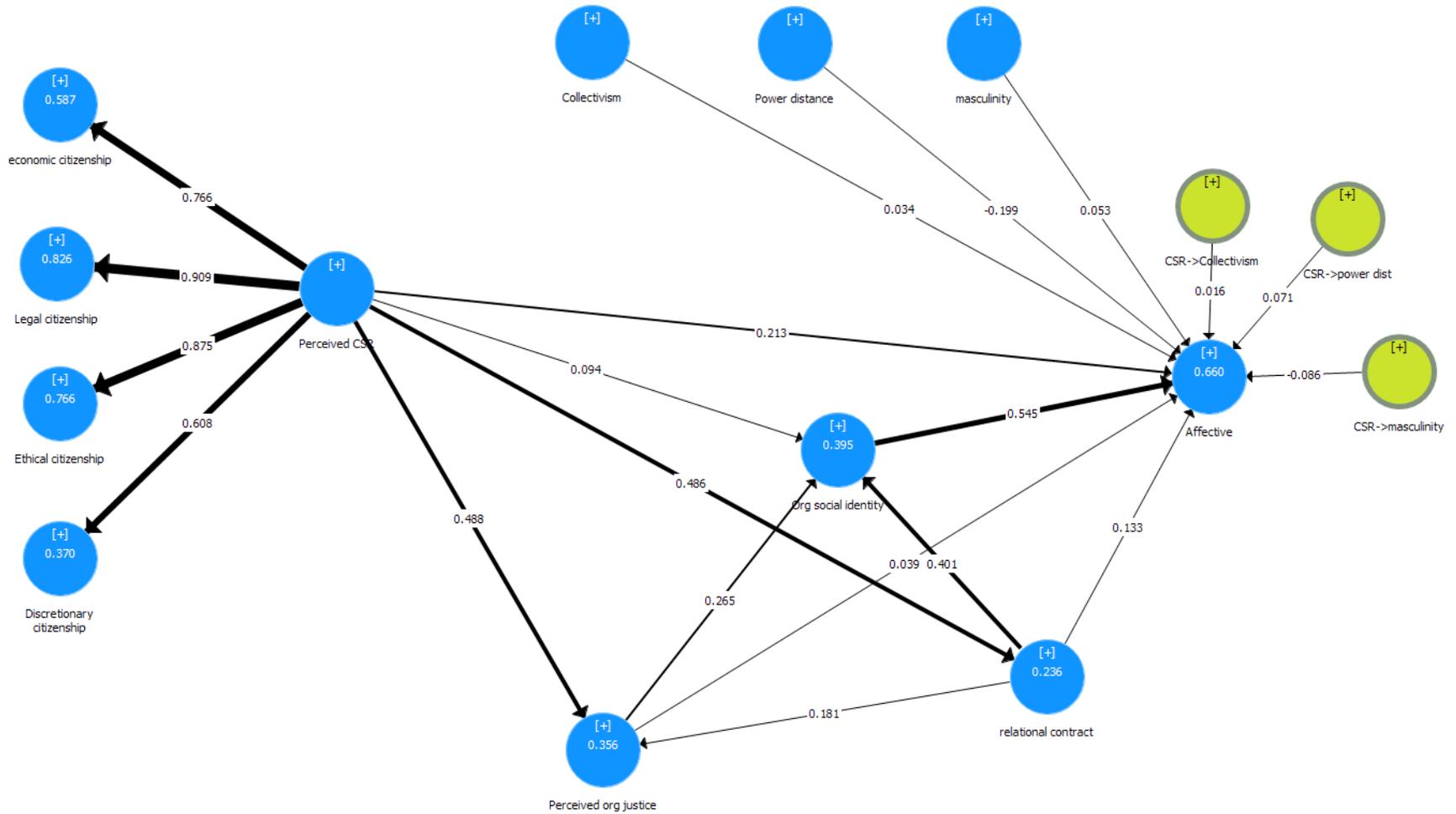


Figure 4.3: Structural Model (with Path Coefficients)

CHAPTER 5: DISCUSSION OF RESULTS, IMPLICATIONS, LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

5.1 INTRODUCTION

Chapter five provides a discussion of the empirical findings, as well as the managerial implications of the findings, together with the limitations and suggestions for future research.

5.2 DISCUSSION OF RESULTS

The purpose of the study was to answer the research initiating questions of “What role does employee perceptions of *Corporate Social Responsibility* play in explaining variance on *Affective Commitment* in the South African context, and which other latent variables play a role in the dynamics of this relationship”. The objective was thus to develop a theoretical model explaining the relationship between *Affective Commitment* and *Perceived Corporate Social Responsibility* and to empirically evaluate the model.

There were four direct effect hypotheses formulated in the current study (Hypothesis 1, 7, 9 and 10), three mediation hypotheses (Hypothesis 2, 6 and 8), from which two sub-hypotheses of direct effects for each variable can be derived), and three moderation hypotheses (Hypothesis 3, 4 and 5).

The hypothesised relationships between all four direct effect hypotheses were found to be significant. None of the mediation or moderation hypothesis were, however, supported. It is important to assess the direct paths between variables in the mediation hypotheses, in order to assess how the specific variables are related in the overall model.

Hypothesis 1, which examined the direct relationship between *Perceived CSR* and *Affective Commitment* was found to be significant, which shows that positive employee perceptions regarding *CSR* will in fact have a significant positive effect on *Affective Commitment*. Although this relationship was expected, it confirms previous research results, as well those with respect to the South African workforce.

Farooq et al. (2014), determined that employee perceptions regarding *CSR* is a strong predictor of *Affective Organisational Commitment*. Brammer et al. (2007) similarly established that employee perceptions of *CSR* have a major impact on *Organisational Commitment*, in particular *Affective Commitment*. It was further found that even external *CSR* was positively related to *Affective Commitment*, given the indirect benefits through *Social Identity* for employees. The effect of *Perceived CSR* on *Affective Commitment* was furthermore supported by a study conducted by Mueller, et al. (2012), who established that *Perceived CSR* was positively related to *Affective Commitment*.

Being the first study of its nature in a South African context, the overall results of the study appears to be in line with previous research, as outlined above. The findings therefore suggest that, even in a developing country such as South Africa, positive employee perceptions regarding *CSR* can result in favourable outcomes through enhancing employee attitudes, such as *Affective Commitment*. The results of the study are thus seen to be coinciding with the results of other studies, further supporting the importance of positive perceptions regarding *CSR*.

Perhaps one of the most surprising findings, in contrast with several other research findings, was the fact that *Organisational Social Identity* did not mediate the relationship between *Perceived CSR* and *Affective Commitment* (Hypothesis 3), contradicting previous research findings (Brammer et al., 2007; Burke & Reitzes, 1991; De Roeck et al., 2014; Peterson, 2004; Turker, 2009). *Organisational Social Identity*, however, did in fact have a strong significant impact on *Affective Commitment*, although *Perceived CSR* did not have a significant impact on *Organisational Social Identity*.

The practical implication of this finding viewed in isolation would suggest that *Organisational Social Identity* does not play a role in the relationship between *Perceived CSR* and *Affective Commitment*. It is however important to bear in mind the interaction of all the variables, as discussed below, and not only the finding in terms of *Organisational Social Identity* discussed above before drawing final conclusions.

Organisational Social Identity is based on the assumption that when an employee identifies with the in-group, being the organisation or a department or team within the organisation, it can be expected that the employee will want to evaluate the

organisation in a positive light. The findings however suggest that *Perceived CSR* in this case did not create the specific Social Organisational Identification, but that *Perceived Organisational Justice* and fulfilment of the *Psychological Contract* did impact on the way employees identified with the FMCG company.

Perceived CSR had a significant effect on *Perceived Organisational Justice*, which suggests that positive employee perceptions regarding CSR will increase the Justice and Fairness perceptions of employees regarding their organisation (Hypothesis 6), which is consistent with previous research findings (Aguilera, et al., 2007; Moon, et al., 2014; Rupp, 2011; Rupp et al., 2013; Valentine & Fleischman, 2007). This finding suggest that not only will positive perceptions of CSR lead to an increase in *Affective Commitment*, but the perception of the company as being a fair employer will also be enhanced. However, *Perceived Organisational Justice* did not directly influence *Affective Commitment*, in contrast with some of the above research findings, and therefore the mediation hypothesis was not supported.

It was furthermore established that the positive *Perceived Organisational Justice* will increase *Organisational Social Identity* (Hypothesis 7), eventually leading to higher *Affective Commitment*, which is consistent with previous empirical findings (Aguilera, et al., 2007; Moon, et al., 2014; Rupp et al., 2013). Taken together these findings provide valuable insights since it suggests that despite the finding that *Perceived CSR* does not directly increase *Organisational Social Identity*, *Perceived CSR* impacts Justice Perceptions, which in turn enhances *Organisational Social Identity*. These findings thus demonstrate the complex nomological network of variables and how the different variables can directly and indirectly impact on one another.

Similarly, the findings suggested that positive employee perceptions regarding CSR will lead to fulfilment of the *Relational Contract* (Hypothesis 8), but the mediation hypothesis was not supported due to the relationship between the *Relational Contract* and *Affective Commitment* being non-significant, which does not support all the previously conducted research findings in this regard (Lee & Lui, 2009; Rousseau, 2004). As a result of the positive relationship between the *Relational Contract* and *Organisational Social Identity* (Hypothesis 9), *Affective Commitment* will indirectly be influenced positively.

From the above, it is thus evident that *Organisational Social Identity* is still a key variable in the relationship between *Perceived CSR* and *Affective Commitment*, although just in a different relation than initially hypothesized. The findings suggest that neither *Perceived Organisational Justice* nor the *Relational Contract* had a positive effect on *Affective Commitment*, but through increased *Organisational Social Identity* it will still positively influence Commitment. The results of the study thus clearly demonstrate the complex nomological network of variables in the relationship between *Affective Commitment* and *Perceived Corporate Social Responsibility*. The relationships between variables are often much more complex and intricate than expected.

What thus stands out from the above, also demonstrated in Figure 4.3, is that *Organisational Social Identity* remains a key variable in the *Perceived CSR* and *Affective Commitment* relationship, since all other variables in the proposed model had a positive impact on *Organisational Social Identity*. Positive Perceptions regarding CSR will thus indirectly impact on *Organisational Social Identity*, even though the direct relationship was not regarded as statistically significant in the present study.

The results furthermore suggest that the theoretical underpinnings of the relationships among the various variables were sound, although some unexpected results were obtained compared to what was initially anticipated. Each variable in the proposed model proved to be of statistical significance in relation to one or more variables and can thus be regarded as relevant in explaining the overall network of variables impacting on the relationship between *Perceived CSR* and *Affective Commitment*.

The study thus contributes to literature by shedding light on the intricate relationships between the variables impacting on the relationship between *Perceived CSR* and *Affective Commitment* within the South African work environment at a FMCG company. Employees' perceptions of CSR directly and indirectly influence *Affective Commitment* through their relationships with other variables. The findings further suggest that *Cultural Values* (*Masculinity*, *Power Distance* and *Collectivism*, Hypotheses 3, 4 and 5) had no moderating effect on the relationship between *Affective Commitment* and *Perceived Corporate Social Responsibility*, which is in contrast with the findings of other studies (Hofman & Newman, 2013; Mueller et al., 2012; Thanetsunthorn, 2015). However, it was established in the Preliminary Statistical

Analysis that there were statistically significant observable differences in the way individuals from different ethnic orientations responded to some aspects of the constructs. Future research hypotheses can thus further investigate the role of ethnicity rather than cultural differences with respect to *Cultural Values*.

With regard to the measurement model, more specifically the Average Variance Extracted (AVE) with respect to *Perceived CSR* and *Economical Citizenship*, it appears as if more variance remains in the error variance than the variance explained by the construct. It can thus be viewed as a limitation in the present study or constraining factor in the model. It is, however, not uncommon in studies like the current one to obtain lower AVE values. The inference can be made that the specific latent variable does not explain sufficient variance in terms of the items. One may thus have to review the scale and items in future research.

5.3 PRACTICAL IMPLICATIONS

The results of the study have significant implications for *CSR* strategies. The positive relationship between *Perceived CSR* and *Affective Commitment* suggest that organisations should ensure employees are made aware of their *CSR* policies and activities through corporate communication. Organisations should thus clearly communicate about their *CSR* stance and activities (Brammer et al., 2007; De Roeck et al., 2014). Furthermore, involvement in *CSR* activities (from an economic, legal, ethical and discretionary citizenship perspective), which may include being involved with identified areas of need in the community, improving employee welfare or producing quality products that comply with legal requirements, will result in favourable *CSR* perceptions among employees. It is evident that based on the result of the present study, positive *CSR* perceptions will impact on *Perceived Organisational Justice*, as well as the *Relational Contract* fulfilment, with *Organisational Social Identity* being central to this, all of which will result in increased *Affective Commitment*. Organisations are drivers of change, and thus require a committed workforce who would be willing to support the organisation through any organisational challenges. *CSR* policies which have been communicated properly can enhance the cohesion amongst employees at an organisation in response to organisational changes (De Roeck et al., 2014).

Overall, the implementation of *CSR* policies and plans suggest that organisations have realised that, although financial success and profit maximisation for shareholders are essential, the organisation also has a responsibility towards the society and community in which it operates (Carrol & Shabana, 2010). Organisations must, however, realise the relevance of employees as stakeholders when implementing *CSR* policies.

Organisations should thus invest their resources in dealing with social problems also regarded as important by employees. Specifically, for the Human Resource Division, *CSR* elements can be incorporated in, for example, recruitment, career and talent development, by allowing for fair practices, with the expectation that fairness perceptions will result in increased Organisational Social Identification (De Roeck et al., 2014). In addition, *CSR* activities can help retain and attract talented candidates, and increase commitment and identification with an organisation (Roudaki & Arslan, 2017). In deciding upon *CSR* initiatives or strategies managers should thus indicate that they regard employee perceptions as important and as a driving force behind their *CSR* initiatives (Moon, et al. 2014).

From a managerial point of view, organisations can further focus on increasing internal *CSR* policies by providing employees with opportunities for further education and training and meeting individual needs or ensuring remuneration are in line with industry averages (Hofman & Newman, 2014). In addition, organisational management must ensure that from a legal perspective the products and services offered by the organisation meet legal requirements. Management practices, as well as the economic management of the organisation, should remain within legal parameters.

Overall, increased levels of *Organisational Commitment* will result in the retention of staff, as well as increased performance. Organisations can thus not be oblivious to the results of studies linking perceptions of *CSR* to these positive outcomes. The empirical findings of the study further suggest that not only does employee perceptions regarding *CSR* impact on *Affective Commitment*, but there are also other variables such as *Perceived Organisational Justice*, *Organisational Social Identity*, and the fulfilment of *Relational Contract*, as discussed in the preceding sections of the document. The confirmation of the direct effects between the other variables confirms the overall positive effect of favourable perceptions of *CSR* on *Affective Commitment*.

The nomological network of variables that is relevant to this specific relationship between *Perceived CSR* and *Affective Commitment* demonstrates the complexity or difficulty of understanding human behaviour. There are further associated positive outcomes which may thus also be achieved, for example other Employee attitudes such as Organisational Trust, Job Satisfaction, Organisational Citizenship Behaviours and reducing Workplace Deviance (Gond, et al., 2012).

In developing internal communications regarding *CSR*, managers must monitor how the employees perceive the organisation in terms of *CSR*. *CSR* policies should be amended to incorporate the viewpoints of employees as stakeholders. It is relevant to determine whether employees feel that they are fairly treated, as top management serves as role models in terms of behaviour, and their *CSR* initiatives are seen as continuously improving society. In this regard, managers should pay attention to employees' evaluations of how ethical, just and fair their treatment by the organisation is perceived to be, as this will enhance and contribute to a positive view on *Perceived Organisational Justice*. Top management must furthermore model behaviour, in an attempt to create a trusting, fair work environment. Managers should ensure the *CSR* initiatives are communicated to the employees, to ensure that employees are in fact made aware of the organisation's attempt to continuously improve society, which may lead to increased *Affective Commitment*, considering the results of this study and previous studies conducted (Moon et al., 2014). Leadership or management practices should thus foster relationships between the employees and leaders or managers in the organisation through effective communication (Gond et al., 2012).

Studies on *CSR* have linked this to other external outcomes, such as investor relations, customer perceptions and company image or reputation (Pomering & Johnson, 2009; Sankar & Bhattacharya, 2001). Thus, increased communication of *CSR* policies may not only result in a more committed workforce but yield further positive external results.

Aquilera, Rupp, Williams and Ganapathi (2007) view *CSR* as an antecedent of social changes, noting that organisations must understand and consider different stakeholders at different levels in order to facilitate *CSR*. *CSR* principles and practices must be adjusted to local conditions. Management can thus use research regarding *CSR* to ensure that important challenges are addressed. In the South African context,

there are many challenges that society face as a whole, and organisations can potentially bring about changes with committed employees willing to grow and change with the business. Perceptions of employees and other stakeholders should be managed, as the way employees view the firm indirectly impacts on the identification with the organisation's goals and commitment towards the business.

Employees can be involved in establishing *CSR* strategic initiatives. Through involving employees in social activities, the organisation may create increased awareness amongst employees, affecting welfare and improving the environment (Ali, et al. 2010).

In terms of practical interventions or programmes, management teams can thus establish *CSR* objectives, but through the means of focus group discussions or surveys, incorporate employees as relevant stakeholders in these programmes. Surveys regarding Fairness and Justice perceptions and specific areas where employees may feel the organisation is not treating them fairly can be explored. Interventions aimed at addressing perceptions of fairness, such as transparent performance management systems and reciprocating employee efforts through fair and just remunerations systems and advancement opportunities may create a sense of being valued amongst employees, which represents ethical labour practices. By developing career paths and development plans, opportunities are created for employees to discuss future opportunities with the organisation.

In addition, through utilising effective communication structures, the organisation can enhance the views of all stakeholders, including employees, with regards to *CSR* initiatives. Companies will have to ensure specific legal compliance with certain processes or products and there are increased social pressure on a global scale for companies to be good corporate citizens and minimise potential harmful effects on the environment or engage in philanthropic activities to improve society. By communicating and including employees in these activities, the company may in fact create a more committed workforce and thus increase overall performance. The results and outcomes of *CSR* strategies may be far more beneficial when attempting to take into consideration employee viewpoints.

5.4 LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

The study is subject to limitations. Data was obtained from a single organisation in a particular industry (FMCG) in South Africa. The convenience sampling method is further regarded as a limitation, as the sample may not be representative of the entire South African workforce. This may suggest a generalisation problem, as there are discrepancies between the target population and the sampling population in terms of the current study. The sample size was satisfactory, but a larger sample, with participants from more organisations and different industries, would have provided more credible results.

CSR is measured based on employee perceptions, but it is possible that some individuals may not have had sufficient information about the organisation's involvement in CSR (Turker, 2009). CSR should thus be supported by effective internal communication (Hofman & Newman, 2014). The "do not know" response allowed participants not to feel pressured by selecting a viewpoint if they did not have knowledge with respect to a specific question. This removed the burden on participants of trying to express an opinion over a matter they cannot reasonably be expected to have an opinion on. There may also be a difference between the employee perceptions of CSR versus the actual CSR policies implemented by the organisation, especially if CSR policies are not effectively communicated by the organisation. As result of the nature of the sample, senior managers, who would be more informed about CSR practices, were excluded from the study, which is thus seen as a limitation.

With regards to some of the AVE values being marginally below .50, more specifically for *Perceived CSR* and *Economical Citizenship*, it appears as if more variance remains in the error variance (in other words unexplained variance) than the variance explained by the construct. It can thus be viewed as a limitation in the present study or constraining factor in the model. It is however not uncommon in studies to obtain lower AVE values.

Some employees may further have struggled to understand the questions, such as questions pertaining to *Collectivism* or *Perceived CSR*, where the statistics indicated that there were problems with some measurement items. This can, amongst others, be ascribed to the inability of the participants to comprehend the questions fully. It is

acknowledged that forms of self-report bias may have an impact on the results of the study. As noted by Donaldson and Grant-Vallone (2002), accurate measurement of organisational behaviour is important when conducting organisational research and the majority of research in the field is conducted utilising different forms of self-report questionnaires.

In terms of future research, cultural influences should be further investigated, possibly be including a larger sample from various organisations. Several other studies have established that cultural differences can have an impact on the results (Hofman & Newman, 2013; Mueller et al., 2012; Thanetsunthorn, 2015), and the inclusion of cultural differences in future research have been suggested in other research articles (Rego et al., 2007). One can further assess potential differences between Westernised viewpoints and other cultural orientations (Thanetsunthorn, 2015). Even though the role of the cultural dimensions did not significantly impact on the results of the present study, this may not be the case when analysing a larger more diverse sample.

The results from the Preliminary Statistical Analysis revealed a number of possible meaningful relationships between the variables in the proposed model and demographical variables, which require further attention or consideration for future research. The results of the Preliminary Statistical Analysis can serve as a guide to developing future hypotheses for empirical evaluation.

Specific variables were included in the model, but it is possible that other variables and mechanisms (e.g. variables related to Social Exchange Theory) may play a role in the relationship between *Perceived CSR* and *Affective Commitment*. In addition, *Perceived CSR* may further be linked to other outcomes or attitudes such as increased Organisational Trust, or Job Satisfaction, for example (Farooq, et al, 2014; Gond, et al, 2009). *Affective Commitment* was regarded as the dependent outcome variable in the present study, but future studies may include additional outcome variables, such as, for example, job satisfaction, or organisational trust. Gond et al. (2012) provided a CSR model with testable hypotheses that can be further explored.

5.5 CHAPTER SUMMARY

The results of the present study suggest that employees' *Affective Commitment* levels are affected by *Perceived CSR*. Not only does it appear to have been the first study of its nature conducted in South Africa, but it also contributes to literature in that limited research on the subject has been conducted in developing countries. The main focus of the study was to explain the relationship between *Perceived CSR* and *Affective Commitment*, and to also investigate other variables impacting on the relationship. The nomological network of variables and their interaction were discussed in the preceding sections. The limitations, practical implications and suggestions for future research based on the results of the study were discussed.

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